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Beyond "Better than Ever"

**Japanese Independence
and the Future of US-Japan Relations**

PAUL R. DANIELS

INSTITUTE FOR INTERNATIONAL POLICY STUDIES

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Beyond "Better than Ever"

Japanese Independence and the Future of US-Japan Relations

PAUL R. DANIELS

Introduction

“Relations have never been stronger between the United States and Japan,” stated Howard Baker, US Ambassador to Japan.¹ Indeed, since the attacks of September 11th, Japan’s support of the US has been most welcome and greatly appreciated, as well as unprecedented, in the post-WWII period. Recent cooperation regarding the nuclear crisis on the Korean peninsula and the absence of trade disputes, which were so divisive in the 1980s, also have bolstered ties. Perhaps most important is the presence of “Japan smart” officials in the highest echelons of the US administration and the close relationship between US President George W. Bush and Japanese Prime Minister Koizumi Junichiro, creating an atmosphere that rivals that of the great “Ron-Yasu” period.²

Unless substantial steps are taken, however, it is unlikely that the two allies will sustain the “better than ever” state of their bilateral relationship.³ Forces in and around Japan are creating a seemingly contradictory dynamic. Although Japan is becoming an increasingly strong and valuable alliance partner, it is also moving toward greater independence from the US. A more self-reliant Japan has the potential to further strengthen or destabilize the relationship in the future, since greater independence can complement or diverge from the advancement of US interests. Indeed, the alliance will remain the foundation of Japan’s security and the cornerstone of US presence and influence in Asia for the foreseeable future. However, as Japan’s military and political capacities expand, the country will become more capable of and willing to look after its own interests, even if this means diverging from the US. In fact, the “better than ever” assessment

of bilateral relations is notably one-sided. According to a Yomiuri-Gallup poll conducted in 2003, only 41% of the Japanese public thinks that relations with the US are good.⁴ The fundamental relationship between the two countries must change to address these realities.

Following this introduction, this essay will use three sections to present an analysis of change on three levels—domestic, regional, and global (United States)—to seek out answers to important questions about Japan’s desire to become more self-reliant; the motivation, opportunities, and “boundaries” governing Japanese autonomy; and the potential causes of divergence between the two allies. This analysis will allow us to look beyond the “better than ever” state of relations to identify potential points of friction. We then can understand how to adapt and manage our partnership to maintain the current level of cooperation, while reducing risk and vulnerability. To this end, the essay will conclude with a fourth section that presents key findings and recommendations for both governments.

Why examine the future of an apparently blossoming relationship? Many observers see no cause for concern. Yet, a reflection on recent developments in another “better than ever” bilateral relationship serves as a useful point of departure for an examination of future US-Japan relations. Until recently, the bond between the United States and Germany was at its strongest. Unfortunately, this flourishing partnership hit a major stumbling block when the two countries clashed over Iraq. Joining with France and Russia, among other countries, Germany vociferously rebuffed the US. In the 1990s, few, if any, observers of transatlantic affairs predicted such a breakdown in US-German relations after such close cooperation. Now, however, despite the joint success and the seemingly “better than ever” state of US-German relations just a few short years ago, transatlantic ties are tenuous.

What made possible not only this record of cooperation and success, but also an unprecedented breakdown in relations? The first Gulf War served as a shock to a newly reunified Germany and sparked debate about its identity, its role in the world, and how it would use the sources of its national power and influence. Over the course of the 1990s, Germany struggled with these questions, most notably the employment of its *Streitkräfte* (Armed Forces), and rather quickly became a more active and capable ally.

The US and Germany enjoyed shared successes in Bosnia, Kosovo, and Afghanistan. Germany employed 14 Tornado reconnaissance aircraft in the air war over Kosovo, which was the first use of its forces in combat since World War II. It also took leading political and military roles in post-conflict Bosnia and Kosovo and then rallied behind the US in the aftermath of the September 11th attacks. Germany quickly pledged its support on all fronts and dispatched troops to Afghanistan, where it has again shouldered a substantial burden and demonstrated its leadership. Less visible is Germany’s critical support in operations around the Horn of Africa, where several ships, naval aircraft, and over 1,800 military personnel are interdicting terrorists’ activities and lines of communication between Somalia and the Middle East.

Germany had evolved into an ever more important and capable alliance partner, but the changes of the 1990s also gave it the option to diverge from US policy. A “double-edged sword” had been forged but had not been exposed until the major rupture in relations over Iraq. This

sword was forged by a significant evolution in Germany's political milieu—a convergence of changes on three levels: domestic politics and generational attitudes, the European security environment, and developments in the world's only superpower, the United States.

On the domestic front, political forces consolidated behind revisions and reinterpretations of the *Grundgesetz* (Basic Law) after many emotional debates throughout the 1990s, and Germany accepted new roles and missions for its armed forces. German citizens, proudly antimilitaristic, acknowledged a responsibility to help bring peace, security, and stability to war-torn areas in Europe and around the world. Ironically, a coalition government of the traditionally left Social Democratic Party and liberal Greens won backing for Germany's participation in the most politically sensitive military operations—Kosovo and Afghanistan. Of course, the regional security environment also had undergone a monumental change—the end of the Cold War. The disappearance of the Soviet threat coupled with German reunification served as a catalyst for change. Equally significant, the European Union (EU), a successful, multi-decade project of European integration, and the North Atlantic Treaty Organization (NATO) have provided a medium for Germany to exercise its power and influence without threatening its neighbors, while reducing its reliance on the United States.

These changes on the domestic and regional levels set the conditions for Germany to increase its political and military contributions to the alliance and develop an independent diplomatic identity that forwards common interests or complements US policy. I call this “complementary independence.” These changes also enabled Germany to act independently in accordance with its own interests when they diverge from those of the US. I refer to this as “divergent independence” or simply “divergence.”

Each of these two factors constitutes a side of the double-edged sword. Variation on the third level—how the US exercises its superpower status—has determined which edge of the sword Germany has employed. Although this second edge, the ability to diverge from US policy, has existed for quite some time, it had not been fully exposed until the clash over Iraq. Before Iraq, and to be fair, before the George W. Bush administration, there had indeed been signs of growing friction between the US and Germany. Germany perceived a growing propensity for American unilateralism, as seen in US policies regarding the Kyoto Protocol, the International Criminal Court, and the Anti-ballistic Missile Treaty. For most of the 1990s, however, the US and Germany enjoyed allied cooperation. Four important factors guided the relationship.

First, US and German strategic interests and values overlapped. Second, the assessments of immediate threats to those interests, the two countries' priorities, and their preferred policy approaches to protect/advance shared interests matched or could be reconciled to the satisfaction of the other. Third, consultations with Germany (and other allies) within these multilateral settings were substantive. This allowed Germany to share in or lead the construction and execution of the short-term policies and military strategies aimed at accomplishing overlapping long-term interests. Fourth, despite the capability to unilaterally achieve its goals, the United States elected to use multilateral settings (i.e., NATO and/or the United Nations (UN)) to legitimize and forward its interests. The clash with Germany over Iraq represented a breakdown in this framework and a major rupture in relations ensued, marking a fundamental shift in the nature of the transatlantic relationship.

Similarly, it is also difficult to find Asia experts today who predict serious tension between the US and Japan. In fact, only 11% of American opinion leaders believe that US-Japan relations will get worse.⁵ But beyond common histories, as defeated World War II allies embraced by and rebuilt with the help of the US, Germany and Japan face different circumstances today that make a comparison difficult. An informed observer would point out the striking differences between the contexts in which the two relationships operate.

Indeed, it would be wrong to equate German and Japanese political cultures developed after World War II, both of which affect the rate and character of change possible within the two countries.⁶ More importantly, Japan's security environment contrasts sharply with that of Germany. Three significant differences stand out. First, Japan's security may be directly threatened. As in the case of Germany, the demise of the Soviet Union eliminated the threat from Japan's major potential enemy. But unlike Germany, for which the vestiges of the Cold War disappeared, the monolithic communist regime of militarist North Korea not only remained, but also grew significantly more ominous. Even China, the other major potential Cold War threat to Japan, has remained a non-democratic nation and stepped up its military buildup, even as it emerged as a major participant in the world's economy.

Second, Japan has not been able to fully reduce the obstacle of historical distrust and wariness among its neighbors in Asia – one reason that no major nation of Asia serves as a collaborator. Only the United States currently occupies that role, which is a very important factor sustaining the Security Treaty. Third, despite the creation of the Asia-Pacific Economic Cooperation (APEC) forum and the Association of Southeast Asian Nations (ASEAN), regional integration and alternative security arrangements, comparable to the EU and NATO, do not exist in Asia. These factors make its alliance with the US Japan's best strategic course of action to provide for its security. They also constitute powerful arguments for less cause and opportunity for divergent independence, compared to Germany. In fact, for these reasons, the US-Japan alliance has remained strong.

Japan also has faced significant change and, like Germany, Japan has made increasingly important and substantial contributions to forward common interests; it has become a stronger alliance partner. Similarly, this strengthened status was made possible by notable domestic and regional developments. The last decade of the 20th century proved tumultuous for Japan too. Shock waves from the Gulf War reached a distant Japan, forcing it to discard its post-1945 complacency in treating overseas conflicts as “fires on the other side of a river” and to come to grips with the same questions that faced Germany—questions of identity, regional and global role, and the use of its Self Defense Forces in a post-Cold War era.

Coupled with the development of generational attitudes and “security consciousness,” Japan has increasingly taken a more realistic versus idealistic view of its security environment. Japan has placed more emphasis on its diplomatic and military instruments of power, moving beyond both its pre-1990 “one-nation Pacifism” and its “checkbook diplomacy,” criticized during the Gulf War. Japan brokered an agreement in Cambodia and then sent peacekeeping troops there and subsequently to Mozambique, Rwanda, the Golan Heights, and East Timor. The US and Japan also reaffirmed the criticality of their Security Treaty in 1996 and revised

the Defense Cooperation Guidelines in 1997 to address “areas surrounding Japan,” expanding Japan’s roles and missions within the alliance and outside its immediate environs.

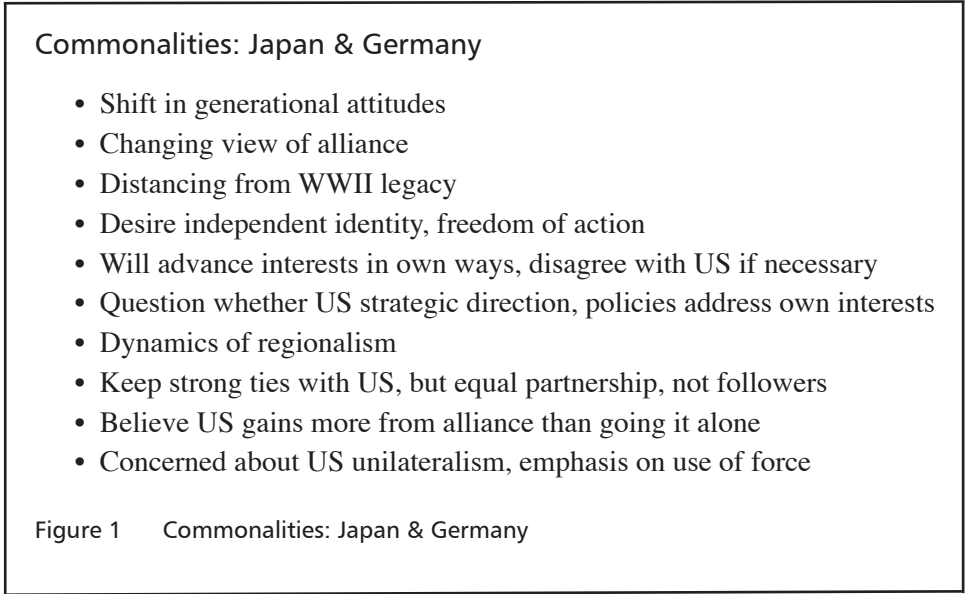
Like Germany, Japan rallied behind the US after September 11th and quickly passed legislation to extend substantial logistical and intelligence gathering assistance in Afghanistan, including the deployment of minesweepers and Aegis-equipped destroyers to the Indian Ocean. Most recently, Japan backed the US war in Iraq, but also took unprecedented steps in post-war Japan. It not only deployed aircraft to Jordan to support humanitarian relief operations and pledged the second largest grant/loan package for Iraq’s reconstruction, but also deployed air and ground forces to operate in and above Iraq—a hostile area—a “first” for post-war Japan.

However, Japan, as an increasingly strong alliance partner similar to Germany, also wields a double-edged sword and has demonstrated its own brand of divergent independence. In the early 1990s, Japan struck out on its own path when it took the lead in the Cambodian peace process, a path that differed sharply from US desires.⁷ Japan also reestablished economic ties with Vietnam before the US was prepared to do the same. In 2002, Prime Minister Koizumi personally reenergized efforts to reestablish diplomatic relations with North Korea by visiting Pyongyang without prior coordination with or “approval” from Washington. Arguably, if the Japanese did not face the North Korean threat, or had North Korea satisfactorily addressed the issue of abducted Japanese nationals, Koizumi’s support for American policy in Iraq may not have taken the form we see today.⁸ Japan’s policies toward Myanmar and Iran also have strayed from US preferences.

Only after significant pressure from the US in the summer of 2003 did Japan postpone (not abandon) attempts to develop the Azadegan oil field in Iran. As early as November 2003, however, the Japanese government told US embassy officials in Tokyo that they had to go forward with the deal.⁹ Just three months later, in February 2004, Iran and Japan announced that they had concluded an agreement, despite new evidence that emerged regarding Iranian efforts to produce nuclear weapons, its ties to an international proliferation black market involving North Korea, and an obvious turn away from democratic norms. Interestingly, the announcement coincided with the presence in Tokyo of John Bolton, the super-hawkish Under Secretary of State for Arms Control and International Security, for an annual meeting on arms control!

Although the alliance partners share common strategic interests, e.g., nonproliferation and energy security, tactics and priorities in protecting/forwarding those interests can be vastly different and can cause the two countries to drift apart. Japan’s approaches toward North Korea and Iran represent its willingness to break from the US in the midst of ongoing security issues. Although these cases of divergence have not amounted to a rupture in relations, they point to a growing propensity for a foreign policy based more on Japan’s national interests than on *tsuizui* (Japanese word meaning “blindly following” the American lead). Further, although Japan’s dispatch of troops to Iraq is held up as a measure of the closeness between Washington and Tokyo and is historic in its own right, it is important not to overlook the meaning and implications of the vast Japanese opposition to the war. The subsequent erosion in trust and confidence in US leadership, coupled with the feeling that Japan had “no choice” but to support the US, also may be a turning point for our ally.

Moreover, despite the differences between the German and Japanese security environments listed above, there are broad commonalities that will continue to drive Germany and Japan on similar paths to greater independence (Figure 1). Past and present changes in domestic politics and generational attitudes are altering the way the countries see their alliances with the US and their roles in such alliances. Domestic factors are also allowing the countries to distance themselves from their World War II legacies and the legal restraints that followed. Both Germany and Japan want more of an independent identity, freedom of action, and to advance their interests in ways that they see as appropriate, even if this means voicing opposition to the US. In this regard, they are unsure whether US strategic direction and policy consistently address their interests.



Both countries are being influenced by the forces of regionalism, albeit of different varieties and tempo, and the desire to play leading roles in their regions. While Germany and Japan want to maintain strong ties to the US they also want a more equal partnership. Moreover, neither wishes to be seen as “kowtowing to the US.” Both need the US, but they also correctly believe that the US has more to gain from the relationships than going it alone. Both countries value and respect US leadership and military might, but they are deeply worried about US unilateralism, heavy handedness, and a strategy that emphasizes the use of pre-emptive force.

These commonalities may come to dominate the continued evolution of German and Japanese security and foreign policies. Japan’s security environment may limit its ability to diverge from the US, but it does not alter the underlying currents that make it ready and willing to do so if Japan’s interests are not addressed. In effect, the differing European and Asian security environments determine *when* and to what *degree* each has parted and will part from the US. The absence of threat to Germany has simply accelerated its ability to exercise divergent independence, compared to Japan.

It is true that Japan has no strategic options more attractive than its alliance with the US, *at least not now*. However, there is much territory between full and close cooperation and outright abrogation of the treaty. Left unchecked, it is toward this middle ground that current and future forces will push the alliance, leaving it labile. It will take both countries' full efforts to reconcile differing connotations of threat, reliability, and priorities to keep the alliance toward the positive end of the relations continuum.

Japan's desire and ability to play a greater international role, and to do so more independently, could continue to strengthen relations with the United States and complement US interests. However, as we have seen with Germany, this future is not preordained. Strong alliance partners can wield double-edged swords, which can severely damage relations. The potential for divergence between Japan and the United States is real—a dangerous proposition for both countries in a potentially volatile Asian security environment. Continued change in the dynamics of the US-Japan partnership is certain; recognition of the significance of this change is not. Before moving to section one—an examination of domestic change in Japan—we should clarify the meaning of independence.

Independence Defined

"The bottom line is independence," stated former Prime Minister Nakasone Yasuhiro in a recent interview.¹⁰ The term "independence" has been thrown around quite a bit in recent years, but those who speak of it often have different notions in mind. Independence means a country is not subject to control by others, not reliant on someone else, or does not look to others for one's opinions or for guidance in conduct.¹¹ Already a proven economic power and technological innovator, current discussions of independence in Japan focus predominantly on two areas—security and foreign policy.

First, we should recognize that no country can be completely independent, not even the US. It would be more accurate to say that there are "boundaries" that define one's independence, based on individual national circumstances. It is also important to point out that greater independence and strengthening of the alliance are not contradictory or mutually exclusive. In fact, we will likely see Japan take strides to do both. It will increase its value as an alliance partner, but increased value means increased capabilities. A more capable Japan is a Japan less dependent on the US. Moreover, unlike the US, Japan has to "live" in Asia, giving it more incentive to develop a "strategic insurance policy" that hedges against traditional fears of conflict entrapment and abandonment.

But if Japan's voice is heard within the alliance—if it can influence its more powerful partner in a way that addresses its concerns and interests—then Japan can become less subject to the whims of the US. This influence can translate to a greater sense of self-determination. For it was not the divergence of interests that brought Germany and others to loggerheads with the US over Iraq, but disagreement over *how* to further those interests.

Now we should determine whether the talk of independence is exaggerated—the voices of a frustrated few. We need to ask: Is there evidence of a more widespread desire and readiness for greater independence? And if so, are the conditions that enable Japan to act on this desire taking shape? To answer these questions, one needs to look at developments within Japan itself.

Section 1: Domestic Developments in Japan

In a land where most outside observers perceive change to occur incrementally, and then only at an agonizingly slow pace, the 1990s and early years of the 21st century have resulted in significant developments in Japan, relative to previous decades. This section will focus on the areas depicted in Figure 2. Together, these changes are creating forces that continue to push Japan further from its World War II and colonial legacy and represent a continued evolution of its outlook on the alliance, the world, and its role in them. The first, changing attitudes, reveals a desire for greater self-reliance in Japan. The remainder of the topics depicted in Figure 2 show that, in addition to this desire, the conditions that must be in place to act on the desire are taking shape. In sum, a look at change within Japan illuminates a seemingly contradictory dynamic—a readiness to be more self-reliant and autonomous while maintaining a close relationship with the US and increasing its role within the alliance.

Key Domestic Developments in Japan

- Changes in attitudes
- Security policy approaches in Japan
- Security consciousness and the erosion of antimilitarism
- Military capabilities—decreasing dependence?
- Revision of the Constitution
- A healthy nationalism
- "Common" interests—necessary, but not sufficient
- Japan and the war in Iraq
- Politics—the future dynamics in Japan's governance

Figure 2 Domestic change in Japan

Changing Attitudes: the Desire for Independence

Although there have always been differences of opinion within Japan regarding the US-Japan relationship, there have been notable developments since the end of the Cold War. The strain of thought that is particularly interesting is the increasing sentiment that Japan should be more assertive and independent. As one Japanese scholar succinctly stated, “To be or not to be a self-reliant nation, that is the question that Japan has to confront head-on in the 21st century.”¹² Politicians, scholars, and journalists across the entire political spectrum have advanced their arguments for such change, and public opinion supports them. From Funabashi Yoichi, chief diplomatic correspondent for the *Asahi Shimbun*, on the left, to the sensational, outspoken governor of Tokyo, Ishihara Shintaro, on the right, an increasing number of Japanese advocate an independent, self-reliant Japan and a Japanese foreign policy based on its own values and interests.¹³ In contrast, most Japanese intellectuals, again backed by public opinion, believe that the US-Japan alliance is necessary and important. So while the alliance is not in immediate danger from domestic attack within Japan, the US certainly needs to understand that the dynamics governing the Japanese perspective are changing.

As one might expect, attitudinal change in Japan is most prominent in younger generations. The Center for Strategic and International Studies (CSIS) published its findings on generational change in a 2002 study. From polling data and many personal interviews, the authors concluded that a large number of younger Japanese want a more equal partnership with the US, a greater international role for Japan, are dissatisfied with the “junior partner” status perceived to define the relationship, and believe that Japan is not appreciated. They also believe that Japan has little respect internationally, and they have a negative self-image of Japan, mostly due to Japan’s failure to take responsibility for its own security and regain its economic competitiveness.¹⁴ A recent Cabinet Office poll reinforced these feelings. Only 27% of the world’s new generation of adults sees Japan for its economic strength, compared to 59% in 1993.¹⁵

Further, unlike their elders, younger Japanese do not feel any obligation to support the US because of the role America played in Japan’s postwar recovery. In fact, the Japanese are more likely to question US policies and the status of the relationship. Young intellectuals are resentful of US criticism of Japan’s effort to reform its economy and financial system, coupled with continued requests for financial contributions to various overseas military adventures and demands for concessions on economic and trade relations.¹⁶ Although most of these feelings are also held by older generations, up and coming Japanese tend to be more assertive and aggressive about them.¹⁷ As the Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ) double their efforts to attract youth to their parties, this generation will increasingly assume the reins of governance in Japan, and their outlook will undoubtedly change the context of the US-Japan relationship.

Although most Japanese do not see current relations with the US as good, 73% still supports the alliance.¹⁸ Most Japanese also credit the alliance with Japan’s achieved economic standing.¹⁹ The CSIS report also stated, “There are those who argue that the younger generation wants Japan to assert its independence from the United States . . . however, polling data and interviews indicate that this is not the case.”²⁰ The authors draw this conclusion by assuming that support for the alliance and support for greater independence from the US are mutually exclusive. This is simply not the case.

But large groups from older generations are also reassessing their views. They, along with this new pragmatic generation, value the alliance, but emphasize greater Japanese self-reliance within it. LDP Diet member Hirasawa Katsuei believes that Japan is too “mentally dependent” on the US and needs to think for itself, stop following the Americans, and simply say “no” to the US in the future if the situation permits.²¹ Kono Yohei, the speaker of the Lower House summed up a view with which many would agree: “Although I have no intention of rejecting cooperation with the US, I think it is undesirable for Japan to tilt solely toward it.”²² Later, Kono expressed concerns about America’s self-righteous approach to the international community.²³ Some express their concern a bit more strongly and believe that Japan can count on the United States only when it faces “critical” threats as perceived in Washington.²⁴ This view is beginning to make its way into the management of bilateral relations.

A senior Foreign Service officer sees Japan becoming more assertive and outspoken. He observes a Japanese need to have a greater voice and influence within the alliance and notes that Japan wants to be a country that has to be reckoned with on its own terms.²⁵ Further, Aichi Kazuo, a former Director General of the Japan Defense Agency (JDA), believes that Japan must be assertive in public. The reported objections the Japanese government presented “in private” to the US regarding American policy toward Iraq is not sufficient, he stated.²⁶ In Aichi’s view, a public rebuke, similar to those made by Germany, strengthens one’s international position. Nakasone Yasuhiro notes British public statements that are obviously designed to signal disapproval for US positions; from his perspective, Japan’s leaders should have the strength to send similar messages.²⁷ As one would imagine, these developments in public and elite attitudes are impacting views on security policy in Tokyo.

Security Policy Approaches In Japan

In general, three philosophies regarding security policy exist today in Japan.²⁸ The first, best represented in Ozawa Ichiro, emphasizes greater UN centrality, while retaining the alliance to address Japan’s basic security needs. For example, Aichi Kazuo supports reciprocity in the Mutual Security Treaty. However, he also asserts that Japan has to consider the importance of the framework of international institutions (i.e., the UN) when making policy decisions such as Japan’s position regarding the war in Iraq.²⁹ The second is more pragmatic. It recognizes that the US will ultimately look after its own interests and that Japanese and American interests may not be consistently congruent. Represented by a host of characters across the political spectrum, former Prime Minister Nakasone and former Director General of the JDA, Nakatani Gen, are some of its most outspoken advocates. Nakatani stated recently, “In security, Japan is excessively under the influence of the United States. An East Asian multilateral security system is necessary.”³⁰

Accordingly, this school believes that the alliance should be maintained and strengthened, but Japan also should become more self-reliant and develop options outside the alliance that address Japan’s security and diplomatic interests. To become more self-reliant, Maehara Seiji, Foreign Minister of the Democratic Party of Japan’s “Next Cabinet,” and officials of the JDA believe that Japan should secure sea lanes from the Middle East, something Japan largely relies on the US to do.³¹ Former Foreign Minister, Kakizawa Koji, supports widening the US-Japan alliance to include other countries. This would not only expand the capabilities of the alliance, but also strengthen Japan’s hand relative to the US.³² Further, Yamamoto Ichita, LDP Upper House Diet member and Chairman of the Committee on Foreign Affairs and Defense, believes that once Japan’s constitution is amended to permit collective self defense, Tokyo also can enter into additional bilateral security treaties with other Asian countries.³³

Similarly, Takemi Keizo, an LDP Upper House member and former State Secretary for Foreign Affairs, supports the right to collective defense, not only to allow Japan to fulfill a role expected of it as an ally of the US, but also to broaden foreign policy options.³⁴ These members, and many others, also favor institutionalizing the current six-party process if it proves successful in resolving the current crisis over North Korea’s nuclear weapons programs. Former

Prime Minister Hashimoto Ryutaro is also aware of potentially diverging interests. In March 2004, Hashimoto reportedly warned Prime Minister Koizumi to “. . . not follow suit (with US President Bush) on his grand Middle East initiative.”³⁵

Beyond policymakers, business and opinion leaders see a need for Japan to diversify its security arrangements. The *Genron* non-profit organization, established in 2001 to foster public debate in Japan, held a conference in December 2003. *Genron* polled Japanese citizens about their thoughts on Japan’s security policy, and 53% agreed that “while keeping the US-Japan alliance in good shape, Japan should enter into firmer relations with Asian neighbors so that it could pursue constructing an independent security framework.”³⁶ This group’s intention is not to undermine the alliance, but to create, in essence, a strategic insurance policy and take a more active role in advancing Japanese interests instead of totally, and unrealistically, relying on the US to do so.

Further, despite US proclamations that the alliance is the “most important bilateral relationship” in the world, Japanese security and defense officials still see reluctance on the part of the United States to treat them accordingly. According to Hatoyama Yukio, DPJ Diet member and former party president, Japan and the US have not yet reached a satisfactory level of true consultation, intelligence sharing, and joint decision making.³⁷ This is not simply an emotional statement. According to Colonel Bansho Koichiro, the first commander of Japanese troops in Iraq and a graduate of the US Army War College (AWC), it is simply a fact of life. He told of an American instructor at the AWC who used three concentric circles to connote the degree of reliability of US allies. European countries occupied the two innermost circles, while Japan assumed a position in the outermost circle of “others.”³⁸ In a study session in Japan, Bansho stated, “There are many countries that are closer to the US than Japan. Japan has to get along with many countries in the world, or Japan will be left out from rest of the world.”³⁹

The third school, which appears to be waning, is one that places preserving the alliance above all other factors. It advocates an expanded Japanese security role to avoid US abandonment. But supporters of this line of thought are willing to tolerate the lopsided nature of decision-making and discard impacts on regional concerns about a more active Japan. In their view, a solid relationship with the US trumps all other considerations. Supporters of this philosophy are represented by former Ambassador Okazaki Hisahiko.

The philosophy likely to prevail is a mix of the first, which emphasizes the importance of the UN, and the second group, the more pragmatic. Note that a common theme in both is more independence, more assertiveness, and more self-reliance. However, having a desire to be more independent is not, in itself, sufficient to achieve it. To make the desire more than emotion, additional conditions internal to Japan must also be present to enable Japan to act on it.

Security Consciousness and the Erosion of Antimilitarism

“The notion that economic power inevitably translates to geopolitical influence” did not pan out.⁴⁰ Writing in the aftermath of the Gulf War, Funabashi Yoichi of the *Asahi Shimbun* captures the realization that the US and others around the world now expected more from Japan than “checkbook diplomacy.” The Gulf War served as a shock to Japan and catalyzed further erosion

of Japan's post-war antimilitarism. This traumatic experience sent a clear message to Japan: it had to reach into the kit bag of national power and begin using the instruments of diplomacy and the military, in conjunction with its economic strength, to gain respect and influence. After the Gulf War, Japan debated and then passed the UN Peacekeeping Activities Cooperation Law in June of 1992, which allowed it to deploy Self Defense Forces (SDF) and other personnel to assist in UN-sanctioned peacekeeping and humanitarian relief operations around the world.

Still, skeptics favoring the use of Japan's economic strength, especially overseas development assistance (ODA), as the primary means to further its national interests remained steadfast. However, a second series of shocks came in 1995 and 1996, when China continued to conduct nuclear weapons tests and then carried out large-scale military exercises and launched missiles in the Taiwan Straits prior to elections on the independent-minded island. Again Japan, expecting that it could achieve policy accommodation from China through its substantial ODA and yen loan packages, was confronted with a different reality. While ODA remains an important and valuable aspect of Japan's international relations, the government is making efforts to ensure that its use benefits Japan's strategic interests and security.⁴¹ Aid to China has again come under attack, especially in the wake of a decade of double-digit increases in military spending and the launch of a manned space flight in 2003.⁴²

But the incident that most affected Japan's view of national security was North Korea's 1998 launch of a *Taepo Dong* missile over Japan. While the US still maintains that the "missile" was actually a failed attempt to send a satellite into orbit, the launch served as a wake up call to Japan. Ordinary Japanese understood clearly that their lives were threatened in a very real and immediate way; in effect, a new "security consciousness" fell upon them. In August 1999, Japan decided to pursue joint efforts with the United States to develop advanced missile defense capabilities. However, the benefits of this project are still years away. How then to meet the immediacy of the threat?

Japan's leaders have been quick to point out that they have the right to strike first if they learned of impending attacks from North Korea. Director General of Japan Defense Agency (JDA), Ishiba Shigeru, stated that a Japanese strike would be "a self-defense measure" if North Korea were going to "resort to arms against Japan."⁴³ While the Joint Direct Attack Munitions (JDAM) and mid-air refueling are not yet available to the Air Self Defense Forces, Ishiba's statement points to the seriousness with which Japan views the threat from North Korea. Similarly, Maehara Seiji is pressing for more robust offensive capabilities such as *Tomahawk* cruise missiles.⁴⁴ Security consciousness was further heightened when North Korean spy ships increasingly intruded on Japan's exclusive waters. In fact, Japan took action to fend off further incidents when, in December 2001, the Coast Guard pursued and sank a North Korean ship (in China's exclusive economic zone waters at the time of engagement).

Anti-North Korean fervor became even more palpable when Kim Jong Il admitted to Prime Minister Koizumi in the fall of 2002 that his country had indeed abducted Japanese nationals to train spies. Since then, Japan has taken other measures to pressure North Korea, including passing legislation that would allow Tokyo to ban specific ships, such as North Korean vessels, from entering Japanese ports. In addition, Japan can suspend remittances to

North Korea in accordance with the revised Foreign Exchange and Foreign Trade Control Law. Moreover, the Japanese public is more than willing to employ these new swords to pressure the “Dear Leader”; a March 2004 poll showed that 74% and 67% supported the use of the respective measures.⁴⁵ These incidents have had a profound effect on the evolution of Japan’s political-military culture.

According to Professor Thomas Berger, “political-military culture” is that “subset of the larger historical-political culture that encompasses orientations related to defense, security, the military as an institution, and the use of force in international affairs.”⁴⁶ Rather than pacifist, a label often attached to post-war Japan, Berger stated that the country is antimilitarist. Japan has been “extraordinarily reluctant to become actively involved in international military security affairs” and has “placed stringent limitations on weapons their militaries may acquire and the missions they may perform.”⁴⁷ The events described above, however, followed by Japan’s contributions to the Global War on Terrorism, have served to erode this antimilitarism, and at a surprisingly quick rate, considering the tempo of previous change in Japanese political culture. The Japanese, now more conscious of national security issues, increasingly understand and reluctantly accept the use of their Self Defense Forces in international security affairs. In a *Yomiuri Shimbun* poll published in February 2004, 60% of Japanese supported permanent legislation that would allow Japan to participate in UN peacekeeping operations instead of passing a separate law for each mission.⁴⁸ Moreover, 80% of Japanese have a positive impression of the SDF, a figure unimaginable just 15 years ago.⁴⁹

For some politicians whose goal was and is to move Japan further away from its antimilitarist stance, the “threat” from North Korea and China has been a godsend. To them, this shift is more about a political agenda than meeting a threat. The public, whose collective psyche was so entrenched in antimilitarism, needed the shock of an external threat, be it real or perceived, to make a shift in defense posture acceptable. Former Prime Minister Hashimoto made this point clear when he reportedly was so pleased with the *Taepo Dong* missile launch that he considered sending Kim Jong Il a birthday present.⁵⁰ Similarly, a JDA official stated that China and North Korea are not really the direct cause of Japan’s move to expand its military posture; rather, “they’re a type of reasonable excuse.”⁵¹

More recently, politicians on the right, who yearn for the time when Japan was more assertive and did “great things,” have been accused of using the abduction issue to further their nationalistic agenda.⁵² Again, the “missile launch” over Japan was a botched attempt to put a satellite into space. If Kim Jong Il’s goal is regime survival, would he actually launch a missile at Japan in the future? Most likely not; however, the uncertainty, the adamant Japanese claims that the *Taepo Dong* was intentionally sent over Japan, and the demonstration of the North’s missile technology were enough to awaken the public from their pacifist stupor. Intentional or not, this awakening and further erosion of antimilitarism can be largely credited to the “Dear Leader.” As a result of Kim’s behavior, public discussion and debate about Japan’s military posture and policies is much more common now than just 10-15 years ago.

As further evidence of the erosion of antimilitarism, Japan Defense Agency Director General Ishiba expressed his concern with Japan’s long held weapons export policies. During a January 2004 trip to European capitals, Ishiba hinted that Japan would review this policy because,

“following the end of the Cold War, it has been a basic assumption in Europe to jointly develop weapons . . . The [Japanese] ban on arms exports is based on notions prevalent during the Cold War era.”⁵³ Prime Minister Koizumi quickly attempted to calm fears that Japan would become a major arms exporter, but the missile defense project, which Australia now wants to join, will go forward without Japan if it cannot revise current policies. Here too, influential members of the opposition party are united with the ruling coalition. Maehara believes that Japan should return to the less stringent export principles his government once followed.⁵⁴ Finally, facing a decreasing budget and higher cost of weapon systems, Ishiba is looking toward additional joint development to allow Japan to modernize its force less expensively.

In March 2004, Japan also agreed to amend the Acquisition and Cross Servicing Agreement (ACSA) to allow its military forces to provide material supplies and services, including ammunition, to US forces in an “armed attack contingency.” This means that the SDF can support US forces, not only when Japan is under attack, but also when such an attack is imminent or “predictable.” The amended ACSA would also allow Japan to more fully cooperate with the US during “international contributions” and “relief operations.” Most interesting and causing the biggest stir abroad, however, is the increasingly frequent public commentary regarding nuclear weapons.

In 1967, Prime Minister Sato Eisaku formulated the “three non-nuclear principles”: Japan would not possess, produce, or permit nuclear weapons on its territory. Japan ratified the Nuclear Non-Proliferation Treaty in 1976 and passed the “Atomic Energy Basic Law,” which requires Japan’s nuclear activities to be conducted only for peaceful purposes. In post-war Japan, criticism of these policies provoked a fierce public and governmental reaction; talk of nuclear options has long been an absolute political taboo. For example, as late as 1999, Prime Minister Obuchi Keizo, fearing large, politically damaging public demonstrations, quickly forced Nishimura Shingo, the parliamentary vice-minister of the JDA, to resign after expressing his personal views regarding nuclear weapons. Nishimura suggested that the Diet “. . . discuss whether perhaps it is better for Japan to arm itself with nuclear weapons.”⁵⁵

Not so today. In April 2002, Ozawa Ichiro, conservative founder of the Liberal Party, which has since merged with the Democratic Party of Japan, stated that Japan had the capability to easily make nuclear weapons and surpass Beijing’s military might. Then Chief Cabinet Secretary Fukuda Yasuo clearly stated, at a June 2002 press conference, that developing nuclear weapons was not unconstitutional. In 2004, former Prime Minister Nakasone reinforced this point when he stated that Japan could field a small defensive nuclear force within current interpretation of the Constitution.⁵⁶ And despite his forced resignation just five years ago, Nishimura, still a member of the Diet, continues to advocate the acquisition of nuclear weapons.⁵⁷ Although many of these comments were criticized in China and Korea, they were not met with the sharp domestic reaction or protest, which would have been common not long ago. Aichi Kazuo, former Director General of the JDA, advocates using the nuclear option in a more political way to strengthen Japan’s position within the region and vis-à-vis the US. According to Aichi, Japan knows that the US and other countries do not want Japan to fend for its own security because that would likely mean the acquisition of nuclear weapons. Therefore, it is in the interests of the US to lend greater weight to Tokyo’s views and accept Japan as an equal partner with an equal voice.⁵⁸

Remarks such as these and the current crisis in North Korea have sparked a new and sometimes panicked debate in the West about whether Japan will develop nuclear weapons. However, most conclude that it is not in Japan's interests to do so for the foreseeable future.⁵⁹ The significant point is the change in politicians' and military officers' readiness to openly discuss the nuclear issue and the absence of public and political backlash. This serves as further evidence of heightened security consciousness and the erosion of antimilitarism.

As we have seen, some politicians are also becoming more interested and involved in discussions about specific weapons systems or military capabilities. As the public and its elected officials have become more aware of security matters, this is increasingly the case. How self-reliant is Japan in terms of military capabilities?

Military Capabilities: Decreasing Dependence?

Sections two and three will contain a discussion centered on strategic environmental factors that may drive, but also serve as boundaries for, Japanese autonomy. Yet, shortfalls in military capabilities and fiscal realities also serve as boundaries to security self-reliance. First, the "go it alone" (e.g., armed neutrality) option would be riskier and too costly for Japan. To be completely independent, Japan would have to develop its own nuclear deterrent, something that most agree would trigger further proliferation and a regional arms race. It also would be tremendously divisive within Japan. Further, Tokyo would have to divert significant levels of national treasure from social and economic recovery programs to defense spending. These facts, in themselves, require that Japan remain dependent to some degree on the US. But let's look more in depth at key military capability shortfalls.

Independence in the security arena would come from Japan's ability to counter the perceived threats to its safety with minimal reliance on the US. According to a draft of the new National Defense Program Outline, Japan must address threats from international terrorism and ballistic missiles.⁶⁰ In addition, Japan, like the US, remains guarded about the future of China. Moreover, Japan benefits from US extended maritime security, notably the US Navy's protection of the vital sea lanes originating in the Middle East.

While no country can completely defend itself from terrorism without close cooperation with other nations, Japan is taking concrete measures in the legal, financial, diplomatic, and military arenas to bolster its organic capabilities. Throughout the latter half of 2003 and the beginning of 2004, the government passed laws which allow it to better react to emergencies and execute consequence management. Japan also has revamped its Overseas Development Assistance (ODA) charter not only to "contribute to peace and development of the international community," but also to "ensure Japan's own security and prosperity."⁶¹

As of April 2004, Japan also linked aid recipients' control of exporting dual use technology to third countries that may be supporting terrorist groups, with the approval of ODA.⁶² The Ground Self Defense Forces (GSDF) are also modernizing to meet the new threat of terrorism. Special operations units, trained in military operations on urban terrain (MOUT) and counter-terrorism, have been formed and more are being activated in the future. In addition, the GSDF has fielded Chemical Protection Units, which are trained and equipped to conduct chemical agent

detection, identification, and decontamination. In terms of protecting itself against or responding to a terrorist attack, Japan, over the next several years, will become about as independent as any nation can be.⁶³

In terms of defending itself against ballistic missile attack, Japan is unlikely to possess a completely independent capability well into the foreseeable future. After the North Koreans launched a *Taepo Dong* missile over Japanese territory in 1998, Japan quickly moved to develop key capabilities to defend itself against missile strikes. Japan decided to put into orbit its own series of intelligence gathering satellites (IGS), acquire mid-air refueling capability, and purchase JDAM smart bombs. As mentioned previously, there is also a push from some corners of the Japanese government to field cruise missiles.

However, perhaps the most significant step that Tokyo took was to agree to jointly develop advanced ballistic missile defense (BMD) technologies with the United States. Subsequently, the Japanese decided to purchase the current version of the US Aegis-based SM-3, while research and development to further improve the technology proceeds. The focus of the “US Japan Cooperative Research” program is on four components of the improved SM-3 Block II missile, a next-generation missile for the Aegis cruiser/destroyer mid-course interceptor—the advanced multicolor sensor, advanced kinetic warhead, second stage propulsion, and lightweight nosecone.⁶⁴ It is also purchasing Patriot PAC-3 missiles, a system used to engage targets in their terminal stages.

Nevertheless, when this system of systems is in place, many believe that Japan will still rely to some degree on the US to improve chances of successfully attacking incoming missiles. Although the Aegis radar can autonomously track ballistic missiles in flight, the radar operators need cueing data to increase engagement time, probability of kill, and the size of the defended area.⁶⁵ The US would provide that cueing data to Japan through its Defense Support Program (DSP) network of satellites. Replicating this early launch indication system would cost Japan tens of billions of dollars and take decades to field. Japan’s current Intelligence Gathering Satellite system cannot provide the cueing information, nor will the planned second generation IGS.⁶⁶

The implications of fielding missile defense are very serious for Japan. On the one hand, US officials assert that the fielding of this missile defense system in Japan will make or break the alliance. On the other hand, missile defense could potentially put the already cool Sino-Japanese security relations into a deep freeze. Throughout the Cold War, and still today, Japan refused to share air defense information with the US, despite requirements to do so, which were stipulated in protocols concluded prior to past US air defense technology transfers to Japan. This revolved mainly around Japan’s ban on collective self-defense. According to a DoD official who spoke on condition of anonymity, Cold War era files at the US Forces Japan headquarters reveal that Soviet aircraft often made practice bombing runs on American bases in Yokosuka, Yokota, and Camp Zama and that US forces there were never notified that those aircraft were inbound.⁶⁷ Although talks between the US and Japan regarding the networking of systems have begun, there is still no memorandum of understanding governing this dangerous shortcoming, just three short years prior to Japan receiving the SM-3.

From the US perspective, this shortcoming simply cannot be accepted when the missile defense system is fielded in Japan. Nevertheless, former Director General of the JDA, Nakatani Gen, told Secretary Donald Rumsfeld, "If Japan is to own a missile defense system, it should be used to protect Japan's territory and operated by Japan on its own initiative."⁶⁸ An "independent" system advocated by Nakatani can have unintended consequences. The alliance would come to an end if American lives were lost because Japan failed to alert US forces and their families and Japanese efforts to intercept an inbound missile were unsuccessful. Effective integration and sharing of air and missile defense information, a basic tenet of US alliances around the world, also must be realized in Japan if the alliance is to be more than a paper tiger.

Conversely, an integrated missile defense system not only raises the issue of collective self-defense, but also will make Japan's management of Sino-Japan relations much more difficult. China is already alarmed by Japan's increased defense cooperation with the United States, a process that started with the revised "Guidelines" to include "areas surrounding Japan" and continued in response to the North Korean threat. Complete BMD integration with the US sends a clear signal to Beijing that Tokyo has made a historic strategic decision—one that makes security ties to the US visibly permanent and operationally closer than ever before. China also fears that sea-based missile defense capabilities could be used in defense of Taiwan.

Hence, many in Japan, including uniformed officers, advocate an "independent" capability that would be used for the defense of Japan only. Director General of the JDA Ishiba Shigeru told members of a Diet defense related committee that Aegis radars, coupled with Japan's new ground-based radar, the FPS-XX, would be sufficient to defend Japan against North Korean missiles (even though this system, because of the curvature of the earth, would not detect a missile until one minute after launch).⁶⁹ But the FPS-XX will not be able to detect missiles launched far from the Asia mainland coast and will not, therefore, undermine China's missile capability.

Tokyo's challenge grows more complex if the threat to Japan from the North Korean missile program is reduced or eliminated. Then there would be only one country at which missile defense would be "aimed." According to Victor Cha, a leading Northeast Asian security expert, there are two chances that a Japanese missile defense system would be dismantled after North Korea is "de-fanged"—slim and none.⁷⁰ He could be right; but fielding and integrating are two completely different decisions, and only the former has been made at this time. Prime Minister Koizumi's support for collective self-defense does not necessarily translate to a decision on integration.

Further, as one security expert pointed out, even while joint R&D continues, a limit on the full-scale deployment of Japanese BMD could be used as a "bargaining chip" in negotiations with China.⁷¹ Further, from the US side, DoD has not yet committed funds for an improved SM-3 in the Five Year Defense Plan (FYDP). Therefore, observers concluding that missile defense agreements to date between Washington and the US signal Japan's commitment to deepen defense ties with the US may be doing so prematurely.

A third, but related, area is nuclear deterrence. This missile defense system, designed to counter a limited attack, can quickly be saturated by a large quantity of inbound missiles.

Detering a potential, but unlikely, threat of Chinese or Russian nuclear attack against Japan still rests with US extended deterrence. However, Japan does possess a “virtual deterrent” since it would not have material or technological difficulties in developing nuclear weapons and could do so within a year.⁷²

As of December 1995, Japan managed an inventory of plutonium of 16.1 tons; it will reach 45 tons by 2010. A nuclear bomb similar to the one exploded over Nagasaki requires seven to eight kg of plutonium.⁷³ Japan’s 2010 stockpile equates to more than 5,000 warheads. Delivery means are also readily available to Japan. Its M-5 and J-1 rockets would allow Japan to develop ICBMs comparable to (or better than) the American MX Peacekeeper and Minuteman 3 respectively.⁷⁴ Japan’s possession of such capabilities is not a new development and there is currently no compelling situation to drive Japan to change its widely supported desire to remain non-nuclear. Despite the openness with which government and military leaders speak regarding nuclear weapons, reliance on the US nuclear umbrella also will continue Japan’s dependence on its alliance partner.

Next, while Japan’s Maritime and Air Self Defense Forces, technologically superior to China’s, will allow Tokyo to deter an unlikely attack from a growing and potentially belligerent China, Japan will not be able to single-handedly protect its interests throughout the region and its extended sea lanes stretching to the Middle East. Japan still will rely on the US to hedge against increasing Chinese power and influence in the important Southeast Asia region. From a military standpoint, Japan will remain reliant on its partnership with the US. The deterrent value of the alliance hedges against Chinese expansion into the South and East China Seas and Southeast Asia.

In sum, Japan will not be completely independent in the military sense for an indefinite period; the early launch indication system—a key enabler in the missile defense system—and the deterrent value of the alliance in terms of the US nuclear umbrella, combined conventional capabilities, and extended maritime security, cannot be replicated by Japan alone. These considerations serve as boundaries to Japanese military self-reliance. Japan will continue to expand its military role within the alliance and field additional capabilities that enable these expanded contributions. These efforts will close the gap between current capabilities and the boundaries just described. Security cooperation with others in the region (discussed further in section two) also can mitigate Japanese dependence on the US. The bottom line is that Japan will remain dependent, but increasingly less so.

Military capabilities and how they should be used are actually part of a larger debate gathering great momentum in Japan—revision of Japan’s famous Peace Constitution.

Revision of the Constitution

In the Lower House of the Diet, about 96% of Liberal Democratic Party members, 77% of those from Minshuto (Democratic Party of Japan), and 83% of New Komeito members favor revising the Constitution.⁷⁵ This represents 83% of all representatives in that body, up from 74% and 62% in 2002 and 1997, respectively.⁷⁶ The communists and socialists, strongly opposed to any revision, were reduced to political insignificance in the November 2003 election. Similar losses were seen after the July 2004 Upper House election.

But “revising the Constitution” means different things to disparate groups within and among these political parties. First, the debate is not solely centered on Article 9, the predominant focus of the foreign press. Of LDP Lower House members, 94% favor revision of Article 9 (90% want Japan to have the right to collective self-defense), while the LDP’s coalition partner, the Komeito, remains opposed.⁷⁷ Only 33% favor changes to this article and more than three-quarters oppose changes to the ban on collective self-defense. In the DPJ, more than half support revision of Article 9 and favor the right to exercise collective self-defense.⁷⁸ Of the DPJ, 30% wants to amend the Constitution to provide additional rights to citizens and to address environmental concerns.⁷⁹ Twenty percent want to focus on giving more decision making power to the Cabinet and introducing a direct election system for the prime minister.⁸⁰

Article 96 of the current Constitution states that amendments must be approved by two thirds of both houses and then must be submitted to the people for ratification, of which a majority must approve. Current party strength in the houses of the Diet compared with the percentages cited above point to adequate support for passing an amendment (see Figure 3).⁸¹ However, even among those favoring revision of Article 9, there is disagreement about what the end result should be. Some of the major themes regarding Article 9 and security are shown in Figure 4.

Revise the Constitution?
Lower and Upper Houses of the Diet
 (as of February 2004)

Lower House (House of Representatives)			Upper House (House of Councillors)		
Party	Seats	Favor revision (approx.)	Party	Seats	Favor revision (approx.)
LDP	245	235	LDP	115	110
DPJ	178	137	DPJ	72	55
New Komeito	34	28	New Komeito	23	19
JCP	9	N/A	JCP	20	N/A
SDP	6	N/A	SDP	5	N/A
Group KAIKAKU	4	N/A	Greens	2	N/A
Independent	4	N/A	Independent	8	N/A
Vacancies	0		Vacancies	2	
TOTAL	480	400	TOTAL	245	184
Two thirds = 317			Two thirds = 163		

N/A = not available

Figure 3 Revise the Constitution?

Security Related Themes being Considered for Revision

- Legitimizing existence of SDF
- Renaming SDF to 'Army,' 'Navy,' 'Air Force'
- Authorizing deployment of forces under UN command or as part of missions sanctioned by the UN
- Collective defense—may or may not be addressed directly. Very divisive and is inherent right to all nations. Current Constitution does not prohibit it, only current interpretation does.

Figure 4 Security issues under consideration

Article 9 reads in part, “. . . the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes . . . land, sea, and air forces . . . will never be maintained” Japan clearly maintains armed forces, albeit under the name “Self Defense Forces.” As a result, many people advocate addressing this clause to reflect reality and some support changing the name of the various components of the SDF to “Army,” “Navy,” and “Air Force.” Peacekeeping operations under the auspices of the UN also have become fairly commonplace since the passage of the peacekeeping law in 1992, so that is also a likely topic to be added. However, the most divisive debate is likely to center on collective defense.

In 1981, the Cabinet Legislation Bureau issued an interpretation of the Constitution regarding collective defense—the right to help others defend themselves even if one’s own country is not attacked directly:

“For our country possessing collective self-defense rights is legitimate under international law as a sovereign nation but exercising self-defense rights allowable under Article 9 of the Constitution is not to go beyond the minimal limits necessary to defend our country. Therefore, to exercise collective self-defense would be overstepping this limit and believe it is not permissible under the Constitution.”

Under this interpretation, Japanese forces cannot use force in any way, except in the defense of Japan or themselves. The revision to the Defense Guidelines, the peacekeeping law of 1992, and the special measures laws passed to support the US in Afghanistan and Iraq were all crafted to adhere to this interpretation. Therefore, Japan’s roles and missions have been limited to providing humanitarian relief, peacekeeping (at the invitation of the host country), and logistical support to US forces engaging in combat (if Japanese forces do not have to enter the combat zone to provide the support). As a result, Japan provided fuel, but not ammunition, to the US Navy operating in the Indian Ocean during Operation Enduring Freedom (Afghanistan), and its deployment to Iraq was made possible only by sending forces to “noncombat areas,” something that arguably did not exist at the time and certainly does not now. The deployment to Iraq may catalyze a redefinition of this term, providing a basis for future interpretation as merely an area in which combat does not occur on a day-to-day basis.

Many want to revise the Constitution to allow Japan to more fully participate in international security affairs. This group argues that Japan will not be respected and appreciated if it cannot contribute in a more meaningful way. Further, coping with new threats in a changing world—terrorism, the spread of weapons of mass destruction, and the proliferation of missile technology—requires an adequate legal framework. Yet another group in the DPJ, led by Ozawa, favors more active support of the UN, going so far as creating a special force to respond to UN needs. Not all agree, however, with Ozawa's proposal that this force be permitted to participate in all UN-sanctioned missions (i.e., combat operations and not just peacekeeping).⁸²

Still others tie constitutional revision to less dependence on the US and Japan's decision to send troops to Iraq. Governor Ishihara Shintaro claimed, "If we see Japanese soldiers killed, the public will be angry and unite, and support the government" (referring to constitutional revision). To Ishihara, revision is necessary "so that we are no longer at the beck and call of the US."⁸³ Other not so extreme nationalists, like former Prime Minister Nakasone, want the Constitution to be fully *Japanese* and desire to cast off the last vestiges of the occupation era dictated restraints on everything from education law to issues concerning security – in this way Japan can become more independent.⁸⁴

However, the revised Constitution may not directly address collective defense in writing, but not specifically rule it out either. The current Constitution does not prevent Japan from exercising collective defense, a right every nation possesses according to the UN charter. It is the current interpretation of the Constitution that serves as the basis of Japan's ban on collective defense. A new Constitution will require new interpretations, which do not require Diet or public approval. If members of the Diet are able to agree among themselves—again, at least two thirds of them—they must also keep in mind that any amendment must be approved by the public.

As of April 2004, 59% of the public favored revision, a percentage that has been roughly the same over the last six years, but only 50% of that group, approximately 30% of the population, thinks that Article 9 should stipulate the right to collective defense.⁸⁵ Absent a major security "shock," the government will have a challenge in persuading the public to agree to sweeping changes to Article 9. Prime Minister Koizumi understands the difficulties that lie ahead. Although he wanted to be the Prime Minister who finally revised the Constitution, he recently has admitted that the process could take up to five years. His party is due to present their proposal in 2005 to coincide with its 50th anniversary.

But Koizumi already had launched the debate and completed an outline of his proposed revisions in time for the July 11, 2004 Upper House election. Indeed, the government began the public relations campaign in January 2004, when it informally decided to view any attack on US forces defending Japan as an act of aggression against Japan, which would constitutionally allow the SDF to counterattack.⁸⁶ Taking yet another step further, the government also stated that it would "consider an attack on US forces outside Japanese territory as an attack on Japan if it was feared the act of aggression could escalate into Japanese territory."⁸⁷ Kan Naoto and the DPJ also will present a proposed Constitution, but not until 2006. These difficulties—agreement in principle, but opposition in detail and the challenge of winning public approval—should temper high expectations of sweeping and rapid change. Moreover, as Ishihara points out in the above

quotation, further evolution of Japan's political military culture and its legal underpinnings can advance the country's ability to serve a greater role as an alliance partner, but it also will give Japan greater room to become more self-reliant. This raises key questions for Japan.

While the debate about *whether* to permit the right to collective defense continues to rage, it is time Japan start a more critical debate – *how* to use this right? Will Japan agree to make the US-Japan Mutual Security Treaty more reciprocal? Will Japan seek geographical or functional limitations regarding its use of force? Will Japan seek other security arrangements outside the alliance with the US? The answers to these questions will represent the most profound impact on Japanese political military culture and will shape the very basis of US-Japan relations in the mid-term.

A heightened security consciousness, the erosion of antimilitarism, and the consolidation of support for constitutional revision are fundamentally altering the character of Japan. For some Japan watchers, these developments have stoked a debate on nationalism.

A Healthy Nationalism

Nationalism has been another hot topic lately for observers of Japan. Here again, we should clarify exactly what we mean by nationalism. “What is nationalism? When does one see it? When does one not?” Steven Clemons, a recent author on nationalism, adroitly asks, but neglects to explicitly answer.⁸⁸ Nationalism is a “sense of national consciousness exalting one nation above all others.”⁸⁹ This definition, combined with Japan's past, explains why the use of the term nationalism raises concern and therefore provides a tantalizing backdrop for intellectual discourse. However, it is not a dangerous, but a healthy, nationalism that Japan is exhibiting, at least now. Japan's recent actions in the defense and security arenas demonstrate a healthy sense of self and the beginnings of a pragmatic approach in evaluating its security environment.

Several of these observers have labeled many of Japan's responses to perceived threats and its use of the SDF abroad, i.e., the sinking of the North Korean spy ship, the dispatch of troops to Iraq, and its expanding role within the alliance, as signs of a growing, troublesome Japanese nationalism.⁹⁰ In actuality, they reflect Japan's increasingly realist assessment of its environment, a determination to defend itself and its desire to stabilize the alliance and earn a respected position in the international community. As described above, developments in Japan are a reflection of heightened security consciousness and the erosion of its post-war antimilitarism, which had for so long defined the possible and impossible in Japanese social and political life. Japan has no strategic ambition.

We also should not confuse nationalism with the notions of independence and national identity we have discussed. Clemons stated that Japan's “strongly nationalistic citizenry” is “struggling with a deep need to be unique and powerful and to matter in the world” and resents “the ongoing subordination of its sovereignty and interests to its former conqueror and Cold War ally, the United States.”⁹¹ Again, this points to Japan's desire to stake out its own national identity, act on its own, control its own destiny, and level the playing field that is the US-Japan relationship—perhaps a better definition of the normal and healthy nationalism we are observing in Japan. After all, what self-respecting nation wants to be subordinated?

Clemons rightly criticizes others expounding on a “new” Japanese nationalism who quickly point to outspoken Ishihara Shintaro, the governor of Tokyo. In essence, he has become the poster boy for evidence of a growing Japanese nationalism, but he is not a new phenomenon.⁹² Making a splash in the late 1980s with his criticism of American politicians, bureaucrats, and businessmen, he is best known in the West for his 1989 book *The Japan that Can Say No*.⁹³

Despite his attacks on Americans as racists and bullies, Ishihara’s bottom line is that Japan should be proud of its achievements, culture, and distinctiveness. He calls for Japan to stand up for itself, to not give in to US demands, and to stop unquestioningly following the US lead. Ishihara makes the case for greater Japanese self-reliance and confidence in using its technological strength to its advantage. He rightly concludes, “. . . saying no is part of the bargaining process between equals” and Japan, to be fully appreciated, “must, when matters of crucial national interest warrant, articulate our position and say no to the United States.”⁹⁴ Fifteen years after the publication of his book, Ishihara remains tremendously popular because his message resonates with the Japanese. In an April 2004 *Yomiuri Shimbun* poll, more people identified him as an appropriate Prime Minister candidate than all other choices, including Prime Minister Koizumi and the popular Abe Shinzo.⁹⁵

But rather than being a dangerous nationalism, this nationalism is a function of a normal maturation of national identity that we should expect as Japan’s ties to its WWII legacy erode over time. While a nation can portray a collective confidence and pride in itself—its culture, its achievements, and its military and/or economic strength—unfortunately, these healthy feelings often come with a sense of superiority. Further, if a country thinks of itself as superior, there must be others who are inferior. This is where Ishihara, with his widely publicized, outrageous comments regarding Koreans and Chinese, rightly deserves the label of racist and revisionist of history.⁹⁶ When a country’s or its leader’s position is threatened, stirring nationalism (exalting one nation above all others) to survive becomes attractive—a dangerous prospect considering the rapid rise of China and continued economic stagnation in Japan. In fact, as one wise Japanese international affairs expert noted, the real challenge in Japan is not “managing the rise of China, but managing the relative decline of Japan.”⁹⁷ Kitaoka Shinichi, Japan’s newly appointed Deputy Permanent Representative to the UN, recognizes this danger: “It is a mistake to think Japan is the most distinguished nation. To say that one’s nation is superior to other nations is a kind of nationalism, but that kind of nationalism is bad, and we should not follow it.”⁹⁸ This is an area that requires attention if we want to understand the potential rise and effects of a dangerous versus a healthy Japanese nationalism. We shall do so below in an examination of Japan’s regional security environment.

Independence, security consciousness, the erosion of antimilitarism, and nationalism, which are related, but different, serve as variables in the complex algebraic equation that defines the forces at work in Japan. The shock of the Gulf War, a growing threat from North Korea, continued economic stagnation, and waning confidence that ODA brings international prestige and influence have forced Japan to employ its diplomatic and military instruments of national power more frequently and adeptly.⁹⁹ In doing so, Japan has been forced to reflect on its national interests.

“Common” Interests: Necessary, but not Sufficient

Failure to articulate national interests is a fundamental weakness of the Japanese government.¹⁰⁰ Japan has not clearly articulated, in written or spoken word, its national interests and how it will secure or advance them, demonstrating ineptitude in formulating national strategy.¹⁰¹ The Ministry of Foreign Affairs (MOFA) and JDA publish annually the *Diplomatic Bluebook* and *Defense of Japan White Paper* respectively, but they do little to clearly define national interests or articulate a strategy to forward them. While some would argue that Japan’s neighbors might become alarmed if Tokyo articulated its interests, not doing so may further fuel more suspicion, a feeling toward Japan still found to some degree in the region.

The government has commissioned several studies over the years to examine questions of Japan’s interests and its regional and global role, but Japan has not capitalized on them by officially codifying the results.¹⁰² One long-time Japan watcher declared, “There is no strategic thinking in Tokyo.”¹⁰³ Certainly there is a body of scholars and government officials who are thinking about the strategic direction of Japan, but there are no institutionalized mechanisms in place to debate, capture, or publish a long-term national security and diplomatic strategy based on defined national interests.

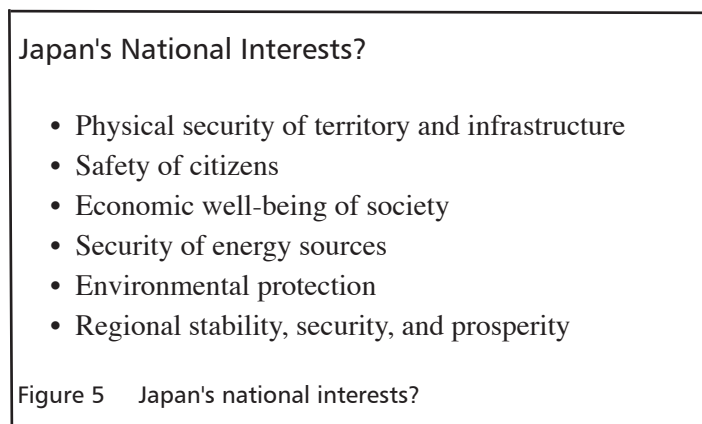
As a result, many of Japan’s foreign and security policy decisions are not publicly justified based on an analysis of *Japanese* national interests. Politicians and the public get frustrated with the absence of an articulate explanation for these decisions. To them, MOFA and even the Prime Minister are “blindly following” (*tsuizui* in Japanese) the Americans because their explanations are shallow, often citing the importance of Japan’s relationship and alliance with the US¹⁰⁴ This term, *tsuizui*, can now be seen or heard almost daily in the Japanese press or on television. In fact, Prime Minister Koizumi started taking heat from within his own party after Japanese nationals were abducted in Iraq; he was accused of simply following Washington’s lead and of being a “tool of the US.” This lack of articulation only exacerbates the problem and reinforces the impression that Japan is subordinate to the US.

Maehara Seiji stated that Prime Minister’s Koizumi’s policies are not guided by a strategic vision based on national interests and therefore Japan finds itself reacting to US policy instead of engaging in a strategic dialogue.¹⁰⁵ Without this vision and dialogue, Japan cannot offer viable alternatives to the US when it disagrees with Washington.¹⁰⁶ This demonstrates that Japan’s struggle is, to some degree, with itself and not just the United States—a struggle involving identity and Tokyo’s role. Further, another problem that has been created is the apparent lack of synchronization of Japan’s national instruments of power—diplomacy, information, military, and economic, sometimes referred to as the “DIME”—so that they are working in concert to execute their strategy. Articulating interests and formulating a national strategy would provide a mechanism to aid in this synchronization.

Notwithstanding this glaring lacuna in governance, many politicians and academics use the term “national interests.” Increasingly, Japanese politicians and intellectuals are thinking about foreign and security affairs in terms of national interests. This in itself is a notable development in Japan. Some would counter that Japan has always taken a realist approach to protecting economic interests and has adapted mercantilist practices over the years to do so

and that it determines its contributions to security in a way that best forwards economic well being.¹⁰⁷ Many observers also have charged Japan with holding up the Peace Constitution to avoid contributing more fully to the alliance and international security affairs, stating that this was a reflection of cold calculation of self-interest rather than unthinking pacifism.¹⁰⁸ However, as Japan's involvement in security affairs has grown, its contributions have aimed to achieve political and security objectives and not for economic goals alone.¹⁰⁹ Additionally, proposed revisions to the constitution are meant to enable Japan to more fully participate in security affairs not limit contributions.

Again, there is not one document that articulates Japan's interests. However, Figure 5 depicts what could represent Japanese national interests based on several government-sponsored studies, various MOFA documents, and statements made by Japanese leaders. Yet the United States articulated its interests in Asia long ago. They first came in the form of the famous "Open Door Notes," crafted in 1899-1900 by Secretary of State, John Hay, in which the US outlined its imperatives in terms of mainland China. In essence, Hay thought that the United States should have access to markets, freedom of navigation of the seas, and prevent any one power from playing a dominant role. These principles continue to serve as the basis for American interests more broadly today. In more familiar contemporary language, the US wants to maintain a stable balance of power in Asia and avoid one power from attaining hegemony in the region. The advent of nuclear, biological, and chemical weapons and the spread of international terrorism have required the US to further articulate its interests.



Therefore, the US seeks to prevent the proliferation of weapons of mass destruction and check the growth of terrorism, particularly in Southeast Asia. Further, all of these interests are advanced if democracy continues to take hold, so the spread of democratic norms is an interest as well. In this spirit, the US also desires to settle the potentially volatile situations on the Korean peninsula and in Taiwan peacefully and on terms that consolidate gains by both South Korea and Taiwan towards democratic systems of government.

Tokyo would likely express approval for these American interests; but "common" interests, a phrase often uttered, while necessary, are not sufficient to prevent policy divergence. As we have seen, the rupture in relations between Germany (and numerous others) and the US, over the case of Iraq, was not caused by a lack of shared interests, but a lack of consensus on

the threat to them, how best to protect/forward those interests and the relative priority among them. Similarly, Japan, as well as several European countries, believes that the best approach to advancing interests regarding Iran's nuclear weapons program is through continued dialogue and incentives, instead of pressure and the cessation of economic relations, which the US favors. Further, Japan prefers a policy of *seikei bunri*—to separate economic and energy security issues from political and other security matters. This is clearly not the case in the US. Although Japan and the US share “common interests,” e.g., energy security and nonproliferation of WMD, differing tactics, priorities, and policy approaches do indeed matter and can cause serious divergence between allies.

We are starting to hear a better articulation from Japanese leaders regarding interests, although mostly in reaction to emerging issues instead of a systematic, proactive process of identifying them. Most recently, these statements have been made by Prime Minister Koizumi, Foreign Minister Kawaguchi, and Director General of the JDA Ishiba Shigeru to justify foreign and security policy decisions. In fact, Japan's leaders cited “national interests” when justifying support for the United States' decision to invade Iraq.

Japan and the War in Iraq

Public opinion in Japan, like in many other countries around the world, clearly galvanized in opposition to the US led war in Iraq.¹¹⁰ However, despite public sentiment, Prime Minister Koizumi came out quickly in support of President Bush. In fact, Japan later pledged to dispatch ground, air, and maritime forces and coffered the world's second largest grant/loan package at the October 2003 Madrid donor conference.¹¹¹ Koizumi justified his support by pointing out that Iraq had ignored previous UN resolutions demanding disarmament. Foreign Minister Kawaguchi added that, “the war was not a pre-emptive strike by the US designed to remove a threat to its homeland. The impending attack is not a form of self-defense but based on the principles of the UN charter backed by resolutions.”¹¹² It is obvious that the Japanese government was distancing itself from the US strategy that underlined a central role for preemptive strikes, but nevertheless supported the American decision to go to war. Why? Several factors played into Koizumi's decision.

Japan supported the US in order to: (1) strengthen the US-Japan alliance; (2) stabilize energy sources; and (3) expand its role, status, and influence in the world, commensurate with its economic standing. The Prime Minister's decision to deploy troops to Iraq could have dire consequences for his political future. In fact, he acknowledged the political risk when he admitted, “My Cabinet may collapse if SDF personnel in Iraq face an unexpected turn of events.”¹¹³ Koizumi's willingness to take such an unprecedented risk indicates his cost-benefit calculations and the consequences to Japan if it were not forthcoming with political and military support.

Observers quickly point out Japan's dependence on the US to deal with the threat from North Korea. Prime Minister Koizumi hinted at this point, but avoided any insinuations of quid pro quo linkages between Iraq and North Korea when he stated, “The UN will not extend a hand of support if Japan faces a crisis.”¹¹⁴ Nishihara Masashi, the president of Japan's National

Defense Academy and international relations expert, was more direct: “Japan is dependent on the United States to deal with North Korea.”¹¹⁵ Former Prime Minister Nakasone also made this very clear by stating that Japan should maintain a system of cooperation with the US; considering the North Korean issue, it would be wise for the SDF to remain in Iraq.¹¹⁶ In other words, it was important to maintain a strong alliance with the US because Japan relies upon its ally to help address its security needs, specifically the immediate threat from its neighbor.

According to Captain Otsuka Umio of the Japanese Maritime Self Defense Forces and recent liaison to the US Central Command, the value of the alliance, especially from the US perspective, is not static. Therefore, Japan must be the best partner it can be—a valuable partner, which the US is eager to maintain.¹¹⁷ With the end of the Cold War and especially the events of September 11th, the “cost” to Japan to keep the alliance strong is growing. The value of Japan’s political and military contributions must increase for the alliance to remain relevant and politically sustainable in Washington.

Other realist assessments, including those from traditionally liberal intellectuals, underscore Japan’s need to secure its energy sources.¹¹⁸ The government itself used energy security as one of two reasons to justify its decision, second only the more altruistic “peace and stability.”¹¹⁹ Japan imports almost 90% of its oil from the Middle East and views participation in post-war Iraq as an important, visible contribution to stabilize a region so critical to Japan’s energy needs.¹²⁰ Japan also wanted to be in a better position to compete for lucrative oil deals and reconstruction projects after the war.¹²¹ In fact, Japan imported only 0.2% of its oil from Iraq in 2001 compared to 3.4% in November, 2003.¹²² Japanese firms are also attempting to secure deals to develop large oil and gas fields in Iraq—the one-billion-barrel Al Gharaf oilfield in southern Iraq and the major Akkra gas fields in western Iraq. Not surprisingly, some of the financing for the development of these fields may come from the Japanese aid package mentioned above.¹²³

However, the last reason that explains Japan’s decision to stand behind the US may be the most significant over the long-term. Deployment of the SDF to Iraq constitutes another opportunity for Japan to play an international role commensurate with its economic status. Japan feels a responsibility to substantively contribute to international security and fears a loss of credibility if it again retreats to its checkbook diplomacy.¹²⁴ The decision to deploy heavily armed forces to a hostile area, while fairly commonplace in the West, should be seen as a milestone in the evolution of Japan’s political-military culture. Indeed, this is the first deployment of Japanese forces to a hostile theater since World War II.

The dispatch of forces to Iraq, while still limited by the restrictive interpretation of Japan’s constitution and the Special Measures Law passed by the Diet, represents yet another step away from Japan’s past and expands the breadth of publicly acceptable roles and missions for its forces. It moves Japan closer to becoming a “normal nation.”¹²⁵ Despite vast public opposition to the war itself and the dispatch of troops without an improvement in the security situation, 69% of Japanese supported their country’s role in aiding Iraq’s reconstruction.¹²⁶ While not ready for casualties in post-war Iraq, the 69% signals public approval of Japan’s expanding involvement in overseas security affairs. As Dr. Michishita Narushige, a research fellow at the National

Institute of Defense Studies, noted, the deployment to Iraq and the tragic loss of life, a likely event, could “push Japan across the line separating national adolescence and adulthood.”¹²⁷

Equally revealing as the reasons in favor of supporting the US are the implications of the widespread Japanese opposition to US policy in Iraq, shared by both a vast majority of the public and a wide swath of government officials. Many Japanese policymakers, even those advocating an expanded defense posture, feel that Japan had no choice but to support the US due to its dependence on the alliance. Even Deputy Secretary General of the LDP, Kyuma Fumio, made this clear publicly.¹²⁸ They resent being “trapped” and would like to have more room to maneuver, more influence, and more leverage. Professor Saeki Keishi of Kyoto University says having “no choice” is the most serious problem for Japan.¹²⁹ Some suggest that Japan missed an opportunity to influence the US and avoid the use of force. They now admit it would have been almost impossible to do so considering President Bush’s primary goal of regime change, rather than simply accounting for weapons of mass destruction—a goal only reached through the invasion and occupation of Baghdad.

For Japanese politicians, it is becoming increasingly risky to be seen as simply following the Americans. It is important to note that Prime Minister Koizumi and others wanted to be perfectly clear that the decision to dispatch troops was Japan’s alone, and not the result of pressure or *gaiatsu* from the US. From the US perspective, Japanese political support has been critical, leading to the “better than ever” assessment of bilateral relations. From the Japanese perspective, support of the US was not preferable, but necessary given the potential costs in terms of risk to its relations with the US at a time of vulnerability toward Korea and fear of reliving its traumatic experience following the first Gulf War. Japan did not approve of US policy, nor did it see the US attack on Iraq as legitimate, leading to the aforementioned negative Japanese assessment of bilateral relations.

Japan’s trust and confidence in US leadership and strategic direction has been shaken. From the perspective of many Japanese, Japan should indeed be a good ally to the US, but there should be limits; in their minds, Koizumi crossed a line by going to Iraq. To conclude that Japan’s deployment in support of the US is an indication of further unquestioning cooperation in the future could be a dubious assumption.

For now, the reality of Japan’s dependence on the US for its security persists, but efforts to be a valuable alliance partner will reap benefits in the years to come. Even those who argue in favor of increasing Japan’s value to the US, in order to strengthen the alliance, see opportunities for greater independence later. By building a record of cooperation, Japan’s military capabilities also will grow. Japan can use this record as increased leverage with the US and thus more room for independence. Takemi Keizo, an LDP lawmaker in the Upper House, believes that this is the only reasonable way for Japan to gain more influence vis-à-vis the US¹³⁰ As Yamamoto Tatsuo, a senior national security counselor in Japan’s Cabinet Office, pointed out, “greater independence is not currently a goal of our policies, but it may be one of the results.”¹³¹ However, policy goals may indeed change in the future, foreshadowed by historical developments in Japanese politics.

Politics: The Future Dynamics of Japan's Governance

Interesting times lie ahead in Japanese politics. Japan has just started to see the effects of its electoral reform, which replaced many multiple seat districts with single seat districts. The November 2003 Lower House election, which strengthened the opposition, moved the country closer to a two-party system. A change in the LDP-dominated government within ten years is possible if the DPJ can sustain similar gains in the next two Lower House elections. The November 2003 election also introduced the use of party manifestos, which could foster a public debate on foreign and security policy so notably missing to date. All of these developments could augur significant impacts on US-Japan relations.

In 1994, Japan replaced many multiple seat districts with single seat representation. This pressured politicians to think more about the voter and collective good, instead of interest groups.¹³² In turn, politicians will be more apt to become better versed in foreign and security policy issues, a trend already seen in young candidates. The need to develop positions on important overseas affairs will force intra-party debates and chain reactions will continue into the party structure, policy research committees, and so forth. More debate should result in better policies and more informed involvement of the public and politicians in policy formulation, historically left in the hands of the skilled, but vested, bureaucracy. We are seeing evidence of this already. According to a Yomiuri Shimbun poll, 40% of voters indicated they would consider a candidate's position on constitutional revision when making their choice at the ballot box.¹³³ One of the reasons politicians argued for the transition to single seat districts is that they believed it would push Japan toward a two-party system, making possible changes in government.

Gerald Curtis, a long-time expert on Japanese politics, has pointed out that the original motives to adopt single seat districts, dating back to 1955, were quite different. The LDP thought that single seat districts would consolidate their power.¹³⁴ The well known electoral system specialist, Maurice Duverger, creator of "Duverger's law," advanced the theory that single seat districts would produce a two-party system. However, a more thorough examination of his later work reveals cautiousness in concluding that such a transformation is inevitable. Duverger makes clear that single seat districts are one of several factors at work in an electoral regime, some of which may work against movement toward a two party system.¹³⁵ Despite disagreement regarding the cause(s) of movement toward a two-party system, most observers agree that Japan is headed in that direction, especially after the November 2003 Lower House election.

After Ozawa Ichiro merged his Liberal Party with the Democratic Party of Japan in mid-2003, Kan Naoto, then the DPJ leader, and Ozawa launched a national political offensive. The new DPJ's gains were impressive, clearly consolidating its position as the major opposition party. It is now the party with the best chance of ousting the LDP, which has held the reins of power since 1955, spare ten months following a large defection of LDP members in 1993. Perhaps more significant was the decimation of the Socialists and Communists, whose political relevance is now almost nonexistent. However, a true two-party system, one in which changes of government can take place is still unlikely before the election after next, barring major realignment of the parties. The DPJ is still 62 seats away from a majority in the Lower House, which elects the Prime Minister. To make such a gain in the next election, which must be held by 2007, would

be unprecedented and a significant leap.¹³⁶ However, in light of the strong performance of the DPJ in the July, 2004 Upper House election, it is not too early to think about the implications of a DPJ-led government for US-Japan relations.

A useful starting point is the DPJ's manifesto, introduced by Kan in preparation for the November 2003 Lower House election. First, we should qualify the following discussion by making the point that the merger of Ozawa's Liberal Party and then Kan's DPJ brought together disparate groups of people with different ideas, not unlike the LDP. Given the fractious nature of Japanese political parties, it will be very difficult for party leaders to carry out specific policies presented in their manifestos, but general statements of principles are likely to prevail. These statements shed light on the party's outlook on foreign and security affairs and could provide the basis of policy formulation if the party is to assume power.

According to the DPJ, Japan should change its "passive foreign-policy stance, transforming it into a country with a clear-cut will in the realm of diplomacy."¹³⁷ Further, "To ensure that the Japan-US alliance evolves in a meaningful way, we [the DPJ] will make our basic stance towards the United States one of cooperating when we ought to, and of speaking our minds when we feel we should. In that way we can strengthen the relationship into a mature alliance."¹³⁸ Clearly playing to public opposition to the US war in Iraq and Japan's support of it, the DPJ is also leaving no question about how Japan should not be afraid to disagree with the US when it sees fit. In other words, Japan should be able to exercise "divergent independence."

The manifesto also points to greater focus on the UN. Long an Ozawa proposal, the DPJ is now advocating a separate military force dedicated to responding to UN missions abroad, while the SDF would focus solely on the defense of Japan. The force in itself is not significant, and probably will not come to fruition, but under the DPJ, Japan would be extremely hesitant to support the US in places such as Iraq without a UN mandate. This is similar to positions held by many European powers leading up to the war. Hatoyama Yukio believes that Japan should have insisted on UN approval prior to any military action in Iraq.¹³⁹ However, noted Japan expert and journalist, Sam Jameson, points out that, even when the Parliament elected the chairman of the Socialist party, Murayama Tomiichi, as Prime Minister, Japan's defense policy did not change. For more than 40 years, his party had advocated scrapping the US-Japan Security Treaty, disbanding the SDF, and committing Japan to unarmed neutralism. Yet, within days, Murayama abandoned all of the old Socialist policies and swallowed the LDP line on defense!¹⁴⁰

Certainly, there are skeptics who take a pessimistic view about progress toward a two party system and whether a non-LDP government would indeed have a different view toward the US. Even if one assumes a prolonged rein of the LDP, there are important signs of a growing restlessness in the party in terms of foreign and security policy. In January 2004, the Diet reconvened to debate and then vote on Prime Minister Koizumi's decision to dispatch troops to Iraq. While the troops already had deployed and the LDP had managed to win over its coalition partner, making the vote all but symbolic, key LDP veterans joined the DPJ in protesting the vote. Koga Makoto and Kato Koichi, both former LDP secretaries general, and Kamei Shizuka, a former LDP Policy Research Council Chairman, signaled their disapproval with their notable

absence. The two made their intentions very clear when they abruptly walked out of Parliament immediately before the vote. Later, these members stated that the US decision to go to war was unjustifiable and could increase, not decrease, the danger from terrorism. Kato later stated, “The Bush administration has made a serious mistake” and Japan should reconsider redeployment of its troops to coincide with a rotation scheduled in the future.¹⁴¹

Their protest also signaled growing rifts in the party and within some of the largest LDP factions. Kamei, who leads the third largest faction, refused to support Koizumi and ran for LDP president prior to the 2003 Lower House election. Koga, the number two man within the Horiuchi faction, the fourth largest, also did not support Koizumi in the election, while the faction boss did. Even within the largest faction headed by former Prime Minister Hashimoto, Fujii Takao also challenged Koizumi for the post of party president. The LDP, like other parties, always has been fractious, but growing discontent within the factions makes the party’s future direction more uncertain.

In April 2004, a sitting LDP official publicly criticized the government’s position on Iraq for the first time. Deputy LDP Secretary General and former Director of the JDA, Kyuma Fumio, stated that Japan should have only expressed “understanding” for US policy rather than outright “support.” He further opined that the Iraqi people now regard Japan simply as a “tool” of the United States. In reporting Kyuma’s remarks, the Tokyo Shimbun spoke of the growing irritation within the ruling bloc regarding the government’s tendency to follow the United States.¹⁴² Comments by LDP lawmaker and Lower House Speaker, Kono Yohei, in a meeting with the Turkish Prime Minister, supported the Tokyo Shimbun’s assertion. Kono faulted the US, stating that its efforts to eradicate terrorism have only led to an increase in terrorist incidents.¹⁴³

Even former Prime Minister Nakasone, who retains the support and respect of many in the LDP, accused Koizumi of not having a strategic vision. He thinks that Koizumi has failed Japan by focusing too much on the US, at the expense of attempts to build strong relationships with China, Korea, and ASEAN. According to Nakasone, Japan finds itself in a new phase, “highlighted by the terrorist attacks on September 11, 2001, which demands that countries establish their own identities and carve their own futures to move forward.”¹⁴⁴ As these growing attitudes within the LDP strengthen, continued LDP leadership may seem like a “change in government.” In sum, political change, one of the many domestic forces at work in Japan, is likely to fuel a greater desire for a stronger identity and higher degree of self reliance, whether it is through a change in government or an evolution of opinion within the LDP itself.

In our examination of domestic change, we have established that a need for more independence, sense of self, and influence and equality in the relationship with the US does indeed exist. But a desire alone is not sufficient. Other conditions must exist to allow the country to act on this desire. To be sure, those conditions are falling into place. A heightened security consciousness, the erosion of antimilitarism, a healthy nationalism, constitutional revision, a focus on national interests, the implications stemming from Japan’s political and military role in Iraq, and developments in politics are creating forces in Japan, readying it for greater self-

reliance and assertiveness. Unlike Germany, however, Japan still lives in a potentially volatile part of the world.¹⁴⁵ What are the motivations, opportunities, and “boundaries” defined by its strategic environment that govern Japan’s ability to exercise both complementary and divergent independence? A look at regional change provides some clues.

Section 2: Regional Change: Toward Divergent Independence?

When we compared the European and Asian security environments, we noted three significant differences. First, Japan’s security may be directly threatened. The demise of the Soviet Union eliminated the threat from Japan’s major potential enemy, but the monolithic communist regime of militarist North Korea grew significantly more ominous. Even China, the other major potential Cold War threat to Japan, continues to step up its military buildup, even as it emerged as a major participant in the world’s economy. Second, Japan has not been able to fully reduce the obstacle of historical distrust and wariness among its neighbors in Asia and therefore no major nation of Asia serves as a collaborator. Third, despite the creation of the Asia-Pacific Economic Cooperation (APEC) forum and the Association of Southeast Asian Nations (ASEAN), regional integration and alternative security arrangements comparable to the EU and NATO do not exist in Asia.

Prima facie, these factors should bind the US and Japan together and leave little room or cause for Japan to diverge from the US. However, a closer examination of the changes in the region demonstrates that this seemingly rigid environment may prove to be more fluid and dynamic, potentially altering the allies’ strategic calculations and connotation of threats and their interests. Recalling the framework discussed in the introduction that attributed to US-German cooperation, common overarching interests are necessary, but not sufficient. There must be a reconciliation of threats to those interests and substantive collaboration on how to protect them in the near term. Therefore, overarching concerns common to both the US and Japan in Asia, e.g., the uncertain direction of China, may not be enough to keep the alliance out of dangerous territory. As we have seen, Japan’s domestic environment continues to evolve in ways that facilitate a more pragmatic assessment of and assertive reaction to its security environment. This removes many domestic barriers that have previously served as “boundaries” in what was feasible and acceptable in terms of Japan’s foreign and security policies. Now, regional developments and the two allies’ assessment of them will be stronger determinants in Japan’s foreign and security policy and define both boundaries to and further motivation for greater autonomy.

As the threat from North Korea recedes, which I argue is inevitable, the “glue” holding the alliance together will be made of the subjective “potential” threat from China and the vague, but important, aspect of “maintaining regional stability.” Meanwhile, Japan is facing calls from within and around the region to take a leading role and step up efforts to bolster regional integration and cooperation in the economic, political, and security realms, partly in response to an increasingly influential China. Three issues—the nature of a post-crisis Korea, uncertainty regarding China, and the forces of regional integration—can have a major impact on Japan’s strategic calculations, its foreign and security policies, and its ties to the US.

The Korean Peninsula: Beyond the Crisis

In September 2002, Prime Minister Koizumi launched a personal attempt to advance ongoing efforts to normalize relations with North Korea by accepting an invitation by Kim Jong Il to visit North Korea. Although President Bush publicly supported Koizumi's trip, the first ever for a non-communist head of state, policy positions were not "coordinated" with the United States in advance, a major step for a Japan which most often had taken cues from US foreign policy. In fact, Ambassador Baker said he had no "inkling" that Koizumi planned to go to Pyongyang until approximately one month prior to the visit.¹⁴⁶ Others in the administration did not conceal their displeasure. Richard Armitage, Deputy Secretary of State, declared the meeting was good "from PM Koizumi's point of view."¹⁴⁷

Koizumi's move signaled anew Japan's desire and readiness to strike out on its own path in the diplomatic arena in order to forward its interests and perhaps influence its alliance partner. Japan had been displeased with the Four Party talks leading to the Agreed Framework in 1994 and had been stung by what they had perceived as lack of US concern about Japan's security after the 1998 missile launch.¹⁴⁸ By 2002, US and Japanese priorities had diverged. The North Korean abduction of Japanese nationals had become a higher public and political priority in Japan than had nuclear disarmament, while the US remained focused on the Dear Leader's weapons programs.

Two weeks after Koizumi's visit, however, Assistant Secretary of State James Kelly traveled to North Korea. At the conclusion of his visit, he revealed that First Vice Minister of Foreign Affairs, Kang Song Ju, admitted to an existing nuclear weapons program, effectively putting a lid on Koizumi's efforts. The Japanese Prime Minister's trip, however, had an important effect—the US learned that, to advance its own interests, it had to advance those of Japan as well. Preferring to focus on building the case against Iraq and taking a hard line toward North Korea, instead the US was confronted with a Japan unwilling to wait on the sidelines, while the situation in its neighborhood grew more ominous.

Now, despite North Korea's protests, the US is emphasizing the resolution of the abduction issue, as well as short- and medium-range missiles that threaten Japan (in addition to long-range missiles), and is attempting to resolve the crisis through six-party negotiations, a forum espoused by the Japanese as early as 1999.¹⁴⁹ In fact, the US, with the help of China, put pressure on North Korea to restart NK-Japan bilateral talks on the abductions, and the two countries met in February 2004, prior to that month's round of the six-party talks.¹⁵⁰ Kelly's October 2002 trip marked the start of the second nuclear "crisis" on the Korean peninsula within ten years. To begin, we should look at the interests of the parties.

Interests of the Parties

Japan. On the surface, it is easy to conclude that US and Japanese interests converge. In fact, all five powers currently participating in the Six Party talks with North Korea—the US, Japan, China, Russia, and South Korea—have agreed that a nuclear-free peninsula is in everyone's interests. However, peeling back the layers, we see that priorities among those participants do not align. For Japan, the most important issue is the resolution of the abduction of Japanese

nationals.¹⁵¹ Although those who have been identified as still alive have since returned to Japan, questions remain about several other missing Japanese. Tokyo also has not been satisfied with North Korea's accounting for those identified by North Korea as having died. Of course, a close second priority for Japan is North Korea's missile and nuclear weapons programs. For Japan, nuclear weapons elimination is not enough; the medium range missiles with the potential to deliver them must be addressed as well.

As mentioned, the 1998 missile launch raised fears about North Korean threats to Japan's security. From Tokyo's perspective, Washington showed insensitivity to this. As a result, Japan decided to launch its own series of intelligence gathering satellites as well as to fund its own attack capability (smart munitions and mid-air refueling).

The United States. The major concern of the United States is development and proliferation of nuclear weapons, weapons material, and technological know-how. The likely target of exported nuclear weapons or the materials to produce weapons in the hands of terror organizations remains the United States and not Japan. The US is also concerned about the export of missiles or missile technology to third countries, particularly the Middle East. However, the Taepo Dong I is not capable of delivering a nuclear payload to the United States from North Korea. Kim is believed to be developing the Taepo Dong II, which is expected to have this capability, but its status is unknown at this time. Barring further tests, North Korea itself may also not be able to confirm its progress.¹⁵²

David Wright, a senior scientist at the Massachusetts Institute of Technology (MIT) stated, "North Korea has not flight tested a reentry heat shield for a long-range missile, and would need to do so before it could use it to deliver a warhead."¹⁵³ In addition, even if Kim's first generation nuclear warhead is at the low end of the estimated weight range (450 kg), an ICBM version of his existing missiles is not able to bear warheads of that weight.¹⁵⁴ Meanwhile, Japan can be threatened by both the medium-range Nodong and the long-range Taepo Dong I carrying conventional, biological, or chemical weapons. In short, the US is more concerned about export, while Japan is more concerned about missiles currently pointed in its direction.

In addition, for the United States, the strategic significance of the peninsula itself is waning. The US is moving its forces south of Seoul, leaving territorial defense largely in the hands of the South Koreans. Anti-American sentiment and sympathetic views of North Koreans as "wayward siblings" are growing in the South Korean public and further permeating the ROK government. A 2002 poll showed that only 56% of South Koreans want to maintain the US-ROK alliance.¹⁵⁵ And the April 2004 parliamentary election in South Korea was a virtual overnight generational change in that governmental body; 70% of those elected were newcomers and 83% were between the ages of 30 and 50.

Subsequently, the US announced that a brigade from the 2nd Infantry Division would deploy to Iraq in the summer of 2004 and the other brigade would follow at a later date. Shortly thereafter the US publicly released its decision to permanently remove over 12,000 troops from the peninsula. Even if the US reverses this decision, the current re-stationing of troops south of Seoul will likely lead to a more regional oriented mission, using Korea as its deployment

platform, similar to the transformation of Germany-based forces after the Cold War. As forces move south on the peninsula and bases are closed, adequate training areas also will diminish. These forces will likely deploy to other East Asian countries to show a continued commitment to the region, bolster other bilateral security ties in Asia, and maintain their combat readiness through combined training exercises.

The US-ROK alliance rests on tremendously shaky ground and it may become irrelevant after the current crisis when its *raison d'être*, the defense of the South, evaporates. In fact, if veteran Asian affairs journalist Richard Halloran is correct, then the alliance is indeed already in tatters. According to his widely published news article, the US will dissolve the Combined Forces Command, the United States Forces Korea, and the United Nations Command and, in doing, so relinquish control of the ROK military. South Korea would then defend itself.¹⁵⁷ This refocusing of US forces may set the stage for complete redeployment or it could be used to argue for a continued presence in post-crisis/unified Korea. Instinctively, both Korea and China will want US forces to withdraw and North Korea is attempting to make the redeployment of US troops a condition for it to give up its nuclear weapons. Yet, it is in all parties' best interests if US presence is maintained. If American forces are not "aimed" at China, i.e., deployed on its border, then there is some evidence that there are senior officers in the China's People's Liberation Army (PLA) who could live with a continued US presence.¹⁵⁸

US troops in Korea could calm competition between China and Japan for influence over the peninsula and prevent US extended nuclear deterrence from ringing hollow.¹⁵⁹ South Korea, despite current sentiment, could agree as well, considering the deterrent effect US forces would serve to those seeking advantage on the peninsula.¹⁶⁰ In addition, Korea could avoid increases in defense spending and focus resources on economic, social, and political issues if US troops remain. However, US forces, despite important reasons justifying their continued presence, may be destined to leave Korea in the aftermath of the current crisis.

China. China, whose influence has made the six-party process possible, will come out as a winner no matter what the results of the talks.¹⁶¹ If the parties fail to reach an agreement, it will be largely seen by South Korea, and many other Asian countries, as a result of US intransigence. If an agreement is reached, many will view it as one made possible by Chinese efforts to bring the parties together. China wants a nuclear-free peninsula, but it does not feel threatened by North Korean nuclear weapons, nor does it fear attacks by non-state actors who may receive nuclear weapons or material from North Korea. China sees the US as the likely target of such groups. Chinese leaders fear Japan's reaction to continued North Korean agitation, which, in China's view, is responsible for Japan's increased military stance. These same leaders also aim to influence both Koreas' futures in fundamental ways.

China needs very much to focus on domestic economic, political, and social challenges and requires a stable periphery to do so. Therefore, it seeks to first resolve or stabilize the current crisis and then control what follows. Whether this is some sort of reunification/federation process or maintenance of the status quo, China's influence and involvement in the affairs of South and North Korea will be pervasive. Especially worrisome to China is the sensitive border

region with North Korea and areas within China holding dense ethnic Korean populations. A collapse of the Kim regime would potentially bring masses of refugees into China and much of the reconstruction and rehabilitation costs would be born by the Chinese as well. Ideally, China seeks a Korea(s) that accommodates its foreign policy preferences, does not cooperate militarily with its potential adversaries, and provides high-technology products, investment capital, and markets for Chinese goods.

South Korea. The South wants to avoid military conflict. Further, the North's nuclear weapons program, although alarming, is not seen as "pointed" at Seoul.¹⁶² Already threatened by countless artillery tubes within range of downtown Seoul, South Koreans do not believe that their security is in greater danger than it already was. South Korea also fears the costs associated with a regime change or collapse and, in this sense, shares common ground with China. "Ironically, although it is a formal ally and host to American military bases, South Korea is arguably closer to China's ideal than is North Korea."¹⁶³ Professor Robyn Lim has asserted that the Koreans, due to growing economic interdependence with Beijing and China's desire to make the peninsula a strategic dependant, are already *de facto* allies of China.¹⁶⁴ Many dispute this conclusion, however, and see a fierce and growing sentiment binding both North and South Koreans in a nationalist defense against both historic aggressors—Japan and China.

North Korea. North Korea's overarching interest is regime survival. To survive, North Korea wants to gain economic and energy aid and formal security assurances from the United States and believes it may be possible to trade its nuclear weapons program to achieve these goals. The problem, as Henry Kissinger points out, is that "despite its fierce rhetoric, North Korea has no military options that lead to its desired outcomes."¹⁶⁵ With no military option, the "Dear Leader" is pretty well boxed in. Likewise, Kim knows the US is after a regime change and appears to think that the only way he can deter the US is by possessing nuclear weapons. This conundrum—nuclear weapons as both bargaining chips and deterrence—makes an agreement particularly difficult to reach. However, if Kim is confident his regime can survive in the context of an agreement, it appears he is willing to give up his nuclear ambitions.

Character of a Post-crisis Korea

The outcome of the current crisis remains unclear, but likely scenarios all pose ramifications for US-Japan relations. The adhesive holding the US-Japan alliance together contains just a few ingredients—the threat from Korea and uncertainty regarding China's future. Thus, developments on the Korean peninsula directly affect the US-Japan partnership. Given the aforementioned varying perceptions of threat and priorities for policy goals, the alliance will be tested during the six-party process. If the Japanese view the alliance as not providing for their security, Japan will not be reassured that its reliance on the US rests on solid ground. Currently, the US seems to be tending to Japanese interests, perhaps in reciprocity for Japan's support of the US in Iraq. However, with the six-party process still in its nascent stages, it is too early to determine whether this cooperation will endure the test of time – especially in terms of Kim's missiles, which can strike Tokyo, but not Los Angeles. And contrary to the claims by the Japanese, Koizumi's May 2004 trip to Pyongyang provides yet another opportunity to Kim to drive a wedge between the two allies.

In time, though, the current crisis will eventually come to a head and the threat will be reduced, if not eliminated. An agreement stemming from the current talks, perhaps backed up with some form of coercion, is the most probable outcome. The parties involved cannot afford to ignore the situation, but the use of force is neither feasible nor acceptable. The US, Japan, and arguably China, are not prepared to resign themselves to the fact that they just have to “live with” North Korean nuclear weapons. The United States has no sound military course of action. All other parties strongly oppose military options, and the loss of life would be unacceptably high. Similarly, China and South Korea simply will not allow the regime to collapse and therefore will not support a blockade or economic sanctions, whose efficacy in facilitating regime collapse is otherwise problematic. The human and economic costs of a collapse and then abrupt reunification would be astronomical, and North Korea’s neighbors do not want to bear those burdens. Of course, there is the prospect of “loose nukes” as well. In addition, a successor regime would likely be led by the military, may follow equally or even more militant policies, exhibit the same recalcitrant behavior, and be less receptive to political and economic reform.¹⁶⁶ Therefore, gradual change resulting from a negotiated agreement seems to offer the only acceptable and feasible solution.

When one of the main “ingredients” in the glue binding the US-Japan alliance evaporates, what are the implications for Japan’s foreign and security policies and US-Japan relations? The answer to this question is driven in part by the character of a post-crisis Korean peninsula.

We are likely to see a post-crisis North Korea that enters a period of reconciliation or federation with the South. This will allow the Kim regime to retain firm political control, while gradually enacting economic and social reform, which will steadily reduce reunification costs and stave off political unrest. In other words, reunification will be more like a journey measured in years, if not decades. As a multilaterally controlled, and perhaps tension fraught, reunification process unfolds, however, Seoul, the political and economic center of a new Korea, will have to make strategic choices of a kind it has never faced.

Broadly, there are three “pure” strategic options for a post-crisis Korea: (1) join Japan (and maybe the US) in balancing against China; (2) strategically align with or orient toward China; and (3) attempt to secure political and security independence, avoiding dependency on any one power. I use the term “pure” because it is unlikely that we will see any one of these outcomes alone. Rather, Korea will undoubtedly reflect a mix of them. First, however, we will examine each individually.

Japan is tremendously concerned about Korea’s strategic alignment, as threats to Japan have historically come through the peninsula, “a dagger aimed at the heart of Japan.” Currently, US presence in Korea and the US-ROK alliance serve as the first tier in the defense of Japan. If the US redeploys its forces from Korea, then Japan, which lacks strategic depth, would have no buffer between it and the source of past threats. While the Mongols do not seem poised for another attempt to invade Japan, the importance of this buffer is very important psychologically and strategically, should China wish to assert itself on the peninsula.¹⁶⁷ Absent a US presence, Japan would look to Korea to provide strategic balance against China. Korea, according to Professor Victor Cha, should realize that China is a greater threat than Japan and will accept

this arrangement.¹⁶⁸ However, such an arrangement, while suitable, may not be feasible or reliable. It is not apparent that Korea can rid itself of animosity toward Japan, which is deeply imbedded in the Korean national psyche.

Still today, even though the countries “normalized” relations in 1965, Korean nationalism is in large part defined by the past wrongs committed by Japan. Korea and Japan have indeed made progress. Co-hosting the World Cup, Seoul’s decision to allow imports of Japanese pop culture, and visa-free tourist travel between the two countries have begun to reduce the animosity that still persists. Yet anti-Japanese sentiment remains widespread. It was demonstrated in January 2004, when the South Korean postal agency developed stamps bearing images of the disputed island of Tokdo (Takeshima in Japanese). People lined up outside post offices at dawn on January 16 to buy their allotted sheet of stamps, of which 2.2 million were printed. They were sold out in three hours.¹⁶⁹ A web-based campaign to raise funds for the investigation of Koreans who collaborated with early 20th century Japanese occupation authorities earned \$425,000 in just ten days after the Tokdo stamp issue surfaced, a goal originally thought attainable in eight months.¹⁷⁰

Hopes that the younger generation would be less anti-Japanese may not bear fruit. Within days of the April 2004 parliamentary elections in the ROK, which turned the governing body over to a new generation of politicians, the lawmakers proposed to toughen legislation that would strengthen the pursuit of those who collaborated with the Japanese. Although both governments were quick to calm the situation, the South Korean public’s devouring of the stamps shows just how far Korea and Japan are from genuine reconciliation.

Anti-Japanese nationalism is also prevalent in China, which shares past victimization by Japan and finds it a convenient tool to whip up public support and legitimacy for the communist Beijing government, whose predecessors fought the Japanese in WWII. But will Korea strategically align itself with China?

China and Korea do share common histories as victims of Japanese aggression and are increasingly economically interdependent. Beginning in 2001, China became Korea’s largest trading partner. As noted, China will seek to deeply influence the project of Korean reunification. China will ultimately attempt to control this process in order to stabilize its periphery and prevent further US encroachment on what it considers to be a critical geographical region. Like Japan, China also has been threatened through the axis that is the Korean peninsula. Although a foreign invasion is also no longer a threat to China, strategic influence on the peninsula, and therefore stability on its periphery, is extremely important. But although Seoul is growing closer to Beijing, and may be considered a *de facto* ally today, Korea will likely avoid becoming so close with its neighbor that strategic freedom of action and balance is crowded out.

After the South rallied to support the Tokdo stamp printing, both Koreas vehemently protested against what they viewed as an attempt by China to steal their ancient history. The ancient kingdom of Goguryeo, which ran from south of Seoul into Manchuria, is being claimed by Chinese scholars.¹⁷¹ In an obvious move to control a potentially destabilizing border region, China has stirred a widespread movement in both Koreas to protect itself against foreign encroachment. “Throughout our history, both China and Japan have been constantly trying to

sway us, control us, dominate us or push us around,” stated an emotional protestor.¹⁷² Korean nationalism will continue to bind Koreans on both sides of the 38th parallel and steel the country against outside domination.

This leaves the third option—a Korea which ardently strives to remain as independent as possible. It is doubtful that Korea will be able to stand alone during the trying initial years of the reunification process. In addition, cultural affinity and economic interdependency, combined with a rise in displeasure with the US, will tend to push Seoul closer to Beijing than either Tokyo or Washington. As we have seen, however, Korea’s proud and independent people – who aspire to be the “hub” of Asian economies – will attempt to avoid complete strategic accommodation with the PRC and will likely use both Japan and the US to hedge against subservience toward its larger neighbor.¹⁷³ In essence, Korea will pursue a mix of strategies associated with options one and two above, while aspiring to, but not completely reaching, the third—complete autonomy.

Korea’s interests are best met this way because it will continue to rely on cordial relations with China, Japan, and the US for economic and security reasons. It would be self-defeating for Korea to favor one at the expense of the others. Although not the ideal outcome for self-interested third parties, it is one all can grudgingly accept. The biggest challenge facing the US, China, and especially Japan may be preventing a unified Korea from possessing nuclear weapons. Ironically, everything that is likely to be done in the near future to disarm North Korea may be for naught. Later, a unified Korea seeking to avoid a position of weakness sandwiched between Tokyo and Beijing may deem it necessary to pursue its own deterrent. But there have only been two times in South Korea’s history that it contemplated developing nuclear weapons—both when US commitment was in doubt.¹⁷⁴ If a multilateral agreement can be concluded, which guarantees the security of North Korea in the context of the current crisis, it is possible to extend the same assurances to the entire post-crisis peninsula.

In sum, Japan would be faced with a Korea still somewhat entrenched in anti-Japanese sentiment, yet Seoul would continue to warm to Japan, while further cooperating with China. The current public and political mood moving it further from the US will likely persist and result in a significant reduction, if not a complete redeployment of US forces. It will partner with Japan when it feels that China is getting too assertive, yet it will avoid hard and fast alliances with its neighbor across the “East Sea.”¹⁷⁵

Implications

Let’s now turn to the resulting implications for Japan and US-Japan relations. First, Japan will no longer face an immediate threat to its security. Therefore, it will have a free hand in relations with a post-crisis Korean peninsula. Prime Minister Koizumi has already demonstrated his willingness to strike out on his own when faced with a nuclear armed North Korea. Tokyo will only be emboldened after the current crisis is resolved. Japanese foreign policy toward Korea(s) would no longer be held hostage to US prerogatives. Japan, with Korea and China, would probably seek to reduce tensions and build confidence through a trilateral forum, which also would attempt to further advance political and economic cooperation. The “Big 3” of Northeast Asia also would continue efforts to advance regional integration with ASEAN, a subject addressed below. Japan would be faced with greater freedom of maneuver vis-à-vis the United States.

Although this new found freedom could run counter to US interests, this certainly is not a foregone conclusion. On the contrary, Japan could do much to complement American interests if the level of consultation and bilateral policy formulation reconcile both countries' goals and priorities. This will require the US to accept that it would have more to gain in ceding some control, rather than retaining complete sovereignty on policymaking. The "boundaries" delineating Japan's space to exercise a potentially divergent independent foreign and security policy, however, would be drawn by its assessments of Chinese intentions.

China: Potential for Diverging Perspectives?

International relations and security experts have been enthralled with the "rise of China" for quite some time and rightfully so. When the Cold War ended, the basis of the de facto US-Sino alliance Nixon forged also ended. Since then, observers have been animated about the strategic direction of China. China is big in every sense of the word, and it continues to grow. Figure 6 illustrates just a few indicators of continued Chinese growth.¹⁷⁶ Its population of 1.3 billion, consistently expanding economy, increasing thirst for foreign supplies of energy, a decade of double digit increases in military spending, uncertain political transition, and unsettled territorial disputes provide a rich backdrop for debate about the country's future, its intentions, and the resultant implications for the US and its allies.

A Growing China

- Population—1.3 billion, 20% of world population
- Second largest economy in terms of PPP
- Economy has tripled in 20 years
- Will be second largest economy in US\$ by 2015-2020
- Military spending increased by 17% in 2002, totaling an estimated \$65 billion and could be three- to four-fold by 2020
- Second largest importer of crude oil

Figure 6 Chinese growth indicators

At the same time, there is a great potential for instability within China. The sheer geographic size of the country complicates governance, and the growing prosperity gap between coastal and inland regions continues to widen. US Trade Representative, Robert Zoellick, discussed some of the most pressing challenges for Beijing:

"China has to add 50,000 new jobs a day to cope with both population growth and the dislocations caused by economic reform. Moreover, China's ability to allocate capital productively is limited by a rudimentary financial system buried under a mountain of bad debt. China's new leaders caution that the country still faces huge challenges, with ill consequences for many if they misstep."¹⁷⁷

Charles Wolf, Jr., a leading economist from RAND, highlights eight “fault lines” which can slow or severely setback continued economic growth in the coming decades, a sober reminder just how potentially volatile the situation is in China.¹⁷⁸

Views on the future of China are divided, and this division has permeated the highest circles in both Tokyo and Washington. This has resulted in shifting policies from one administration to the next and even within the terms of sitting governments. The uncertainty of China’s future and potentially different interpretations of threat and intentions makes US-Japan policy coordination the most difficult and important challenge that the allies must meet together.

The US-Japan alliance is the best mechanism to address this uncertainty. Nevertheless, a prolonged period of coexistence and relative cooperation with China, coupled with continued economic prosperity resulting from Chinese growth, indeed positive developments, could sap the energy driving strong US-Japan ties. As the relative importance of China to both Japan and the US increases compared to each other, the current level of cooperation and consultation between Japan and the US could wane. Japan also will have more incentive and space to exercise an independent diplomacy. First, let’s look at how views of China can diverge based on an assessment of current issues. We will then turn to prospects for Sino-Japan relations.

Different Viewpoints, Different Policies?

Most China watchers fall into one of three broad camps. The first are those who see the world from *strictly* a realist’s perspective. They tend to view China as a long-term, or sooner, threat or peer competitor, vying for a dominant regional and potentially global role, challenging America’s preeminence. Perhaps John Mearsheimer is its most ardent advocate. Idealists occupy the second camp. While they acknowledge potential competition with the Chinese, they argue that China will only become a threat if we treat it like one. Joe Nye, former Assistant Secretary of Defense and Dean of Harvard’s Kennedy School of Government, warns of this “self fulfilling prophecy.” Members of this camp advocate engaging China in order to build confidence and potentially influence the direction in which China develops. Most believe that increased economic interdependence and a gradual transition to democracy will make conflict or hostile competition so costly that there will be little incentive to pursue aggressive policies.

In fact, China is embracing the market economy and pursuing cooperative relations with its Asian neighbors. Figure 7 provides an overview of developments in recent years. But because the two camps view the world through different lenses, these developments are interpreted differently. There is fundamental disagreement about Chinese intentions. Both camps acknowledge that China’s immediate focus is on internal challenges and goals. To consolidate economic reforms and ensure continued growth, and thus internal political stability, China needs a stable, cooperative regional environment and steady relations with the US.

China's Diplomatic & Economic Offensive

- Signatory of ASEAN Treaty of Amity and Cooperation (TAC) 2003
- Signatory of the Joint Declaration on the Code of Conduct over the South China Sea (2002)
- Between 1988 and 1994 China normalized relations with 18 countries
- Greater Mekong Sub-Region Project (2002)
- Treaty of Neighborliness and Friendly Cooperation with Russia (2001)
- Border disputes with Russia and Vietnam settled
- Driving force behind anti-terror center within Shanghai Cooperation Organization (SCO)
- Proposes FTA within SCO countries
- Proposed joint development of Spratly Islands (2003)
- Initiated ASEAN-China FTA talks with goal to conclude deal by 2010
- Host of Six-Party Talks, North Korea crisis (2003/4)
- Supported US at UNSC on issues regarding the War on Terror (2001-2003)

Figure 7 China's diplomatic & economic offensive

Those in the idealist camp see China's recent regional diplomacy and improved ties to the Bush administration as evidence that Beijing has decided to accept norms that will lead to continued and greater cooperation, regional harmony, and stability. However, the realists would add, in the process of pursuing these goals, that China continues to spread its power and influence and therefore is challenging both Japan's and the United States' position in Asia. Further, they argue, China does not see multilateralism as an end in itself, but a means to promote trade and security interests and check American influence.¹⁷⁹ They say that China is biding its time, setting the conditions, and better positioning itself to become more assertive later.

Rather than the two extremes—strategic partner or strategic competitor—a third group sees the truth lying somewhere in the middle. While an outright containment strategy would indeed provoke Beijing, a “pure” engagement strategy, based on the maxim of “economic interdependence leads to peace,” is also seen as naïve. Therefore, this camp generally favors a more cautious approach, one grounded in the maxims of Realpolitik and suspicions of Chinese intentions, but inspired by a commitment to a diplomacy that staves off confrontation and builds trust, confidence, and cooperation. Some have used the term “cautious engagement” to describe the strategies they propose.¹⁸⁰

This group points out that, as China transforms, the Chinese Communist Party (CCP) is also transforming in order to survive. As the contradictions between Marxist-Leninist ideology and market capitalism have become too great, the CCP has become more of a national party. The leaders of the CCP have found a public ready and willing to embrace Chinese nationalism and, at times, have struggled to contain it. To critics of the CCP's hold on the reigns of government, Chinese leaders cite almost 50 years of one-party rule in Japan. Although a Chinese version

of democracy may emerge, a publicly supported government not concerned about its survival may be more demanding, driven by an increasingly nationalistic sentiment.¹⁸¹ If this national mood converges with continued economic and military growth and sustained regional power and influence, China may no longer feel obliged to settle disputes in an even-handed or non-confrontational manner, especially after unification with Taiwan.

There is an important message from those occupying this middle camp; although there is no sound strategic option other than some form of engagement, we should not be surprised if things do not turn out the way we expect, as idealists or realists. At this juncture, one thing is certain and that is uncertainty. This uncertainty leaves open the possibility of different US and Japanese perceptions of and approaches to China. In fact, both countries' China policies have varied over the years. While China's actions will largely determine how others view it, Japan and the US have yet to demonstrate a consistent policy themselves, let alone a coordinated alliance policy.

The United States, under President Clinton, seemed to lean more toward the idealist approach and treated China as a strategic partner, as opposed to a competitor. In fact, Clinton was accused of "Japan passing," courting China at the expense of Japan. President Bush, on the other hand, came into office in direct opposition to the Clinton position. Condoleezza Rice clearly spelled out the new administration's view in a Foreign Affairs article:

"Even if there is an argument for economic interaction with Beijing, China is still a potential threat to stability in the Asia-Pacific region . . . China resents the role of the United States in the Asia-Pacific region. This means that China is not a 'status quo' power but one that would like to alter Asia's balance of power in its own favor. That alone makes it a strategic competitor, not the 'strategic partner' the Clinton administration once called it."¹⁸²

Since the September 11th attacks, however, relations with China have been cordial. In fact, according to Colin Powell, the Sino-US relationship is also deemed to be the "best ever."¹⁸³ Despite assertions to the contrary, improved ties are largely attributable to China's support (or willingness not to outright oppose) US actions in the war on terror.¹⁸⁴ However, this "best ever" assessment is based on China's willingness to cooperate with the US and does not necessarily reflect Chinese sentiment. Condoleezza Rice has done an about face of sorts after just three short years. Now, Rice states, patterns of cooperation "will stand us in good stead as we work with other partners . . . to help China play the constructive and central role in world affairs that its people deserve."¹⁸⁵ In addition, when President Bush hosted Chinese Premier Wen Jiabao in December 2003, his remarks clearly signaled a step back from the traditional staunch backing of Taiwan, much to the dismay of many of his more conservative backers. Subsequently, the administration tacked back toward Taiwan to restore the strategic ambiguity meant to restrain both parties and avoid a cross-strait conflict. One could ask, what will be US China policy beyond the current war on terrorism cooperation "bubble?"¹⁸⁶ Will the US use the current Sino-US cooperation as a springboard for a larger strategic move toward renewed détente?

James J. Przystup, a Senior Fellow at the Institute of National Strategic Studies and long-time China watcher, accused the Bush administration of being too short sighted in focusing all its diplomatic efforts on the war on terror and thus ignoring the new realities of Asia. According to Przystup, China is already East Asia's great power and "after Afghanistan, after Iraq, after bringing democracy to the Middle East, when the United States refocuses on Asia, it will find a much different China in a much different region."¹⁸⁷ While both the US and China seem to be using the crisis in North Korea as a vehicle to build confidence in each other and improve ties, the direction both China and the US take beyond the North Korean crisis is unclear.

Chinese leaders are considering a government proposal to establish a consultative body to discuss Northeast Asian security affairs, which would be an extension of the six-party talks currently underway.¹⁸⁸ Again, the US could interpret this as a signal that China wants to institutionalize consultations and cooperation or it can be seen as a forum in which China wishes to unite others against the US and/or Japan. Both sides will be argued within Japan and the US, as well as between the two governments. While the US may have a choice in the matter, Japan would welcome another forum in which to engage China. In fact, the *Tokyo Shimbun* reported that the Koizumi government was studying a similar proposal, with the aim of establishing a permanent multilateral framework for security talks.¹⁸⁹

Like the US, Japan is struggling with its approach toward China. Both sources of competition and tension mingle with cooperation and coexistence. Although Japan remains the second largest economy in terms of gross domestic product, its stagnation, compared to China's booming growth, is turning attention toward Beijing and away from Tokyo. In addition to economic growth, China has accelerated its diplomatic "charm offensive" throughout the region. As noted, Chinese leaders have made tremendous efforts not only to attract economic partners and markets for their products, but also have taken great care to cooperate with its neighbors to resolve longstanding territorial and political issues. As a result, China's influence is on the rise. While US attention may have been diverted after September 11th, Japan could not help but notice China's impressive gains in the region.

In fact, Okamoto Yukio, former special advisor to the Cabinet Secretariat and the Prime Minister for security affairs, stated that Japan already has lost the "race" with China. To Okamoto, the debate used to be about how to stay ahead of China. Now it is about how to survive in the face of Chinese development and how to benefit from it.¹⁹⁰ At the same time, China continues to modernize its military capabilities, its energy demands are expanding in leaps and bounds, its naval presence in the East and South China Seas is becoming ubiquitous, and its fiery rhetoric to rein in Taiwan has not abated. No wonder Okamoto concluded that Japan's relationship with China "is the most important theme in Japan's foreign policy at the outset of the 21st century."¹⁹¹

Strategic Ambition?

At the heart of the debate about China is intent and objectives. Does China have strategic ambition or is it defending itself against a perceived encirclement and unpredictable US? Or, as a growing regional power, is China simply looking after its interests and developing the

diplomatic and military capabilities commensurate with its rising economic status? Will China declare its own version of the Monroe Doctrine? Is the rise of China a zero-sum game at the expense of the US and Japan?

China's fundamental national interests involve safeguarding its political system (the stability of the CCP regime), sustaining a peaceful international environment for China's economic development, and achieving national unification (Taiwan).¹⁹² Historically, China also has seen itself as the "Middle Kingdom," and many experts conclude that China aspires to a leadership role in Asia. Larry Wortzel of the Heritage Foundation, sounding a more alarmist message, stated, "Beijing wants to be the preeminent power in Asia-Pacific region."¹⁹³ More specifically, Professor Robert Sutter defines China's objectives as:¹⁹⁴

- Securing China's foreign policy environment at a time when the PRC regime is focused on sustaining economic development and political stability.
- Promoting economic exchange that assists China's internal economic development.
- Reassuring Asian neighbors through increased contact about how China will use its rising power and influence.
- Boosting China's regional and international power and influence and helping to secure a multi-polar world order.

China is no less susceptible to differing views internal to their own government. Like the US and Japan, opinion is split in Beijing on how best to protect and further Chinese interests. In general, there are two camps—the internationalists and the nationalists. The internationalists, personified by Deng Xiaoping, are focused on modernization as "peace and development," while the nationalists, traditionally associated with the PLA, take a more realist view of the world.¹⁹⁵

But Chinese deeds, more than words, are being examined for further evidence of intent. China's growing energy needs, military build-up and activity in the region, and unresolved territorial disputes are being used as evidence to support opposite conclusions. What follows is a presentation of both sides—the "yes" and the "no"—to a series of key questions regarding China's intentions.

Competition for Energy Sources?

While Prime Minister Koizumi insists that China poses an opportunity for Japan, rather than a threat, the mission of girding against questionable Chinese intentions has been handed to the SDF.¹⁹⁶ In fact, the SDF is shifting resources from the northern island of Hokkaido, where Japan planned for a possible Cold War era Soviet invasion, to the southern island of Kyushu, closer to the East China Sea. It is here that the tension of unresolved territorial disputes and potential competition for natural resources lurk. According to an SDF intelligence officer, "With its rapid industrialization, China is now a net importer of petroleum . . . A competition over natural resources in these waters is about to begin."¹⁹⁷ Does increasing demand for oil, for example, mean that China, Japan, and other Asian countries will compete for imports? Do disputed territories hold vast offshore resources, making a clash over these otherwise insignificant islands inevitable?

Yes, Japan and China will compete. Japan is the world's fourth largest energy consumer and second largest importer of energy supplies. Japan continues its efforts to diversify its sources of energy and reduce its dependence on oil, but has met with limited success. Oil still accounts for 50% of Japan's energy consumption.¹⁹⁸ Of the 5.32 million barrels of oil it consumed each day in 2002, Japan imported 5.24 million barrels; in other words, Japan imports almost 99% of its daily requirements.¹⁹⁹ Up to 90% of that imported oil comes from the Middle East. In contrast, the United States imports 20% of its oil requirements from the Persian Gulf region, a figure that has been declining since 2001.²⁰⁰ Japan's policymakers, who cite potential regional instability, would like to reduce dependency on Middle Eastern oil.

In fact, Tokyo and Beijing competed for a Russian pipeline project, which will route Siberian oil from the Angarsk area to the east. China wanted the pipeline to run from Angarsk directly to Daqing. Japan wanted the pipeline to tie Taishet (about 500 km from Angarsk) with the Russian port of Nakhodka. Close to a deal with China before Tokyo made its generous offer, Russia began to have second thoughts. Vladimir Putin was believed to favor the Japanese offer, since his oil would go to the international market, as opposed to relying solely on China; this was borne out in Russia's final decision. Experts estimate that the proposed pipeline could carry up to one million barrels per day, almost 20% of Japan's import demand, a significant decrement to Middle East dependency.

China's thirst for imported crude is indeed expanding at an alarming rate. China is now the second largest consumer of oil, behind the United States. In 2003, China imported a record 91 million tons of crude, a 31% increase over the previous year and a level previously predicted for 2010.²⁰¹ Currently, there are only 10 automobiles for every 1,000 Chinese citizens compared to 552 in Japan and 770 in the United States, a clear indicator of the potential growth in demand.²⁰² Meanwhile, the country's largest oil field in Daqing is now "deep into the resource depletion period, with 77% of resources" already consumed.²⁰³

High costs of domestic production make Middle East oil more attractive, but only about half of Chinese refineries are equipped to handle the "sour" (high sulfur content) crude from that region.²⁰⁴ This fact made the Russian project very attractive to China. Oil from Siberia is of a higher quality than the high sulfur laden oil that comes from the Middle East. Further, Japanese companies already have invested in the technology to refine such oil. China's dissatisfaction with Japan is clear; after 30 years of sending oil to Japan, Beijing ceased exports to Tokyo from its Daqing field.

Beijing believes that potentially vast resources exist around disputed territories in the South and East China Seas. For example, the highest Chinese estimates place potential production at up to three million barrels per day in the area surrounding the Spratly and Paracel islands.²⁰⁵ China also believes that there is untapped oil in the area surrounding the Senkaku islands, which both China and Japan claim to be their own. Even if these estimates are believed to be wildly unrealistic to experts outside of China, what leaders in Beijing perceive to be true will drive policy.²⁰⁶

No, China and Japan will not compete. Fear of competition and its possible ramifications immediately come to mind when confronted with such statistics and the duel over the Russian pipeline. There are some Japanese energy experts, however, who are advocating a new prong in Japan's energy security strategy—help China fill their demands. While they feel that Japan should not back down to China, they advocate efforts to cooperate and reconcile differences with China and see growing energy needs as a vehicle to foster cooperation rather than competition. One possibility is offering Japan's vast strategic oil reserves as an "insurance policy," while China continues to build its own facilities and contingency stocks, which will barely reach one month's worth of imports by 2010.²⁰⁷ Tokyo also has apparently avoided concluding a government-to-government contract with Moscow that would secure a share of the oil for Japan coming out of Nakhodka. Market forces will drive who gets the oil and therefore leave a door open for China. In addition, Russia is attempting to compensate China by increasing its capacity to deliver oil via rail lines. Japan does not want to rub salt in the Chinese wound that was opened with Moscow's preference for the Japanese offer.

Further, and more importantly, many experts believe that supply can expand to meet China's seemingly unquenchable thirst. A study by the International Institute for Strategic Studies (IISS) makes a compelling argument for this conclusion. First, the authors make it clear that there is little evidence that indicates demand will outstrip supply. Similar arguments have been made before, and they have all proven false. Although a crunch was predicted years ago, a decline in oil prices followed, as did an increase of 400 million tons in global demand—a demand met without difficulty.²⁰⁸

Rather than a physical disruption in supplies, the greatest danger is the erosion of excess production capacity in the Middle East, which would cause a rapid price hike. Currently, the Middle East holds 60% of the world's reserves, but provides only 30% of global production from 1% of the world's operating wells.²⁰⁹ As long as significant investment in the region and elsewhere continues to bring new sources to markets, China and other Asian countries can rely on a steady flow of oil. Even Chinese experts believe that supply will not lag demand. According to China's *Economic Daily*, the country's most prestigious business newspaper, China should be confident that ample sources of crude oil will remain available to China.²¹⁰

As Beijing's dependency on the Middle East increases and its demands come to loggerheads with those of Japan, competition, in a business sense, between China and Japan could ensue. Yet, Chinese and Japanese strategic interests may converge more than diverge, compared to each of their interests vis-à-vis those of the US. As we have seen, US dependency on Middle Eastern oil is decreasing and other interests are coming to the fore, such as countering terrorism, spreading democracy, and nonproliferation. Although China and Japan share these interests, their priority will remain quenching their growing demands for oil and gas and therefore are unlikely to support US hard line approaches to the region, which could strain the diplomatic ties they would prefer to retain. For example, Japan's historic Azadegan oil field deal with Iran and China's recent contract to buy \$20 billion of Iranian gas illustrate the potential business competition for these types of deals in the future. However, because both desperately rely on energy from the region, their foreign policy strategies in dealing with Iran will generally align compared to the preferred US approach.²¹¹

What about that SDF intelligence officer that claimed China's energy demands would result in regional competition for resources in the areas surrounding disputed territories? It is true that China is flexing its naval muscles in the East and South China Seas, but nobody really knows how much oil lies around the Senkaku, Paracel, and Spratly Islands. According to official US analyses, there "is little evidence outside of Chinese claims to support the view that the region contains extensive oil resources. Because of a lack of exploratory drilling, there are no proven oil reserve estimates for the Spratly or Paracel Islands and no commercial oil or gas has been discovered there."²¹² From the most recent American study of the South China Sea, we can expect the Spratly area to yield between 137,000-183,000 barrels per day, less than 3% of China's daily consumption in 2003.²¹³ It is questionable then that China's assertiveness has much to do with energy concerns. If competition for energy is not a driving factor, what is the purpose of China's increased naval activity in the South and East China Seas?

Threat to Sea Lanes?

Yes, China poses a threat to sea lane security. Some point to China's naval activity as evidence that it seeks to protect, control, or threaten sea lines of communication (SLOC) from the Middle East through the Strait of Malacca, and the South and East China Seas, and therefore expand its control over Southeast Asia. Observers believe that the mere threat of disruption of the sea lanes would provide China with leverage over smaller countries, whose survival depends on the security of these routes. Such leverage could be used to force them to bow to Chinese demands for favorable trade terms, for example.²¹⁴ If China engages countries in the region separately in a divide and conquer strategy, Beijing could make being an ally with the US more costly than being allied with, or under the influence of, the PRC. If the PRC can then exert pressure on a country's decisions about port agreements, access could be denied to the US Navy. If the Chinese apply this strategy to several countries, the strategic reach of the US could be significantly set back. As Beijing proceeds, the region will eventually reach a point of critical mass – then siding with China becomes the only rational choice.²¹⁵

No, China will not threaten sea lanes. The first aspect of this side of the debate is whether China needs to develop an ability to defend its own assets in critical sea lanes, i.e., that a potential adversary could threaten China by severing SLOCs. While China's economy would suffer a severe setback, China's ability to fuel its military and military production would not be cut off with a disruption or interdiction of sea lanes. Even by 2020, China will import about 57% of its oil.²¹⁶ Assuming a potential foe attempted and was successful in cutting off China's imports, its military would not come to a screeching halt. Therefore, China's ability to defend itself is not in jeopardy, eliminating defensive reasons to launch preemptive attempts to control sea lanes. The assumption that the US, China, or anyone else for that matter would try to disrupt SLOCs, however, is dubious. Anyone disturbing sea lanes from the Persian Gulf, through the Indian Ocean, South China Sea, and on to the Pacific would not only disrupt shipping to China, but many other recipients as well, including US allies such as Japan.

Similarly, China cannot threaten SLOCs through the South China Sea without incurring huge economic costs themselves. The majority of Chinese goods and oil are transported by international carriers manned by international crews. Any attempt to control passage would be

vexed by futile attempts to distinguish “friend” from “foe.”²¹⁷ Further, after Hong Kong, China’s largest port, six of the next seven most capacious ports lie north of Taiwan on China’s east coast, making ships bound there extremely vulnerable to Japanese or US retaliation.²¹⁸ Moreover, if by miraculous circumstance China were able to put in place a successful blockade and sort out ships destined for Chinese ports from all other locations, alternate shipping routes could be used to circumvent an interdiction. Although transportation costs would increase slightly, ships could be diverted through the Sunda or Lombok straits and then the Strait of Makassar (see Figure 8).²¹⁹



Figure 8 Southeast Asia

In addition, this side points out that China’s influence is progressing rather nicely in the absence of threatening tactics such as the above. China is currently enjoying a surge in regional power and influence based on the exercise of its diplomatic and economic instruments of power. It is the lessons China has learned about aggressive behavior—countries seek security with the US or others in response—that has led it to launch its “charm offensive.” Putting a squeeze on SLOCs would reverse its gains, instead of advancing them. ASEAN collectively confronted Beijing after the Philippines discovered Chinese military activity and construction on Mischief Reef, part of the disputed Spratly Islands. Even Indonesia and Australia, unlikely bedfellows, signed a “security treaty” in 1995. While not spelled out in writing, the pact was clearly meant to counter Chinese pressure on the eastern approaches to the Indonesian straits.²²⁰

Although Indonesia promptly ended the accord when Australia took a leading role in the East Timor crisis, cooperation between the two countries is likely to continue.²²¹ Even though US Navy vessels have called on Singaporean ports since the 1960s, access rights and facilities were expanded in the 1990s when it became clear that Subic Bay facilities in the Philippines were no longer offered the US. Subsequently, the Singaporean government funded the development of deep-water piers capable of hosting aircraft carriers. The Mischief Reef incident forced the Philippines to reexamine the decisions they had made and, in 1998, the country's Senate ratified the Visiting Forces Agreement and, once again, US ships have access to Philippine ports.

Of course, aggressive action on the part of the Chinese also would draw in the United States, potentially increasing US presence in the region, and would give greater incentive to smaller countries in the region to seek cooperation with the US to counter Beijing's advances — reactions that China wants to avoid. Economists tend to be even more optimistic. As China becomes more integrated into global economic structures, Beijing will moderate its actions, since these bodies can discipline their members.²²² Sanctions could be levied, levels of investment, trade, and technology transfer could be reduced, and the US, Japan, and the EU could block credits by global financial institutions.²²³

Many agree that the costs of a strategy of outright military aggression to control sea lanes or seize disputed islands far outweigh the potential benefits and therefore China is unlikely to adopt such an approach. However, numerous observers claim that the threat from China is more ambiguous and Beijing will attempt to “pick off” one island, reef or, in terms of influence, one country at a time.²²⁴ This line of thought, however, also has its limits. Even individual countries, when faced with pressure or aggression from China, have not caved in, but resisted. Both Vietnam and the Philippines regard themselves as “front line” states against China. Additionally, almost all ASEAN countries have demonstrated an ability, both individually and collectively, to assess their security environment pragmatically. They see the need for cooperative relations with China and eagerly exploit the concomitant economic opportunities, but are very wary of Beijing's military buildup and naval activity in the region. Rather, some would argue, China's muscle flexing has more to do with their high sensitivity to territorial integrity and securing their mainland and maritime periphery.

Territorial and Maritime Security or Expansionist Goals?

Although China has scored some successes with its neighbors in settling contentious territorial/ border disputes, it has been unable to work with other parties to solve the most troublesome and potentially dangerous disputes. First, Taiwan's fate remains uncertain. For China, reunifying Taiwan with the mainland occupies the number one position on the lists of both domestic and international affairs agendas. For that reason, we should treat Taiwan separately from other territorial issues. Second, two other key disputed territories remain unresolved. Brunei, Malaysia, the Philippines, and Vietnam, as well as China and Taiwan, claim the Spratly Islands in the South China Sea.²²⁵ Finally, the Senkaku Islands (Diaoyutai in Chinese) in the East China Sea are claimed by China, Taiwan, and Japan (see Figure 8).²²⁶

Taiwan. More than North Korea, Taiwan is the most likely flashpoint that could bring major powers head to head in conflict. Taiwan represents a very strong and emotional sovereignty issue for the PRC. Beijing will not accept Taiwanese independence and will use force to attempt to prevent it, despite the economic costs of doing so. It is in the context of Taiwan that one should assess China's burgeoning military spending and modernization. According to the US Department of Defense, the primary driver for China's military modernization is preparing for a potential conflict in the Taiwan Strait.²²⁷ China is not only building up forces in the Nanjing region opposite Taiwan, but also developing capabilities that would deter, deny, or complicate efforts of foreign forces to intervene on Taiwan's behalf.²²⁸ Moreover, "Beijing assesses that the permanent separation of Taiwan from the mainland could serve as a strategic foothold for the United States."²²⁹ Even though China is militarily weaker, a RAND study suggests Beijing will not hesitate to use force to prevent Taiwanese independence.²³⁰

A conflict over Taiwan judged to be provoked by Beijing would involve the United States and perhaps Japan.²³¹ Japan's ties with Taiwan are increasingly stronger and political ties between stalwart Diet members and China are fraying as those members retire from government. Now, the question of *whether* Japan would support the United States or observe from the sidelines is no longer relevant. Standing on the sidelines would mean the end of the alliance. In the near term, most Japanese would be wrestling with the question of how to handle relations with China *after* a conflict, to which they were a part, as opposed to whether Japan would come to Taiwan's (and the US's) aid. On the other hand, a murkier chain of events leading to conflict which allows for differing interpretations of who initiated aggression could pose a crisis between the allies when quick strategic decisions must be made by both Tokyo and Washington.

US and Japanese joint efforts against China would cement Japan's military ties with the US, which is exactly what China wants to avoid. A peaceful unification of Taiwan and the mainland is in China's best interests. Taiwanese President Chen's initial rhetoric in reference to a referendum in conjunction with the March 2004 election was seen as pushing the envelope and provoked not only the usual fiery reaction from Beijing, but also a harsh message from President Bush not to attempt to change the status quo. Why?

Outright Taiwanese independence might be ideal for the US and Japan, but that will not happen without conflict, which would leave the region fragmented and tension-fraught for years. Maintenance of the status quo—Taiwan's *de facto* independence—suits the US and Japan. But is China solely interested in reunifying the "renegade province" with the mainland? Is unification the first step in larger Chinese designs on the region? Or does China see US and Japanese ties to Taiwan as an effort to divide China and further contain it?

Yes, China has ambitions beyond territorial integrity. Those suspicious about Chinese intentions worry that China is not simply concerned about territorial integrity. Securing control over Taiwan would allow China to move its defensive perimeter further seaward."²³² Doing so could put China in a position to bottle up the South China Sea, through which transits almost all of Japan's imported oil. In addition, China could move on to other objectives. According to Shen Dingli, an expert on the Chinese military at Fudan University in Shanghai, "Once the Taiwan front is closed, we may turn to the South China Sea."²³³ Dingli was referring to the

Spratly Islands. He also noted that China has a “third issue to resolve,” which is to recover the Diaoyutai (Senkaku) Islands.²³⁴ The Senkakus consist of eight tiny uninhabited islands, surrounded by undetermined amounts of natural resources. Although the amount of oil is believed to be limited, these islands would add 40,000 square kilometers of exclusive economic zones to a country’s territorial waters.

Professor Robyn Lim, author of the *Geopolitics of East Asia*, asserts that China not only seeks to secure its periphery, but also intends to extend its strategic reach to the Strait of Malacca and the Indian Ocean.²³⁵ Control of the Spratlys would put them within reach of the Strait. China’s recent activities in Myanmar could be seen an advance on access to the Indian Ocean. China is assisting Myanmar’s efforts to upgrade major rail lines, shipyards, and naval facilities on Hianggyik Island, a radar station on Coco Island, and listening posts in the Bay of Bengal and the Andaman Sea. China is also Myanmar’s largest supplier of military hardware. This line of thought ties into that of wanting to control/influence sea lanes above. In fact, China has declared its need for a “maritime great wall” to protect its interests and ensure access to the Indian and Pacific Oceans.

No, China does not harbor expansionist goals. On this side of the debate, observers point to China’s admission that it needs a stable environment to consolidate economic reforms and sustain growth. They also ask rhetorically, “Is it not reasonable to expect China, an emerging regional power faced with uncertainty regarding Japan and the US, to take these steps to secure itself?” Therefore, unfettered access to both the Indian and Pacific Oceans, in the face of stepped up US-Japan defense cooperation and US presence in the region, requires certain measures.

The medium for these measures is the critical body of water connecting the Pacific and Indian Oceans—the South China Sea. Eighty-five percent of the PRC’s shipping travels through the South China Sea (and also over half of the world’s shipping, in terms of tonnage, passes through this sea each year). Moreover, Japan’s heightened security posture and the ubiquity of US forces and American security arrangements since September 11th. with countries in China’s “backyard,” have raised questions about a US attempt to check Chinese power and influence. Figure 9 illustrates the extent of US force presence, security ties, or treaties in Asia and, when taken into consideration, China’s concern becomes understandable, whether one deems it warranted or not. Chinese leaders have expressed their concerns personally; they assert that the US seeks to maintain dominance in Asia by containing Chinese power. Beijing sees the US-Japan alliance and increased presence in the region (including Central Asia) as manifestations of this strategy. Indeed, the security dilemma is alive and well in Asia.

Whether China is judged as a threat or opportunity, competitor or partner will depend foremost on China’s behavior. If the diplomatic “charm offensive” continues, the status quo is maintained in Taiwan, and the web of economic ties and flow of benefits emanating from China’s growth prevails, the two allies could see China from different perspectives in the future. In fact, all combinations of cooperative and strained relations between the US and China and Japan and China are possible. Currently, Sino-Japan relations are quite extensive at the ministerial level and below, but are suffering at the highest levels. Although most Japanese economists now see China as an opportunity rather than a threat, China’s past nuclear tests, aggressive military exercises in the Taiwan Strait, and increased naval activity in the region have many worried.

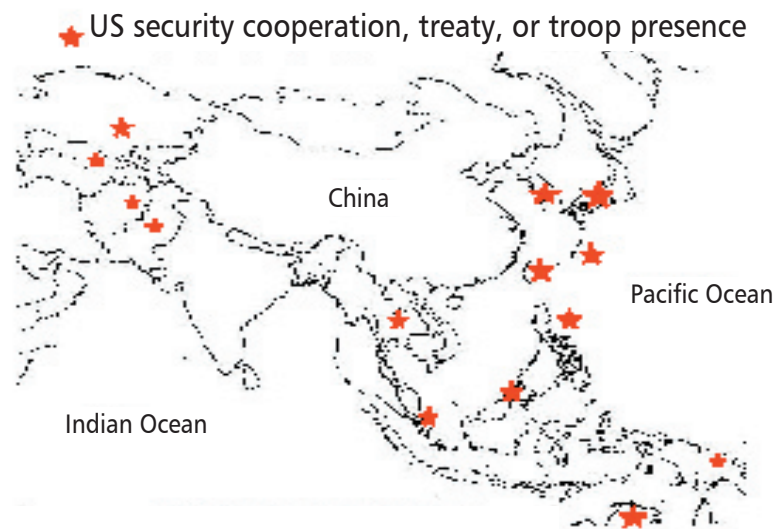


Figure 9 US Security ties in Asia: encirclement?

For now, Japan is highly concerned about China, and it is leaning toward the “yes” side of the questions above. The US is taking a positive, but cautious view. Influential elements within the Bush administration are also leaning toward the “yes” side, but not all see it that way. We will return to the potential dynamics of US-Sino relations and the implications for U.S-Japan relations in section three. In the trilateral relationship, relations between any of the two can affect the third party. Differing assessments of threat, which can produce varying combinations of cooperative and antagonistic relations among the three countries, can constitute dangerously volatile situations. Now let’s turn to an examination of the prospects for the future of Sino-Japan relations.

Prospects for Sino-Japan Relations

Under Prime Minister Koizumi, relations with the US seem to have taken priority, while ties to Beijing are fraying. The key hurdle is the nagging “history” issue. Prime Minister Koizumi and Chinese Premier Wen Jiabao have not exchanged official state visits yet and will not, according to Wen, until a “favorable atmosphere” exists.²³⁶ Although Japan has “normalized” relations with both China and South Korea, both countries claim that Japan remains insensitive to the pain and suffering it caused in the 20th century. As evidence, China cites Japan’s history textbooks and Prime Minister Koizumi’s repeated visits to Yasukuni shrine, where 14 Class A war criminals are enshrined.

While they acknowledge the wrongs of the past, younger people in Japan resent China “playing the history card.” LDP Diet member Hirasawa Katsuei made this clear during his address at the Yasukuni shrine, commemorating the 57th anniversary of the end of WWII, when he stated, “Whenever China criticizes Japan concerning Yasukuni Shrine and the textbooks, Japan offers an apology. But China does not forgive Japan until it gives money.”

Not only is Beijing strongly objecting to Koizumi’s repeated visits to Yasukuni, but it is also demonstrating its displeasure in other ways, such as tying the cessation of shrine visits to

mutual official visits. Recently, China appears to also have moved from reaction to retaliation. The *Asahi Shimbun* reported Chinese officials' statements that indicated that a lucrative high speed train project did not go to Japan because of Koizumi's January 1, 2004 visit to Yasukuni. In addition, the same officials said that China would likely support France instead of Japan in competing bids to host the International Thermonuclear Experimental Reactor (ITER) project.²³⁷

For Japan's part, a prime minister would be committing political suicide if he did not visit the shrine, which honors the nation's war dead, while also sending young soldiers off to Iraq to potentially lose their lives. The Japanese ask rhetorically, "If a nation fails to honor their fallen soldiers, who will volunteer to serve their country?"

Many also know, however, that the current cool state of relations with China cannot be permitted to go on. As a result, government officials, Maehara Seiji from the DPJ, for instance, are recommending that Class A war criminals be moved to other shrines.²³⁸ However, this is not a government decision, but one that must be made by the head priest of the shrine and the families of those in question. There is precedent for this option. Most of the war criminals enshrined at Yasukuni were moved there from other locations. When Prime Minister Yasuhiro Nakasone, the first prime minister to visit Yasukuni, was in power in the 1980s, he came up with this idea. All families, except Tojo's, agreed, but the head priest did not.²³⁹ Since conservative forces and the Japan Association for the Families of the War Dead have strongly denounced proposed plans to build a new national war memorial, there is a possibility that Nakasone's idea may garner support.²⁴⁰

However, some observers are quick to point out that Tokyo's efforts to assuage Beijing's concerns may not be answered with the exchange of visits or better relations.²⁴¹ Tokyo's actions may be seen as a sign of weakness that would invite further Chinese demands. China also could hold up Japan's acquiescence as a demonstration of Beijing's position at the center of power in Asia. "If the PRC can make Japan, the world's second largest economy, comply with Chinese desires, what chance does a smaller nation have of resisting?" warns an American Japan expert.²⁴² The counterargument within Japan is that Tokyo should attempt to address this issue. If China refuses this offer of reconciliation as a chance to move forward, Japan has firm ground on which to stand.²⁴³ Despite Beijing's demands and apparent retaliation for Koizumi's shrine visits, increasingly more Chinese are pushing for better relations with Japan.

In fact, a study undertaken by the Chinese Academy for Social Sciences showed that more than 50% of Chinese feel friendly or have no real dislike toward Japan.²⁴⁴ In late 2003, the influential Strategy and Management journal ran a series about how to strengthen ties with Japan. The China Institute of Contemporary International Relations devoted the entire November 2003 issue of its prestigious journal to "The Future of Sino-Japanese Relations."²⁴⁵ Ironically, several authors provided sympathetic explanations for Koizumi's Yasukuni shrine visits and stressed the need for an improved relationship with Tokyo. Most authors stressed the importance of Japan's economy and its investment in China.

Zhou Guigen of the Nanjing Institute of International Relations also pointed out that "The US is the country most capable to hinder China in its rise. We need to take care of those countries with essential diplomatic relations with the US. This policy points to a diplomatic revolution in

our relations with Japan as most necessary."²⁴⁶ Beijing is focused on the US, but is also alarmed by Tokyo's more robust defense posture and deployments to the Indian Ocean. While China would rather see Japan tied to the US alliance than "going it alone," it also would like to woo Tokyo from close alignment with Washington toward a position more advantageous to Beijing. Guigen's line of thought was affirmed in *China's Diplomacy*, the country's 2004 diplomatic white paper. Of its eight sections, four emphasize cooperative relations with neighbors, major countries, and the "international community."²⁴⁷

Nationalism based on anti-Japanese and anti-Chinese sentiment in both countries, however, seems to be an obstacle. The landing of several Chinese activists on the Senkaku islands and their subsequent arrest and deportation in March 2004 (immediately before Foreign Minister Kawaguchi's visit to China) illustrated that it will take extraordinary and concerted efforts on both sides to move forward. As noted earlier, the challenge in Tokyo will not be managing the rise of China, but the relative decline of Japan. Economic stagnation in the world's second largest economy has dealt a significant blow to the Japanese national psyche. Takahara Akio, professor of politics at Rikkyo University, asserts that Japan's worries about China stem from a lack of confidence in itself; if the economic situation improves, Japan will feel more comfortable with China.²⁴⁸

According to veteran Tokyo-based journalist Sam Jameson, the interdependence of the two economies will force the two to steady their relations, if not improve them: "Regardless of what happens on the security front, the rise of Asian economies—especially China's—will induce Japan to stress Asia more heavily in its foreign policy than in the past . . . The upshot is that Japan will place relatively greater weight on China and relatively lesser weight upon the United States."²⁴⁹

In 2002, Japan poured \$4.2 billion into building factories in China, 40% of which came from Japan's top end electronics manufacturers. Trade between Japan and China grew 34% in the first half of 2003.²⁵⁰ Many economists attribute at least one third of Japan's growth in 2003 to exports to China. If this trend continues, Japan's economic growth will become more dependent, not less, on Beijing's economic well being. Japan, according to an up-and-coming Japanese expert on China's economy, will take a vital interest in helping Beijing maintain growth and avoid the risk of instability that also will grow due to unresolved structural problems.²⁵¹

China is already Japan's top source of imports and it may surpass the US as Japan's biggest export market.²⁵² If one includes exports to Hong Kong and Taiwan, they are already there. Figures 10 and 11 show the relative increase in importance of China to both the US and Japan compared to each other.²⁵³ China's efforts to sustain growth and maintain internal stability depend heavily on Japan for economic assistance, for technology and investments, and as a market for its exports. Similarly, Japan is increasingly relying on China as a market, a source of quality, inexpensive imports, and an offshore manufacturing base.²⁵⁴ Moreover, Japanese banks are expanding their presence in China. A total of 33 branch offices in China represents twice the number currently in the US. During the aforementioned *Genron* conference, participants almost unanimously agreed that, in the future, the relationship between China and Japan will become the single most important bilateral relationship in Asia, dwarfing both US-Japan, and US-China relations.²⁵⁵

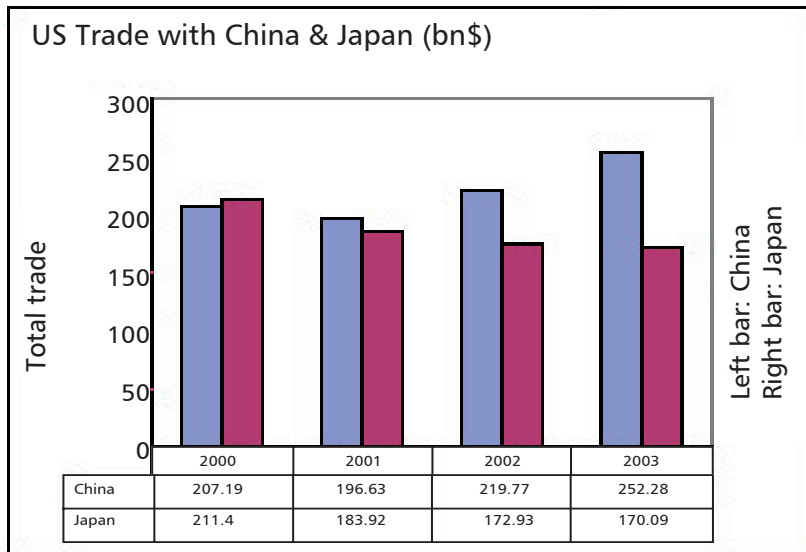


Figure 10 US trade with China & Japan (bn\$)

China and Japan also share certain apprehensions concerning US power. Although Japan’s relative decline, compared to that of China, makes Tokyo more receptive to a strong, countervailing US presence, the Japanese sympathize with Beijing’s emphasis on multipolarity and multilateralism.²⁵⁶ Further, many in Japan still harbor ill feelings regarding the “Nixon Shocks” of the 1970s, fear a return of Clinton era “Japan passing” if John Kerry wins the US presidency, and have noted the sudden turn in US-Sino relations within the first three years of the Bush administration. If mutual trust and understanding is to be strengthened, it is imperative,

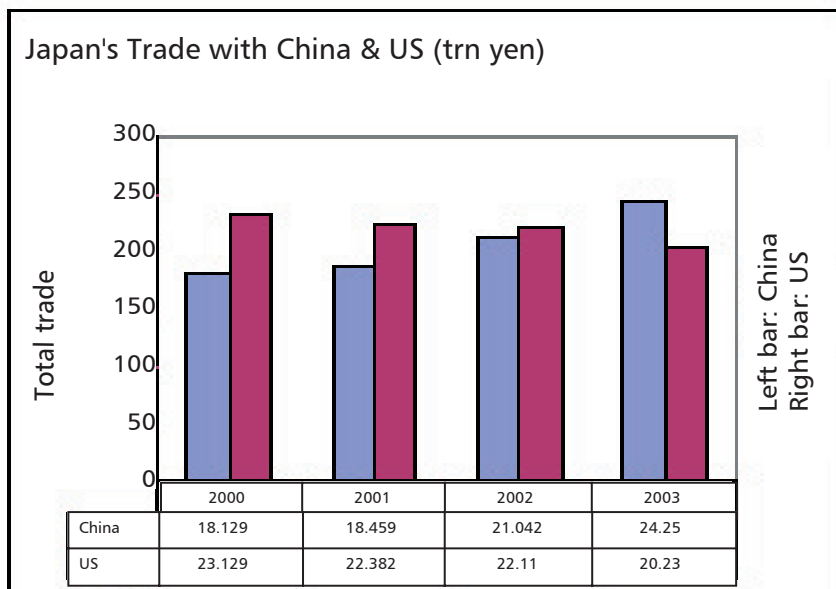


Figure 11 Japan's trade with China & US (trn yen)

according to former Ambassador to the US, Okawara Yoshio, that there be no more “shocks.”²⁵⁷ In the future, Washington may cause confrontation with Beijing that Tokyo would prefer to avoid, or the US may not consider certain Chinese policies or behavior threatening when leaders in Tokyo do.²⁵⁸

Shifting, and sometimes unpredictable, US China policy and Tokyo’s lack of confidence that it can influence it provide further incentive for Japan to pursue an autonomous policy or hedging strategies. Coupled with the Chinese desire to woo Japan slightly away from the US, a warming of ties between the two countries in order to build confidence is foreseeable in the not too distant future.

The main element of Japan’s hedging strategy is developing increased military capacities and capabilities within the framework of the US-Japan alliance. However, other elements are also being pursued. An increasingly pragmatic generation of Japanese leaders has observed the limitations of development aid to deter threats and influence the behavior of nations in the region. But China’s growing influence, represented by an impressive surge in its diplomatic and economic relations with the ASEAN countries and South Korea, is forcing Japan to double its efforts to stake out a role in regional integration. China’s booming economy is catalyzing both new hopes and worries about further regional integration and the role Japan can play.

Regional Integration: A New Momentum?

Efforts heretofore to advance regional integration have met with limited success and much disappointment. The litany of organizations and forums—APEC, ASEAN, ASEAN Regional Forum (ARF), and ASEAN +3—do not represent the breadth and depth of economic, social, and political integration reached to date in Europe. As Beijing continues to amass impressive economic gains and casts its net across Southeast Asia, the “ASEANs” look with hope and worry toward their giant neighbor. China’s ties with South Korea are also deepening and Japan, as its economy—once the growth engine of Asia—grows only marginally, sees both an urgent need and a renewed opportunity to serve a key role in the region. The ASEANs want the involvement of all the major powers—the US, China, Japan, and now even India—but they do not want any single power to play a dominant role. While the US is the ultimate security balancer to China, Japan—in addition to its military contributions within the alliance—can serve as an “Asian” economic and political countervailing force.

Indeed, many of these countries had rejected the all but subtle moves by Japan not long ago to serve as the “lead goose” in the Asian “V” formation of geese. Now, however, these same countries are knocking on Tokyo’s door to see if Japan is willing to serve, not as the leader, but as one of the leaders. ASEAN Secretary General Ong Keng Yong, in an interview about Japan’s importance to the organization, was quite candid: “We believe we need to balance China’s relation with major trading partners of ASEAN.”²⁵⁹ In December 2001, the group’s concern about the rise of China was made clear when its leaders arrived in Tokyo for the first summit to be held outside Southeast Asia. Undoubtedly, the message resonated in Beijing.

However, rather than competition between China and Japan over influence in East Asia, there is now greater incentive for Sino-Japanese cooperation regarding regional integration. According to former US Ambassador to Japan, Michael Armacost, "At a time when Europe is swiftly expanding its continental market and groping for a common defense and foreign policy and when North Americans are moving fitfully toward western hemispheric trade, there are obvious incentives for . . . cooperation in pan-Asian initiatives."²⁶⁰ Long Yongtu, China's former Vice Minister of Foreign Trade and Economic Cooperation, does not see Japan's initiative to forge an FTA with ASEAN as a response to the Chinese effort to do the same or as competition for influence in Asia.²⁶¹ Instead, he sees FTAs as stepping stones to economic integration; the notion that Tokyo and Beijing will inevitably compete is outdated.²⁶² The rise of China, because it brings opportunities, fears, and potential Sino-Japan rivalry for influence and leadership, may serve as the impetus behind a reinvigoration of efforts to advance regional integration. So, we first turn once more to China, its political and economic pushes into Southeast Asia, and the resulting implications for Japan.

China's Asia?

Continued booming Chinese growth on the heels of the Asian financial crisis has represented a golden opportunity for struggling nations of the region. Although most remain wary of China's military buildup, almost all, with the Philippines as a notable exception, think that China will not embark on expansionism or strategic dominance.²⁶³ China also realizes, however, that ASEAN has adopted a strategy of "fence straddling," engaging on the economic front, while avoiding both policies akin to containment and alignment with Beijing.²⁶⁴ As a result, China has embarked on a strategy of "counter-hedging" in an effort to make Chinese leadership a viable alternative to US leadership.

Chinese participation in various multilateral confidence-building activities has made Southeast Asia more optimistic about China's international behavior. As we have seen, China has signed the Treaty of Amity and Cooperation (TAC) and the Code of Conduct on the South China Sea with ASEAN. Chinese leaders also vow to uphold principles of state sovereignty and noninterference in internal affairs, principles which some accuse the US of undermining.²⁶⁵ Leaders of Southeast Asian nations are also encouraged by the message coming from China.

Recently, the Chinese Ambassador to Indonesia addressed Citibank's annual retreat in Jakarta. He said to the participants, "What Southeast Asia sells, China buys. China's buying spree and voracious markets provide the underpinning for the peaceful coexistence that everyone wants."²⁶⁶ In contrast, during his visit to Indonesia, President Bush congratulated his hosts for "hunting and finding dangerous killers."²⁶⁷ Leading intellectuals and former government officials from ASEAN countries agreed with former Thai Minister of Commerce, Narongchai Akrasanee, when he expressed worries that, despite the value in US security ties, the Americans' almost exclusive focus on terrorism might seriously strain trans-Pacific ties and push the region more toward China.²⁶⁸ Others agree. The "Asian values" debate, US sanctions on Myanmar, and over-identification with the IMF during the Asian economic crisis provided Beijing the opportunity to expand relations with individual countries and strengthen its role in the region.²⁶⁹

Additionally, a leading economist stated, “The weight and growing power of China, both economically and politically, means that an architecture of regional economic and therefore political relations, designed around a system of bilateral and preferential arrangements, rather than rooted in rules and institutions that are multilateral in their obligations, will increasingly deliver China the whip hand.”²⁷⁰ As a result, many smaller countries in the region are looking for Japanese leadership to create a vision for East Asia that binds together the web of FTAs and other agreements and creates the East Asian Community that Prime Minister Koizumi has proposed.

Japan and Asia

To be sure, the pressure on Japan to redouble its efforts in its Asian diplomacy is running high. Kiroku Hanai of the Japan Times stated:

“Koizumi remains insensitive to voices from other Asian nations while putting top priority on following the US lead in international affairs. As a result, he attaches less importance to Japan’s relations with other Asian countries . . . Japan must place more importance on its relations with China, South Korea and ASEAN. Asia’s outlook is bright, thanks to the fast economic growth of China and India. Japan should discontinue its policy of blindly following the US—the way to isolation in Asia.”²⁷¹

Similarly, South Korea and the countries of ASEAN are expecting Japan to take the initiative in incorporating China as a trustworthy member of the East Asian community.²⁷²

ASEAN, however, worries about Japan’s inability to pull itself out of this prolonged period of economic stagnation. If Tokyo fails to do so, Beijing will seize and retain the initiative in advancing Prime Minister Koizumi’s proposed East Asia Community. At the APEC conference in late 2003, an ASEAN leader expressed his frustration with Japan. According to him, FTAs and other initiatives are suffering because, “Unlike China, Japan is not able to settle matters domestically and all that happens is that time drags on.”²⁷³ As a result, China can move quickly to advance interests of ASEAN countries; Japan is less reliable.²⁷⁴ While excited about the opportunities presented by Chinese growth, ASEAN fears that they could be “swallowed up” by the hungry dragon to the north. To be sure, much of Japan’s latest efforts only reinforce the impression that it is reacting to Chinese initiatives, instead of proactively forwarding its own vision. Japan proposed an FTA with ASEAN after China did and then only expressed its *intent* to sign the TAC following China’s and India’s accession in October 2003.

On the security front, ASEAN welcomes Japan’s expanded role in the US-Japan alliance as a counterweight to China’s ever-expanding military expenditures and presence in the South China Sea, despite an element of wariness toward the Japanese. In addition, Japan has begun to put its money where its mouth is in terms of practical measures regarding regional security challenges. In 2001, Tokyo launched a fledging ASEAN +1 (Japan) program to combat piracy in Southeast Asia. Additionally, Japan hosted the first “Asian Nonproliferation Seminar” in May 2004, which involved trade and maritime officials from the ASEAN countries. The training included trade control and customs practices, as well as ASEAN-Japan joint training on maritime intercept and ship boarding techniques.²⁷⁵ To date, ASEAN’s reluctance to form a multilateral

security mechanism has been largely the result of differing connotations of threat among its members and outstanding territorial disputes. However, a suddenly more assertive China could align perceptions and provide the impetus to set aside bilateral disputes in order to deal with the larger strategic issue at stake for the entire Southeast Asian region.²⁷⁶ In such a case, Japan becomes a very attractive partner.

Compared to the alliance with the US, few in Japan see alternative security arrangements stemming from multilateral fora such as ARF or ASEAN+3. However, many do see improved multilateralism in East Asia as a useful mechanism to build confidence, diffusing if not resolving disputes, and encouraging transparency. In addition, many see the political and diplomatic value in regional integration. Many countries are calling on Japan to step up its role, not only to compensate for China's rise, but to also use its special relationship with the US to forward their concerns, to make their voices heard. Tokyo also sees an opportunity to use ASEAN to strengthen its position vis-à-vis Washington. Although an "ASEAN consensus" has been hard to find in the past, one is growing, not only out of a shared concern about China, but also against the perceived US strategy of maintaining American predominance in East Asia, a strategy with which many do not see eye to eye.

Professor Soeya Yoshihide, a political science expert at Keio University, sees an opportunity for Japan to formulate effective alternative tools with which to deal with the United States. To Soeya, the case of the Iraq war illustrated Japan's predicament: "... when and where there is a gap between the role of the US and the cause of international security, Japan would in the end have to follow the United States."²⁷⁷ As pointed out, no major country serves as a collaborator for Japan. Unlike Germany, who found company in France and Russia, if Tokyo wanted to diverge from the US over Iraq, it would have done so alone. The Japanese have a saying: when crossing a street against a red stoplight, be sure to do so in a group. Can Japan use ASEAN or ASEAN+3 as a "group" to cross the road? As Prime Minister Koizumi stated, the UN will not send forces to protect Japan; neither will ASEAN. However, can Japan use an Asian multilateral forum as leverage, as a positive force, to influence the US, as opposed to the destructive way Germany used its independence? There are many in Asia who think the answer is "yes," and we are likely to see increased efforts to speak with fewer voices, if not one.

A role for Japan that potentially puts it in the middle of ASEAN, China, and Korea, on one side, and the US, on the other, will require a complex diplomacy and a finesse that Japan may not be prepared to exercise. While there could be great benefit to the US from a Japan that serves as a "bridge" or an additional political "point of entry" to Asia, Japan could increasingly find itself in the middle of a tug of war with both sides' confidence in Tokyo in question. For example, Japan may be asked or even used to forward an "Asian" position on an issue that conflicts with US interests. Or the US may wish Japan to forward its interests on a particular issue that is unacceptable to its Asian partners. The danger is that Japan may be unable to reconcile each side's demands to the satisfaction of the parties involved and therefore be forced to make choices with strategic ramifications. If the view that China wishes to woo Japan away from the United States or drive wedges between the two allies is assumed to be correct, then this plays right into Beijing's hands.

So Japan finds itself in a catch-22 of sorts. If it avoids answering the calls of ASEAN, it could face an unstoppable move to a Sino-centric Asia. If it does step up, however, there will be tremendous pressure on Japan to use its relationship with the US in ways that may cause problems with its ally. While Japan's political and diplomatic capacities are certainly improving, this finely calibrated approach would be difficult for many skilled politicians to play. Most Asian observers know that the only way to advance regionalism is to include and gain the support of the US. A closed regional bloc, they recognize, is not in anyone's interests. It needs to be open, transparent, and obvious to the US that it is not aimed against it.²⁷⁸ Indeed, the US has encouraged greater integration since the inception of SEATO. The ASEAN countries reject the exclusion of the US; they recognize the important security balancing role it plays and the influence it retains in global economic institutions. The current regional backlash over the war on terror, especially the invasion of Iraq and perceived US unilateralism in general, however, is creating a movement to strengthen political positions to voice opposition to the US when it feels it should. The only way to do that effectively, in their view, is collectively.

Key regional developments—the recession of the threat from Korea, the uncertain rise of China and the potential for differing perspectives on Beijing, and the dynamics of regional integration—provide both opportunity and motivation, but also define “boundaries” to greater Japanese independence. Failure to reconcile the potentially different assessments of immediate threats to shared interests, the two countries' priorities and preferred policy approaches can cause divergence between the two allies. As we have seen, greater independence can complement or diverge from US preferences. In large part, this will be determined by how the US exercises its superpower status. This brings us to section three, which concerns change on the global level, the United States.

Section 3: Global Change: The United States

If we remember the double-edged sword construct, change on the third level, within the United States, pushed Germany and others to diverge from the US. To this point, we have examined domestic and regional change, both of which are forging the two edges of Japan's double edged sword. Again, the first edge is the ability to more capably complement US interests by serving as a stronger alliance partner. The second edge is the ability to diverge from the US when the two countries' interests are not congruent. In Germany's case, it has been the disappearance of a threat and regional integration that have given it much more strategic freedom. In the case of Japan, potential threats remain, but domestic change is making it more ready, willing, and able to be more capable of meeting those threats and being more assertive and self-reliant. But our examination of regional change also has shown that the environment in which Japan resides may be more fluid and susceptible to differing perceptions of threat than it is frequently judged.

Because Japan has no other ally at the moment, the best course of action for Japan has been and will remain to increase its value as an alliance partner. Tokyo hopes that doing so will foster greater trust and confidence in, as well as more influence with, the US. To use an analogy, imagine the United States as a giant supertanker. Japan would like to have some degree

of control on the direction of this humungous ship of state. It can, as a small tugboat, attempt to push and pull at it, from the outside, or it can serve as a “first mate” and attempt to steer the ship from within. According to Yamamoto Ichita, a rising young politician, the choice is clear.²⁷⁹ But Japan is well aware that even as a first mate, its influence may be limited and from Tokyo’s perspective the “captain” can be unpredictable. Let’s look at the US and explore what may cause divergence between the two allies.

First, Japan knows that, despite the currently close ties at the highest levels of government, there is no cultural ballast to the relationship. Even after the rift between European powers and the US, compared to Japan’s steadfast support of the Bush administration, only 32% of Americans think that Japan is a close ally, and 50% believe European countries are more important to the vital interests of the United States than the countries of Asia.²⁸⁰

Second, Japan realizes that the US-Japan security alliance is grounded in interest, not sentiment. Again, US interests in Asia are to maintain a stable balance of power (prevent any one power from dominating the region), maintain access to markets, ensure freedom of navigation of the seas, prevent the proliferation of weapons of mass destruction, check the growth of terrorism, enable the spread of democracy, and settle the potentially volatile situations on the Korea peninsula and in Taiwan peacefully and on terms that cement democratic systems of government in both South Korea and Taiwan. Currently in Asia, as is true around the globe, the most important concern of the US is the “unholy trinity”—the nexus of terrorists, rogue regimes, and weapons of mass destruction. So what does the US need to protect and forward these interests?

Japan: A Critical Ally?

George Bush and others within the current administration have made it clear that the US will not hesitate to act unilaterally to protect its interests; the war in Iraq demonstrated the military capabilities to do so. However, they also would like partners who are willing to cooperate with and add legitimacy to the US agenda, especially in the wake of the backlash that followed its decision to go to war in Iraq. The US also needs the ability to project military power.

Although the US has security ties with many nations in Asia, the alliance with Japan, US officials note, represents America’s “most important bilateral relationship in the world, bar none.”²⁸¹ However, the end of the Cold War and the common enemy framework it provided, say some observers, has reduced not the usefulness nor the importance, but the *criticality* of the US-Japan alliance, from the US perspective. Although the alliance remains important, it is no longer vital, states Professor Robyn Lim.²⁸² Further, both speculation and confirmed reports regarding the Bush administration’s plans to recast American troop presence around the world, e.g., moving more aircraft to Guam, possibly basing an additional aircraft carrier in Guam or Hawaii, increasing security arrangements with Australia, Thailand, and Singapore, and maintaining staging bases in Central Asia, lessen the value and criticality of bases in Japan. Continued advances in weapons technology, greater use of prepositioned equipment, increased “cooperative security ties” (access to temporary staging bases and ports), and the advent of advanced operational concepts such as “Sea Basing” also render fixed bases in Japan less vital to US security.

The US Navy's "Sea Power" construct for the 21st century is based on three concepts: Sea Strike, the projection of offensive power; Sea Shield, the projection of defensive power; and Sea Basing, the projection of sovereignty. Admiral Vern Clark, the Chief of Naval Operations, stated, in reference to Sea Basing, "The independence of naval vessels operating on the high seas allows us to conduct combat operations anywhere, anytime without having to first ask for permission."²⁸³ Although it judged some of the prerequisite capabilities as still years away, the influential Defense Science Board endorsed the Sea Basing concept and urged the DoD to pursue this "critical future joint military capability for the United States."²⁸⁴ The Navy is planning to fund the construction of these 'floating ports' as early as 2007.²⁸⁵

No doubt, US forward bases in Japan are currently the most cost effective and politically sustainable mechanism to maintain US presence in Asia. (From a host nation perspective, South Korean receptivity to continued US presence is arguably in serious question.) There are important operational benefits as well. The presence of the 7th Fleet in Yokosuka enables the Navy to keep an aircraft carrier in Asia 100% of the time. Based on simple calculations of aircraft Carrier Strike Group (CSG) readiness cycles, there would be a significant degradation in forward presence without that base. If the "Pacific" Navy were to be based solely in Hawaii, Guam, and the US west coast, CSG presence would drop to about 40% in the Pacific Command's (PACOM) Area of Responsibility (AOR) and from approximately 70% to 40% in Central Command's (CENTCOM) AOR.²⁸⁶

In addition, due to the strategic location of Yokosuka, the carrier based there, the USS Kittyhawk, often has been the first on station in time of crisis or war. Other calculations are also important in determining the need and importance of forward bases such as Yokosuka. How much presence is needed? More carriers and/or the advent of the Sea Basing concept would mitigate the loss of the bases. Additionally, the Navy deployed its first "Expeditionary Strike Group" in 2003—a group not centered on an aircraft carrier.

Advances in technologies also will play a key role. Unmanned, remotely piloted aircraft have great potential and ultra fast jet technology will make trans-pacific flight possible in just a few hours. The Defense Science Board has called for the conversion of 50 Peacekeeper ICBMs to a conventional role to give the US a global, short notice strike capability, able to respond within 30 minutes. The DSB also recommended new cruise missile capabilities be deployed on submarines—missiles that could travel 1500 nautical miles carrying a 2,000 pound conventional payload; this system should respond within 15 minutes.²⁸⁷ Moreover, the U.S continues research and development of spaced-based technologies. All this points to the increasing importance of and reliance on stand-off, often CONUS-based, precision fires and power projection and the relative declining importance of permanent forward bases.

The bottom line for Japan is that, as bases become a less significant contribution to the alliance, the US will more frequently ask Japan to add value in other ways. We already have seen this in terms of Afghanistan, Iraq, and the Proliferation Security Initiative (PSI). As discussed earlier, the "cost" of being an ally with the US is rising. The US is expecting more and seems to be cashing in on the "common goods" it provides in terms of security.

The Bush Strategy and Alliances: A Passing Phenomenon?

Indeed, under the Bush administration's strategy, the term "ally" is taking on a new meaning. Japan is trying to address the Bush strategy in terms of the US-Japan alliance. What do allies mean now? From the perspective of Professor Soeya of Keio University, "According to US strategy, allies get to help America create a world order which the US devises."²⁸⁸ To many, the administration is pursuing this strategy more like an ideology and doing so with a righteousness and religious fervor that excludes consideration of alternative approaches. President Bush has declared, in black and white terms, "You're either with us or with the terrorists . . ." ²⁸⁹ Additionally, Secretary Rumsfeld has claimed, "the mission dictates the coalition."

G. John Ikenberry sees the neo-conservative strategy calling for the US to stand aloof from the world and use its unipolar military power to enforce its interpretation of right and wrong, while refusing to observe the same rules as other states. To Ikenberry, the "old" order based on alliances and multilateral cooperation falls away.²⁹⁰ Charles Krauthammer believes that the school of thought described as "neoconservative" is a misnomer; he prefers "democratic globalism" to label the philosophy that embraces a "new unilateralism."²⁹¹ One of the main tenets of this view is the need to spread democracy in key regions around the world, if necessary, by force and unilaterally.

Famed Japanologist Ezra Vogel states that this approach is "unlikely to generate the long-term confidence and trust needed to keep East Asian countries oriented toward the United States."²⁹² If the tenet of navigating from crisis to crisis, using "coalitions of the willing," persists in US strategy, Japan's "value-added" to the alliance will be increasingly measured in terms of its actual military and political support for the US agenda. How far, both in terms of geography and contribution, is Japan willing to go? Arguably, Prime Minister Koizumi represents an exception, rather than the rule, in terms of a Japanese leader who is willing to take great political risk in extending support to the US. His readiness to break new ground in the deployment of Japanese troops under hostile conditions to participate in military operations deemed as illegitimate by the Japanese public is impressive, but it does not necessarily portend similar policy decisions in subsequent administrations. Further, as Nishihara Masashi points out, taking these great political risks and historic steps for Japan has not earned it a sufficient share in decision making regarding Iraq policy; the United States is not demonstrating a willingness to cede some control or influence to Japan.²⁹³

Many experts believe that the Bush strategy is unsustainable and therefore expect the US to make a "course correction" on the war on terrorism. In fact, many are pointing to recent admissions by the US that the difficulties it is facing in Iraq were largely unexpected. President Bush's willingness to heed the advice of many by supporting a quick transition to and central role for the United Nations signals this correction may be underway. However, the looming presidential election, an over-burdened military, and the withdrawal of Spanish troops may be providing more impetus than genuine self-appraisal.

However, course correction or not, in many regards, the "damage is already done" in terms of trust in the US. Even a moderation in policy and/or the defeat of President Bush in the election will not change the fact that the US is now seen as, at best unpredictable and, at worst,

as a threat to stability itself. A comment made by the pro-American chairman of Fuji-Xerox, Kobayashi Yotaro, echoes the sentiments of many friends of the US: “My concern is that the innate goodness of America is now eroding.”²⁹⁴ Of course, the Pew Research Center’s widely published series of polls on global attitudes reflects the damage to America’s image around the world.²⁹⁵ Further, a Bush administration reelected may be more emboldened. America’s vote for Bush will likely be interpreted as a vote of confidence in his strategy to battle terrorism.

Those hoping for “regime change” in Washington may be surprised that, beyond an improvement in transatlantic ties, John Kerry’s US foreign and security policy may not be so drastically different than President Bush’s, even if not as rough around the edges. Kerry will still have Afghanistan, Iraq, North Korea, and Iran with which to deal, and Democrats will not be willing to be seen as “soft” on security or responsible for “failure” in either Afghanistan or Iraq. Indeed, under Bush or Kerry, the foreign and security policy focus for the United States will remain the global war on terror, with the main front of that war residing in the Middle East—a war that will continue to stretch the US military establishment.

We should also not underestimate the impact of 9-11 on the United States. Not only did the world change, at least in the eyes of Americans, but the United States changed as well. Any leader, regardless of his or her political party, will do whatever it takes to prevent a perceived threat to the homeland and the American people. “Never again” is a fitting mantra for the emotionally charged determination with which the US will continue to prosecute the war on terrorism.

The United States and Asia

The demands of the war on terror will likely persist, and US military presence in Iraq and Afghanistan will continue to swallow up the majority of the Army’s combat forces and a significant share of Marines. For example, most brigade-sized units are either present in Iraq, in post-deployment recovery, or preparing to deploy as part of the next rotation. Another operation somewhere in the world at this point would arguably bring a volunteer Army to its breaking point (if current operations do not) and seriously stretch the other services to a point where they become extremely vulnerable. In addition, the American public is simply not ready to embark on another adventure unless the country must respond directly to another terrorist attack.

Therefore, the US, although it will continue to take a tough stand on North Korea and insist that China avoid force in dealing with Taiwan, is desperate to avoid conflict in Asia. Although the Pacific theater largely centers on air and naval power, these services are bearing unusually high burdens in the Middle East, Indian Ocean, and Horn of Africa. The potential for terror attacks against shipping in key maritime choke points is forcing the US Navy to step up presence along critical sea lanes from the Persian Gulf to the Pacific.

As we have seen, many in the US, especially in the current administration, are wary of China’s intentions. But those same officials also may see current cooperation with China as an opportunity for another historic visit to Beijing, perhaps a renewed *détente* on the level of Nixon’s famed visit in 1972. The US interests detailed previously cannot be compromised, but there is plenty of room to reach a strategic grand bargain with Beijing, especially as the US-

ROK alliance seems to be falling apart and President Chen Shui-bien of Taiwan is pushing the limits with Beijing. Although the US does not need China's cooperation now as much as it did during the Cold War when Washington faced the Soviet threat in the Pacific and was desperate to extract itself from Vietnam, a move sooner rather than later, when China's economic and military power is potentially much greater than it is now, allows the US to negotiate from a position of strength.

However, even if such a large scale strategic maneuver is not in the offing, the fact remains that the US has its hands full and desires cooperation from, rather than competition with, China. It follows that, despite wariness on both sides about the intentions of the other, both will likely remain committed to maintaining coexistence, if not outright *détente*, for the foreseeable future.

This in turn has implications for the US-Japan alliance. No doubt, the alliance will remain the foundation of Japan's security and the cornerstone of US presence and influence in Asia for the foreseeable future. As the war on terror continues to sap US military power and divert Washington's strategic attention, however, maintaining strong and cooperative ties with China could be seen as a parallel axis in protecting US interests in Asia. The alliance will continue to serve important deterrent functions and demonstrate the American commitment in Asia, but the US also could find itself performing a balancing act in terms of relations with both China and Japan. If Sino-US ties do remain strong, and the Sino-Japan relationship fails to improve, then Japan's traditional fear of conflict entrapment may indeed become the US's—an ironic role reversal, considering the history of US-Japan relations during the Cold War.

But in the near to mid-term, it will be the other end of Asia – the Middle East - where the alliance will continue to be tested. As the US marches on in the fight against terror, it may be the Middle East which serves not only as the front of that war, but the breeding ground of friction between the US and Japan. Friction between the two allies over the Middle East is not unprecedented. During the 1979-80 Iran hostage crisis when 66 US citizens were held in Tehran for 444 days, Japan never severed diplomatic ties with Iran.²⁹⁶ More recently, Japan's pursuit of the Azadegan oil field deal and its less than robust support for US sponsored resolutions at the IAEA condemning Iran's alleged weapons programs also represented a divergence in priorities between the two nations. Now, after years of sowing good relations between Tokyo and the countries of the Middle East, Japan finds itself faced with a tarnished image in this critical region after its deployment of forces to Iraq. Najib Al-Khash, a Syrian documentary filmmaker reporting on the Middle East's changing view of Japan, stated, "I feel that the image of Japan in the Arab world is turning from that of a friend and role model to (those) ranging from an enemy to a no-longer-reliable friend."²⁹⁷

Moreover, the United States' staunch support of Israel, specifically President Bush's backing of Ariel Sharon's recent "historic pullout plan" and what Tokyo perceived as a lack of US condemnation after two Israeli assassinations of Hamas leaders caused fierce reactions in Japan. Prime Minister Koizumi decided to support Washington's "Greater Middle East Initiative," but only on condition that countries in the region retain their autonomy.²⁹⁸ Here again, there is great potential for friction between the two allies as priorities diverge. For the US, the war on terror,

stopping the proliferation of WMD, and spreading democracy are paramount, while Japan's focus is regaining its positive image, pursuing a pro-Arab policy, and stabilizing relations with countries on which Tokyo so heavily relies for vital sources of energy.

What does Japan take away from this assessment? Again, its alliance with the US remains the most attractive strategic course of action to ensure its security. The "cost" of being a valued ally, however, is rising. In terms of its role in international security affairs and as an alliance partner, what is Japan now willing to do? At what level is the cost too high for Japan? Although the US has highly evaluated Japan's political support, in military terms, Japan's contribution has been symbolic in Iraq and less than critical in the Indian Ocean. Bases in Japan are still important, but less vital to the US than during the Cold War. But as the US continues to call on Japan to further Washington's security agenda, there is no evidence that the US is prepared to allow Tokyo a share in creating that agenda. Now, more than ever, it makes sense for Japan to increase its value as an alliance partner by preparing to manage new threats with its ally in the hopes of building its influence with Washington, but while doing so also prepare for divergence of interests. That translates to being more self-reliant.

Section 4: Findings and Recommendations

The preceding analysis of developments on three levels—domestic, regional, and global—at once underscores the reasons for unprecedented cooperation between the two allies and illuminates the potential for divergence between them. Indeed, we are likely to see this apparent contradiction continue. Japan will become a stronger alliance partner, but also become less dependent on the US. The "better than ever" state of relations is, to a large degree, one sided because the US is pleased with Prime Minister Koizumi's willingness to support US policy. However, there is a backlash growing against "blindly following the US." These two forces—a desire to maintain good relations through continued cooperation and a growing public and political uneasiness with the character of that cooperation—are beginning to collide. From the preceding three-level analysis, the following findings and recommendations are presented:

Key Findings

Japan:

- A desire for greater self-reliance and national sense of self exists and is growing.
- Japan is no longer content with its "junior partner" status vis-à-vis the US. The younger generation no longer feels an obligation to support the US and is more likely to question American policy.
- Despite US proclamations that the US-Japan relationship is the most important in the world, Japan does not feel that the two countries have reached a satisfactory level of true consultation, intelligence sharing, and joint decision making.
- Public support of the alliance in Japan and a desire to be more independent from the US coexist; they are not mutually exclusive.
- Japan will continue to evolve its defense posture and its role in the alliance, distancing itself from its post-WWII constitutional restraints. Antimilitarism is eroding quickly.

- Japan will pursue the right to participate in collective defense within the next 5-10 years, if not sooner. In addition to allowing Japan to do more within the alliance, it will expand Japan's security options outside the alliance. But the debate currently revolves around whether to stipulate that right in the constitution. The larger, and more critical, debate is how Japan will use this right.
- Expanded military and political capacities will increase Japan's value as an alliance partner and make it more dangerous politically for Washington to allow a rift between the allies. This gives Japan more influence and leverage if it wishes to use it. These increased capacities also make Japan more self-reliant and serves as a hedge against the traditional fear of abandonment.
- Japan's outlook on its security is becoming more pragmatic. Confidence that ODA and other economic measures bring influence with other countries is waning. The use of diplomacy and the military instruments of power are taking on more importance in Japan's outlook on foreign and security policy. Many in Japan are cognizant that the US and Japan may not agree on what constitutes a threat to Japan's security. Japan is realizing that the US will ultimately look after its own interests. This is also contributing to Japan's desire to have greater capabilities to gather intelligence and defend itself, to be less reliant on the US.
- Japan's decision regarding the integration of missile defense systems will be the most important issue for the alliance in the near term. A decision not to integrate and share information could severely strain relations with the US. A decision in favor of integration will send a message that China will interpret as follows: close defense cooperation with the US is now visibly permanent and more operationally closer than ever before. This situation becomes more troublesome if the threat to Japan from North Korea recedes. Then, missile defense is "aimed" at only one country, China, and perhaps the defense of Taiwan.
- Japan's military capability shortfalls, especially nuclear deterrence and long-range maritime security, coupled with potential threats from North Korea and China, create "boundaries" that govern the exercise of both complementary and divergent independence. However, potential differences in the allies' connotation of threat also provide incentive to Japan to be less dependent on the US.
- Japan has not adequately articulated its national interests or developed a national strategy aimed at protecting/advancing those interests. This has created a problem within Japan in that the public and many politicians are increasingly demanding an explanation that justifies policy decisions. A lack of articulation based on Japanese interests intensifies the feeling that Tokyo is "blindly following the US."
- "Common" interests are necessary, but not sufficient for the alliance to remain on stable footing. *How* to protect/advance interests and priorities among interests are more important factors. Germany and the US suffered a rupture in relations, caused not by a lack of common interests regarding Iraq, but by differing policy approaches that could not be reconciled.
- The deployment of the SDF to Iraq represents yet another step away from Japan's past and expands the breadth of publicly acceptable roles and missions for its forces. But many in Japan feel that they had no choice but to support the US. Japan's trust and confidence in US leadership and strategic direction has been shaken. To conclude that Japan's deployment in support of the US is an indication of further unquestioning support is dubious.
- A change in government may be years off, but the US should recognize the possible change in dynamics in the relationship given a DPJ-led government. Even if the DPJ is unable to seize power, there is growing restlessness within the LDP. Members are becoming outspoken regarding Japan "following the US" and they are increasingly critical of US policy.

The Region:

- Despite the less than promising state of negotiations regarding the North Korean nuclear weapons program, the threat from North Korea is likely to recede or completely erode in the coming years. The US-ROK alliance is unlikely to survive. The ROK will lean toward China in the near term, but eventually avoid strategic dependence on any one of the major powers.
- A recession or elimination of the North Korean threat leaves the alliance “glue” consisting of the subjective “potential China threat” and the important, but vague, notion of “regional stability.”
- As a result, there is potential for divergence in assessment of threats, preferred policy approaches, and priorities. All combinations of cooperative and strained relations are possible between the US and China and Japan and China. In the future, Washington may cause confrontation with Beijing that Tokyo would prefer to avoid, or the US may not consider certain Chinese policies or behavior threatening when leaders in Tokyo do. *The coordination of China policy is a critical issue facing the alliance.*
- Japan’s position in East Asia is diminishing relative to China. While eager to exploit the benefits of Chinese growth, the countries of ASEAN are nevertheless concerned about a growing China. ASEAN is increasingly receptive to a more prominent role for Tokyo. Japan, absent decisive action to serve as a second center of leadership, could face a Chinese-led region. There is, however, great incentive for both China and Japan to cooperate to further regional integration.
- The ASEAN+3 may expect Japan to use its relationship with the US to influence Washington on various issues. Japan could find itself in a “Catch-22” of sorts. If it cannot serve this role, others may turn to China for leadership. If it does attempt to take on this role, however, this will potentially cause problems with its only ally—the US.

The United States:

- Alliance with Japan is very important, but not vital. Forward bases in Japan are also very important, but are becoming less critical. Advances in technology, operational concepts, and “cooperative security ties” (access to ports and temporary bases) make increasingly vulnerable fixed forward bases less important. However, for the foreseeable future, it remains in both countries’ interests to maintain a strong alliance. Rather than the US serving as a “cork in the bottle” of a dangerous Japanese militarism (discussion of Japan returning to a state of affairs comparable to the pre-WWII era is highly exaggerated), the alliance does prevent Japan from spending much more on defense, which it would have to do if it were to “go it alone.”²⁹⁹ This increase in defense expenditures, which might include the acquisition of nuclear weapons, in itself could be destabilizing. This is not in the interests of Japan, the US, or China.
- The US is raising the “cost” of being an ally. The US will increasingly judge Japan’s “value-added” based on the political and military contributions it makes to the US foreign and security policy agenda.
- Strategy that emphasizes the tenets of “coalitions of the willing” and the “mission dictates the coalition” signals US desire not to be constrained by multilateral consultation.
- Solutions to avoid divergence in US-Japan relations and maintain current levels of cooperation are attainable, but will require the US to cede some control in policy formulation and execution.
- The case of Iraq demonstrates that the US is not yet willing to allow Japan this degree of control/influence, despite Japan’s political and military support.

Recommendations

- *Japan should articulate national interests in writing and formulate a national strategy that synchronizes its instruments of power—diplomacy, military, and economic—to advance those interests. Just as important as the results, the process to determine the interests and strategy should involve the Diet and government agencies and ministries, and should be led by the cabinet. These interests and strategy should form the basis for independent foreign and security policy decision making that, more often than not, will complement US interests. This process will not threaten Japan’s neighbors, rather it should provide transparency and help to ease suspicion about Japan’s increased defense posture.*
- *Japan and the US should engage in an annual summit at the presidential/prime minister level.³⁰⁰ Additional meetings also should be held on the margins of international summits, such as the G-8 and APEC.³⁰¹ The idea is to “institutionalize” a high level of dialogue and interaction between the two countries’ leaders so that relations are less dependent on personal chemistry alone. Recalling the factors that facilitated success and high levels of cooperation between Germany and the US, this strategic dialogue and subsequent actions should follow the following guidelines:*
 - Identify overlapping strategic interests and values.
 - Attempt to match or reconcile the assessments of immediate threats to those interests, the preferred policy approaches to protect/advance them, and the relative priorities among the interests.
 - Engage in substantive consultations that allow Japan to share in or lead the construction and execution of the short-term policies and military strategies aimed at accomplishing overlapping long-term interests.
 - The United States should, despite the capability to unilaterally achieve its goals, make every effort to use multilateral institutions (i.e., NATO, the United Nations (UN)) to legitimize military operations.

As a result, the US and Japan should come away with an understanding of each other’s positions on various issues, which should serve to reconcile differences as much as possible. Equally important, it should be clear what the allies expect of the other in political, military, and economic terms. Further, complementary roles for both countries can be devised to pursue common interests—an effort that should limit the need for “divergent independence.” Where differences cannot be reconciled, both governments should identify how to approach such issues in ways that minimize the overall impact on the alliance and the bilateral relationship. It is unrealistic to expect total agreement on all affairs, but identifying disagreements early, when possible, can limit “crises within crises”—alliance management problems during foreign and/or security policy challenges. *The most important issue facing the alliance is the coordination of China policy.*

Joint policy formulation and execution should be a key product of the strategic dialogue. The United States should realize that giving up some influence in policy formulation and execution, while seen as constraining to some, brings more in return to the United States in the long term. This is particularly the case in Asia, where Japan has an opportunity to assume a leadership role, not in competition with, but in addition to China and the US. The ASEAN countries are looking to Japan for an increased role, and the United States should encourage and support Tokyo in assuming it. A stronger position for Japan in Asia, in conjunction with regular, high level, substantive consultation recommended above, will bring great returns in terms of advancing US interests in the region.

- *Japan must begin the critical debate about how it will use the right to collective self defense.* Will Japan seek geographical or functional limitations in cooperating with the US or others? Will Japan agree to make the Security Treaty more reciprocal? These questions and a host of others must be addressed in the very near term. Japan's leaders and its people must begin to form a consensus on their country's role within the alliance and as a more active player on the international security stage.
- *Japan and the United States should conduct combined political-military situational exercises that place key decision makers in scenarios the countries are likely to face together.* These "war games" would further illuminate the types of political and strategic decisions which would confront both allies and clarify the commitments each could make in given situations. This process of war gaming would reduce alliance crises within security/diplomatic crises and allow for smoother management of the relationship and handling of emerging security challenges.
- *The United States should promote, encourage, and facilitate, when appropriate, the improvement of Sino-Japan relations.* Some would argue that a degree of animosity between China and Japan is in Washington's interests because a warming of ties between the two could weaken the need for the alliance and undermine the US position in Asia. However, Sino-Japanese tensions could, ironically, reverse the historical fear of entrapment. Japan once feared being entangled in a conflict between the US and another Asian country. Tension and competition between China and Japan could lead to conflict over a host of issues, particularly territorial and maritime claims, increasing the US fear of entrapment.
- *Japan should integrate missile defense systems with the United States* (pending Tokyo's decision to exercise the right to collective self-defense). Missile defense will be the primary vehicle by which the two allies can cement cooperation in the near term. In operational terms, it is the only option to optimize the defense of Japan and US forces.
- *Japan and the United States should take the initiative in proposing a multilateral security consultation framework built on the six-party process* if the members can reach an agreement regarding North Korea's nuclear weapons program. Again, rather than weaken US influence in Asia, this move could rebuild trust and confidence in Washington. Absent a US initiative, another power, most likely China, will make the proposal. The US will find itself in a reactive mode rather than a proactive one. The idea would likely go forward with or without the US so it is better to be "in" than "out."
- *Japan and the US should expand their Energy Security Dialogue.*³⁰² At first, the major energy users and maritime powers should be added—China, South Korea, India, Australia, and Russia. Next, energy suppliers and countries that sit astride key maritime passageways should be included—Indonesia, Singapore, the Philippines, and Malaysia.³⁰³ There is an opportunity to use this forum as a mechanism to further cooperation between the major powers of the region and mitigate potential friction stemming from increasing energy demands. China's energy demand, if not met, could lead to tensions and limit potential economic growth. In the near term, the group should have two main objectives: (1) meeting China's demand and addressing its lack of strategic petroleum reserves and (2) crafting collective actions to counter seaborne terrorism in key maritime choke points and ports, fight piracy, and secure sea lanes from the Middle East.
- *Japan and the United States should devise programs that build new bridges between young Japanese and American politicians from all major parties.* The allies are already diverging on one level—generational. Both countries need to make efforts within their countries

and with each other to reconnect themselves on a personal relationship level. Educational exchange programs are useful, but creating ties between future leaders is essential.

- *Japan must double its efforts with ASEAN and South Korea to secure its position in the region vis-à-vis China, and the US should support those efforts.* Competition with China is not a viable option and will only exacerbate the currently strained Sino-Japan relations. This means the “+3” must cooperate to further regional integration and security.

Conclusion

From the American perspective, US-Japan relations are “better than ever.” However, forces in and around Japan are creating a seemingly contradictory dynamic. Although Japan is becoming an increasingly strong and valuable alliance partner, it is also moving toward greater independence from the US. This is a result of change on three levels—domestic, regional, and global (the United States). Change within Japan demonstrates not only a desire for greater autonomy, but is also creating conditions which enable Japan to act on this desire. On the regional level, the East Asia security environment is more dynamic than static; potentially creating a divergence in the allies’ perception of threats to interests, preferred policy approaches to advance those interests, and their priorities. On the global level, the United States’ post-9-11 strategy which emphasizes the preemptive and, if necessary, unilateral use of force and views towards allies and alliances, which have distanced traditional friends, may further motivate Japan to both increase its value and influence as an alliance partner, but also prepare for divergence of interests.

A more self-reliant Japan can further strengthen the relationship in the future since greater independence can complement US interests. However, as we have seen with Germany, this future is not preordained. Indeed, the alliance will remain the foundation of Japan’s security and the cornerstone of US presence and influence in Asia for the foreseeable future. As Japan’s military capabilities and diplomatic capacities and options expand, however, it will become more capable and willing to look after its own interests, even if this means diverging from the US.

It is in the interests of both countries to keep the alliance and relations strong in order to meet the potential challenges that lie ahead in a changing Asia. The current state of “better than ever” relations, however, should not prevent us from proactively adapting our partnership. Both the US and Japan must take significant steps to truly live up to the famous words of former Ambassador Mike Mansfield—that their partnership is indeed the “most important bilateral relationship in the world, bar none.”

Notes

Introduction

¹ Ambassador Howard Baker. "Shared Risks, Shared Rewards." Available at <http://tokyo.usembassy.gov/e/p/tp-20040110-50.html>.

² Referring to the close friendship developed between Ronald Reagan and Prime Minister Nakasone Yasuhiro, who apparently used one another's first name. Note the use of the traditional Japanese name order – family name first, given name second. I use this style throughout the essay with one exception. Often Japanese authors reverse their names to reflect the western style when they publish their work in English; when they have done so, I have maintained that style here (predominantly in the endnotes).

³ Ambassador Howard Baker in a speech given in Tokyo marking the 15th anniversary of the Institute for International Policy Studies, 21 Oct. 2003, said that US–Japan relations were "better than ever" before.

⁴ Only 41 percent of Japanese think that US-Japan relations are in good shape, down 13 percent from 2002. Cited by Brad Glosserman, *Comparative Connections*, Vol. 5, No. 4 – 4th Quarter 2003 Pacific Forum, CSIS, January 2004.

⁵ According to the annual poll "The 2003 Image of Japan Study in the U.S.," conducted by the Ministry of Foreign Affairs (July 2003, available at <http://www.mofa.go.jp/region/n-america/U.S./survey/summary2003.html>), 34% of opinion leaders thought relations would improve, 50% thought relations would remain the same and 11% thought relations would get worse. For the "opinion leaders" group, telephone interviews were carried out with 246 Americans in leading positions in the field of the federal government, large business, organized labor, the media, academia and organized religion. There is a +/- 6% margin of error.

⁶ See Thomas Berger's *Cultures of Antimilitarism, National Security in Germany and Japan* (Baltimore: Johns Hopkins University Press, 1998) for an excellent analysis of the two countries' post war political cultures and their resulting security policies.

⁷ For a good summation of this case see Michael Green's *Japan's Reluctant Realism* pp. 172-179.

⁸ Doug Struck. "Alliances shifting in Northeast Asia," *The Washington Post*, 23 Mar. 2003, p. A14. Struck cites a MOFA official in Japan who called the SDF deployment to Iraq a "loyalty payment" and insurance of U.S. support against North Korea.

⁹ U.S. State Department Official, interview with author, 12 Nov. 2003.

¹⁰ Funabashi Yoichi. "Nakasone: Reform diplomacy before UN," *Asahi Shimbun*, 12 Nov. 2003

¹¹ Merriam-Webster Dictionary Online, <http://www.m-w.com/home.htm>

Section One

¹² Yoneyuki Sugita. "The patron-client relationship" *Japantoday.com*" 6 Jan. 2004, www.japantoday.com. Dr. Sugita is Associate Professor of American History at Osaka University of Foreign Studies, Osaka, Japan.

¹³ For a recent example see Yoichi Funabashi. "Time for Japan to rebuild its Asian diplomacy," *Asahi Shimbun*, 28 Oct. 2003. Shintaro Ishihara. *The Japan that Can Say No: Why Japan Will Be First Among Equals*. New York: Simon and Schuster, 1989. Published in English in 1991.

¹⁴ Center for Strategic and International Studies (CSIS). "Generational Change In Japan: Its Implications For U.S.–Japan Relations" Aug. 2002.

¹⁵ Cabinet office poll conducted between February and June of 2003 in five countries. Respondents were between 18 and 24 years of age. As reported in the *Japan Times*, 13 Jan. 2004.

¹⁶ Author's interview with Japanese Ministry of Foreign Affairs official, 7 Jan. 2004.

¹⁷ CSIS "Generational Change in Japan." The authors define the 'younger generation' as those adults between 30 and 50 years of age, p. 5.

¹⁸ According to a Cabinet Office poll conducted in January 2003.

¹⁹ A poll published by the *Tokyo Shimbun* on 25 Feb. 2004 indicated that 54% of Diet members credited the security treaty with Japan's economic achievement. All members of the Upper and Lower Houses were polled, 57% responded.

- ²⁰ CSIS “Generational Change in Japan,” p.30.
- ²¹ Hirasawa Katsuei, interview with author, 4 Mar. 2004. Hirasawa is the secretary general for the Diet league handling the North Korean abduction of Japanese nationals.
- ²² Interview with Asahi Shimbun, 25 Mar. 2004.
- ²³ “Lower House Speaker Kono makes off-color criticism of U.S.,” *Sankei Shimbun*, 1 Apr. 2004.
- ²⁴ Kiyoshi Sugawa. “Time to Pop the Cork: Three Scenarios to Refine Japanese Use of Force,” CNAPS Working Paper, *Brookings Institution, Center for Northeast Asian Policy Studies*, July 2000. Available at http://www.brookingsinstitution.org/fp/cnaps/papers/2000_sugawa.htm
- ²⁵ Interview with author, 4 Mar. 2004.
- ²⁶ Interview with author, 16 Mar. 2004.
- ²⁷ Interview with author, 28 May 2004.
- ²⁸ Kiyoshi Sugawa. “Time to Pop the Cork: Three Scenarios to Refine Japanese Use of Force.” -Sugawa develops these schools of thought very nicely in his paper. Written in 2000, Sugawa does not make a judgment on which one Japan is embracing.
- ²⁹ Interview with author, 16 Mar. 2004.
- ³⁰ As quoted in “Lower House Constitution Research Commission discusses local security, economic alliance,” *Mainichi Shimbun*, 5 Mar. 2004.
- ³¹ Maehara expressed this in an interview with the author. Since 1981, Japan secures the portion of sea lanes 1,000 nautical miles from its territory, which falls roughly in the area of the Bashi Channel between the Philippines and Taiwan. Kaneda Hideaki, former Japan Coast Guard (JCG) official and presently the chief researcher at Mitsubishi Research Institute, fears a vacuum in sea lane security if U.S. attention is diverted elsewhere by an emergency. He argues that Japan should work with other countries to cooperatively secure sea lanes and increase efforts to counter piracy. (As reported in “Japan and its ordeal as a pacifist nation—security adrift: Pirates now under terrorist wings; new strategy urgently needed for sea security” *Mainichi Shimbun*, 31 Mar. 2004.)
- ³² Interview with author, 5 Mar. 2004.
- ³³ Interview with author, 1 Apr. 2004.
- ³⁴ Interview with author, 5 Mar. 2004.
- ³⁵ “Cooperation with U.S. is risky option: Japan delays effort to build consensus,” *Mainichi Shimbun*, 19 Mar. 2004.
- ³⁶ Tomohiko Taniguchi. “Asia as an oval with two centres?” Undercurrent #12, *Japan Institute for Global Communications*, 24 Dec. 2003. Available at http://www.glocom.org/special_topics/undercurrent/20031224_uc_s12/
- ³⁷ Interview with author, 19 Mar. 2004.
- ³⁸ “50 years after SDF establishment – at a crossroad: GSDf going international, no failure allowed,” *Asahi Shimbun*, 18 Mar. 2004.
- ³⁹ Ibid.
- ⁴⁰ Yoichi Funabashi. “Japan and the New World Order,” *Foreign Affairs*, Winter 91/92, Vol. 70, No. 5. p. 58.
- ⁴¹ Some members of the Diet want a law passed that binds the government to enforcement of the country’s ODA charter. If a recipient country violates the principles outlined in the charter the government would be required to suspend aid.
- ⁴² China is now both an ODA recipient and donor, giving away about 33% the amount it receives. The amount of aid pledged to China in 2002 was 44% lower than the figure for 2000. The Japanese government also shifted the focus from economic infrastructure building aid to environmental protection and humanitarian aid.
- ⁴³ *BBC News*. “Japan threatens force against N Korea,” 14 Feb. 2003.
- ⁴⁴ Interview with author, 31 Mar. 2004.
- ⁴⁵ “Poll: 64% call for sanctions on North Korea,” *Tokyo Shimbun*, 8 Mar. 2004.
- ⁴⁶ Berger, p. 15.
- ⁴⁷ Berger, p. 1.

- ⁴⁸ *Yomiuri Shimbun*, 27 Feb. 2004, p. 2.
- ⁴⁹ Cabinet Office poll on the Self Defense Forces and Security Matters, conducted January, 2003.
- ⁵⁰ As reported by Stephanie Strom. "Japan is flexing its military muscle," *The New York Times*, 8 Apr. 1999.
- ⁵¹ *Ibid.*
- ⁵² Victor Fic. "Japanese right manipulates abduction issue," *Asia Times Online*, 15 Jan. 2004.
- ⁵³ "Japan Ready To Review Ban On Arms Exports: Ishiba" *Nikkei Interactive*, 14 Jan. 2004.
- ⁵⁴ Interview with author, 31 Mar. 2004. In 1967 Japan established that it would not export arms to communist nations, to countries under a United Nations arms embargo or to countries involved in international conflicts. In 1976, Japan decided to ban all exports and agreements to develop weapons. Maehara says Japan should revert to the 1967 principles.
- ⁵⁵ Nishimura made these comments in an interview with the Japanese weekly magazine, *Shukan Playboy*. Cited in "Japan 'should consider nuclear arms'" *BBC News*, available at <http://news.bbc.co.uk/1/hi/world/asia-pacific/479787.stm>, accessed 23 Jan. 2004.
- ⁵⁶ Carlo Niederberger. "Nakasone says Koizumi is populist but has no strategy" *Japantoday.com*, 8 Jan. 2004.
- ⁵⁷ Interview with author, 12 May 2004. Nishimura states that if North Korea targets Japan with nuclear weapons, Japan has no choice but to arm itself.
- ⁵⁸ Interview with author, 16 Mar. 2004.
- ⁵⁹ For example, see The Henry L. Stimson Center's report entitled "Japan's Nuclear Option: Security, Politics, and Policy in the 21st Century," December 2003. Available at <http://www.stimson.org/pubs.cfm?ID=91>.
- ⁶⁰ "Govt eyes 30% cut in tanks, artillery." *Yomiuri Shimbun*, 7 Jan. 2004.
- ⁶¹ In August of 2003 the Japanese government published a revised ODA charter, addressing the need to make ODA more effective in forwarding Japan's strategic interests. It is available at <http://www.mofa.go.jp/policy/oda/reform/revision0308.pdf>.
- ⁶² "ODA, export control linked" *Yomiuri Shimbun*, 6 Jan. 2004.
- ⁶³ Japan's ability to collect intelligence, like many other countries around the world, is still particularly limited. Cooperation with others in this effort will remain critical for Japan. It should be noted, however, that despite the United States' unparalleled capabilities in intelligence gathering, Washington is also very reliant on information sharing between allies.
- ⁶⁴ "MDA Facts: Aegis Ballistic Missile Defense," *Missile Defense Agency*, available at <http://www.defenselink.mil/faq/>
- ⁶⁵ Senior DoD official, interview with author, 9 Mar. 2004.
- ⁶⁶ Lance Gatling, web-based interview with author (see National Bureau for Asian Affairs' Japan-US Discussion Forum, 28 Nov. 2003, <http://lists.nbr.org/japanforum/>). Mr. Gatling is an expert in aerospace technology and President of Gatling Associates, an aerospace, communications, and information technology consulting firm with offices in Tokyo and Dallas.
- ⁶⁷ Interview with author, March 2004.
- ⁶⁸ "Missile defense would be solo," *The Japan Times*, 24 Jun. 2001.
- ⁶⁹ Jimbo Ken, discussion with author, 19 Apr. 2004. Jimbo is the director of research at the Japan Forum for International Affairs.
- ⁷⁰ Victor Cha. "Japan-Korea," *Comparative Connections*, Vol. 5, No. 4 - 4th Quarter 2003, Pacific Forum, CSIS, January, 2004.
- ⁷¹ Ken Jimbo. "A Japanese Perspective on Missile Defense and Strategic Coordination," *The Nonproliferation Review*, Summer 2002, p. 61.
- ⁷² "Nuclear Forces Guide: Japan," *Federation of American Scientists*, accessed 26 Nov. 2003, <http://www.fas.org/nuke/guide/japan/index.html>
- ⁷³ *Ibid.*
- ⁷⁴ *Ibid.*
- ⁷⁵ Poll conducted by the *Yomiuri Shimbun* published on 17 Mar. 2004.
- ⁷⁶ *Ibid.*

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Poll conducted by the *Asahi Shimbun*, 4 Nov. 2003

⁸⁰ Ibid.

⁸¹ Source: Upper and Lower House web pages - <http://www.sangiin.go.jp/eng/index.htm> and http://www.shugiin.go.jp/itdb_main.nsf/html/index_e.htm respectively. Accessed 21 Feb. 2004. An Upper House election is scheduled for 11 July 2004. I assumed the same percentages of parties will support revision of the constitution in the Upper House as did in the Lower House. The percentages used come from the survey cited in previous note above.

⁸² Both Ozawa and Yokomichi, another top member of the DPJ, appeared on the Japanese television program "Sunday Project" and said that no specification would be made as to whether this force would engage in front-line or rear echelon activities. Journalist Sam Jameson relayed this point to the author in a discussion shortly after this program aired in early 2004.

⁸³ David Pilling, "Death of Japanese Troops 'would spur reform'," *Financial Times*, 3 Mar. 2004.

⁸⁴ Interview with author, 28 May 2004.

⁸⁵ Poll conducted by the *Mainichi Shimbun*, 17-18 Apr. 2004, published 19 Apr. 2004.

⁸⁶ "Govt outlines new view on self-defense." *Yomiuri Shimbun*, 26 Jan. 2004. It is unlikely though that this "informal decision" represents a binding decision, rather it should be seen as a statement of the government's intention to pursue such change.

⁸⁷ Ibid.

⁸⁸ Steven C. Clemons, "Nationalism: Old News or New Worry?" *Yomiuri Shimbun*, 9 Dec. 2003.:

⁸⁹ Merriam-Webster Dictionary Online, <http://www.m-w.com/home.htm>

⁹⁰ For example, Eugene A. Matthews's "Japan's New Nationalism" *Foreign Affairs*, November/December 2003, pp. 75-90.

⁹¹ Clemons.

⁹² Here Clemons is criticizing Matthews' article in *Foreign Affairs*.

⁹³ Shintaro Ishihara and Akio Morita (of Sony). *The Japan that Can Say No: Why Japan Will Be First Among Equals*. New York: Simon and Schuster, 1989. Published in English in 1991 by Ishihara only.

⁹⁴ Ibid. pp. 48 and 62.

⁹⁵ *Yomiuri Shimbun*, 24 Apr. 2004.

⁹⁶ Ishihara made the following statements during the campaign preceding Lower House elections in late 2003. "The annexation of Korea was made with the agreement of nations worldwide. The Korean people had to choose between Russia, Japan or Shina [a derogatory prewar term for China]." He continued, "They decided to seek help from the Japanese, who had the same facial color as their own." In another instance, Ishihara said, "The Chinese are ignorant, so they're overjoyed about that spaceship of theirs," referring to China's successful launch of a manned space mission. Cited in J. Sean Curtin, "Japan's risky anti-foreign rhetoric" *Asia Times Online*, 20 Nov. 2003.

⁹⁷ Michishita Narushige, Senior Research Fellow, National Institute for Defense Studies, Tokyo, Japan. Interview with author, 15 Dec. 2003.

⁹⁸ *Asahi Shimbun* interview with Kitaoka Shinichi published 20 Apr. 2004.

⁹⁹ Japan's ODA budget has been slashed by 27% over the last six years.

¹⁰⁰ Ichiro Ozawa. *Blueprint for a New Japan* (Tokyo, Japan: Kodansha International, 1994): 39.

¹⁰¹ In "The Prime Minister's Commission on Japan's Goals in the 21st Century," the authors state this ineptitude remains in Japanese politics today. See Chapter Six, page 3. Available at <http://www.kantei.go.jp/jp/21century/report/pdfs/>

¹⁰² Studies include: Task Force on Foreign Relations for the Prime Minister (Chaired by Yukio Okamoto) "Basic Strategies for Japan's Foreign Policy in the 21st Century: New Era, New Vision, New Diplomacy," 2002; Prime Ministers Commission on Japan's Goals in the 21st Century "Japan's Goals in the 21st Century," 2000. In addition, a group of prominent Japanese professors published a paper, which was forwarded to Foreign Minister Komura entitled "Challenge 2001-Japan's Foreign Policy toward the 21st Century," 1999.

¹⁰³ Professor Peter Drysdale at a conference entitled "Building a Regime of Regional Cooperation in East Asia and the Role that Japan can Play" sponsored by the Institute for International Policy Studies

(IIPS), Tokyo, Japan on 2-3 Dec. 2003. Drysdale is professor of economics at the Asia Pacific School of Economics and Government, Australia National University, Similar statements made by my colleagues, senior research fellows, at IIPS.

¹⁰⁴ Prime Minister Koizumi in response to questions about why Japan should send forces to Iraq emphasized the need to strengthen the alliance. Press conference following the cabinet's approval of the basic plan to send troops to Iraq, 9 Dec. 2003.

¹⁰⁵ Interview with author, 31 Mar. 2004.

¹⁰⁶ Ibid.

¹⁰⁷ Eric Higgenbotham and Richard Samuels. "Japan's Dual Hedge." *Foreign Affairs*, Vol 81, No 5, Sept./Oct. 2002, pp. 110-121.

¹⁰⁸ Michael H. Armacost and Kenneth B. Pyle. "Japan and the Unification of Korea: Challenges for U.S. Policy Coordination," *National Bureau of Asian Research*, NBR Analysis: Volume 1, No. 10, March 1999. See also Robyn Lim. "Japan faces tough choices over U.S. alliance," *International Herald Tribune*, 10 Feb. 2004.

¹⁰⁹ Michael Green. "State of the Field Report: Research on Japanese Security Policy" *NBR Access Asia Review* vol. 2, no. 1.

¹¹⁰ An opinion survey in the *Mainichi Shimbun* on 3 March 2003 showed that only a mere 11% of Japanese favored military action with a colossal 84% opposed to a US-led war with Iraq. 80% of respondents in their 20s and 30s were opposed to the war. A year later opposition to U.S. policy persists. In an April 2004 poll, the *Asahi Shimbun* reported that only 12% approve of U.S. policy while 71% disapprove, *Asahi Shimbun*, 17 Apr. 2004.

¹¹¹ "Japan's Assistance for the Reconstruction of Iraq," 24 Oct. 2003, Government of Japan. Available at http://www.kantei.go.jp/foreign/tyokan/2003/1024press_e.html Japan pledged \$1.5 billion in grants and \$3.5 billion in yen loans, second only to the US.

¹¹² "Koizumi stands firm that attack on Iraq is justified," *Mainichi Daily News*, 19 Mar. 2003.

¹¹³ Prime Minister Koizumi's statement during a 3 Dec. 2003 meeting with Abdul Amir Al-Rekaby, the son of the leader of a major ethnic group in southern Iraq and a pro-democracy activist. Cited in Masanobu Takagi, "Koizumi agonized over Iraq plan," *Yomiuri Shimbun*, 11 Dec. 2003.

¹¹⁴ On 27 Jan. 2004 during Lower House Budget Committee testimony.

¹¹⁵ Interview with author, 16 Apr. 2004.

¹¹⁶ Former Prime Minister Nakasone's remarks during a speech in Tokyo, reported in the *Tokyo Shimbun*, 23 Apr. 2004.

¹¹⁷ Interview with author, 13 Jan. 2004.

¹¹⁸ Yoichi Funabashi. *Asahi Shimbun*, 19 Sep. 2003.

¹¹⁹ "Japan's Assistance for the Reconstruction of Iraq." Released by MOFA on 21 Apr. 2003. Available at http://www.mofa.go.jp/region/middle_e/iraq/issue2003/assist0421.html

¹²⁰ As of October 2003 Japan imported 91.5% of its oil from the Middle East. "[Preliminary Report on Petroleum Statistics](#)," *Ministry of Economy, Trade and Industry*, 28 Nov. 2003. Available at <http://www.meti.go.jp/english/statistics/index.html>.

¹²¹ Captain Otsuka Umio, Japan Maritime Self Defense Force. Interview with author, 13 Jan 2004.

¹²² Source: Ministry of Economy, Trade, and Industry, January 2004.

¹²³ "Japan tries to secure contracts over Iraqi oil and gas fields" Alexander's Gas and Oil Connections, News and Trends, Volume 9, Issue # 3, 10 Feb. 2004. Available at <http://www.gasandoil.com/>

¹²⁴ Takakazu Kuriyama. "Despite risks, Japan should help rebuild Iraq," *Asahi Shimbun*, 10 Dec. 2003. In this article he said, "Nevertheless, abandoning a task that needs to be done by saying it is too dangerous would lead, as I am afraid, to Japan's loss of credibility in the international community." Kuriyama is adviser to Japan's foreign minister and was Vice Foreign Minister at the time of the Persian Gulf War. He was Ambassador to the United States from 1992 through 1995.

¹²⁵ Ozawa Ichiro first used this term in his widely read *Blueprint for a New Japan*, 1994. He defined a normal nation as one that "willingly shoulders those responsibilities regarded as natural in the international community. It does not refuse such burdens on account of domestic political difficulties. Nor does it take action unwillingly as a result of 'international pressure.'" A normal nation also cooperates "fully with

other nations in their efforts to build prosperous and stable lives for their people.” Page 94-95.

¹²⁶ A poll conducted by the *Asahi Shimbun* in January 2004 showed that most Japanese support a role in the reconstruction of Iraq (69%), but did not want troops to go ‘quickly.’ Most respondents feared casualties, an event which seemed inevitable given the security situation at the time and the death of two Japanese diplomats. In March 2003 polls showed a vast majority against the US decision to go to war: *Mainichi Shimbun*, 84%; *Asahi Shimbun*, 78%, and *NHK*, 80%.

¹²⁷ Interview with author, 15 Dec. 2003.

¹²⁸ Kyuma made this comment in an interview with the *Tokyo Shimbun* on 17 Apr. 2004.

¹²⁹ Saeki Keishi. “Is there universality in America’s progressive view of history?” *Sankei Shimbun*, 9 May 2004.

¹³⁰ Interview with author, 5 Mar. 2004.

¹³¹ Interview with author, 14 Dec. 2004.

¹³² “Political change visible, but questions remain, professor says.” *Japan Times*, 22 Oct 2003. Interview with Professor Ellis Kraus, Graduate School of International Relations and Pacific Studies at UC San Diego.

¹³³ Poll conducted on 20-21 Mar. 2004 and published by the *Yomiuri* on 2 Apr. 2004.

¹³⁴ Gerald L. Curtis. *The Logic of Japanese Politics: Leaders, Institutions, and the Limits of Change*. New York: Columbia University Press, 1999 (p. 138).

¹³⁵ As cited in Curtis, p. 139.

¹³⁶ Sam Jameson. “A step toward a dynamic Japanese government” *Japan Times*, 11 Nov. 2003. The largest gain was made by the Socialists in 1990 when they increased their strength by 55 seats, compared with the previous election in 1986.

¹³⁷ Democratic Party of Japan Manifesto published in 2003 prior to Lower House elections.

¹³⁸ *Ibid.*

¹³⁹ Interview with author, 19 Mar. 2004.

¹⁴⁰ Author’s discussion with renowned journalist and 43 year resident of Japan, Sam Jameson, February 2004.

¹⁴¹ “Kato: “Government should reconsider SDF dispatch, with time of troop changes in mind.” *Tokyo Shimbun*, 14 Apr. 2004.

¹⁴² “LDP Acting Secretary General Kyuma raises question about government’s “support” for Iraq war; Japan’s “understanding” would have been better, says Kyuma.” *Tokyo Shimbun*, 14 Apr. 2004.

¹⁴³ “Lower House Speaker Kono criticizes US occupation policy.” *Mainichi Shimbun*, 14 Apr. 2004.

¹⁴⁴ Carlo Niederberger. “Nakasone says Koizumi is populist but has no strategy.”

¹⁴⁵ Of course, instability in the Balkans, parts of Eastern Europe and the Caucasus remains a concern for Germany and Western Europe.

Section Two

¹⁴⁶ As reported by David Pilling. “Koizumi to tread a fine line on his visit to North Korea,” *Financial Times*, 16 Sep. 2002.

¹⁴⁷ As cited by Yumiko Nakagawa. “Koizumi Visits Pyongyang: Beginner’s luck?” *CSIS, Pacific Forum PacNet #38*, 30 Sep. 2002.

¹⁴⁸ For example, in September, 1999 the U.S. and North Korea concluded an agreement (subsequently called the Berlin agreement), in which North Korea agreed to cease long-range missile tests. When William Perry was asked in a press conference whether the agreement covered the shorter range NoDong missile, the type within striking distance of Japan, Perry responded “No.” He further said that the goal was to get North Korea to accede to the Missile Technology Control Regime, which covers missiles with a range of 300 kilometers or greater. North Korea never did agree to the terms of the MCTR and Japan’s concerns remained unanswered. The text of the press conference is available at <http://usembassy-australia.state.gov/hyper/WF990924/epf505.htm>. Also see Michael Green’s *Japan’s Reluctant Realism*, pp 124-127.

¹⁴⁹ “Challenge 2001–Japan’s Foreign Policy toward the 21st Century,” 1999. Available at <http://www.mofa.go.jp/policy/other/challenge21.html>. "Japan must also take the initiative by designing and building appropriate frameworks of international cooperation vis-à-vis various threats. From this perspective, it is necessary to build frameworks at various levels according to purposes, including a

dialogue framework of Japan, the US, China and Russia, a framework of these four countries plus the ROK, and North Korea..." For the first time the US included the abduction of Japanese nationals in its annual report on terrorism.

¹⁵⁰ "China, U.S. pressure on North led to 2-way abduction talks." *Asahi Shimbun*, 16 Feb. 2004. Those talk led to a second visit by Koizumi and the successful return of the abductees' family members. The notable exception was Mr. Jenkins, American husband of Ms. Soga, who is wanted for desertion by the US Army.

¹⁵¹ The results of a government poll showed that 90% of the public view the abduction issue as the most important, whereas only 66% worry about the North's nuclear weapons. Reported by the *Associated Press*, "Japanese Kidnap Victims Take Center Stage," 29 Jan 2004. JDA and SDF officials, on the other hand, believe too much emphasis is being placed on the abduction issue while too little attention is being paid to the security threat posed by North Korea's missiles and WMD programs.

¹⁵² "North Korea's Weapons Programs." Gary Samore and Adam Ward of the International Institute for Strategic Studies in a presentation at the Council on Foreign Relations, 23 Jan. 2004.

¹⁵³ David C. Wright. "Assessment of the North Korean Missile Threat." Wright is Co-Director and Senior Scientist, Global Security Program, Security Studies Program, Massachusetts Institute of Technology. His article is available at http://www.nautilus.org/fora/security/0320A_%20Wright.html

¹⁵⁴ Ronald H. Siegel. "The Missile Programs of North Korea, Iraq, and Iran" IDDS Working Paper 3 September 2001, *Institute for Defense and Disarmament Studies*, Massachusetts Institute of Technology. Available at <http://www.idds.org/iddswkp3.html>

¹⁵⁵ As reported by Kim Seung-hwan. "Anti-Americanism in Korea (II)," *The Korea Times*, 8 Dec. 2002.

¹⁵⁶ Richard Halloran had first reported the likelihood of this in his article: "Reshaping the Pacific Command," *Korea Herald*, 30 Jan. 2004.

¹⁵⁷ Ibid.

¹⁵⁸ David Shambaugh. "China and the Korean Peninsula: Playing for the Long Term," *Washington Quarterly*, Spring 2003, pp 43-56.

¹⁵⁹ Narushige Michishita. "Alliances After Peace in Korea," *Survival*, vol. 41, no. 3, Autumn 1999, p.73.

¹⁶⁰ Derek J. Mitchell. "A Blueprint for U.S. Policy toward a Unified Korea." *Washington Quarterly*, Winter 2002-2003, pp 123-137.

¹⁶¹ This observation was made by Rebecca MacKinnon, CNN Tokyo Bureau Chief, during a Korea-Japan study group discussion of which the author was a part, 24 Sep. 2003. The KJ Study Group is held both in the US and Japan and is organized by Robert Dujarric, formerly of the Hudson Institute and currently a CFR-Hitachi fellow based in Tokyo at the Research Institute of Economy, Trade, and Industry.

¹⁶² According to Professor Chung-in Moon, Yonsei University, discussion with author, December 2003.

¹⁶³ Denny Roy. "China and the Korean Peninsula: Beijing's Pyongyang Problem and Seoul Hope." *Asia-Pacific Center for Security Studies Volume 3 – Number 1*, January 2004.

¹⁶⁴ Robyn Lim. *NBR U.S.-Japan Discussion Forum*, 17 Jan. 2004.

¹⁶⁵ Henry Kissinger. "The Six-Power Route to Resolution," *Washington Post*, 18 Aug. 2003.

¹⁶⁶ John Feffer. *North Korea South Korea U.S. Policy at a Time of Crisis*. Seven Stories Press: New York, 2003. p. 115.

¹⁶⁷ In the 13th century, the Mongols, led by Kublai Khan, attempted to cross the sea and invade Japan. According to Japanese legend, Khan's huge fleet was scattered by 'divine winds' (kamikaze).

¹⁶⁸ Victor D. Cha. "Defensive Realism and Japan's Approach toward Korean Unification." *NBR Analysis* Vol 14 No. 1, 1 Jun. 2003

¹⁶⁹ James Brooke. "A Postage Stamp Island Sets Off a Continental Debate," *New York Times*, 27 Jan. 2004.

¹⁷⁰ Ibid.

¹⁷¹ Anthony Faiola "Kicking up the dust of history," *Washington Post*, 22 Jan. 2004: A15.

¹⁷² As quoted in Anthony Faiola's "Kicking up the dust of History."

¹⁷³ The notion of Korea as a hub in Asia dates back to 2001, but most recently, in March 2004, Korea unveiled its new motto: "Dynamic Korea: Hub of Asia." As reported by David Scofield, "Dynamic Korea: Hub of Asia— or is it?" *Asian Times*, 6 Mar. 2004.

¹⁷⁴ Victor D. Cha. "Defensive Realism and Japan's Approach toward Korean Unification."

¹⁷⁵ The Koreans have been lobbying the international community to rename the Sea of Japan, which lies between Korea and Japan, the "East Sea." The *Names and Limits of Oceans and Seas* published by the International Hydrographic Organization (IHO) is deemed to be the authoritative document concerning names of oceans and seas. Korea's 2002 efforts to rename the sea remain unfulfilled.

¹⁷⁶ Population data: US Bureau of the Census International Data Base (<http://www.census.gov/ipc/www/idbnew.html>).

¹⁷⁷ Robert Zoellick in remarks given at the Asia Society Annual Dinner, 25 Feb. 2004.

¹⁷⁸ Charles Wolf, Jr., K. C. Yeh, Benjamin Zycher, Nicholas Eberstadt, Sung-Ho Lee. *Fault Lines in China's Economic Terrain*. Santa Monica: RAND, 2003. The potential problems which can affect economic growth are: 1) unemployment, poverty, and social unrest; 2) corruption; 3) HIV/AIDS and epidemic disease; 4) water resources and pollution; 5) energy consumption and prices; 6) fragility of financial system and state-owned enterprises; 7) reduction of FDI; 8) conflict (i.e. Taiwan). These problems can occur individually or in clusters: Wolf estimates each can potentially reduce annual GDP growth between 0.3 and 2.2%. Interdependency of many of these issues means that clusters are very likely.

¹⁷⁹ Evan S. Medeiros and M. Taylor Fravel. "China's New Diplomacy," *Foreign Affairs*. November/December 2003.

¹⁸⁰ For example Senator Richard Lugar (R- Indiana), remarks to the US–China Business Council, available at <http://usinfo.state.gov/regional/ea/uschina/lugar201.htm>

¹⁸¹ Fei-Ling Wang. "To Incorporate China: A new policy for a new era." *Washington Quarterly*, Winter 1998.

¹⁸² Condoleezza Rice. "Campaign 2000—Promoting the National Interest." *Foreign Affairs*, January/February 2000, volume 79, number 1.

¹⁸³ Colin Powell. "A Strategy of Partnerships," *Foreign Affairs*, vol. 83, no. 1, January/February 2004.

¹⁸⁴ The PRC voted in support of both UN Security Council resolutions after the September 11th attacks. Within two weeks of 9/11, the US initiated a US–China counterterrorism dialogue to improve practical cooperation, and has subsequently held two rounds of those talks. China supported the coalition campaign in Afghanistan and pledged \$150 million to Afghan reconstruction following the defeat of the Taliban. In July 2003, China joined the Container Security Initiative, enabling joint efforts to target and pre-screen cargo being shipped to the US from Chinese ports. From James A. Kelly, Assistant Secretary for East Asian and Pacific Affairs, Testimony before the Senate Foreign Relations Committee, Washington, DC September 11, 2003.

¹⁸⁵ Condoleezza Rice. "America's Robust Engagement—With Asia," *Asian Wall Street Journal*, 24 Oct. 2003.

¹⁸⁶ During a symposium sponsored by the Institute for International Policy Studies in December 2003, Professor G. John Ikenberry used the term 'bubble' in the sense of terrorism writ large, asking whether global terrorism would turn out to be a passing or permanent phenomenon. I borrow that term here to apply it to a smaller element of the war on terror – US–Sino cooperation.

¹⁸⁷ James J. Przystup. "China's Great Power Diplomacy: Implications for the United States," *PacNet 42, Pacific Forum, CSIS*, 9 Oct. 2003.

¹⁸⁸ "China considering creating new regional security body, with participation by Japan, South Korea, Russia envisioned; Key lies in what attitude North Korea and US will assume" *Mainichi Shimbun*, 25 Feb. 2004.

¹⁸⁹ "Idea of upgrading six-party talks to Northeastern Asia security discussions floated in government." *Tokyo Shimbun*, 1 Mar. 2004. Translated by the US embassy, Tokyo, Japan.

¹⁹⁰ Asia Today Online. "A race lost: living in China's shadow" Oct./Nov. 2002. Available at <http://www.asiatoday.com.au/features/china.asp>

- ¹⁹¹ Task Force on Foreign Relations for the Prime Minister (chaired by Yukio Okamoto). "Basic Strategies for Japan's Foreign Policy in the 21st Century: New Era, New Vision, New Diplomacy." 28 Nov. 2002.
- ¹⁹² Fei-Ling Wang. "To Incorporate China: A new policy for a new era." *The Washington Quarterly*, Winter 1998, p. 73.
- ¹⁹³ Larry Wortzel. Testimony to the Committee on Armed Services, House of Representatives, "China's Strategic Intentions and Goals," 21 Jun. 2000.
- ¹⁹⁴ Robert Sutter. "China and Japan: Trouble Ahead?" *The Washington Quarterly*, Autumn 2002.
- ¹⁹⁵ Wayne Bert. *The United States, China and Southeast Asian Security, A Changing of the Guard?* New York: Palgrave MacMillan, 2003, p. 76.
- ¹⁹⁶ Prime Minister Koizumi's remarks at the reception ceremony for Wu Bangguo, marking the 25th anniversary of the signing of the Sino-Japanese Treaty of Peace and Friendship. Reported in "China's Growth not a Threat, but an Opportunity for Japan: Koizumi." *People's Daily*, 6 Sep. 2003.
- ¹⁹⁷ "Eagle eyes—Self-Defense Forces keep tabs on nations mapping East Asia's seabed." *Asahi Shimbun*, February 16, 2004.
- ¹⁹⁸ "Country Analysis Briefs: Japan," Department of Energy, Energy Information Administration. Available at <http://www.eia.doe.gov/emeu/cabs/japan.html>, accessed 12 Dec. 2003.
- ¹⁹⁹ Ibid.
- ²⁰⁰ Ibid.
- ²⁰¹ "China is biggest oil consumer after U.S." *Financial Times*, 21 Jan. 2004.
- ²⁰² Bernard D. Cole. "Oil for the lamps of China—Beijing's 21st Century Search for Energy," Mc Nair Paper 67, Institute for National Security Studies, National Defense University, NDU Press, Washington, DC, Oct. 2003.
- ²⁰³ "China's Energy Gap: Oil Imports up 15%" Friedlnet.com., 16 Feb. 2003.
- ²⁰⁴ Phillip Andrews-Speed, Xuanli Liao, and Roland Dannreuther. *The Strategic Implications of China's Energy Needs*, Adelphi Paper 345, International Institute for Strategic Studies, Oxford University Press, 2002, p. 28-29. Chinese onshore production costs are range from U.S. \$6-13 per barrel compared to US \$2-3 in the Middle East. 56% of refineries should be outfitted to process high sulfur oil by 2005.
- ²⁰⁵ "Country Analysis Briefs: South China Sea," Department of Energy, Energy Information Administration. Available at <http://www.eia.doe.gov/emeu/cabs/schina.html>, accessed 19 Feb. 2003.
- ²⁰⁶ Bernard D. Cole, p. 21.
- ²⁰⁷ This idea was presented by a colleague, Atsumi Masahiro, Senior Research Fellow at the Institute for International Policy Studies, seconded by the Tokyo Electric Power Company (TEPCO). Atsumi has also served abroad on loan from TEPCO to the Ministry of Foreign Affairs.
- ²⁰⁸ Phillip Andrews-Speed, Xuanli Liao, and Roland Dannreuther, p. 75.
- ²⁰⁹ Ibid., p. 76.
- ²¹⁰ Jin Xing, Xi Xiaolin, Qian Jialin & Li Li. "China's petroleum security not to be neglected," *Economic Daily*, 19 Nov. 2004: p. 9. *The authors concluded* "In terms of supply capacity, at present, OPEC member countries still have an overcapacity of some 5 million barrels/day, which allows them to increase production promptly when needed. Meanwhile, Russia, Norway and Mexico are also beefing up production, contributing to an abundant supply of crude oil throughout the world. Therefore, as long as we have sufficient foreign exchange reserves, we will not run the risk of being unable to purchase petroleum."
- ²¹¹ China's deal with Iran will secure more than 110 million tons of liquefied natural gas over 25 years. As reported in the *Japan Times*, "China signs \$20 billion deal to buy Iranian gas," 19 Mar. 04.
- ²¹² "Country Analysis Briefs: South China Sea."
- ²¹³ "Country Analysis Briefs: South China Sea," China consumed 5.46 million barrels per day in 2003. E.F. Durkee, a veteran exploration geologist with more than 42 years of experience (as of 1995), much of it in Asia, says that, "Other than a small amount of gas and a few barrels of condensate produced at Sampaguita 1 and 3A in 1976 in the Reed Bank within Philippine territory, there have been no reported hydrocarbons ever produced from the Spratly Island area. If the objective is gas and oil, the Spratlys are hardly worth the risk of war." He continues, "The South China Sea in its south central region, including the Spratly Islands, is simply not another North Sea geologically. Its greatest resources are likely

manganese nodules or other minerals in deep-water areas, tourism (reef fields) and fishing.” Excerpts from Durkee’s letter to the editors of *Far Eastern Economic Review* (entitled “Oily Claims”), Vol. 158, No. 13, 30 Mar. 1995, p. 4.

²¹⁴ Lieutenant Colonel Mark Hague, discussion with author, 25 Feb. 2004. LTC Hague is the U.S. Army liaison officer and an instructor at the Japan GSDF Staff College in Tokyo, Japan. He has previously served as the political-military officer at US Army Japan headquarters.

²¹⁵ Ibid.

²¹⁶ “China to import 57-% of oil by 2020.” *Business Report*, 21 Nov. 2003. Available at Alexander’s Gas and Oil, <http://www.gasandoil.com/goc/news/nts35053.htm>

²¹⁷ Phillip Andrews-Speed, Xuanli Liao, and Roland Dannreuther, p. 80

²¹⁸ Next to Hong Kong, the chief ports with an annual handling capacity of over 50 million tons are: Shanghai, Ningbo, Guangzhou, Qinhuangdao, Tianjin, Dalian and Qingdao. Only Guangzhou lies within the confines of the South China Sea. “China Business Guide” (http://www.ccpit.org/static_ccpit/en/guide_encl.jsp)

²¹⁹ Phillip Andrews-Speed, Xuanli Liao, and Roland Dannreuther, p. 79.

²²⁰ Robyn Lim. *The Geopolitics of East Asia*. London: Routledge, 2003, p. 154.

²²¹ Wayne Bert, p. 185.

²²² Professor Kobori Shinzo, interview with author, 27 Feb. 2003. Prof. Kobori is also a Distinguished Research Fellow at the Institute for International Policy Studies in Tokyo, Japan.

²²³ Richard Sokolsky, Angel Rabasa, C.R. Neu. *The Role of Southeast Asia in U.S. Strategy Toward China*, Santa Monica: RAND, 2000, p. 17.

²²⁴ See Robyn Lim’s *Geopolitics of East Asia*, p. 153 and RAND’s *China’s Potential Military Threat to Southeast Asia*, p. 24.

²²⁵ The Spratly group consists of 12 main islands and 390 islets, banks, reefs, shoals and cays, of which only 33 permanently rise above the sea and only seven of these have an area of more than 0.5 square kilometers. The islands and other features lie in an area of about 400 nautical miles from East to West and about 500 nautical miles from North to South. The sea areas contained by these features constitute about 38 per cent of the South China Sea. (From: “Chinese Territorial Assertions: The Case of Mischief Reef, available at http://www.subcontinent.com/sapra/world/w_1999_01_21.html)

²²⁶ Map source: University of Texas, Perry-Castañeda Library Map Collection. Available at <http://www.lib.utexas.edu/maps/index.html>

²²⁷ Department of Defense. *Annual Report On The Military Power Of The People’s Republic Of China*. Washington, DC: 28 July 2003. p. 18.

²²⁸ Ibid., p.18.

²²⁹ Ibid., p. 15

²³⁰ Mark Burles and Abram N. Shulsky. *Patterns in China’s Use of Force: Evidence from History and Doctrinal Writings*, Santa Monica: RAND, 2000.

²³¹ Based on recent American reactions to Taiwanese referendums and potential provocative changes to its constitution, assumptions that the U.S. would come to Taipei’s aid if the island provokes conflict with Beijing are dangerous. The Bush administration has warned the independent-minded President Chen that the U.S. does not accept a change to the status quo.

²³² Burles and Shulsky, p. 15.

²³³ Craig S. Smith. “China reshaping military to toughen its muscle in the region,” *New York Times*, 16 Oct. 2002.

²³⁴ Ibid.

²³⁵ Discussion with author, 24 Feb. 2004.

²³⁶ Statement made by Premier Wen Jiabao at his meeting with Prime Minister Koizumi on the sidelines of the ASEAN conference in Bali, Indonesia, October 2003. Published in “Japan-China Summit Meeting at the ASEAN+3 Summit Meeting (Summary)” *Ministry of Foreign Affairs*, Oct. 2003. Available at <http://www.mofa.go.jp/region/asia-paci/asean/pmv0310/china.html>

²³⁷ “Yasukuni visits derail hopes for Shinkansen line in China” *Asahi Shimbun*, 18 Feb. 2004.

²³⁸ Interview with author, 31 Mar. 2004.

- ²³⁹ Former Prime Minister Nakasone's comments to my colleagues and me at the Institute for International Policy Studies, 16 Feb. 2003. Nakasone's idea surfaced two days later in the Japan news.
- ²⁴⁰ J. Sean Curtin. "Only Koizumi cannot go to China," Debate Commentary. *Japan Institute for Global Communications*, 20 Oct. 2003. Available at http://www.glocom.org/debates/20031020_curtin_only/
- ²⁴¹ DPJ Diet member Taku Etou in response to PM Nakasone's proposal. He raised this point to Nakasone at a meeting between Nakasone and a group of young Diet members, 18 Feb. 2004.
- ²⁴² Lieutenant Colonel Mark Hague, discussion with author, 25 Feb. 2004.
- ²⁴³ Nakagawa Tomoyuki, Bank of Japan and Senior Research Fellow, Institute for International Policy Studies, Tokyo, Japan, interview with author, 25 Feb. 2004.
- ²⁴⁴ Published in the *Asahi Shimbun*, 10 Jan. 2003.
- ²⁴⁵ Macabe Keliher. "Economics overrides anti-Japan sentiment," *Asia Times Online*, 12 Feb. 2004.
- ²⁴⁶ Ibid.
- ²⁴⁷ "China's Diplomacy (2004)" *People's Republic of China*. The sections to which I refer are entitled: "Going all-out to promote friendly cooperation with surrounding countries," "Stabilizing and developing relations with major countries," "Continually expanding cooperation with developing countries," and "Participating actively in multilateral, international cooperation."
- ²⁴⁸ As cited in "China's neighbors get nervous," *Financial Times*, 2 Dec. 2002.
- ²⁴⁹ Sam Jameson, in a speech delivered in Tokyo, Japan on 13 Feb. 2004.
- ²⁵⁰ Ken Belson "Japan Inc. is shifting its focus to China" *International Herald Tribune*, 18 Feb. 2004.
- ²⁵¹ Nakagawa Tomoyuki, interview with author, 25 February, 2004.
- ²⁵² "Japan's Joyride On China's Coattails," *Business Week Online*, 1 Mar. 2004.
- ²⁵³ Source for Japan's trade statistics is the *Japan Statistical Yearbook 2004* published by the Ministry of Public Management, Home Affairs, Posts and Telecommunications and monthly statistics published by the Statistics Bureau of the same ministry (<http://www.stat.go.jp/english/data/nenkan/index.htm> and <http://www.stat.go.jp/english/data/geppou/index.htm>). The U.S. Census Bureau website contains by-country trade statistics for the United States (<http://www.census.gov/foreign-trade/balance/index.html>).
- ²⁵⁴ Robert Sutter. "China and Japan: Trouble Ahead?"
- ²⁵⁵ Tomohiko Taniguchi. "Asia as an oval with two centres?"
- ²⁵⁶ Michael H. Armacost and Kenneth B. Pyle. "Japan and the Engagement of China: Challenges for U.S. Policy Coordination," *National Bureau of Asian Research*, NBR Analysis: Vol 12, No. 5, December 2001.
- ²⁵⁷ Interview with author, 21 May 2004.
- ²⁵⁸ Michael J. Green and Benjamin L. Self, "Japan's Changing China Policy: From Commercial Liberalism to Reluctant Realism" *Survival*, vol. 38, no. 2, p. 52.
- ²⁵⁹ Kanako Takahara. "Security key factor in future Japan-ASEAN tieup," *Japan Times*, 19 Nov. 2003.
- ²⁶⁰ Michael H. Armacost and Kenneth B. Pyle. "Japan and the Engagement of China: Challenges for U.S. Policy Coordination."
- ²⁶¹ "Former Chinese minister praises Japan's FTA efforts," *Japan Times*, 19 Mar. 2004.
- ²⁶² Ibid.
- ²⁶³ Amitav Acharya. "Seeking Security in the Dragon's Shadow: China and Southeast Asia in the Emerging Asian Order," *Institute of Defense and Strategic Studies*, March 2003.
- ²⁶⁴ Chien-peng Chung. "China's "Counter-hedging" Engagement with Southeast Asia," *Future China Research*, pp. 47-66.
- ²⁶⁵ Robert Sutter. "China's Recent Approach to Asia: Seeking Long Term Gains," *NBR Analysis*, Vol. 13, No. 1, March 2002.
- ²⁶⁶ Jane Perlez. "Weary of U.S. Anxieties, Asia Warms to China's Vigor," *The New York Times*, 4 Dec. 2003.
- ²⁶⁷ Ibid.
- ²⁶⁸ Narongchai Akrasanee was Thailand's Minister of Commerce. Mr. Narongchai made these remarks at a symposium "Building a Regime of Regional Cooperation in East Asia and the Role that Japan can Play" sponsored by the Institute for International Policy Studies (IIPS), Tokyo, Japan on 2-3 Dec. 2003.

²⁶⁹ Catharin Dalpino and Juo-yu Lin. "China and Southeast Asia: The Difference of a Decade," Brookings Northeast Asia Survey 2002-03, *Brookings Institution*, April 2003.

²⁷⁰ Peter Drysdale, "Regional Cooperation in East Asia and FTA Strategies," prepared for the December 2003 IIPS symposium on regional cooperation.

²⁷¹ Kiroku Hanai, "Avoid the road to isolation," *Japan Times*, 26 Jan. 2004.

²⁷² Study Group's Report on "Japan in Asia: What Should We Do?," *Japan Forum on International Relations*, Apr. 2003.

²⁷³ "Japan Goes with Flow at APEC" *Asahi Shimbun*, 20 Oct. 2003.

²⁷⁴ Ibid.

²⁷⁵ "Japan to invite ASEAN members to 1st WMD nonproliferation training," *Daily Yomiuri*, 14 Mar. 2004.

²⁷⁶ Derek da Cunha. "Southeast Asian Perceptions of China's Future Security Role in its 'Backyard,'" in Jonathan D. Pollack, Richard H. Yang (eds.) *In China's Shadow*, Santa Monica: RAND, 1998.

²⁷⁷ Soeya Yoshihide. "Japan in East Asia," a paper prepared for the Institute for an International Policy Studies symposium held in Tokyo on 2-3 Dec. 2003.

²⁷⁸ Jusuf Wanandi, Senior Fellow Centre for Strategic and International Studies (Jakarta), remarks made at the IIPS symposium on regional integration and the role Japan can play, 2-3 Dec. 2003.

Section Three

²⁷⁹ Interview with author, 1 Apr. 2004.

²⁸⁰ Harris poll of August 2003 and "Transatlantic Trends 2003 Survey" conducted in June 2003 respectively.

²⁸¹ Former Ambassador to Japan, Mike Mansfield, used this expression, which is often repeated today: See for example, Ambassador Baker's remarks after his swearing in ceremony, available at <http://www.whitehouse.gov/news/releases/2001/06/20010626-9.html>

²⁸² Discussion with author.

²⁸³ Lieutenant David Ausiello. "CNO Introduces "Sea Power 21" Construct," Naval War College Public Affairs, 12 Jun. 2002, emphasis added.

²⁸⁴ "Defense Science Board Task Force on Sea Basing." Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, Aug. 2003.

²⁸⁵ Jim Wolf. "U.S. Navy outlines plan to base more clout at sea." *Reuters*, 23 Apr. 2004.

²⁸⁶ This assumes no new construction of carriers. Percentages are based on the total number of carriers and the training, maintenance, and deployment cycles used by the U.S. Navy in times of peace. Surge capabilities allow a greater rate of presence in crisis/war. See GlobalSecurity.org for a detailed explanation of carrier cycles.

²⁸⁷ "Report of the Defense Science Board Task Force on Future Strategic Strike Forces." Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, Feb. 2004.

²⁸⁸ Soeya Yoshihide. Comments at the symposium "Building a Regime of Regional Cooperation in East Asia and the Role that Japan can Play" sponsored by the Institute for International Policy Studies (IIPS), Tokyo, Japan on 2-3 Dec. 2003.

²⁸⁹ President Bush made this remark on 21 Sep. 2001 in his "Address to a Joint Session of Congress and the American People." Regarding Bush's alleged use of religion in his speeches, Chalmers Johnson points out in his article "Sorrows of Empire" (November 2003, *Foreign Policy in Focus*, available at www.fpif.org), in the Bible, Matthew says, "He that is not with me is against me." Chapter 12, verse 30.

²⁹⁰ G. John Ikenberry. "America in East Asia: From Cold War to the Age of Unipolarity and Terrorism." Paper presented to the symposium "Building a Regime of Regional Cooperation in East Asia and the Role that Japan can Play" sponsored by the Institute for International Policy Studies (IIPS), Tokyo, Japan on 2-3 Dec. 2003.

²⁹¹ Charles Krauthammer. "American Power in a Unipolar World," American Enterprise Institute for Public Policy Research, Irving Kristol Lecture, Washington, DC, 10 Feb. 2004. Available at <http://www.aei.org/>.

²⁹² Ezra F. Vogel. "The U.S.-Japan-China Triangle," *Asia Program Special Report*, no. 113, Jul. 2003, Woodrow Wilson International Center for Scholars, Asia Program.

²⁹³ Interview with author, 16 Apr. 2004.

²⁹⁴ Kobayashi made this comment in an interview with the *Nihon Keizai Shimbun*, 20 Apr. 2004.

²⁹⁵ Available at <http://people-press.org/>.

²⁹⁶ Not all 66 remained captive for this entire period. Of the 66 who were taken hostage, 13 were released on Nov. 19 and 20, 1979; one was released on July 11, 1980, and the remaining 52 were released on Jan. 20, 1981.

²⁹⁷ As reported by Reiji Yoshida and Kaho Shimizu in "Foreign reporters mixed on Tokyo's new Mideast role." *Japan Times*, 23 Mar. 2004.

²⁹⁸ "Coordination on Iraq issue to be focus of G8 discussions, Prime Minister to renew call for G8 unity," *Yomiuri Shimbun*, 7 Jun. 2004.

Section Four

²⁹⁹ In a 1990 attempt to justify why his 3rd Marine Division should remain in Okinawa, then Major General Stackpole of the U.S. Marines told the *Washington Post* that American forces in Japan served as a cork in the bottle of Japanese militarism. He was correct, however, in asserting that Japan would have to expand its military capabilities if US forces were not present in Japan. That of course, does not equate to a return of militarism.

³⁰⁰ Deputy Secretary of State, Richard Armitage and Vice Foreign Minister Takeuchi Yukio currently meet two times a year ("strategic dialogue"), once in Japan and once in the US for two days. In November 2003, Australia joined the two allies on the second afternoon. Apparently discussions are ongoing regarding adding a third meeting in Australia. Source: Senior Foreign Service Officer, interview with author, 9 Mar. 2004. President Bush and Prime Minister Koizumi's summit meetings to date have mainly dealt with the issue of Iraq and not a broader more comprehensive strategic dialogue. Source: Senior Foreign Service Officer, interview with author, 9 Mar. 2004.

³⁰¹ My thanks to Foreign Service Officer Joel Ehrendreich for these suggestions. Joel is working toward these goals as part of his duties in the US Embassy in Tokyo, Japan.

³⁰² The first meeting between the US and Japan was held in November 2003. The impetus behind the first meeting was Japan's pending deal with Iran (Azadegan oil field). Participants were at the Undersecretary level from DOE, State, METI, and MOFA.

³⁰³ From 2000-2002 Japan hosted a "Seminar on Energy Security in Asia." The latest, in 2002, focused on members of the ASEAN+3. This series of seminars should continue, but they should be used to inform higher level conferences, which can set policy and make decisions about mechanisms for cooperation.

About the author



PAUL R. DANIELS, Lieutenant Colonel, US Army, has served in a variety of positions around the world, including the first Gulf War and Operation Uphold Democracy in Haiti. Most recently, he completed his tenure as a Council on Foreign Relations-Hitachi International Affairs Fellow at the Institute for International Policy Studies in Tokyo. Prior to the fellowship, Lieutenant Colonel Daniels had completed two tours of duty in Germany, one in Fort Drum, New York, and was a Strategist and Policy Analyst on the Army Staff, the Pentagon. He holds a B.E. in mechanical engineering from Stevens Institute of Technology, an MPA (International Security Policy) from Harvard's Kennedy School of Government, and is a graduate of the Army's Command and General Staff College. Lieutenant Colonel Daniels is a member of the Council for Emerging National Security Affairs (CENSA). He is currently serving with the 1st Infantry Division in Iraq and will assume command of the 1st Battalion, 33rd Field Artillery Regiment in July 2005.

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