

U.S.-JAPAN SECURITY RELATIONS: A MATURING PARTNERSHIP?

GREGG A. RUBINSTEIN

Much has been written in recent years of a transition in the United States' relations with Japan. Some observers have seen the emergence of a U.S.-Japan alliance or "equal partnership." Others have taken a more negative approach in warning of the end of an indulgent American view of Japan and insisting that Japan assume international responsibilities commensurate with its wealth and power. These arguments are variations of the same theme — the ending of a post-war generation of U.S. patronage and Japanese dependence.

As other articles on this issue make clear, this change in perspective is all too contentiously evident in economic issues. Less attention has been given to an equally important trend in U.S.-Japan relations, the evolution of what was for many years a static security relationship toward more active defense cooperation. On the whole a very positive development, security relations must continue to overcome the misunderstandings and tensions that mark a shift from the patron-client attitudes of earlier years to a more mature partnership appropriate to the 1980s and 90s.

EVOLUTION OF THE SECURITY RELATIONSHIP

Security arrangements developed during the early post-war period were finalized in the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security. The Security Treaty remains the framework of U.S.-Japan security relations; its key provisions are:

Article V: Each Party recognizes that an armed attack against either party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes . . .

Article VI: For the purposes of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan . . .¹

Implementation of Security Treaty provisions during the 1960s reflected America's position as the preeminent Asia/Pacific power. Japan's contribution

Gregg A. Rubinstein is Director of Policy and Planning at Grumman International, Inc.

1. For full text, see Japan Defense Agency, *Defense of Japan 1986* (Tokyo: The Japan Times Ltd., 1986), pp. 262-64.

to mutual security was seen — in both countries — primarily as the provision of a base from which U.S. forces could ensure regional stability and in so doing protect Japan. Most problems in the security relationship focused on U.S. bases in Japan, the presence of which was a source of constant political tension. In the strongly anti-military atmosphere of early postwar Japan, concern with Japan's fledgling Self Defense Forces (SDF) centered more on their political legitimacy than their operational effectiveness. While U.S. and Japanese military counterparts established close relations, joint planning for U.S.-Japan cooperation in an emergency was seldom given serious attention by civilian superiors. Japanese officials were reluctant to face military issues and their American counterparts generally did not press them to do so.

The end of the Vietnam War, the reversion of Okinawa to Japanese sovereignty in 1972, and an extensive reduction of U.S. military facilities throughout Japan in the early 1970s greatly eased the burden of U.S. base problems. U.S.-Japan security relations had entered a period of relative calm. The lull of the detente years, improved relations with China, America's Nixon Doctrine-inspired disengagement from post-Vietnam Asia, and the absence of any apparent threat to Japan all tended to lower the priority of defense issues in U.S.-Japan concerns. An emphasis on management of Security Treaty-related operations over concern with defense policy continued well into the Carter administration.

The low-key nature of U.S.-Japan security relations finally shifted in the wake of the Iranian revolution and the Soviet invasion of Afghanistan in December 1979. Faced with suddenly expanded defense commitments, major increases in Soviet military capabilities, and what had become a steadily shrinking base of American military resources, Washington began calling on its allies for greater contributions to common security concerns. In the case of Japan, providing a base for U.S. operations was no longer enough. Increasing U.S. trade deficits with Japan reinforced the perception among many Washington officials and members of Congress that, by allocating less than one percent of its GNP to defense, Japan was getting a "free ride" on security from the United States. Japan had to "do more" to share the defense burden. But what did this mean? Washington still lacked a conceptual approach to defense cooperation with Japan. This being the case, pressing Japan for more defense spending without a clear understanding of how these funds were to be used soon proved a pointless and aggravating exercise.

ROLES AND MISSIONS

A few weeks after President Reagan's inauguration, then Secretary of Defense Caspar Weinberger stated that a rational division of labor among the United States, NATO allies, and Japan would be a central theme of U.S. defense policy. Administration officials were determined to avoid confrontations over percentage increases in allies' defense budgets. Rather, necessary expenditures were to be encouraged through an agreed allocation of defense

tasks — a concept of “roles and missions.”² The United States outlined a roles and missions approach to Japanese officials in early 1981. Washington’s position emphasized that:

- the United States would continue to provide a credible nuclear deterrent as well as offensive strike forces in the Northwest Pacific — capabilities that Japan is constrained from developing itself;
- Japan should strengthen its defense forces to assume primary responsibility for the security of its territory, coastal waters, and airspace, as well as protect economically vital sea lanes out to some 1,000 miles from its major Pacific ports;
- the United States would maintain its security commitment to the Republic of Korea and protect sea lanes beyond the Northwest Pacific critical to Japan’s security (e.g. oil lifelines).

This proposed policy was formalized in a joint communique issued following talks between President Reagan and then Prime Minister Suzuki in May, 1981.³ There may have been nothing original in the substance of roles and missions — experts in both countries had long understood the need for some such allocation of defense responsibilities — but this more dynamic approach to security relations had never before been the subject of public agreement between American and Japanese political leaders. Significantly, it was here that the word “alliance” was first used officially to describe U.S.-Japan ties.

Though Tokyo accepted the roles and missions concept in principle, initial Japanese reactions to an increased defense effort were hesitant and skeptical. The controversial nature of military issues in Japan and a sense of complacency drawn from many years of stability in Northeast Asia underlay a widespread reluctance among the Japanese to assume a stronger defense posture. Nonetheless, growing Soviet military strength in the Far East, truculent Soviet behavior toward Japan, and continued turmoil in Southeast Asia and the Middle East have all prompted a more sober view of security problems in Japan and encouraged a greater willingness to identify Japan’s interests with those of a Western alliance. Despite differences in thinking on many security issues, Japan has gradually become more responsive to the need for strengthened defense ties with the United States.

The intent of the roles and missions rationale has often been misunderstood by critics in both countries. In advocating increased Japanese defense capabilities, neither Washington nor Tokyo intend that Japan somehow substitute for U.S. forces in Northeast Asia or become an independent regional power potentially threatening to its neighbors. The issue is one of complementarity rather than substitution. Greater Japanese defense efforts would make no sense

2. Caspar Weinberger, testimony before the Senate Armed Services Committee, March 4, 1981. For a recent official statement of U.S. defense policy toward Japan see Richard L. Armitage, “The U.S.-Japan Alliance,” *Defense 86* (July/August), pp. 20-22.

3. *Defense of Japan*, pp. 326-27.

unless strong U.S. forces were available to work with Japan in meeting Soviet threats close to home as well as maintain those security commitments beyond the Northwest Pacific that Japan is not in a position to undertake. The point is that U.S. resources are needed for U.S. tasks. They cannot be stretched to cover what should be Japanese missions (such as escort of merchant shipping). Thus, defense cooperation is not a zero-sum game between the United States and Japan. Japan is not "doing more" so that the United States can do less. Both countries have had to do more to meet their responsibilities.

IMPLEMENTING DEFENSE COOPERATION

Implementation of the roles and missions policy has depended on both improved Japanese defense capabilities and closer U.S.-Japan cooperation. Current activities are mostly a continuation of programs in effect prior to 1980, but with increasingly tangible benefits that, again, are not fully appreciated in either country.

Host Nation Support (HNS)

Japan's Security Treaty obligation to provide facilities for U.S. forces amounts to much more than leasing property. Since the 1960s, the Japanese government has also provided financial support for the operation of U.S. bases in Japan. At first limited to the construction of housing and other service facilities, the scope of HNS has been widened to include contributions to offset the rising cost of Japanese labor on U.S. bases and, since 1979, the construction of operational facilities (e.g. aircraft hangars) as well. At current exchange rates, Japan's contribution to HNS amounts to more than \$1.5 billion per year.⁴

American bases in Japan serve U.S. interests at least as much as Japan's. The bases represent the U.S. commitment to Japan's security, but they are also indispensable to U.S. deployments in the Asia/Pacific region. Even as U.S. facilities face reduction or closure elsewhere, Japan has authorized (and helped pay for) a major expansion of U.S. forces at Misawa Airforce Base. Critics who have advocated the withdrawal of U.S. forces from Japan over trade problems and Japan's perceived free ride on defense would do well to consider this Japanese support for U.S. strategy. (Compare the situation in the Philippines, where the tenure of our bases has depended on our payment of hundreds of millions of dollars in "aid" since 1981. What will the price be for the United States to remain beyond the end of the current Philippines Base Agreement in 1991 — assuming that we are allowed to remain at all?)

Joint Military Planning and Training

Since the 1960s senior American and Japanese officials have held periodic consultations through various committees established under the Mutual Se-

4. *Ibid.*, pp. 187-90.

curity Treaty. However, though the Security Treaty commits the U.S. and Japanese forces to joint action in meeting a threat to Japan, detailed planning to handle such contingencies did not begin until the conclusion of "Guidelines for U.S.-Japan Defense Cooperation" in 1978.⁵ Planning discussions focused first on measures in response to a direct attack on Japan. Subsequent studies were directed to sea lane defense and to what degree of cooperation would be appropriate in meeting various regional contingencies. As is perhaps true of most planning efforts, it is not the resulting plans per se, but the planning process itself that is of greater value in providing each side with a more realistic perception of the other's capabilities.

Developments in military planning have been matched by steady growth in the frequency and scope of joint military training. Confined for many years to small-scale (and generally unpublicized) naval maneuvers, U.S.-Japan exercises now include joint training by air and ground as well as naval forces. A further step was taken in 1986 when the United States and Japan held their first combined (all services) exercise. Japan's increasingly high profile participation in the U.S. Pacific Fleet's bi-annual RIMPAC maneuvers has become a significant indicator of progress in U.S.-Japan defense cooperation.⁶

Defense Sales and Coproduction

Under the Mutual Defense Assistance Agreement of 1954, the United States has been Japan's primary source of advanced defense equipment. Originally delivered as military aid, U.S. defense systems have since the 1960s been transferred to Japan through both government and commercial sales as well as license production programs. Japan has continued to purchase such advanced U.S. systems as the E-2C early warning radar aircraft, the HARPOON anti-ship missile and the PHALANX anti-missile cannon. Initial funds for what will become an almost \$1 billion purchase of the AEGIS naval air defense system are included in Japan's proposed 1988 defense budget. Current coproduction programs include the F-15 fighter, P-3C anti-submarine patrol aircraft, and a number of air defense missiles.

Japan's coproduction of American defense systems has often been criticized in the United States over cost-effectiveness (it costs more to coproduce small numbers of a system in Japan than to buy off the U.S. line), the trade balance, and technology transfers to Japan through licenses that are potentially damaging to U.S. competitiveness.⁷ For their part, the Japanese have had both strategic and economic interests in building up a defense industrial base. Domestic interests have often complained that U.S. sales and coproduction agreements have withheld vital technology from Japan and they have thus pressed for development of indigenous systems rather than adoption of U.S. equipment.

5. *Ibid.*, pp. 87-89 and 265-69.

6. *Ibid.*, pp. 175-79.

7. For example, see U.S. Government Accounting Office, *U.S. Military Coproduction Programs Assist Japan in Developing its Civil Aircraft Industry* ID-82-23, 13-205192 (Washington, D.C.: USGAO, 1982).

While each coproduction arrangement must be examined on its own merits, such projects have often presented the best compromise between U.S. and Japanese interests. A flexible approach to coproduction allows Japan to acquire a degree of experience and self-sufficiency in defense production while at the same time promoting inter-operability with the United States and often discouraging redundant efforts at indigenous development.

Technology Transfers

Until recently the flow of defense equipment and technology was almost entirely one-way from the United States to Japan. However, by the late 1970s U.S. defense officials had become interested in obtaining access to Japan's rapidly growing technological capabilities. This interest led to the establishment in 1980 of the Systems and Technology Forum between the U.S. Defense Department (DOD) and the Japan Defense Agency (JDA) to promote cooperative efforts in developing defense technologies. Despite this gesture of good intent, transfers of Japanese defense technology were still blocked by Japanese policy banning arms exports.⁸ Stressing the incompatibility of this position with efforts to broaden defense burden-sharing, Washington pressed Tokyo to make technology transfers to the United States an exception to Japan's weapons export restrictions. Japan's eventual agreement to do so is embodied in a 1983 Exchange of Notes on "Transfer of Japanese Military Technologies to the United States."⁹

Since conclusion of the Notes, DOD has sponsored several teams to study Japanese technologies and concluded negotiations on the first technology transfers to the United States. More importantly, the United States and Japan have agreed on terms covering potential Japanese participation in SDI programs.¹⁰ Despite such measures, there is little to show thus far for defense technology cooperation. This has partly been due to bureaucratic complications on both sides, but also reflects a continued reluctance by many government and industry officials in the United States as well as Japan to enter a previously unexplored area of collaboration and risk the sharing of advance technologies. Nonetheless, the legal and bureaucratic framework for defense technology cooperation is now largely in place. The potential value of projects that could lead beyond simple transfers of data to joint research and development is enormous. It remains to be seen whether the United States and Japan are sufficiently committed to pursue such opportunities.

Economic Aid

Japan's approach to security burden-sharing has covered not only defense, but political and economic measures. Most significant among these is overseas

8. Announced in 1967, Japan's Three Principles on Arms Exports restrict arms sales to 1) Soviet Bloc nations; 2) countries under UN sanctions; 3) countries at war or likely to become involved in war. A stricter interpretation since 1976 in effect precludes all military exports. See *Defense of Japan*, p. 181.

9. For texts of the Notes and subsequent implementing arrangements see U.S. Department of Defense (OUSDRE/IPT) *Japanese Military Technology: Procedures for Transfers to the United States* (Washington, D.C.: USGPO, 1986).

10. *Defense News*, 27 July 1987, p. 8.

development assistance (ODA). Through the 1970s, Japanese ODA was largely confined to the Asia/Pacific region and usually tied to the purchase of Japanese goods and services. Since the 1980s, Japan has substantially increased its ODA budget (\$5.6 billion in 1987, the world's second largest), expanded the proportion of untied assistance, and targeted more funds to countries of strategic importance outside the Pacific region (e.g. Egypt and Pakistan).¹¹

Japanese ODA has, in other words, become the economic counterpart of the roles and missions concept, a significant but non-threatening contribution to global security. Some Japanese have been unhappy with the shift from a strictly "North-South" to more of an "East-West" focus in ODA disbursements, while others hoped that increased ODA could somehow substitute for defense spending. While Japan's ODA and defense spending are complementary, they are not interchangeable. Despite its size, Japan's ODA budget is still around 0.3 percent of GNP; this can be raised without having an impact on necessary defense expenditures. The Japanese government has already committed itself to doubling its 1985 ODA disbursements by 1990 and recently announced a \$30 billion plan to recycle part of its current account surplus to developing countries.

JAPAN'S DEFENSE CAPABILITIES — HOW MUCH IS ENOUGH?

Evolution of the Self Defense Forces

Reflecting both U.S. Occupation policy and political sentiments of the immediate postwar period, Article 9 of Japan's Constitution renounces war as an instrument of state and forbids the maintenance of military forces. However, even before the end of the Occupation period, both the U.S. and Japanese governments had concluded that Japan needed armed forces for self-defense, and that such "self-defense forces" would not be incompatible with the provisions of Japan's Constitution.¹²

This policy allowed the creation of the Japan Defense Agency and the Japan Self Defense Forces (SDF) in 1954. Japan adopted a "Basic Policy for National Defense" in 1957 and embarked on a series of four Defense Build-up Plans covering the years 1958 to 1976. Under the Basic Policy's vague directive "to develop progressively the effective defense capability necessary for self-defense, with due regard to the nation's resources and the prevailing domestic situation," the SDF accumulated a substantial amount of hardware, but had little in the way of strategic rationale for its employment.¹³

In 1976 the Japanese government attempted to define such a rationale in its National Defense Program Outline. Assuming a world in which superpower equilibrium made the outbreak of full scale war unlikely, the Outline justified the existence of defense forces capable of dealing with "limited and small-scale aggression" while relying on the Mutual Security Treaty with the United

11. Japan Economic Institute, *Japan's Foreign Aid Policy: 1986 Update* No. 41A, 1987, pp. 3-7.

12. *Defense of Japan*, pp. 72-73.

13. *Ibid.*, pp. 73-74.

States to meet greater threats. The Outline also stipulated the "minimum necessary level" of defense forces needed by Japan, with emphasis on qualitative improvements rather than quantitative expansion. The JDA is to meet Outline force levels through successive five-year procurement programs known as Mid-Term Defense Plans. It was also at this time that the Japanese government announced its intent of reaching Outline goals with defense budgets that were not to exceed one percent of Japan's GNP.¹⁴

Together with the Mutual Security Treaty, the Outline and Mid-term Plans are the basic instruments of Japan's defense policy. A product of the detente years, the Outline not only assumed that a general war was unlikely, but reflected a widespread Japanese belief that the SDF would not need to fight in the foreseeable future. Indeed, for many years domestic critics repeatedly challenged the constitutional legitimacy of the SDF and Japan's defense forces were obliged to assume a very low public profile. Only recently have they and the JDA attained a respectable standing in Japanese government and society.

Japan's defense capabilities appear impressive on paper. Much has been written, in both praise and fear, about the SDF's quantities of army divisions, ships and aircraft. Even within one percent of GNP, Japan's defense budget is one of the world's ten largest (at current exchange rates, Japan's 1987 defense budget of \$23 billion almost equals that of Britain, France, or West Germany).¹⁵ However, tables of equipment and budget figures are not necessarily indicators of real strength. Having lacked firm political backing and a clearly perceived incentive for readiness, Japan's defense forces have been handicapped by major deficiencies in infrastructure, logistics, communications, and realistic training. There has been good reason to doubt whether the SDF could fulfill even the modest expectations of the National Defense Outline.

Since 1980 a more serious approach to security issues in Japan and a closer defense cooperation with the United States have encouraged a gradual improvement in the SDF's situation. Japan's defense forces have benefited from the acquisition of advanced equipment and, of equal importance, from increased attention to logistics, training, and inter-service coordination necessary to put these new systems to effective use. Within the next five to 10 years the SDF may in practice as well as principle be able to thwart preemptive air attacks, block Soviet access to the Pacific through the straits between Japan's islands, help to protect economic lifelines in the Northwest Pacific, and thus become a true asset to the U.S.-Japan alliance.

The One Percent Trauma

Upon its announcement in 1976, the Japanese government's policy of keeping defense budgets within one percent of GNP became a political touchstone for domestic opponents of increased Japanese defense efforts and,

14. *Ibid.* pp. 77-83.

15. See International Institute of Strategic Studies, *The Military Balance 1986-87*, (London: Institute of Strategic Studies, 1986) for comparative figures.

conversely, "free ride" critics in the United States. By the early 1980s, it was clear that in a period of low economic growth, Japan could not hope to meet the procurement goals of its Mid-term Defense Plans without budget increases that would eventually cross the arbitrary one percent line. Still, so sensitive had the issue become in Japanese politics that even the relatively pro-defense Prime Minister Nakasone felt it necessary to postpone the one percent reckoning for as long as possible.

The other shoe finally dropped late last year when the Japanese Cabinet approved a fiscal 1987 defense budget that placed expenditures at 1.004 percent of GNP. After considering various formulas to replace the one percent barrier, Tokyo decided to use the attainment of Japan's current (1986-90) Mid-term Defense Plan as a ceiling for defense spending.¹⁶

The end of the one percent era does not presage a rapid expansion of Japanese military power. A combination of low economic growth, political sentiment, and a government policy of fiscal austerity in effect since the late 1970s would have ensured no more than a modest increase in recent defense spending whether a one percent policy had been in effect or not. For the foreseeable future, these same factors should continue to govern a slow but steady growth in defense budgets to meet the goals of the present and follow-on Mid-term Plans.

Regional Considerations

Criticism of increased Japanese defense efforts dwells not only on fiscal constraints and political problems in Japan, but on the sensitivities of Japan's neighbors to any perceived resurgence of Japanese militarism. There is certainly some truth in such assertions. Countries that experienced the consequences of expansionist Japanese policies in the 1930s and 40s (and face unequal trade relationships with Japan today) are predictably wary of any developments that suggest a major Japanese military presence in the Asia/Pacific region. Feelings between Japan and South Korea, for example, are such that direct defense cooperation, however strategically advantageous, remains politically unapproachable in either country.¹⁷

Despite such misgivings, Korea, Taiwan, the ASEAN nations, Australia, and even the PRC have largely accepted a more credible defense posture for Japan as a barrier to Soviet expansion. As long as Japan's military capabilities remain limited to defense in the Northwest Pacific and dependent on close cooperation with the United States, Japan's neighbors are not likely to sense a threat to regional stability from Tokyo.

DEFENSE AND TRADE — LINKED AFTER ALL

In parallel with the concept of roles and missions, recent U.S. defense policy toward Japan has emphasized a strict separation of security issues from

16. Japan Economic Institute, *Japan's Defense Policies in the Post-One Percent Era* No. 18A, 1987, pp. 3-6.

17. There have been some low-profile security consultations between Japanese and Korean officials as well as indirect participation in joint U.S. exercises, but as yet no serious consideration of more open cooperation.

trade frictions. There is much sense to this separation — the trade balance does not determine the need for increased Japanese defense capabilities, while a greater Japanese defense effort would not affect most trade problems. Nonetheless, attempts to isolate defense from other aspects of U.S.-Japan interactions are increasingly at variance with political realities.

As a recent Japan Economic Institute study shows, there has been an interplay of defense and economic considerations in U.S.-Japan relations throughout the postwar period.¹⁸ During and immediately after the Occupation, Washington strongly supported Japan's decision to emphasize economic recovery over defense concerns. By the 1960s Japan's rapid economic growth justified the end of what had been substantial U.S. military aid. Calls for Japan to make a greater contribution to common security interests were first heard as a reaction to the mounting costs of the Vietnam War.

It was with the escalation of serious trade problems in the late 1970s that "free ride" criticisms of Japanese defense efforts became popular in Washington. Numerous Congressional resolutions were introduced over the next several years in an effort to pry more defense funds from Japan. None directly affected Tokyo's actions, but collectively they made a telling point. While Japan has shown a more positive approach to strengthening its defense capabilities, there is little doubt that Japanese defense budgets have taken U.S. trade concerns into account.

Nowhere do defense and trade issues coincide more clearly than on defense industrial and technology transfer programs. Coproduction and technology cooperation agreements will be subject to increasingly critical scrutiny as the United States and Japan interact in a growing number of advanced technology fields. Despite numerous agreements on particular programs, the Pentagon has yet to announce a general policy supporting defense industrial cooperation with Japan. The danger in such ambiguity is underscored by three recent incidents that demonstrate the convergence of defense and economic interests in security relations:

Fujitsu-Fairchild: An attempt earlier last year by Fujitsu to acquire Fairchild Semiconductor Corporation was opposed by the Pentagon on grounds of national security.¹⁹ Defense Department concern over foreign control of a major U.S. semiconductor maker may or may not have been well-founded (though interestingly, the issue never arose during Fairchild's ownership by the French firm *Schulmberger Ltd.*). However, it has appeared to contradict other Pentagon efforts to draw Japan into closer technology relations.

Toshiba: Toshiba Machine Company's sale to the Soviet Union of sophisticated milling machinery has become a major knot in both trade and security relations. The incident has done much to jolt Tokyo out of its lax posture toward oversight of strategic exports under COCOM (Coordination Committee for Export Controls), and Japan has already enacted measures to tighten its administration of export control laws.²⁰ The United States may also be in a

18. Japan Economic Institute, *The Trade-Defense Linkage* No. 35A, 1987.

19. *Washington Post*, 30 March 1987, p. A1.

20. *Wall Street Journal*, 31 July 1987, p. 8.

position to renew its long-standing campaign for a formal agreement with Japan covering the security of defense information. This has so far been beyond reach because of Japanese sensitivities over enacting stricter espionage laws claimed to be necessary for their adherence to such an agreement. As long as this issue remains open, it will encourage doubts over Japan's ability to protect sensitive information and thus impede further defense cooperation.

FSX: More than two years ago, Washington and Tokyo began discussing Japan's planned procurement of a new "support fighter" aircraft (FSX). The Pentagon emphasized cost-effectiveness, inter-operability, and trade concerns in pressing for use of a U.S.-derived aircraft. But Japanese officials, sympathetic to inflated claims that Japanese industry could develop the FSX with little or no foreign assistance, rejected U.S. proposals as inadequate for a turn-of-the-century aircraft. Tensions mounted as Washington, stung by Congressional pressure, made agreement to buy American on the FSX a litmus test of the security relationship. After months of indecision, Japan announced last October that it would adopt a modified version of the U.S. F-16 aircraft for the FSX.²¹

U.S. defense officials have praised this decision for its strategic and economic soundness, but Japan's concession on FSX was primarily a gesture to trade pressures. Though one can still argue that trade and defense concerns should be separate in principle, the FSX confrontation has done much to undermine the credibility of such assertions. At best, a U.S.-Japan effort to develop an advanced F-16 can still set a precedent for future defense technology projects — without the rancor that has marked the FSX.

FUTURE TRENDS

The use of the term "U.S.-Japan Alliance" during the 1981 Reagan-Suzuki Summit was at the time considered so extraordinary that it caused a media sensation and prompted questions in the Japanese Diet. That those words are today commonplace is in itself a tribute to the positive development of the U.S.-Japan security relationship. Could Japan have done more, faster? Could the United States have been more adroit in dealing with Japan? The answer is probably yes to both questions, but the roles and missions approach has on the whole worked well. Some critics of this concept continue to argue for major increases in Japanese military capabilities that would end the "free ride" and relieve the United States of much of its burden in the Asia/Pacific region. Others fear that any strengthening of Tokyo's defense posture risks unleashing the demons of Japanese militarism.²²

Glib presentations can be made for both these points of view, but neither reflects reality. The roles and missions approach to burden-sharing may be

21. See Japan Economic Institute, *JEI Report* No. 38B, 1987, pp. 1-2 and Gregg A. Rubinstein, "FSX: The Benefits of Codevelopment" in *Defense News*, 19 January 1987, p. 32 for details.

22. Recent examples of these two approaches are Edward A. Olsen, *U.S.-Japan Strategic Reciprocity* (Stanford, California: Hoover Institution Press, 1985) and Malcolm McIntosh, *Japan Rearmed* (New York: St. Martin's Press, 1986).

unexciting in its reliance on evolutionary measures, but the result has been an increase in Japan's contribution to common security interests that has benefited both countries and still poses no plausible threat to Japan's neighbors. The alternatives — the illusion of "unarmed neutrality" for Japan, the prospect of "armed neutrality" with Japan acting independently of the United States, a loss of U.S. strength in the region and perhaps a gain in Soviet influence — can hardly be seen as beneficial to a stable Asia/Pacific community.

Some elements of the U.S.-Japan security framework have had to change to meet new conditions (one percent of GNP, transfers of military technology, etc.) and others may have to be altered over the next few years. Still, in general the policies and agreements that underlie U.S.-Japan security relations have proven adaptable to changing circumstances. Based on them, security burden-sharing can continue to evolve in a manner favorable to both the United States and Japan in the following areas:

Japanese Defense Forces

There has been discussion of revising the SDF structure presented in Japan's 1976 Defense Program Outline (particularly in some categories of naval and air strength), but SDF improvements will continue to be more qualitative than quantitative. The priorities of the present (1986-90) Mid-term Defense Plan will most likely be reflected in its 1991-95 successor — air defense, anti-submarine warfare, increased ground force mobility, and improvements in communications and logistics. With comparable developments in planning and training, the SDF will at last become an effective instrument of security policy. Japanese defense budgets needed to meet these goals will exceed one percent of GNP, but probably stay within 1.5 percent. American critics mesmerized by GNP percentages should consider what military strength Japan might obtain at some higher, arbitrarily defined percentage of GNP — and whether such capability would truly be in the interest of the region or the United States. Perhaps those funds would be better spent on economic aid and support for international peace-keeping operations.

Facilitative Assistance

An example of the ways in which Japan can provide more support for U.S. defense commitments can be seen in Japan's recent announcement of measures to assist Persian Gulf deployments:

- Japan's purchase of a sophisticated land-based navigation system to support Gulf shipping;
- increased ODA to friendly Middle East states (Oman and Jordan);
- financial contributions to UN peace-keeping operations; and
- more Host Nation Support for U.S. forces in Japan.

Japan can continue to raise the levels of cost-sharing for labor expense and facilities construction on U.S. bases. If necessary to achieve this, both countries should be prepared to renegotiate the cost-sharing provisions of the Status of Forces Agreement that has covered the operation of U.S. bases in Japan. Japanese ODA should not only increase, but give more emphasis to grant aid rather than loans. Strategic considerations are now more important than trade benefits.

Defense Industry/Technology Cooperation

This is potentially one of the most productive areas of defense cooperation, but so far it has been the least developed. The Pentagon should publicly clarify its commitment to industrial cooperation with its key Pacific ally and pursue technology programs with greater vigor and consistency. Japanese officials must be less defensive in their response to such initiatives. Japan is becoming able to contribute vital technologies to future U.S. defense programs, and continued Japanese access to advanced U.S. technologies will increasingly depend on their willingness to reciprocate. Japan's recent SDI agreement with the United States as well as congressionally supported efforts to fund joint defense research and development programs offer real incentives to improve defense industrial ties. Such "positive linkage" of defense and economic issues can do much to offset the trade-related pressures that increasingly threaten U.S.-Japan security relations.²³

The area of defense cooperation that may most need improvement is also the least tangible — that of attitudes and assumptions. Over the past 10 years the United States and Japan have undergone a wrenching adjustment in economic relations. Whatever the outcome of various trade and monetary issues, it seems clear that the patron-client attitudes formed in the early postwar years have largely been supplanted by a more realistic appreciation of cooperation and competition. However reluctantly, the United States and Japan are starting to deal as economic equals who find it increasingly implausible to blame each other for their problems and mistakes.

The security relationship has yet to complete this transition. No one who has experienced the ritualistic process of U.S.-Japan security consultations or the posturing over Japan's defense budgets can be but struck by the persistence of patron-client attitudes on both sides. Though the situation has improved in recent years, the Japanese government still finds it necessary to cite (and even solicit) U.S. pressure to justify any potentially controversial development in security policy. The formulation of Japan's annual defense budgets seems incomplete without an elaborate Tokyo-Washington minuet to determine what percentage increase will suffice to appease the Americans for another year. For their part, U.S. defense officials are quick to dispense guidance and blessings

23. The author has addressed these issues at greater length in "Guidelines for Increased U.S.-Japan Defense Technology Cooperation," Heritage Foundation Asian Studies Center *Background* No. 70, October 26, 1987.

for each step that their Japanese counterparts take — even when, as happened with the FSX, such guidance degenerates into blatant arm-twisting.

Such conduct belies pretensions of equality in an alliance. Some degree of patron-client interaction may have been necessary to move the United States and Japan toward closer defense cooperation, but this pattern of behavior is no longer appropriate or helpful. The Japanese government should be able to articulate and implement a sound defense policy without leaning on (or blaming) the United States. While allies must consult closely, U.S. defense officials no longer need — nor should expect — to lead and push their Japanese colleagues to the degree to which they are still accustomed. It is increasingly unlikely that measures perceived as being derived from such pressure will be accepted in Japan.

The United States and Japan have managed to resolve most of the legal and political problems that have constrained their defense cooperation to date. Despite continuing and inevitable economic friction, U.S.-Japan security relations rest on a more solid foundation than ever before. Both countries can afford to leave postwar attitudes behind; only by doing so will the U.S.-Japan alliance become a mature partnership.