

House Foreign Affair Committee

Subcommittee on Asia, the Pacific and the Global Environment

Hearings on "*Japan's Changing Role*"

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Japan is going through a period of uncertainty and realignment in its domestic politics. An election is expected before September, and current public opinion polls suggest that the long ruling Liberal Democratic Party may be replaced. The opposition Democratic Party of Japan has expressed skeptical positions about a number of measures that the current government has proposed to reinforce the Japan-U.S. security alliance. In addition, North Korea's detonation of a second nuclear device and launching of rockets over Japan has created anxieties that lead some observers to wonder whether Japan will reverse its long standing decision not to seek a national nuclear deterrent capability.

Next year marks the 50th anniversary of the U.S.-Japan Security Treaty that has been a central feature of stability in East Asia for half a century. The current domestic political uncertainty and realignment could last for several years, and cause friction in the alliance. Could it be coming to an end? I think not. In fact, if one looks back and compares

the situation today with 15 years ago, the alliance is stronger rather than weaker.

In the early 1990s, many Americans regarded Japan as an economic threat, and many Japanese were considering a United Nations rather than a United States centered approach to their national security. Some people in both countries saw the security alliance as a Cold War relic to be discarded. These trends were reversed by the Clinton Administration's 1995 East Asia Strategy Report which invited China's participation in international affairs, but hedged against uncertainty by reinforcing our alliance with Japan.

In 1996, the Clinton-Hashimoto Declaration stated that the US – Japan security alliance was the foundation for stability that would allow growing prosperity in a post-Cold War East Asia. As I said when I was then serving in the Pentagon, we wished to see a stable triangle with good relations in all three sides between the US, China, and Japan, but the triangle would not be equilateral because our relationship with Japan rested on alliance. That approach has continued on a bipartisan basis in the United States, and despite electoral maneuvering, polls show that it still has a broad acceptance in Japan. Most close observers of the relationship agree that the U.S. –Japan alliance is in much better shape today than it was 15 years ago.

Nonetheless, the alliance faces three major changes in a new external environment that will produce challenges over the next few years. One is the violations by North Korea of its promises and withdrawal from the Nuclear Non-Proliferation Treaty (and now from the Six Party Talks). Second, is Chinese economic growth at over 10 per cent per annum (slowing to 6 or 7 percent in the current crisis) and even

more rapid growth in military expenditures of near 17 per cent. Third, is the rise of a new range of transnational threats to vital national interests such as climate change and pandemics.

North Korea's recent behavior has been clever, deceptive and outrageous. It has violated its agreements, realizing that China, the country with the greatest potential leverage, is concerned about the potential collapse of the North Korean regime and chaos on its borders. Call it the power of the weak. At the same time, Pyongyang realizes that the United States and Japan are not well placed to use force against it. Japan is concerned that it not be subject to nuclear blackmail from North Korea (or China) and relies on the American extended nuclear deterrent. Ironically, Japan is torn between its desire to see a non-nuclear world (and thus its endorsement of that objective), and the concern of defense experts that if the U.S. decreases its nuclear forces to parity with China, the credibility of American extended deterrence will be weakened and Japan will suffer the consequences.

It is a mistake, however, to believe that extended deterrence depends on parity in numbers of nuclear weapons. Rather it depends on a combination of capability and credibility. During the Cold War, the United States was able to defend Berlin because our promise to do so was made credible by the high stakes, the NATO alliance, and the presence of American troops that made decoupling of a Soviet attack from American casualties impossible. The best guarantee of American extended deterrence over Japan remains the presence of nearly 50,000 American troops (which Japan helps to maintain with generous host nation support). Credibility is also enhanced by joint projects like the development of regional ballistic missile defense. Equally important are

American actions that show the high priority we give to the alliance and guarantees that we will not engage in what Japan fears will be “Japan-passing” in our relations with Asia. That is why it was so important that Secretary of State Clinton’s first trip was to Asia, and her first stop in Japan. It is also why it is mistaken to speak of a formal G-2 with China rather than multilateral cooperation.

The dramatic rise of the Chinese economy has provided an important trade partner for Japan, but the concurrent growth of Chinese power makes Japanese nervous. When we were re-negotiating the U.S. – Japan security alliance in the 1990s, Japanese leaders would sometimes privately ask me if the United States would desert Japan in favor of China. I responded then (and today) that there is little prospect of such a reversal of alliances for two reasons. First, China poses a potential threat while Japan does not. Second, we share democratic values with Japan and China is not a democracy.

Moreover, China’s internal evolution remains uncertain. While more Chinese are more free today than any time in their history, political evolution has failed to match economic progress and China is far from free. Unlike India, China has not solved the problem of political participation. There is always a residual danger that China will slip into competitive nationalism in the face of domestic problems. At the same time, it is in the interest of the U.S., Japan, and China that China’s rise be peaceful and harmonious (in the words of their leaders). That is why the strategy of integration plus a hedge against uncertainty makes sense for both the U.S. and Japan. In the words of Robert Zoellick, it is in our interests to welcome the rise of China as a “responsible stakeholder.” If, by some mishap, China does turn aggressive, it will find that Asia

contains others such as India and Australia as well as Japan that would contain its power. But it would be a mistake to turn to containment under current circumstances. If we treat China as an enemy, we guarantee enmity. Integration plus a hedge against uncertainty is a better approach. Indeed, there are strong grounds for the U.S., Japan, and China to engage in areas of trilateral and other regional cooperation.

Third, the U.S.-Japan alliance will have to face the challenge of a new set of transnational challenges to our vital interests such as health pandemics, terrorism, and outflows from failed states. Chief among these challenges is the damage that can be wreaked by global warming where China has now surpassed the United States as the leader overall (but not per capita) producer of carbon dioxide. Fortunately, this is an area that plays to Japan's strengths.

Some Japanese complain about the unequal nature of our alliance in the traditional security field because of the limits that Japan has accepted on the use of force, but in these new areas, Japan is a more equal partner. Japanese overseas development assistance in places ranging from Africa to Afghanistan, Japanese participation in global health projects, Japanese support of the United Nations, Japanese naval participation in anti-piracy operations, and Japanese research and development on more efficient uses of energy are all at the forefront in dealing with the new transnational challenges. In April, Prime Minister Taro Aso outlined three goals in what he called Japan's "Strategy to Create the Future:" (1) Japan should use its technologies to lead the world in a low-carbon emission revolution; (2) Japan should be a global partner in creating a society of vitality, good health, and longevity; (3) Japan should exercise its "soft power." Others, such as Asahi Shimbun

editor Yoichi Funibashi have called for a strategy in which Japan becomes a global civilian power. Fortunately, these attitudes fit closely with the priorities that have been articulated by the Obama Administration.

It is important that the U.S. and Japan, the world's two largest economies, not turn inward in a time of crisis. Even though domestic political realignment in Japan may cause a period of minor frictions in the traditional security agenda, our common interest is overwhelming and the alliance is likely to prosper unless we handle things very poorly. This will require greater patience and even closer consultation between Washington and Tokyo than in the past. On the new agenda, there is enormous potential for an equal partnership, working with others, in the provision of global public goods which will be good for the United States, good for Japan, and good for the rest of the world. In short, I am optimistic about the future of the U.S. – Japan alliance.