

## Maritime Security and the U.S.-Japan Alliance

**Masahiro Akiyama:** Thank you very much, ladies and gentlemen. I want to thank you for coming to this forum today. It is good to see people who are very interested in the Japan-U.S. relationship and its related security issues. I think that without constant effort to strengthen it, any alliance would decline; the Japan-U.S. Alliance cannot be an exception. Also, the alliance is now undermined by increasing mutual distrust.

Looking to the sea, the great asset to mankind, many problems and challenges have been arising. They include problems of maritime terrorism and piracy, large-scale natural disasters, and environmental destruction; also, the challenges of marine resource exploitation and promotion of marine science. All of these are linked closely with maritime security.

### A New Sea Power for the 21<sup>st</sup> Century

Mr. Yohei Sasakawa, chairman of the Nippon Foundation, has long engaged in maritime affairs, while having recently become concerned about the Japan-U.S. relationship. He and I have made an effort since last year to hold a bilateral conference that aims at discussing a new sea power for the 21<sup>st</sup> century while contributing to a stronger Japan-U.S. Alliance. And, finally, thanks to the cooperation from the Center for a New American Security led by Dr. Kurt Campbell, the U.S.-Japan Sea Power Dialogue has been realized.

The forum this evening is an Asian Voices Seminar sponsored by the Sasakawa Peace Foundation USA, but at the same time it is part of the U.S.-Japan Sea Power Dialogue, which will last for two days starting from

tomorrow. Soon, after some words from Dr. Campbell, we would like to ask Mr. Sasakawa to deliver his opening remarks focusing on the civil sea power movement. We would also like to ask the Honorable Aso, actually one of my good friends since our primary school years, to give a keynote speech that calls on our two countries to seek a sea power in a new context. Their remarks will form the basic concept of the U.S.-Japan Sea Power Dialogue. We will discuss them further at the private sessions starting tomorrow. We are joined in this open forum by a panel of famous experts on security and ocean-related issues; this is to exchange views not only between them but with all of you. I believe this will surely be an informative seminar. Thank you very much.

**Kurt Campbell:** Good afternoon everyone. My name is Kurt Campbell and I have had the great honor of working with our Japanese friends on this important event, both today and tomorrow. Let me just tell you how wonderful it is to see an event on Japan and the United States, in which we are adding chairs to the room. To have so many people here -- and it is really a tribute to our hosting organizations, and I want to thank Akiyama-san and Iwatake-san for their support. I also want to mention our other partner in this endeavor, our good friend Mike Green, who has provided really enormous intellectual leadership going forward.

We have a very full agenda today, and you will notice that most of our Japanese friends who have just flown in actually look very well rested even though they have had a long flight; it is all the Americans that are dragging and exhausted because we are

staying up all night watching election returns. So if you see an American nodding off next to you, just jostle him so he wakes up.

We are very pleased today that we have with us, just for a short time this afternoon because he has to get back for votes, the wonderful senior Senator from Hawaii, Daniel Inouye, who wanted to come and make some opening remarks for our conference, and so we are going to adjust our schedule a little bit. He needs no introduction, a tremendous supporter of the strong relationship between the United States and Japan. Please join me in a very warm welcome to Senator Inouye.

**Daniel Inouye:** Minister Aso, ladies and gentlemen. I'm sorry I have to rush off but we have a few problems in the Senate.

### **A Challenging Period**

As one examines the global environment, I believe we are confronting a most challenging and potentially dangerous period in our very complicated world. How we respond to these challenges could likely determine the future of the United States as well as that of many other countries.

So let me explain. Today, the United States is involved in two wars and there is no question that the international mood, particularly in Europe, suggests that the United States should withdraw from Iraq. It is also evident that many in the United States share this view. Those of you who have been following the elections would note that all Democratic candidates have promised that we will be withdrawing. As we near the election, it appears that the American people are on the verge of demanding an end to United States involvement. I think it is credible to

assume that whoever occupies the White House will not be faced with whether or not we withdraw our forces, but when and how.

At the same time and in this same region, we face the question of how we should deal with the country of Iran. Should we deal by employing sanctions or resort to military options against that nation, which seeks to move ahead in its goal of developing new capabilities which would place it in a different military context?

### **Importance of the Pacific Rim**

And, of course, moving further east, there is China who aspires to a greater role in the community of nations. We see in China a country which will trade for whatever it can in the world market, including trading with Iran. It also acquires capabilities by other means all in the quest to increase its national power. As we recognize the actions and determination of the Chinese, it is clear we must think about the Pacific in a new light.

Since the founding of the United States, Europe has been the center of our nation's attention. This makes sense as most of our people came from Europe; it is a basic source of our culture, our history, and our religion for the most part. In a sense, we have remained part of the European family for more than 200 years since our nation was established. And so culturally, emotionally, commercially, militarily, our ties are with Europe.

But in the future, we are likely to see a world in which the challenges to peace and stability will come from the Pacific Rim. I will not provide you with a litany of systems outlining the dangers that we face, but we know that the North Koreans have certain military capabilities. We also know,

too, that they are developing additional systems which threaten their neighbors.

So, too, the Chinese have their own source of strength and have rapidly developed their capabilities since the dissolution of the Soviet Union. Today, most people are focused on the missiles from North Korea. We all seem to ignore the fact that the Chinese have these and much, much, much more.

### **U.S. Military Presence**

In light of these concerns, we have recently been developing a closely linked relationship with Japan. For example, our two militaries conduct joint training exercises quite often. Together, we train with other Pacific nations. Our military officers study together. Many of the aircrafts and ships in the Japanese inventory were designed in the United States and are the same type as those used in the United States military. Our ballistic missile defense Aegis missiles are identical. Our two nations have agreements for American aircraft carriers to constantly patrol the waters around Japan and to visit and re-visit Japanese ports. Although many of our Marines will move from Okinawa, this is simply a re-alignment to the island of Guam. At the same time, the airbase at Futenma will be relocated, not closed, and our forces will be maintained in the Pacific in larger numbers.

These activities, training, planning, and equipment can only be looked upon as very serious preparations to maintain peace in the region. The amounts we are investing will not be measured in millions but in billions, potentially as much as a trillion dollars over the coming years. And I do not say this lightly because I appear before you

as chairman of the Appropriations Committee on Defense.

One of my learned mentors in the United States Senate was a senator I deeply admired and respected over the years; his name was Senator Mike Mansfield of Montana. In 1977, soon after he was appointed by the President to be our ambassador to Japan, he presented his first speech. His theme was short and simple, as all of his speeches were, yet very profound. He said, "The most important bilateral relationship that America has today is with Japan." He maintained that our relationship with Japan and our presence in the Pacific Asian region would serve to maintain stability, thereby fostering peace in this area. And as we note, the Pacific Rim region has not experienced any warfare since that time.

In 1992, when the American forces were asked to leave the Philippines, Subic Naval Base and Clark Air Force Base, we in Washington began to hear diplomatic rumblings in that area. And so, I was asked to visit officials from seven different capital cities ranging from Sidney to Beijing. And without hesitation the message I received from these highest officials very clearly was, "Please do not leave this area." I expected other words from Hanoi or Beijing, but they were the same: "Don't leave." They were concerned that our departure may signal the beginning of diplomatic discord and accompanying violence.

As one who has lived through several wars, I hate to anticipate another. I'm very aware of the impact of war and in my heart of hearts I want to do everything to avoid another. Unfortunately, I have concluded over my many years of service that war is not easy to avoid. So today let us pray that

the efforts we are undertaking today to prepare for war - the training, the planning - will ensure that we will never have to use these weapons of destruction. I thank you very much.

**Campbell:** Thank you very much. Let's send the Senator away with another round of applause. Now, it is my distinct honor to welcome Chairman Sasakawa of the Nippon Foundation. I think as you all know, he is a very distinguished philanthropist and has championed wonderful causes in Japan and globally -- the Leprosy Fund -- and is also a strong supporter of the health of our seas and our environment. And we are very grateful that he took the time to join us today. Thank you very much.

**Yohei Sasakawa:** Distinguished guests, ladies and gentlemen, it is an honor to be with you today at the first U.S.-Japan Sea Power Dialogue. I extend my thanks to everyone at the Center for a New American Security, the administration office, and our American and Japanese friends for making this symposium possible.

In the middle of the 20th century, the world's population stood at 2.5 billion. Since then, it has grown rapidly to 6.5 billion today. That number is expected to exceed 10 billion around 2050. The world's economy has also grown accordingly.

The development and use of land resources are approaching their limits. We will have to turn increasingly to the sea, which covers 70 percent of the Earth's surface, for the water, food and the resources required to support our growing population and economic activity. It is no exaggeration to say that human existence is reliant upon the sea.

However, rapid population growth and economic development are placing a great burden on the seas. It is apparent that there is a limit to an ocean's ability to rejuvenate itself. The infinite sea is turning into a finite sea.

Interest in the problems of the oceans is very low, except among specialists. This is partly because humans have a history of land-based development. However, various marine problems are becoming apparent, and we ignore the oceans at our peril.

I believe it is important to think about the oceans from the vantage point of the oceans themselves. Under the circumstances, this is a timely and meaningful symposium, and I expect many new possibilities in ocean development to emerge from these discussions.

### **Present State of the World's Oceans**

The latter half of the 20th century was a period of significant reform of the maritime order. Before that time, there was the notion that the sea did not belong to anyone.

After the conclusion of the United Nations Convention on the Law of the Sea in 1982, a system to manage the world's oceans through international cooperation was formed, and continues to this day. This marked a change from the days when maritime nations with powerful navies dominated the seas, influenced by the views of Alfred Mahan.

UNCLOS removed the historical freedom of the seas by granting Exclusive Economic Zones to every coastal nation. These EEZs extended sovereignty 200 nautical miles off the nation's coast -- and up to 350 nautical miles in the case of states with continental shelves. As a result, conflicts and

competition between littoral states over jurisdiction of zones and marine rights and interests are growing.

The jurisdiction of the EEZs comes with both rights and obligations to control the seas. However, some littoral states lack both tangible assets – infrastructure – and intangible assets – such as human capacity and laws.

Consequently, the safety of the seas is threatened by traditional acts of piracy, terrorism, people trafficking and smuggling. All exploit gaps between territorial waters and sovereignty laws. Examples of these threats are the frequent acts of piracy and terrorism in the Malacca-Singapore Strait, and in the waters off Somalia.

Ninety percent of international trade is by sea. Therefore, ensuring the navigational safety of international sea routes is vital for the world economy. We need to be aware of the threats we face. In addition to those I have just mentioned, these include conflicts over marine resources, disputes caused by globalization, the proliferation of weapons of mass destruction, large-scale natural calamities and environmental destruction.

### **The Malacca-Singapore Strait**

Although the status of international affairs is changing dramatically under the new legal order, it is impossible for any one country to solve all maritime problems and secure maritime safety alone. National governments, international organizations, private sector organizations and non-governmental organizations must therefore collaborate to fight diverse threats.

Bearing this in mind, I believe the time is right for the following concept, which I call

a new sea power for the 21st century. It is based on UNCLOS and globalization in marine affairs. Before I speak about this concept in detail, I would like to give you some useful background information. It concerns the activities I have been involved in – in a private sector capacity – to secure the navigational safety of the Malacca-Singapore Strait.

The Malacca-Singapore Strait is the most congested area of sea in the world, with 94,000 vessels passing through each year. The strait is the lifeline not only of Asia, but also of the whole world. In recent years, as the economies of Asian countries boom, the number of their ships passing through the strait has risen dramatically, especially Chinese ships. Concerns have grown about the possibility of vessels passing through the strait with dangerous cargoes and also of major incidents at sea caused by shipping congestion. In addition, pirates threaten the safety of navigation.

A project is now under way to realize collaboration on navigational safety and environmental conservation in the Malacca-Singapore Strait. The project is based on UNCLOS, and mainly involves the three littoral states, that is, Indonesia, Singapore and Malaysia. The International Maritime Organization is also involved. The project aims to establish a cooperative mechanism based on an Aids to Navigation Fund, and sets up an international system in which interested parties such as user states and the shipping industry voluntarily participate and collaborate.

Since Hugo Grotius proposed the freedom of the seas in the 17th century, his idea has largely been respected. However, The Free Seas, as he called his book, are turning into finite seas because of economic expansion.

For instance, the costs borne by littoral states in relation to congested international straits such as the Malacca-Singapore Strait are constantly growing. This is because of the need to maintain and improve safety features such as aids to navigation and lighthouses, and to replace buoy tender vessels. However, most user states and the shipping industry, which directly benefit from passage through the Malacca-Singapore Strait, do not currently bear any of these costs. In the interest of fairness, the idea of securing cooperation from user states and the shipping industry merits close attention.

With the globalization of the economy, the quantity of cargo passing through the strait is increasing. In relation to the enormous volume of cargo and its economic value, the cost of maintenance and renewal of the navigational support infrastructure is tiny.

#### **Aids to Navigation Fund**

Therefore, I proposed that the shipping industry, which is a direct user of the strait, set up a voluntary fund as part of its corporate social responsibility. This also means it would abandon the notion that shipping companies can use the seas for free. I announced that if the shipping industry sets up an Aids to Navigation Fund, then the Nippon Foundation would provide aid equivalent to one third of the cost required to maintain and renew aids to navigation for the first five years after the establishment of the fund.

Through our efforts, major international shipping associations that most benefit from the Malacca-Singapore Strait announced their support for the Aids to Navigation Fund. In addition, oil-producing countries in the Middle East announced their cooperation, encouraged by our

constructive proposal. We are also receiving increasing support from energy-related organizations, NGOs and others.

Ideally, the governments of the three littoral states of the Malacca-Singapore Strait and of user states such as Japan, South Korea and China should take the initiative for a project like this. However, negotiations among them have made no progress over the last 10 years. Hence we are trying to assist matters from the perspective of the private sector.

I believe the major reason why people are interested in the co-operative mechanism, and why a new international collaboration is about to be realized, is the following: the shipping industry, which directly benefits from the strait, is seeking to participate out of a sense of corporate social responsibility.

In this process, the Nippon Foundation has acted as a pioneer advocate. We proposed a system in which not only littoral states and user states, but also the shipping industry and other parties can participate. Moreover, the shipping industry is a willing collaborator. We helped companies to see how participating in activities to secure the safety and preserve the environment of international straits such as the Malacca-Singapore Strait is part of their corporate social responsibility.

#### **Proposal for “Civil Sea Power”**

I want to talk about what I call “civil sea power,” which is an important element of the new sea power for the 21st century.

The paradigm of the ocean changed from “freedom of the seas” to “governance of the seas” in the latter half of the 20th century because of changes in international affairs. This requires that states acquire the ability

to solve maritime problems and to develop, utilize, conserve and manage marine resources.

Since marine problems are closely related to each other, this means being able to study them in a holistic way, formulate policies to deal with them, and have the will and ability to implement them based on economic, scientific and technical strengths. If we describe this as a new sea power, then the traditional notion of sea power will be called into question in the 21st century.

Important to the sea power of the 21st century is not only the sea power of states but also civil sea power. Society will become increasingly dependent on the seas as people recognize the implications an increase in world population has for resources and the environment.

Governments are limited in the actions they can take to solve maritime problems. These are problems for humanity as a whole, related to international affairs and concerned with a broad range of issues.

Governments, international organizations, the shipping industry, private sector enterprises and other interested parties should collaborate to solve these problems, just as they are going to do in regard to the Malacca-Singapore Strait. For such collaboration, the private sector will be able to demonstrate civil sea power by acting as the catalyst to get people moving as well as functioning as an advocate.

Mechanisms which utilize the strengths of the private sector may be useful to solve various difficult problems and to settle conflicts. Private sector strengths include developing the human resources required to respond to policies and problems

concerning the ocean, technical cooperation, and the ability to come up with new ideas.

### **International Collaboration**

Let's look at the status of the U.S. and Japan. The Basic Act on Ocean Policy was enacted in Japan last year, and Japan took its first step toward becoming a maritime state. The U.S. started focusing on the ocean from an early date, and has been working on maritime policy issues for some time.

It is my understanding that U.S. maritime policy has entered a new phase in the 21st century, and that constructive discussions are being held to ratify UNCLOS. Although ratification has been pending for a long time, there is no doubt that the U.S. is the biggest sea power in the world, based on its navy and connections with markets all over the world.

The U.S. is achieving significant results in the protection of the marine transport infrastructure - for example, through maritime intercept operations in the Indian Ocean, through the Proliferation Security Initiative, and through the Container Security Initiative. On the other hand, there is some opposition to U.S.-led plans. The reasons for this opposition are probably worries caused by the fact that the operations are mainly government-led, backed up by massive military power, and do not involve international collaboration or private-sector participation.

In the maritime world, we increasingly hear words such as "fight" and "conflict", instead of "hope," "peace," and "cooperation." We talk of the fight against piracy and terrorism at sea, the conflict over maritime resource development and use of

sea areas, and the fight against the pollution of the seas. In reality, none of these problems can be solved by fighting, but they can through persistent and self-sacrificing collaboration for the benefit of the world as a whole, transcending the sovereignty of governments.

I believe it is important for the U.S. and Japan to take a broad approach to dealing with maritime problems, and should not limit themselves to military-type or government-level solutions. The seas cannot be administered by one country - only through international collaboration.

In the 21st century, for both the U.S. and Japan, the ocean will come to be regarded as an increasingly important element in their identity. It is my wish that our two countries, as genuine maritime states, will take the initiative in international collaboration to protect the oceans, to make the most of the strengths of the private sector, and to deal with diverse maritime challenges by utilizing the capabilities of governments in conjunction with those of civil sea power. Thank you very much.

**Campbell:** Thank you very much, Sasakawa-san. That was excellent. Let me just take a quick moment to welcome our keynote speaker this evening. Aso-san has served in so many distinct and wonderful capacities in Japan and in the U.S.-Japan relationship, most recently as foreign minister. We are so grateful that he took the time out of a busy schedule to come to Washington. Please give him a warm welcome.

**Taro Aso:** Thank you very much for your kind invitation. Let me see. Since the very beginning of 2001, I have been surrounded by security police all the time for seven years like a person in jail. Fortunately or

unfortunately, I left that position last October, and was supposed to have much more liberty and freedom to go back to the golf course. So that was what I was expecting. As a matter of fact, I have been jumping around all over Japan, election campaigning for our candidates. Many of my friends have kindly invited me because, "I'm sure he has nothing to do at this very moment. So why don't we invite him to speak." I think this is the one of these cases. But thank you very much.

Although, as Mr. Campbell was saying, most of you had to keep your eyes open until very late last night until you got the results of Texas and Ohio. I think for Democrats, you will enjoy another few months to go.

### **Looking Beyond the Horizon**

This is an important gathering. Important because now is the time for the Japan-U.S. alliance to look far beyond the horizon. Ahead of us we see uncharted waters, uncharted because in the sea we see old problems combining with new ones - the mingling of piracy and proliferation, for example; trafficking and terrorism; over-fishing and global warming. The list goes on and on and on.

That is not the end of the story. It was only after a gas field was discovered in the waters off Japan's Senkaku Islands that the Chinese suddenly became interested in the them. Such quests to secure maritime resources of all kinds are increasingly common. Barring landlocked countries, all countries claim jurisdiction in the sea. Some are building a naval presence and doing so quite in earnest. In some the post-war maritime status quo is gradually being lost; in its stead a great game seems to be emerging.

## **U.S. and Japan Working Jointly**

That is why we have gathered here, my friends and colleagues. Japan and America must work hard to keep the ocean pacific. That is what I want to stress at the outset. I have argued that Japan is stabilizer built into the Asian order. I say this because Japan is the most seasoned democracy in Asia, and reminds the world that China has little transparency in its defense policy and is rapidly building its navy; double digit expenditure in the last 19 years, as you know.

I say this also because Japan is bound to the U.S. by a shared set of values. And I say now that Japan and America can - indeed, must - work jointly as a stabilizing force.

Since the Second World War, it is the U.S. that has controlled the waves to great benefit of my country, I must say. Despite our scarce natural resources, Japan has come a long way. Now Japan's economy is as big as China, India, and Russia combined. Only by trading over the horizon has Japan come all this way, with her sea lanes of commerce kept safe, I should not forget to mention, by the U.S. naval presence.

But Japan is no longer the nation you may have known. Today, even as I speak, Japanese sailors are on active duty in the middle of the Arabian Sea, operating under the tropical sun; burned but not burned out, they are providing fuel and water to the ships joining Operation Enduring Freedom from the U.S., United Kingdom, France, Germany, other NATO member countries, and Pakistan as well.

For the longest time and in the remotest area in its entire history, Japan has maintained a maritime presence. Those

men and women on the Aegis destroyers and tankers, they are the proud sons and daughters of the Japanese. I know this is long overdue. Nonetheless, I say this to you, ladies and gentlemen: Day-in and day-out Japan is proving its capability as a sea power. Every day the world is learning afresh that, together, Japan and America can pacify the sea and stabilize the world to the benefit of everyone and to the detriment of none.

Looking back, Japan and America acted together to check the ambition of the Soviet Navy. For the Soviets, the Sea of Japan became like a pond with its gateway to the Pacific Ocean practically blocked by the unified presence of Japan and America. It was at that time Japan introduced P-3C patrol aircraft and decided to introduce Aegis ships under the concept of 1000-mile sea-lane defense.

Thus enhanced were the U.S.-Japan joint capabilities of all sorts, from constant drills to surveillance. As a result, the U.S.-Japan alliance came of age. Only when Japan and America formed a powerful naval alliance to check Soviet expansion did the overall alliance come to true maturity. Japan also grew in that period to build its own sea power. The naval alliance, therefore, has become a public good. We have the Soviets to thank most for that. History is not without irony.

## **Redefine the Naval Alliance**

Today I call upon the members of this important gathering to face up to a new challenge, that is, to redefine the great naval alliance between the biggest sea powers in the Pacific in order to adapt to a new calling in a new century.

Take, for instance, the Strait of Malacca, where 250 ships pass each and every day. We must first note that in Japan, the Nippon Foundation has done a great deal over the last 40 years to help keep the straits safe and peaceful. I pay tribute for that to Mr. Sasakawa.

Lately, the U.S. for its part gave 15 high-speed patrol boats to Indonesia. Japan also gave aid totaling over \$18 million during my watch as foreign minister. This was to help Indonesia to build three patrol ships. Both Japan and America have contributed greatly to the world's biggest Muslim-majority nation. Both countries have also played a large part in helping build the human capital necessary for Indonesia to develop its governance. A police box system called *koban* came into being in Indonesia with the help of Japanese police officers. That is what I call the Kochikame factor: Google K-O-C-H-I-K-A-M-E, and you will see what I mean. All this is important because the situation at sea can never be isolated but is an extension of what happens on land. And now Indonesia is making steady progress toward democratic governance. Japan has always maintained a peer-to-peer, non-condescending attitude toward Asian nations. With countries like Indonesia becoming far more democratic, I think Japan and the U.S. should proudly continue to act as peers.

On the part of Japan, I will say the following: The Nippon Foundation as well as the Japanese government have made a considerable effort to help develop coast guards both in Indonesia and Malaysia. We have helped build their capacities to conduct joint exercises against terror and piracy. One way to redefine sea power, my friends and colleagues, is to view it in light of the intellectual leadership Japan and

America can provide. When Alfred Thayer Mahan discussed sea power, he focused on the military aspect, but needless to say he also meant it in broad terms. He even considered national character, that is, how much a nation desired money basically as a component to build a sea power, not to mention commerce and shipping.

Let us also be broad in redefining sea power in this age of growing maritime uncertainty. For now, I will call your attention to the following three points.

First, it must be a combined effort. The U.S. should take a leading role with Japan as its closest running mate, but it should involve other democratic sea powers, notably Australia and India in the Asia Pacific region and NATO partners like Britain more globally.

Second, the knowledge we have amassed matters. The kind of leadership we seek ought to be based as much on knowledge and experience as on might. Oceanic science research and development in Japan stands tall in the world; it must be taller still in the future. I know you can say the same for the U.S.

### **U.S. and Japan Must Set the Agenda**

Japan and America must join forces to set the agenda for better and sustainable management of such issues as commerce and shipping, maritime resources development and environmental conservation, competing nationalisms, and, indeed, the strengthening of a free, open, and democratic world order. Japan and America must be the makers of any emerging international framework.

Of special note here is the fact that we can make much more use of oceanic resources.

Last August, I flew by chopper off the Brazilian coast to land on a drilling platform; it was a site where they were drilling oil from the seabed that was very deep indeed. Japan and America should be able to do the same. Our seabed can be a hotbed of future resources. Japan and America must work together to explore and then exploit such resources. If successful, we will be rewarded handsomely. Yet it goes without saying that we must also remain most responsible in taking care of the good health of Mother Nature.

Third, the Public-Private Partnership or PPP framework should be the norm, not the exception. I'm reminded that the Nippon Foundation is calling upon such private companies as are benefiting from the peaceful passage in the Malacca Strait to contribute to a fund that littoral states will set up. We must encourage more such efforts. Navies, law enforcement organizations, and private corporations must all work together.

But in the end, to steer them in those directions calls for strong leadership. I would argue that a unified sea power between Japan and America must be the leader. In sum, ladies and gentlemen, Japan and America must maintain their hard sea power, yet, equally, we should use our softer power and knowledge as much as possible to pursue those objectives.

There is no better time than now, for in Japan there is growing bipartisan support for a new law that would send the JSDF to trouble spots together with like-minded democracies like America, the ROK, and Australia. There is continued momentum to revise to the constitution, enabling Japan to exercise collective defense with its allies.

Also, in my country the basic ocean law has just been enacted with tremendous bipartisan support. In the new framework more attention will be paid to scientific maritime research and the like, involving the government, the private sector, and academia. And I know as you will, indeed, be learning throughout this seminar, the U.S. is busy taking a fresh look at its naval and maritime policies.

In conclusion, what I have said so far is conducive to realizing the arc of freedom and prosperity called for by the Japanese foreign ministry under my guidance. I will not elaborate upon it further, as I have done so already in my book published last year, touching upon the fact that the arc should further cement Japan's alliance with America.

True, we may be faced with challenges, many of which are yet unknown. However, nothing should worry us, provided Japan and America, two of the greatest maritime democracies, can continue acting as a unified sea power. And that, my friends and colleagues, is the reason we are all here. Thank you very much for your attention.

**Campbell:** Thank you very much, Aso-san. That was very provocative. You have given us lots to discuss this afternoon. Let me call all of the speakers, please, to come up to the panel and we will begin immediately with some questions. You have in front of you there very impressive resumes, so I'm not going to take a long time to introduce each of them.

As we get started with Dr. Green, Iokibesan, Murata-san, and also our good friend Ambassador Judge Yanai, I want each of our panelists to focus on a couple of things as we go forward.

First, at the outset our good friend Akiyama-san said that, increasingly, there might be a little bit of distrust creeping into the relationship between the United States and Japan. Is that the case? And is there a need to, again, focus on rebuilding the alliance? And I think under the direction of people like Rich Armitage and Mike Green and others we have done very well over the last several years. That is the first question.

And secondly, Aso-san has suggested that we really need a redefinition, a recommitment on the naval and maritime issues that have made this relationship so strong over the course of the last few decades and that there are new sets of challenges that are rising in the Asia-Pacific that the United States and Japan must be responsible to.

With that, I want to charge each of our guests to speak briefly and to address the issues that we have been discussing so far. We will open this up with questions from the audience. I would ask you to keep your questions brief when we get to that. To my good friend, Mike Green.

**Michael Green:** Thank you. It is a great honor to speak after Minister Aso. I first met him 21 years ago when I went to work for a Diet member many of you knew named Motoo Shiina who passed away last year. Shiina-sensei took one look at me, shook his head, and said "Go talk to Aso."

I will try to answer your questions, Kurt, and to pick up some of the themes in the presentations which were very probing and excellent. This is a relationship -- the U.S.-Japan relationship -- an alliance that is built very much on our maritime relationship. Over, for some reason, on that side of the room are sitting all the members of what Yoichi Funabashi calls the Popeye Club -

Jim Auer, Mike McDevitt, Admiral Kaneda and others - who really built this relationship around our very close maritime cooperation from day one, really, after the Second World War.

And it is a relationship that continues to depend on and draw strength from our maritime cooperation. My wife and I had the real pleasure a few weeks ago of going down to Norfolk to have lunch with the captain and his wife -- the captain of the USS George Washington, which is deploying to Yokosuka, the first nuclear-powered carrier, which many of us a few years ago would have thought would have been too hard to do. But I think the Japanese public recognizes the importance of maritime security and of the maritime glue in our alliance.

This is a maritime alliance that has had to deal with an increasingly complicated environment as we have heard. We have moved from worrying about the surface and underneath the surface to worrying about what is above us and, increasingly, we have to worry about cyberspace and outer space, and the stewardship of resources. So the challenges are growing in many ways and you heard from the speakers about sea-lane protection, piracy, terrorism, energy and resource competition.

### **Toward Cooperative Security**

I think the challenge, and the one point I would like to make before answering Kurt's question, I think the challenge for us both in the U.S. and Japan is to come up with solutions that do not kill the patient. In some ways the worst thing would be for everybody in the Asia Pacific region to decide that they will memorize Alfred Thayer Mahan and Yamamoto Isoroku. We do not want everyone to suddenly become

the unilateral protectors of the sea-lanes or the common; we need to think very carefully and the U.S. and Japan are in leadership positions to do this, about how we can work together.

To give you a few examples, Funabashi Yoichi has written a book, some of you may know, about oceans and he has warned that we need to be careful not to create a maritime versus continental competition, sort of the maritime democracies lining up against continental Asia, China, with Korea in a very awkward position, we need to be careful about that, for example.

The navy here has talked in their maritime strategy and elsewhere about a thousand-ship navy working together to protect the commons; it is a really excellent concept, which helps to mitigate against any danger of maritime-continental competition. It is inclusive and it is cooperative and it is a step towards common security. But I know that in Japan and in India and in some quarters there is some worry that this would encourage China to begin looking at blue water capabilities and maybe moving into the Indian Ocean in ways that are not helpful. So we need to think carefully about how we manage that.

### **The PLA Navy**

We need to think about how we work with the PLA Navy. It is critical in my view, and I know it is in Kurt's view, that we have MMAs, Military Maritime Agreements, so if we have incidents at sea, we have rules of the road. We have a very flimsy one although it was very hard to negotiate on the U.S. side; Japan and China have none, and yet, we talk about the seabed. Right now, Japan and China are in the same seabed, different dreams, if you will excuse the bad pun. The Japanese and

Chinese maritime forces are very much in each other's faces. And so we need to work hard on the Chinese on transparency and confidence building on MMAs.

The other thing is when we talk about some of these problems like piracy or terrorism we ought to think about the right tools to use. In many cases, the coast guard is the right tool. My wife's dad is a coast guard officer and so I have a bias, maybe. But when you look at Southeast Asia - and I'm delighted Aso-san talked about Japan's cooperation with the Indonesian Coast Guard - coast guards can do a lot to help protect critical choke points, to stop terrorist flows between Indonesia and the Philippines, and coast guards are not threatening. And as we learned when the North Koreans sent a spy ship into Japanese waters, coast guards, when they need to be, can be very, very capable.

### **SDF Overseas Dispatch**

And finally, I'm glad that Aso-san mentioned the need for a bill to allow for the more predictable dispatch of Japan's maritime forces for international cooperation. At CSIS, some of my colleagues have gone to the Gulf; I have been to India several times. We asked in the Gulf and India and Pakistan, "What is your view of the Japanese maritime forces?" It's extremely positive. In the Gulf and South Asia they want to see more of Japan, so Japan has the kind of trust in that region to be able to really contribute. The question people are asking is, "The ships had to come home once. Will that happen again?" And so that puts some responsibility on our friends in Japan.

These are just a few of the things that occurred to me listening to the two excellent presentations. I think what we

can say with some confidence is that the U.S. and Japan as allies and as maritime nations have gone further than almost anyone else in the region in thinking about this. And we are in a good position to begin forging a consensus that is inclusive, and then make sure we apply our soft and hard power to maritime security in a smart way.

### **A Cyclical Nature to the Alliance**

Oh, Kurt's question -- there is a little bit of drift in the U.S.-Japan alliance, it is true. And I do not know how much of that is that you have politically, frankly, weak governments right now in Tokyo and Washington with very strong legislatures, or how much of that is that there is a cyclical nature to the U.S.-Japan alliance. The one thing I would say is there is an up-and-down and a cyclical nature to the U.S.-Japan alliance, we have our good moments and bad moments.

The overall trend over the last few decades has been up, up, up and I think the opposition to the alliance is almost nil and the recognition that we need to work on problems like maritime security is very broad. I happen to be a supporter of Senator McCain, but Senator Obama and Senator Clinton have people who get this, who are thinking about it. So I think we are well positioned to sort of pull out of our little bit of drift right now.

**Campbell:** Thank you, Mike. You have set a good standard in terms of brevity and also openness as well. President Iokibe?

**Makoto Iokibe:** Thank you very much. I used to be a Kobe University professor but since one-and-a-half years ago, I'm the president of the National Defense Academy. Its management is time-

consuming, but I remain an educator there. Every month, I give a lecture to the *Bôeidaigaku* students for one-and-a-half hours.

### **Maizuru Naval Base**

I am very eager to know the actual situation of the Self Defense Forces, visiting many installations and bases. For instance, I recently visited Maizuru, a naval base on the Japanese seaside. As you probably know, it is becoming an important base for missile defense. The Aegis ship base is there and the Atago, the ship that recently had the unfortunate accident, came from Maizuru.

Now Maizuru is in a sense a symbol of high-level U.S.-Japan military cooperation. For missile defense cooperation, America probably wants to have many partners other than Japan, but it is not easy. Japan is a very important high-level partner in that military defense sector.

Also, in Maizuru I saw a small high-speed missile boat. The captain explained to me this is to cope with North Korean spy ship invasions. And as you probably know, when Mr. Obuchi was prime minister a North Korean spy ship came to Noto Peninsula area and the Japanese Coast Guard tried to catch it. It appeared to be a fishing boat, but once Japanese ships tried to catch it it became very fast and Japan could not catch it. After that, Japan deployed this high-speed missile boat and the captain said if a North Korean spy ship comes again, we will surely catch it. 80 kilometers per hour speed. It's like flying, three turbines, unbelievably fast, and the maneuvering is unbelievable. So they are confident. And we have had no news recently about spy ships. The captain explained that North Korea is still prepared

to send spy ships to their harbor, but they probably know we are waiting. So now North Korea is not sending a spy ship.

This is post-war Japan, a peaceful country. We are not suspicious of other's intentions - this was very common way of thinking. And so North Korean spy ship incursions or kidnappings were quite easy and Japan was not coping with that challenge, but is now. Japan is very late, but efforts to ensure our own security are taking place.

In Maizuru, both sides have the most high-level technological joint defense and missile defense capabilities, but a rather primitive self-defense airport, which I saw there.

### **Fukuda's Foreign Policy**

Aside from my role at the National Defense Academy, I'm a rather close friend of Mr. Fukuda and we often talk about foreign policy. So now I would like to talk about his foreign policy. After becoming prime minister in early August of last year, his first visit to a foreign country was the United States of America. In November, he came to Washington D.C. In doing so he demonstrated that relations with the United States of America is vital, most important. He has a strong view about it, but he does not following the line of thinking that Japan must put exclusive emphasis on its relations with the U.S. - with Asian relations as secondary and not very important. He disagrees with such kind of thinking.

If Japan is a leader and is not managing Asian affairs well, Japan is not being a good friend of America, and America will be asked to take care of Japanese relations with other Asian nations. Japan should act as an Asian leader or, at least, coordinator

in East Asian international relations and take care of Asian affairs. That will add value to U.S.-Japan alliance. So Japan should become a reliable friend for America in Asian affairs. That is Mr. Fukuda's thinking: synergy of foreign policies with America and Asia. China should not be the only main power in Asia. Japan is also an important country and Japan should act positively and can probably be a co-chair of East Asian affairs.

So he came to this country and at that time he promised to President Bush that Japan will make every effort to return to the Indian Ocean to refuel allied ships, and that materialized last month. And now Japanese naval ships have returned to the Indian Ocean.

Also, Mr. Fukuda had another meeting. Many of you probably were there for the exchange program meeting - new exchange program initiatives between Japan and America. Intellectual exchange and grassroots exchange and Japanese language programs. As you probably know, the Japanese budget situation is terrible but still, intellectual grassroots private relations are very important. So he started several programs.

And after visiting this country, Fukuda visited Singapore to take part in the East Asian Summit. And there he made a very important decision that Japan, China, and South Korea will have annual summit meetings as an appendix to the ASEAN Plus Three meeting. The first summit meeting will be held in Tokyo this fall.

And then at the end of last year he visited China. He received an exceptionally warm welcome by the Chinese government and people and his speech at Beijing University

was televised all over China. That is exceptional in China.

And then last month he visited South Korea for President Lee Myung-bak's inauguration. The president is very eager to restore relations with United States and Japan. So U.S.-Japan-South Korea trilateral relations now have a good opportunity.

And so Fukuda's foreign relations are very positive and successful. America will be very easy until the presidential election this fall. In the meantime, Fukuda, after visiting this country last November, is trying to cultivate Asian relations and is preparing for the next stage. That is the situation now.

There are some who think, for Asia and the Pacific as a whole, a U.S.-Japan-China trilateral meeting would be desirable. I once mentioned this idea to Mr. Fukuda but Fukuda was somewhat reluctant, saying that South Korea would not be very happy to hear that. But if we have a crisis in the Taiwan area, this trilateral meeting, a summit meeting, would be absolutely necessary. So diplomatically for Japan, to form new relations with the U.S., China, South Korea, and Southeast Asia is very important.

Last year, I also visited the East China Sea area, the gas field, and the Senkaku islands area. Visiting there, I realized that Japanese air cover is now perfect. P-3Cs are flying over the Senkaku islands and the gas and oil fields everyday, and Japanese Coast Guard ships are always present. Seemingly Japanese air cover is perfect, but hearing the captain's explanation - every year Chinese military expansion grows larger. So how to cope with Chinese military expansion is a very important issue and diplomatic adjustments and a firm military

stance together will create a new stage in the Asia-Pacific area. Thank you very much.

**Campbell:** Thank you very much. Murata-san, the floor is yours.

### **Japan-China-U.S. Cooperation**

**Koji Murata:** Thank you very much. Being seated between Kurt Campbell and Mike Green, two experts in Asian security in this country, I'm not necessarily so comfortable. I'm like Japan between the United States and China. I do not know which side is the United States and which side is China.

**Campbell:** Mike can be China.

**Murata:** Okay, dangerous. Anyhow, the topic of maritime security and U.S.-Japan security cooperation and the alliance - you know, Mr. Aso mentioned China and Mike also mentioned China. The hidden agenda seems to be the Sino-Japanese relationship and the Sino-U.S. relationship. So how to promote U.S.-Japan-China cooperation is essentially important for maritime security in this area. And, already, Mike pointed out various important topics.

I will just repeat three issues related to how to promote cooperation between China, Japan and the U.S. on maritime security. One is the environmental issue. How to prevent environmental deterioration in this area is extremely important. And secondly, the energy issue. How to promote energy efficiency and how to prevent unnecessary rivalry over energy consumption in this area is extremely important. And thirdly, how to prevent epidemics such as AIDS, SARS, the new types of flu, and these kinds of things. So I would mention the three Es: environment and energy and epidemics.

These are very important topics between Japan and China and the United States.

And these issues - environment, energy and epidemics - all of them relate to ocean areas. In particular, I'm very concerned about the new types of flu. Frankly speaking, I'm afraid the Japanese Ministry of Health, Labor and Welfare's preparation for this issue is far from enough. And if new types of flu spread over a wide area, it shall be extremely dangerous. About a century ago soon after World War I, Spanish flu spread over the world and 40 million people died. As a comparison, in World War I, 10 million people died. The new types of flu must be stronger than the Spanish flu of one century ago. So it shall be an extremely important topic.

And having said that, in order to promote this kind of policy cooperation among the major powers, Japan, China the United States, and as Professor Iokibe mentioned, cooperation with South Korea is also now extremely important.

### **Policy Coordination in Japan**

In order to promote policy coordination amongst the major powers, we have to promote policy coordination inside Japan. Therefore, we have to establish an institutionalized policy mechanism inside Japan. Over maritime security issues, so many central agencies and local governments, as well as the private sector, is involved in these issues. We have to institutionalize cooperation amongst these actors.

So in this sense, Mr. Aso mentioned and Mr. Sasakawa also eloquently mentioned the fact that Japan has a very mature civil society. How to more quickly promote a mature civil society is extremely important

and I'm very impressed by Mr. Aso mentioning Public Private Partnerships, PPPs, and so we have to promote the PPPs.

Some people today mentioned Alfred Thayer Mahan so I would like to mention Alexis de Tocqueville. This extremely intelligent French aristocrat visited this country in the early nineteenth century and he understood the essence of American democracy as having three aspects: First is the jury system, this country's legal system; The second one is this country's local governing bodies; And the third one is associations. This country has so many vital associations, private associations, not public; private associations can promote public purposes. And so de Tocqueville figured out three important elements of American democracy. Associations are the private sector's capability in this area. And in this sense, Japan, the United States and Australia and South Korea -- these are matured democracies and have a lot of potential to further promote private sector cooperation as well as public sector cooperation.

### **Current State of the Alliance**

Then, finally, Dr. Campbell's question about the U.S.-Japan security relationship. Generally, I agree with Mike Green's observations, and we have some difficulty right now in getting enough attention paid to the U.S.-Japan security relationship. Generally speaking, probably 10 years ago, nobody would have expected a Japanese ground presence in Iraq and the Japanese maritime forces activities in the Indian Ocean. So over the last decade, our security cooperation has been getting better and better, has been vitalized, and is getting more active.

But having said that, we have to be careful about crisis control in the alliance; this is one thing. As Mike pointed out, our alliance relationship is getting better and better. That is true. At the same time, we have to be careful about expectation control. We should not expect too much. Unfortunately, the Japanese domestic political situation is still messy, and so in this sense, if we expect too much, the disappointment might be large. So we have to control our expectations in a reasonable sense. Thank you very much.

**Campbell:** Thank you very much, Murata-san. When Murata-san said that no one would have imagined ten years ago that Japanese forces would be in Iraq, that might also be true of American forces; but never mind, here we are. So with that, our cleanup hitter, Ambassador Yanai - Judge Yanai, please.

**Shunji Yanai:** Thank you very much, Dr. Campbell. I do not know if I can be a cleanup hitter, but I'll try to make some short comments on several points.

I retired from the Foreign Service in 2002, so that was my first retirement. And then I taught at Chuo University and Waseda University for five years, and I retired from that last year; that was my second retirement. I'm now a judge of the International Tribunal for the Law of the Sea but I have not retired yet. My term will expire in 2014 if I'm still alive, or if my mind is still okay. So this is my third incarnation and throughout three incarnations I have been very much involved in law of the sea matters.

We have heard excellent keynote speeches from Senator Inouye, Mr. Sasakawa, Minister Aso and, also, insightful comments from Dr. Campbell and Dr.

Green, and now additional comments from my colleagues.

I would like to touch upon a few things and I shall be brief because I think I should leave ample time for the question-and-answer session.

### **Classical and New Challenges**

First of all, as we all know, both the United States and Japan are facing two different kinds of challenges. One is classical challenges that come from foreign states, for instance, from North Korea. And in this field I think the security treaty between our two countries has been working quite satisfactorily.

And in this connection, I would like to point out that in 1996 - that was in the second term of the Clinton administration - Japan and the United States issued a Japan-U.S. joint declaration on a security alliance for the 21<sup>st</sup> century, and we also worked out new guidelines for defense cooperation. But as a whole, I think facing the classic challenges, the security treaty has been working well and it has constituted a reliable deterrent against threats from outside.

Secondly, we are facing new challenges. One of the new challenges is the very serious threat from terrorists as we saw in 2001 in New York and here. And in this connection, as has already been pointed out, the Japanese Self Defense Forces have been providing the coalition forces with logistical support in the Indian Ocean. And also, there is another new threat that is the proliferation of weapons of mass destruction, such as nuclear weapons and the means of delivering such weapons. And I think, also, in the Proliferation Security Initiative, Japan and the U.S. have

been working very closely and although there are still many things to be done, this cooperation has been very good.

### **Regional Maritime Cooperation**

I would like to touch upon the point that was raised by the keynote speakers; that is that both the U.S. and Japan have to include other like-minded countries to cope with new challenges. And, again, the PSI is a good example. I understand at the beginning, 15 countries started working on it, including, in particular, the United States and Japan. But now, there are some 80 countries throughout the world working with us.

I visited Singapore in December and I visited two places. One is the so-called ReCAAP Center, Regional Cooperation in Asia Against Piracy. And although there are still many constraints, that center is already working and playing an important role in information gathering and sharing, and it also gives warning about pirate attacks.

I also visited Changi Naval Base in Singapore and I heard that U.S. Navy ships have visited many times. The second most frequent naval visitor is Japan. And there are many other countries that have been working with us in PSI and other international endeavors.

The third point that I would like to touch upon is the point that Mr. Sasakawa talked about. And I find his program for the Malacca-Singapore Strait to be an excellent one, and it is an excellent idea to mobilize the private sector; especially as he said, we should ask for the cooperation of users, not only shipping companies but also user countries. And I'm sure that program will serve as a good initiative to enhance the

safety of navigation and also prevent marine pollution in the strait areas.

### **UNCLOS**

The fourth point I would like to touch upon is the legal framework of the sea. I'm referring to the United Nations Convention on the Law of the Sea; again, Mr. Sasakawa stressed the importance of this framework. Now more than 150 countries have ratified it and I earnestly hope that the United States will ratify it also. It is true that some of the provisions of the convention have already become customary international law, but there are some others which are not customary international law; for instance, the definition of the outer edge of the continental shelf has to be recognized by the Continental Shelf Commission under the Convention. And also, the exploitation of the seabed beyond national jurisdictions has to be done through the authority which was established by this convention. So I think it is in the interest of the United States to become a party to the Convention.

As you know, even landlocked countries -- most of them have ratified the convention. And I was very much involved in the third conference on the Law of the Sea and the landlocked countries' representatives told me that even the continental shelf, for instance, around India used to belong to the landlocked countries because they say that the mud or sand or rocks came from Nepal through rivers in India. So they say that they have a right to the resources in the continental shelf. That was a bit, well, convincing, and so the Law of the Sea convention has several provisions concerning the interests of landlocked countries.

In this connection, when I attended a law of the sea seminar in Singapore last year there

was a Mongolian delegation and they were distributing flyers or pamphlets telling us that Mongolia adopted a system under which they could provide a flag of convenience to shipping companies. And I was very surprised to know that but in reality there are quite a few companies that have registered in Mongolia, so they are flying Mongolian flags.

These are the circumstances. It is not a very normal situation that a great maritime country like the United States is absent in this forum.

My tribunal - that is, the Tribunal for the Law of the Sea - which is seated in Hamburg, can deal with disputes concerning the interpretation and application of the Law of the Sea Convention. I know very well that the Law of the Sea Convention is a product of compromise so it is not very easy to interpret every provision, and we would like to serve as a useful organ for the peaceful settlement of disputes

### **Article 9**

And finally, I would like to refer to the hardware and legal infrastructure of security. I think between the United States and Japan, we have a lot of very good cooperation in hardware and technical exchanges in the field of defense. But we need, also, a legal framework. By this, I mean that we have to review the interpretation of Article 9 of the Japanese constitution. And I was asked by the former Prime Minister, Mr. Abe, to chair a group of experts to study this issue and we have been working on this. But unfortunately, Mr. Abe stepped down last year in September so our work has been slowed down, but I have not given up. And I hope to come up with a report sometime,

perhaps, after April or May. And so I cannot give you further details but I want to tell you that I have not given up. What I want to say is that even, for instance, if we have a good missile defense system, without the support of the legal system in Japan it will not be able to work efficiently. Thank you very much.

### **Climate Change**

**Campbell:** Thank you very much, Yanai-san. I think we have just time for one or two quick questions. Let me just add one thing to our list. We have a very full agenda here but I also think that there is one issue that we are going to need to address going forward. And this is one in which I would like to move the United States a little bit away from China and more towards Japan.

I think the United States and China have both been ignoring issues associated with climate change and, of course, the oceans play an enormous role in this. And I think one of the important and positive things about all of the candidates that are running for president that remain, both Democrat or Republican, is a more acute and astute recognition of how important this non-traditional set of issues that also impinge on our security will be for our future going forward.

A relatively quick question, please.

### **Questions and Answers**

**Questioner:** I'm also a former member of the House of Councilors and I have so many questions for Aso-san; nasty questions, his quick and accurate answers always used to get me into trouble.

## **Asia-Pacific Union**

My question is, I'm very interested to hear that somebody said that we should be very careful of competition between continental countries and oceanic countries in the case of, maybe, China. My idea is those countries should be combined together to create one single security alliance I call Asia-Pacific Union, APU, because we should create some kind of NATO-type collective security mechanism. For example, in the case of Japan it is very difficult to send the SDF abroad without a U.N. resolution. In other words, it is very difficult to just follow the U.S. request. So we should have some kind of a mechanism we could follow rather than only a U.N. resolution.

The other thing is when you talk about security, we should always focus on economic growth. I think we should have some kind of economic integration in the Pacific region. This kind of economic integration, also NATO-type, this kind of collective security mechanism. So Asian countries and Pacific Rim countries get together to create this kind of long-term vision. So if you have some answers, opinions, I'd welcome them.

**Campbell:** I think we can take one more question and we will open it up to the panel. Yes, sir, please.

**Questioner:** I was a member of parliament, but I lost my job in the last election. Anyway, Michael Green, you in a very sophisticated way mentioned the different dreams in the East China Sea. But, anyway, right after the Cold War ended in the beginning of the 1990's, most of the Japanese noticed that, in the medium-term, our strategic purposes are to stabilize the Taiwan Straits and stabilize the Korean

peninsula, especially in the case of the Korean peninsula, to avoid nuclear acquisition of the North Korea.

## **Military Balance**

However, another risk is coming up in the East China Sea as well, but this is closely related to how Japan and the U.S. can manage the military balance in the western Pacific. This is a very important problem we are sharing as allied nations. China is building up their naval forces to be a blue-water navy and has deployed their own fourth-generation sophisticated fighter jets along the coast and has also built up their submarines in these areas. And it seems to me, and to many ordinary people, that the military balance is changing in those areas. This is closely related to our own vital national interest in the East China Sea as well. How can Japan and the U.S. as allies cope with this sort of situation in the western Pacific from the point of view of how we can manage the military balance? This is my question to Michael Green. Thank you.

**Campbell:** Mike, do you want to take a minute?

**Green:** Well, as you all know, the Defense Department's annual report on China's military power came out this week and the announced growth rates of China also came out - 17.8% increase. And that has been the norm for about a decade. You contrast that against Japan which has had essentially a flat defense budget; Taiwan, which has essentially been flat; Korea, which has increased, maybe, 2%, I guess, depending on the year. So there is an imbalance coming in. And as the DOD report pointed out, the Chinese PLA is developing niche capabilities in cyberspace and outer space access denial.

I do not think this is a cause for panic; I think there are a lot of countervailing trends. For example, I would argue that, compared to ten years ago, when the PLA looks at the Taiwan problem, although Japan has no obligation to the defense of Taiwan, I think the U.S.-Japan alliance is solid enough that Chinese planners have to think again in a way they did not ten years ago. Not that Japan has any obligation or commitment to the defense of Taiwan, but if China is going to use air or naval power in that part of the Pacific region and it gets in Japan's sea lanes or in Japan's face, that is the kind of thing that Chinese planners have to think about because there is a much more capable U.S.-Japan alliance than there was ten years ago. So it is not a complete imbalance but I do think that with 300 advanced fourth-generation fighters, with surface-to-surface missiles and so forth, it is worth looking at. I noted that former Mayor Ma Ying-jeou of Taiwan gave a speech recently very much encouraging cross-straits engagement and very diplomatic, but he also said Taiwan needs F16s, so there is a recognition and you see it in Korea to some extent, too.

On this question of an Asia-Pacific Union, I mean the value systems -- the countries are so diverse it is going to be a very, very, very long-term dream. The reality is you have many, many different multilateral forms of cooperation and I think that alliances need to work together to prevent or to dissuade aggression and prevent instability. But at the same time, we can work in a much broader sense on transparency and cooperation. And in some niches we can work with multilateral groupings. So I do not think we are currently in danger of a maritime-continental divide. But I think we have to keep that danger in the back of our minds and find ways as we strengthen our

alliances to engage other parties, to be inclusive, to build a sense of common security, which is not entirely there in Asia today.

**Campbell:** Thank you, Mike. I think we are at the end of the formal part of our program today. I would like all of you to give an especially warm thank you to the speakers we have had before us this afternoon. I also want to particularly thank the Sasakawa Peace Foundation USA for wonderful preparations. Thank you all for coming.