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## **Japan-U.S. Cooperation on Ballistic Missile Defense: Issues and Prospects**

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# Japan-U.S. Cooperation on Theater Missile Defense: Issues and Prospects

## Summary

The issue of missile defense cooperation with Japan intersects with several issues of direct concern to Congress, ranging from support for developing a capability to protect U.S. regional forces, Asia-Pacific allies, and Taiwan, from Chinese short- and medium-range missiles, to countering a possible future threat to U.S. territory from long-range missiles developed by North Korea. Japan's current participation in the U.S. ballistic missile defense (BMD) program dates from August 1999, when the Japanese government agreed to conduct cooperative research on four components of the interceptor missile being developed for the then U.S. Navy Theater-Wide (NTW) anti-missile system—a sea-based “upper tier” (exo-atmospheric) capability against short- and medium-range missiles up to 3,500 kilometers.

In the spring of 2001, the Administration changed the context of the cooperative research effort when it reorganized and redirected the U.S. missile defense program to emphasize the employment of specific technologies across the entire spectrum of missile defense challenges, but especially to gain a limited, near-term capability to defeat missile attacks on U.S. territory by “rogue” states. The Pentagon redesignated the NTW program as the Sea-Based Midcourse System, with a goal of developing a capability for attacking missiles of all ranges in the initial or middle phases of their flight path. This change added to an already complex list of Japanese policy concerns, by putting Japan in the position of possibly cooperating in the development of technology that could become part of an American national missile defense capability – a step that many Japanese see as transgressing a constitutional ban on “collective defense.”

Thus far, the Administration's program change has not deterred Japan from cooperative research on missile defense, but the policy shift has unsettled Japanese leaders and created additional political obstacles to bilateral BMD cooperation. The new U.S. approach has been criticized in the Japanese press and the Diet (parliament), both because of the potential violation of the implied ban on “collective defense” contained in Article 9 of Japan's U.S.-imposed “Peace Constitution,” and also because the Bush initiative requires the United States to withdraw from the U.S.-Russian Anti-Ballistic Missile (ABM) treaty, which Tokyo has long regarded as an important element of strategic stability. An integrated U.S.-Japan BMD capability aimed at protecting third countries would raise the same constitutional issues.

Japan has not made a decision regarding the acquisition of a missile defense capability. Japanese policymakers and defense firms generally are enthusiastic about missile defense cooperation, but the political parties, the media, and the general public are split over the issue. Proponents view BMD cooperation as a means to counter a perceived North Korean missile threat, and perhaps a Chinese threat as well. Other Japanese are fearful of aggravating relations with China or triggering an Asian missile race. Even groups in Japan favoring BMD cooperation are concerned about the large costs associated with the still-unproven technology. The popular Koizumi administration seems inclined to finesse the constitutional issue, if possible. Japan's future stance will likely depend on regional developments and how the issue plays out in the currently unstable political environment.

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# Japan-U.S. Cooperation on Ballistic Missile Defense: Issues and Prospects

## Issue Overview

Japan's August 1999 agreement to engage in ballistic missile defense cooperation with the United States has the potential for contributing materially to the ability of the U.S. Navy to field an Asian regional defense against intermediate-range ballistic missiles, a goal that has long received strong support from Congress. Although Japan has committed to research and development (R&D) cooperation on four elements of a Navy interceptor missile, Tokyo has not made a decision to acquire a missile defense capability. It is even less clear how far Japan might be prepared to move in the direction of an integrated regional missile defense cooperation arrangement. The extent of Japan's future participation in missile defense will be governed by a number of considerations, including its threat perceptions, overall national defense strategy, regional relationships, constitutional constraints, domestic political impact, technical feasibility, and cost. The relative importance of these factors cannot be established with any precision – any one or combination of them could have a make or break effect on Japanese decisionmaking. To date, these considerations have had a mixed and sometimes contradictory effect on Japanese policy.

## Focus and Scope of This Report

This report documents and analyzes Japanese perspectives on ballistic missile defense and on participation in the U.S. missile defense R&D program, with particular attention to current trends in Japanese security thinking, major actors in the policymaking process, and political and constitutional constraints. It notes areas of convergence as well as issues on which American and Japanese perspectives tend to diverge. Finally, the report briefly addresses a number of policy considerations for Congress and the Bush Administration in light of ongoing uncertainties about Japan's participation. For broader background on U.S.-Japan relations and security cooperation, see Issue Brief IB97004, *Japan-U.S. Relations: Issues for Congress* (regularly updated).

## Congressional Support for An “Asian” Missile Defense Capability

Since the mid-1990s, Congress has supported the development of a missile defense capability to protect forward-deployed U.S. forces in the Asia-Pacific area, regional allies, and Taiwan from short- and medium-range missiles, a goal that requires some level of Japanese support—if only hosting U.S. missile defense forces. The 1991 Persian Gulf War highlighted the threat of short-range Scud ballistic missiles and the inadequacy of the Army's Patriot missile defense system to protect U.S. ground forces and facilities. Similar concerns have been expressed regarding

the U.S. Navy's current lack of a defense against both short- and intermediate-, or "theater"-range, ballistic missiles, and cruise missiles. Testimony by numerous defense and intelligence officials highlighted the growing threat posed by the development of intermediate-range ballistic missiles capable of carrying weapons of mass destruction (WMD) by anti-U.S. regimes ranging such as North Korea and Iraq.

**Congressional Reaction to China's 1996 Missile "Tests" in the Direction of Taiwan.** Following China's firing of ballistic missiles in the vicinity of Taiwan during a Taiwan Strait confrontation in early 1996, Congress acted to support the development and deployment of a missile defense system explicitly oriented towards Asia and the western Pacific. Section 1533 of the FY1999 National Defense Authorization Act (P.L. 105-261, signed into law on October 17, 1998) required the Secretary of Defense to "carry out a study of the architecture requirements for the establishment and operation of a theater ballistic missile defense system in the Asia-Pacific region that would have the capability to protect key regional allies of the United States," and to submit a report to Congress not later than January 1, 1999. The report was to describe any U.S. missile defense system either currently deployed or being developed "that could be transferred to key allies of the United States in the Asia-Pacific region to provide for their self-defense against limited ballistic missile attacks." It was to be submitted in both classified and unclassified versions. Congress clarified the term "key regional allies" in the conference report (H.Rept. 105-736), identifying these as Japan, South Korea, and Taiwan.<sup>1</sup>

The Department of Defense (DoD) delivered a 15-page unclassified version of the congressionally mandated Theater Missile Defense (TMD) report in May 1999. The report focused on five ballistic missile defense systems currently under development for U.S. forces, and described options for the defense of South Korea, Japan, and Taiwan against an attack by fewer than five missiles of under 3,500 km (2,170) range. The report assumed that the missiles would not employ special measures to evade destruction, such as the use of decoys or altered trajectories. The unclassified version of the DoD report addressed hypothetical architectures for each country's situation, but did not attempt to suggest or describe any region-wide system architecture, nor did it address the most challenging types of threats.<sup>2</sup>

**Changing Context of Congressional Support for Missile Defense in the 107<sup>th</sup> Congress.** Congress continued to show support for developing and deploying a "theater" level missile defense capability in 2001, but also for more ambitious development objectives that might allow TMD systems—especially the Navy's sea-based TMD capability to serve as a basis for an early national missile

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<sup>1</sup> For further background on this legislation and the subsequent Department of Defense report, see CRS Report RL30379, *Missile Defense Options for Japan, South Korea, and Taiwan: A Review of the Defense Department Report to Congress*, by Robert D. Shuey, Shirley A. Kan, and Mark Christofferson.

<sup>2</sup> *Ibid.*, p. 2-5; U.S. Department of Defense. *Report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region*, May 1999, 15 pp. (Unclassified Version.)

defense capability.<sup>3</sup> For instance, on March 28, 2001, Rep. Vitter introduced two related bills expressing strong support for an Asian missile defense capability but also for upgrading the planned speed of the Navy Theater-Wide (NTW) interceptor missile to give it the ability to intercept North Korea's Taepo Dong I missile and Iran's Shahab 5 missile, and requiring the Department of Defense to conduct at least one test against an incoming missile with the flight characteristics, including velocity, of the Taepo Dong I.<sup>4</sup> Rep. Vitter also introduced a companion bill, the Defense Against Regional Threats Act of 2001, Sec. 2 of which would make it U.S. policy "to provide for deployment as soon as is technically possible of effective missile defense systems capable of defending Israel, Japan, the Republic of Korea, Taiwan, and all member nations of the North Atlantic Treaty Organization against ballistic missile attack." Sec. 3 of the bill would make it U.S. policy "to seek continued negotiated burdensharing agreements with the nations specified in section 2 to share the costs of development and deployment of ballistic missile defense systems."

Both H.R. 1282/1283 appeared to reflect impatience on the part of a number of Members of Congress at the determination of the Clinton Administration to avoid testing or deploying missile defense systems that would violate the ABM treaty. Although neither bill went beyond referral to the Armed Services Committee, the proposed legislation implicitly supported the decision of the Bush Administration to radically revamp the U.S. BMD program, with the goal of applying various ABM technologies across a range of missions, including the early deployment of a capability to defend U.S. territory against limited attacks by intercontinental-range ballistic missiles that might be launched by "rogue" states.

## **BMD, NMD, and TMD – What is the Difference?**

The United States military uses the term Ballistic Missile Defense (BMD) as a generic designation for systems designed to defend against ballistic missiles of whatever range—from short-range "Scud" type missiles to intercontinental ballistic missiles (ICBMs). Thus, both TMD and National Missile Defense (NMD) systems are BMD systems. TMD systems are intended to be deployed in a military theater of operations to defend against short-range and theater-range (up to 3,500 km) ballistic missiles; NMD systems are intended to defend U.S. national territory against continent-spanning missiles, i.e., ICBMs. Currently, both the U.S. Army and the U.S. Navy are developing anti-missile systems for theater-wide defense, but the U.S. Defense Department has chosen the former Navy Theater Wide (NTW) anti-ballistic missile system, now designated Sea-Based Midcourse Defense (SMD), as the most appropriate system for an "Asian" TMD.

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<sup>3</sup> In February 2001, the House passed a resolution honoring the "ultimate sacrifice" of 28 American service personnel killed in a February 25, 1991, Iraqi Scud missile attack on a U.S. military warehouse in Dhahran, Saudi Arabia. The resolution noted that in the intervening years neither the United States nor its allies had "fielded advanced theater missile defenses," and resolved "to support appropriate and effective theater missile defense programs to help prevent attacks on forward deployed United States forces from occurring again." A nearly identical resolution, S. 19 (Santorum) was introduced in the Senate and referred to the Committee on Armed Services on Feb. 28, 2001, but did not receive further action.

<sup>4</sup> H.R. 1282, the Realistic Tests for Realistic Threats National Security Act of 2001.

## Recent Bush Administration Policy Changes Related to U.S. NMD and TMD Programs

In a series of policy statements beginning with a speech by the President at the National Defense University on May 1, 2001, the Bush Administration indicated an intention to enlarge and redirect current BMD programs in a way that tends to erase the clear distinction between TMD and NMD. The reasoning behind this decision appears to be at least two-fold. First, the relevant technologies are applicable across the whole range of BMD threats. Second, and relatedly, certain programs currently in development for lower tier threats are deemed to have the potential, if suitably enhanced, of serving as a stop-gap, near-term NMD capability in the absence of a full-scope NMD system.

This reasoning applies particularly to the former Navy Theater Wide (NTW) program, which has been the focus of U.S.-Japan TMD cooperation. One possible sea-based option would build upon the technologies being developed in the former NTW program to develop a system that could be deployed on the Navy's Aegis cruisers stationed off the U.S. Pacific coast, with the mission of intercepting ICBMs in mid-course, outside the atmosphere. Another concept is to deploy a sea-based system in the Sea of Japan with a capability to intercept North Korean intercontinental missiles in their ascent, or "boost" phase, when they are most vulnerable.<sup>5</sup> A more technologically ambitious concept under active consideration involves deploying aircraft with laser systems capable of destroying missiles in their boost phase.

This report discusses and analyses the Administration's approach to missile defense and its implications for U.S.-Japan cooperation on missile defense, but the report's point of departure is the traditional delineation of types of anti-missile systems based on the characteristics of the specific ballistic missile threats that they seek to counter. In other words, the main ballistic missile threat to U.S. forward-deployed forces in the Asia-Pacific region, and to Japan, South Korea, and Taiwan, is from short- and medium-range, or "theater" range ballistic missiles.

### Continuing Technological Distinctions

Another reason not to lose sight of the NMD/TMD distinction is that from a technological perspective, the challenges involved in attacking ICBMs and theater-range missiles remain markedly different. Even though some of the technology being developed in the NTW program would be relevant to the defense against strategic missiles, the design characteristics for Standard SM-3 interceptor missile being developed for the NTW are deficient in speed and range for the task of intercepting an ICBM. This is especially the case if the interceptor missile is launched from a position that requires it to chase down an ICBM from behind.<sup>6</sup> Hence, if the United

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<sup>5</sup> Steven Lee Myers and James Glanz, Taking a Look at the Workings of a Missile Shield. *New York Times*, May 3, 2001: A10.

<sup>6</sup> By way of comparison, the standard trajectory apogee of a medium-range ballistic missile with a target range of about 1,000 kilometers is about 300 kilometers, somewhat higher than the orbit of a Space Shuttle flight, while an ICBM traveling 10,000 miles to target reaches an altitude of about 1,000 kilometers. An ICBM warhead also reenters the atmosphere at a much



States decides to deploy a sea-based system to protect the United States against ICBMs in their mid-course or terminal phase, it may have to develop a more capable interceptor missile than is currently being developed to defend U.S. ships, bases, and port facilities against short-and medium-range ballistic missiles. In addition to having a higher velocity and longer range, the job of intercepting and destroying an ICBM may require a different kinetic kill vehicle (KKV) – the cannister-shaped projectile that smashes into the missile warhead. It also may need an upgraded sensor.

How challenging this requirement would be is a matter of some dispute. Critics of the Clinton Administration's approach to TMD argued that the designed velocity of the interceptor missile had been artificially kept below 5 km/second in order to comply with 1972 Anti-Ballistic Missile (ABM) Treaty with the former Soviet Union. They asserted that with relatively minor technical changes the planned velocity of interceptor missile could and should be upgraded to better deal both with medium-range missile threats as well as ICBMs.<sup>7</sup> Others, including some supporters of an early national or global defense capability based on the NTW/SMD technology, are convinced that intercepting an ICBM will require a larger and faster missile than can be achieved by upgrading the Navy's Standard missile.<sup>8</sup>

As for other proposed "contingency" BMD systems aimed at defending U.S. territory against strategic missiles, the relevance of the current technology cooperation between the United States and Japan is unclear. Some analysts argue that in theory, attacking missiles close to the point of launch – as in the proposed boost-phase interceptor – would require different sensors than those being designed for the SMD. In action on the FY2002 defense authorization bill, both the House and Senate Armed Services Committees reduced the Defense Department's request for boost-phase interceptor testing on grounds that the concept design had not been completed. The Senate Report noted that "Boost-phase technology is extremely challenging ...."<sup>9</sup> Reportedly, the Department of Defense plans to seek Japanese cooperation on a Sea-based boost-phase interceptor in order to gain access to Japanese sensor and early detection technology,<sup>10</sup> but such intention is not mentioned in the FY2003 Budget Justification of the Missile Defense Agency that was released at the end of February 2002.<sup>11</sup>

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higher speed. Okazaki Institute, *Introduction to BMB: Does Ballistic Missile Defense Make Sense for Japan?* Tokyo, 2001. P. 13-15.

<sup>7</sup> Baker Spring, *Maintaining Momentum for Missile Defense*. The Heritage Foundation, Backgrounder, No. 1288, June 1, 1999.

<sup>8</sup> Henry F. Cooper and J. D. Williams, The Earliest Deployment Option – Sea-Based Defenses. [Guest Perspective] *Inside Missile Defense*, Sept. 6, 2000. Internet version available at [[http://www.highfrontier.org/earliest\\_deployment\\_090600.html](http://www.highfrontier.org/earliest_deployment_090600.html)]

<sup>9</sup> H.Rept. 107-194 on the FY2002 Department of Defense Authorization bill (H.R. 2586), dated Sept. 4, 2001, and S.Rept. 107-62 on S. 1416 (succeeded by S. 1438), Sept. 12, 2001.

<sup>10</sup> Pentagon Will Ask Japan to Work on Boost-Phase Missile Interceptors, *The Daily Japan Digest*, Jan. 17, 2002: 2.

<sup>11</sup> Department of Defense, Missile Defense Agency, *Fiscal Year (FY) 2003 Budget Estimates*, February 2002.

## Cancellation of the Navy's "Lower-Tier" Missile Defense Program

Until the end of 2001, the U.S. Navy had been developing two missile defense systems for shipboard deployment. Both were intended to defend against short- and medium-range ballistic missiles, but at different points in their flight path. The Navy Area Defense (NAD) system, was to be the Navy's "lower tier" BMD program, providing local-area defense against ballistic missiles by intercepting them within the atmosphere. The NAD was roughly analogous to the Army's Patriot-3 (PAC-3), also a lower tier system to protect military forces against high value targets from short- and medium-range ballistic missiles, such as the ubiquitous Scuds and their variants. The NAD was cancelled by the Pentagon in December 2001 because of poor performance of components and related unit cost increased which exceeded limits established by Congress. The Defense Department declined to use its authority to certify the program for continued funding.<sup>12</sup> Cancellation of the NAD leaves the Navy, for the moment, anyway, without any program under development to provide "lower tier" defense against ballistic missiles, and none against cruise missiles.<sup>13</sup>

The second Navy missile defense program, now called Sea-Based Midcourse Defense (SMD), which has been the object of U.S.-Japan cooperation, remains intact and may be accelerated. There are, however, several uncertainties about the future of this system. One is technological. The basic building block of the SMD is the same Standard Missile that was to be employed by the NAD, but with much higher performance characteristics than the cancelled lower tier system. Also, the former NTW had been described as "the least mature" of the various systems under development by the Pentagon by one expert.<sup>14</sup> Another uncertainty arises from the determination of the Pentagon's Ballistic Missile Defense Office (BMDO) – redesignated the Missile Defense Agency (MDA) in January 2002, to acquire an early sea-based NMD capability, and the eagerness of the Navy to provide the platform for an NMD capability. These changes raise some questions about organizational lines of control between the MDA and the Navy, and mission priorities.

Navy plans had called for the NTW system to enter service around FY2010. As of February 2002, the Pentagon anticipates that the Sea-Based Midcourse System could achieve initial capability for short- and intermediate-range sea-based missile defense by about 2006, with an ICBM capability to come several years later.<sup>15</sup> In the

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<sup>12</sup> For details see the section on the NAD cancellation authored by Ronald O'Rourke in CRS Report RL31111, *Missile Defense: The Current Debate*, coordinated by Steven A. Hildreth and Amy F. Woolf. See also U.S. Department of State, International Information Programs, Defense Department Cancels Navy Area Missile Defense Program, News Release, Dec. 14, 2001.

<sup>13</sup> James Dao, Navy Missile Defense Plan is Canceled by the Pentagon. *New York Times*, Dec. 16, 2001: 34.

<sup>14</sup> Dean A. Wilkening, Ballistic-Missile Defense and Strategic Stability, International Institute of Strategic Studies, Adelphi Paper 334, p. 47.

<sup>15</sup> Testimony of Lt. Gen. Ronald T. Kadish, USAF, Director, Ballistic Missile Defense Organization (BMDO) (now the Missile Defense Agency), on The Ballistic Missile Defense Program, Amended FY 2002 Budget, Before the Senate Armed Services Committee, July 12,

past, these estimates have been subject to considerable change, depending on test results and other factors.

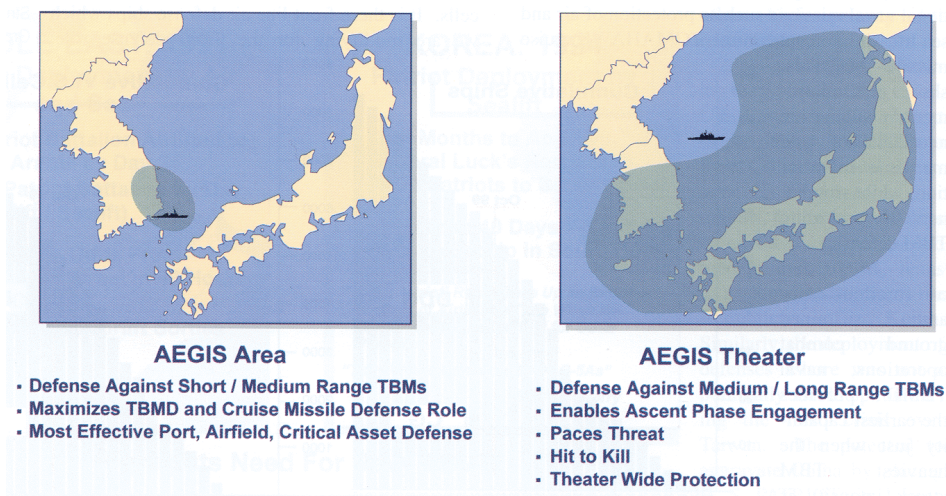
The program called Sea-Based Midcourse Defense (SMD) is designed to achieve a capability to intercept short- and medium ballistic missiles in mid-course or in their early terminal phase, and to defend a much larger geographic area than the canceled NAD. The SMD is designed to intercept enemy missiles at altitudes above the atmosphere (i.e., exo-atmospheric intercept) and destroy them with a hit-to-kill kinetic kill vehicle (KKV) called the Lightweight Exo-Atmospheric Projectile (LEAP).

Intercepting a ballistic missile in midcourse, i.e. above the atmosphere, requires different technology than intercepting a missile in its terminal phase, when it has reentered the atmosphere. A missile within the atmosphere follows a flight path that is affected by air pressure on its reentry vehicle (nose cone with warhead), whereas a missile in mid-course—above the atmosphere—follows a more predictable ballistic trajectory.

**Figure 1** shows the different areas of coverage that would be provided by the now-cancelled NAD system—or any replacement terminal missile defense system, and the Sea-Based Midcourse Defense system. If the latter achieves its design objectives, an appropriately positioned Aegis-equipped ship deploying the SMD could – for instance – shield most of Japan from an attack by a North Korean missile.

**Figure 1. Comparison of Coverage of Former Naval Area Defense (NAD) and AEGIS Theater Ballistic Missile Defense (Formerly Designated Navy Theater Wide (NTW) and Now Designated Sea-Based Midcourse Defense (SMD))**

(Source: Department of the Navy)



## Evolution of Japanese Interest in Ballistic Missile Defense Cooperation

Japanese interest in U.S. missile defense programs dates from the mid-1980s, when the Department of Defense solicited participation by allied countries in the Reagan Administration's Strategic Defense Initiative (SDI), partly in order to bolster congressional support for the program. Japan declined to participate but did partly relax its post-World War II arms export ban to open the way for sharing military and dual use technology with the United States. Subsequently, Japan shared technology with the United States for several weapons systems, including portable surface-air missile (SAM) systems, naval ship construction, a ducted rocket engine, and the controversial FS-X, next-generation fighter program.

The FS-X collaboration, which involved transfer of technology used in the USAF's F-16 fighter, produced by what was then General Dynamics, proved a searing experience for the Japanese. It is widely accepted among students of US-Japan alliance relations that the Japanese government, backed by domestic industry and influential Diet Members, strongly preferred to develop an indigenous fighter aircraft to replace its ageing fleet of F-1 fighters, but decided reluctantly that the maintenance of smooth alliance relations required yielding to pressure from the Reagan Administration for co-development. Among other considerations for the Nakasone government in Tokyo, the Reagan Administration had imposed stiff sanctions on semiconductor imports as a result of Japan's failure to meet the terms of a trade agreement, and Members of Congress were strongly criticizing Japan and the Toshiba Corporation for the sale of some sensitive U.S. metal milling technology to the then-Soviet Union.<sup>16</sup>

Japan had barely signed the Memorandum of Understanding on the FS-X co-production deal when it was whipsawed by a high profile U.S. policy debate involving industry and labor interests, Members of Congress, the U.S. Commerce Department, and others, over the wisdom of technology cooperation with the United States' main high tech competitor. Opponents of the FS-X cooperation deal were concerned that Japan might use U.S.-supplied technology to erode the U.S. lead in aerospace production, one of the few areas of U.S. high technology dominance that had not been conquered by Japanese industry. In early February 1989 the newly inaugurated George H. W. Bush administration yielded to these pressures and initiated a policy review that eventually required Japan to renegotiate the terms of technology transfer in the co-development project.<sup>17</sup> The product of the latter

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<sup>16</sup> Neil Renwick, *Japan's Alliance Politics and Defence Production* (St. Martin's, 1995): 99-103.

<sup>17</sup> Japan Defense Agency, *Defense of Japan, 1993*, p. 73-74. In late November 1988, the United States and Japan had agreed to terms of technology transfer and work sharing on a new aircraft to be designed using the basic airframe of the U.S. F-16 fighter, built by General Dynamics. Following objections from the Commerce Department and Members of Congress that the agreement might help Japan erode U.S. civil aerospace leadership, the first Bush Administration conducted an interagency review and then negotiated "clarifications" from the Japanese aimed at protecting U.S. industrial base and commercial interests. An effort by Congress to kill the project failed narrowly, when the Senate upheld a presidential veto of the

collaboration has entered service with the Japanese Air Self-Defense Force as the F-2 Fighter, after long delays and huge cost overruns.

## **Negative Effect of the FS-X Joint Development Program**

The FS-X collaboration proved highly frustrating both to Japan and to the Department of Defense and U.S. defense contractors because technology transfer issues had become entangled in the political reaction to the large U.S.-Japan trade deficit. Whatever the merits of the objections of U.S. critics, the experience created an aversion in Japan to joint development and production agreements with the United States, and bolstered the case of proponents of national self-sufficiency in defense production. The frustrating FS-X experience, as will be seen, could play a significant role in future Japanese decisionmaking regarding the acquisition of a BMD capability.

## **Japanese Participation in the WestPac Study**

In 1990, notwithstanding Japan's dissatisfaction with cooperation on development of the FS-X fighter, Japanese and U.S. industries initiated a major missile defense system study under the SDI initiative entitled Western Pacific Basin Architecture Study (WestPac). The Japanese government kept its role to the minimum in this four-year study to avoid sensitive political issues such as the weaponization of space and nuclear weapons related research associated with the so-called "Star Wars" program of the Reagan Administration. Additionally, some sources say that the Japanese government was wary of U.S. interest in Japanese technology, and concerned that the United States might try to pressure Japan to purchase a missile defense capability "off the shelf" as a means of partially redressing the large U.S.-Japan trade deficit.<sup>18</sup> Subsequent to the completion of the WestPac study in October 1994, the United States and Japan embarked on a "Bilateral Study on BMD" to better understand the ballistic missile threat to Japan and to study alternative architectures for a Japanese missile defense system. A BMD Study Office was established within the Japan Defense Agency (JDA), and Japan's activities and R&D spending, while modest by U.S. standards, began to increase steadily.

## **Growing Japanese Concerns About Proliferation of Ballistic Missiles in Asia**

One factor influencing Japan to participate in the WestPac Study was growing concern about China's medium range CSS-2 and CSS-5 medium-range ballistic missiles.<sup>19</sup> North Korea's expanding missile capabilities also long have been a concern to Tokyo. Even before it introduced ballistic missiles with on-board guidance systems

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relevant legislation (S.J.Res. 113), by one vote. CRS Report 90-309, *Japanese FSX Fighter Controversy*, by Richard Grimmert; and GAO, U.S.-Japan Codevelopment: Update of the FS-X Program. GAO/NSIAD-92-165, June 1992.

<sup>18</sup> Patrick M. O'Donogue, *Theater Missile Defense in Japan: Implications for the U.S.-China-Japan Strategic Relationship*. Strategic Studies Institute, Army War College (Carlisle, PA), Sept. 2000: 5.

<sup>19</sup> For more information see CRS Report 97-391, *China: Ballistic and Cruise Missiles*, by Shirley Kan.

in the early 1990s, Pyongyang test-fired Scud-B missiles with ranges of 250 km to 300 km in the Sea of Japan. Concern about North Korea's missile capability grew significantly with the test firing of North Korea's No-Dong 1 missile in May 1994. The No-Dong 1 was a new and more threatening ballistic missile with an estimated range of about 1,000 km – enough to threaten most of Japan, including major population areas and key U.S. and Japanese military bases.<sup>20</sup>

## **North Korea's Taepo Dong-1 Missile Launch – Its Impact upon Japan's TMD Policy**

Despite pre-existing missile threats, it was North Korea's test-firing of its Taepo Dong-1 ballistic missile in August 1998 that ignited public concern about the country's vulnerability to ballistic missile attacks. The solid-fuel three-stage missile launching illuminated Japan's vulnerability to North Korea's missile threat, as its third stage flew over Japan and landed in the Pacific Ocean. Japan's 1999 Defense White Paper dedicated separate sections to the Taepo Dong incident of 1998, and devoted five times more pages to North Korea's military affairs than previous white papers.<sup>21</sup> Subsequently, national sentiments against the missile launch and regional missile proliferation pushed the TMD issue to the center of a growing policy debate in Japanese society, where public discussions of military issues generally had been avoided since the end of the World War II.

In December 1998, about four months after North Korea launched a Taepo Dong-I ballistic missile that passed over Japanese territory, the Japanese government made an internal decision to engage with the United States in cooperative research and development of a ballistic missile defense system. Less than a year later, in August 1999, the U.S. and Japanese governments signed a memorandum of understanding (MOU) covering a five-year program of joint research and development on the then U.S. Navy Theater Wide (NTW) ballistic missile defense program, but Japan has made no decision about acquisition of a missile defense capability and current constitutional interpretations appear to rule out the integration of any such Japanese capability with that of the U.S. Navy.

## **Implications of the Bush Administration's Redirection of the U.S. Approach to Missile Defense on U.S.-Japan Cooperation**

The decision of the Bush Administration in the Summer of 2001 to eliminate the distinction between national missile defense and other BMD programs, and to redesignate the NTW project as the sea-based "mid-course" defense element of a seamless BMD capability, has created additional uncertainty in Japan about the benefits and constitutionality of participating in joint missile defense technology research. In particular, the Japanese government has serious qualms about the constitutionality of cooperating on the development of technology that effectively could become part of a system to defend U.S. territory from third countries. Japan's

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<sup>20</sup> See CRS Report RL30427, *Missile Survey: Ballistic and Cruise Missiles of Foreign Countries*, by Robert Shuey, p. 9-16.

<sup>21</sup> Agency Warns of N. Korea's Missile Program. *The Daily Yomiuri* in English, July 28, 1999: 1.

constitution established the right of collective self defense under international law, but disallows the exercise of that right. (See a fuller discussion of this issue below.)

To date these changes in the U.S. program have created consternation, but have not affected Tokyo's interest in cooperation. For the time being, Japanese officials have avoided addressing the collective defense issue arising out of the changed U.S. missile defense strategy and have concentrated on protecting Japan's option to acquire a BMD capability. Towards that end, Japan has continued to budget funds for BMD cooperation in line with an existing five year plan, and also committed funds to acquire the technology that could support a BMD capability on the two new Aegis destroyers that are under construction.<sup>22</sup>

## **Significance of Japanese Cooperation on BMD**

Japan inevitably will play a key role in the ability of the United States to deploy a BMD system in Asia, either to protect U.S. forces or to shield American allies and friends. The exact nature of Japan's role, however, is highly dependent on still unpredictable political and national security policy factors. Under different scenarios, Japan's role could greatly enhance the effectiveness of an American missile defense capability, passively support it, or, under certain circumstances, seek to impose restraints on U.S. options.

## **Geographical Centrality and Military Potential**

Japan is host to the U.S. 7<sup>th</sup> Fleet on whose AEGIS cruisers the U.S. Navy plans to deploy a sea-based BMD system. Because of its location, Japan's participation would be especially important if the United States were to seek to develop an integrated regional missile defense architecture, since a sea-based capability against medium-range missiles, if deployed in the Japanese Islands, could put a defensive umbrella over Japan, South Korea, and Taiwan. The Sea of Japan would be an ideal location for the deployment of a boost-phase intercept capability to guard against missile launches from North Korea, while a capability deployed in or near the southern Japanese Islands, such as the U.S. Navy Base at Sasebo, on Kyushu, would be well-positioned to intercept missiles launched from coastal China. In addition to its favorable geographic location, Japan's sophisticated communications infrastructure, and possession of Aegis-equipped vessels with the capability of sharing data with U.S. counterparts, make it a potentially valuable collaborator.

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<sup>22</sup> *Tokyo Shimbun*, August 17, 2001: 1; *Xinhua News Agency* (China) (from Japanese *Kyodo News*), Dec. 24, 2001.

**Figure 2. Japan and East Asia  
(Distances in 500 Km Increments)**



## Potential Technological Contribution

Japan's potential technological and financial contributions to the NTW program are less clear-cut. Department of Defense officials stress that Japan has technologies that could make an important contribution. Some non-governmental analysts with knowledge of the technologies involved tend to describe the potential Japanese contribution more in terms of technology risk reduction. Reportedly, as of early 2002, the Pentagon intends to seek expanded Japanese cooperation, including research and development work on a boost-phase interceptor. The Pentagon is said to be particularly interested in Japanese sensor and early detection technology, since different technology may be required for boost-phase intercept than the sensor technology employed in the Navy's upper-tier SMD system.<sup>23</sup>

## Financial Contribution

Japan's financial participation in the research and development phase is modest – only a fraction of U.S. spending on the SMD program – but Tokyo's financial contribution could be significant if it chooses to deploy a BMD capability by

<sup>23</sup> *The Daily Japan Digest*, January 17, 2002: 2.



purchasing U.S. missiles and other components. In the words of the U.S. Missile Defense Agency budget request to Congress for FY2003, “the project leverages the established and demonstrated industrial and engineering strengths of Japan and allows a significant degree of cost sharing.”<sup>24</sup> Japan’s financial contribution would be most important if it decided to purchase U.S. hardware, but less so if it only participates in the research and development phase or uses jointly developed technology to build its own missile defense system.

For fiscal year 2002, which begins April 1, 2002, the Japanese Diet has appropriated about 6.9 billion yen (\$53.1 million at ¥ 130/US \$1) for design and trial manufacturing activities. Because of changes in the trial manufacturing program and budgetary constraints, the Japanese Defense Agency (JDA) request was cut by ¥ 1.3, or about \$100,000.<sup>25</sup> U.S. Department of Defense spending specifically for the Japan/U.S. Cooperative BMD Research Project program element will total \$37.6 million in FY2002. For FY2003, the Defense Department has requested \$31.9 million for the same program element.<sup>26</sup>

## **Conflicting U.S. Perspectives on Missile Defense Cooperation with Japan**

Despite strong support for the program among officials concerned with alliance relations both in the Department of State and the Department of Defense, some in the Pentagon’s Missile Defense Administration (MDA) reportedly have opposed to research and development cooperation with Japan. Opposition in the MDA appears related to the comparatively small payoff that some expect from Japan as compared with the bureaucratic and other complications inherent in joint bilateral cooperation. The Bush Administration and its predecessors, and the U.S. Navy, on the other hand, have consistently viewed Japanese participation in the U.S. missile defense program as a potentially significant “alliance builder” and force capability enhancement. In response to the alleged lack of support for joint development in the then BMDO, Deputy Secretary of Defense Paul Wolfowitz reportedly issued a program budget decision (PDB) on December 9, 2001, directing the organization to continue the cooperative effort and include funding as a separate line item in the FY2003 budget.<sup>27</sup> (See more details in section on the status of the program, below.)

## **Current Status of BMD Cooperation**

The North Korean missile launch brought about a breakthrough in Japan’s consideration of the long-standing U.S. request for joint cooperation on BMD research and development. The Japanese Defense Agency already favored cooperation, but the effect of the Taepo Dong missile flying over the main island of

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<sup>24</sup> U.S. Department of Defense, *Missile Defense Agency, Fiscal Year (FY) 2003 Budget Estimates*. February 2002, p. xiii.

<sup>25</sup> E-mail from Japan Defense Agency official, March 5, 2002.

<sup>26</sup> DoD Missile Defense Agency Budget Presentation, February 2002.

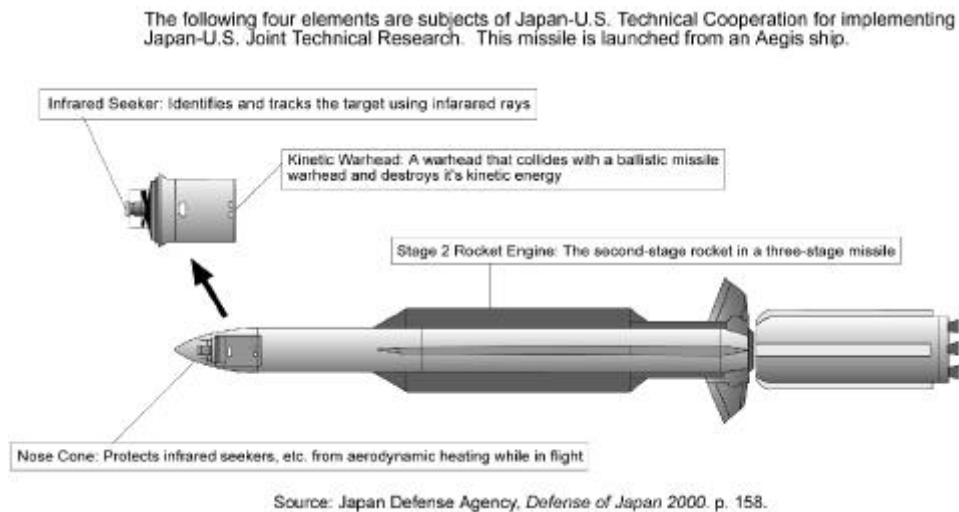
<sup>27</sup> OSD Keeps Alive Navy Theater-Wide, *Inside the Navy*, Dec. 17, 2001.

Honshu greatly raised the level of interest within the Japanese government and among the public.

## Agreement on the Joint Technology Research

In December 1998, the two governments agreed on the Naval Theater Wide (NTW) system concept as the architecture for which they would jointly conduct analysis, preliminary design, and certain risk reduction experiments.<sup>28</sup> The four components selected for joint research are: lightweight nose cone; stage-two rocket engine; advanced kinetic warhead; and two-color infrared sensor. These are consistent with the risk reduction initiatives that have been pursued by the U.S. Navy for its BMD systems. A substantial Japanese contribution is expected on sensors and advanced kinetic warheads. The NTW/SMD also is seen as a natural choice for the joint research, since Japan already possesses four Aegis-equipped destroyers that could be upgraded with a BMD capability.<sup>29</sup> In fact, the Japanese government has earmarked funds for two additional Aegis destroyers with enhanced electronics and radar systems in the next Mid-Term Defense Program covering fiscal years 2001-2005, with an eye towards acquiring a sea-based TMD capability.<sup>30</sup>

**Figure 3. Japanese Participation in NTW/Sea-Based Midcourse Interceptor Missile**



**Possible U.S. Request for Expanded Cooperation.** On June 4, 2001, the Japanese press reported that the United States had asked Japan for additional cooperation on BMD research and development related to interceptor ship-borne radar tracking technology. Reportedly the U.S. request was related to U.S. national missile defense, not just TMD. Because of the ban on collective self-defense and

<sup>28</sup> For details and sources, see Memo for Correspondents No. 134-M. The Department of Defense. August 16, 1999.

<sup>29</sup> Interview with U.S. government officials and an industry representative. July 2000.

<sup>30</sup> Government Eyes Introducing 2 Aegis Ships for TMD Shield. *Yomiuri Shimbun*, Dec. 9, 2000: 2.

budgetary constraints, Japanese officials were said to be “divided over how to respond” to the U.S. request.<sup>31</sup> As of March 2002, no concrete information about expanded BMD research and development has emerged in public sources. Accounts of the Bush-Koizumi summit meeting in mid-February suggest that the leaders discussed the issue of BMD cooperation, but only in general terms.

## Japanese Perspectives on TMD

Because of the implications for Japan’s relations with the United States and the People’s Republic of China, which opposes many aspects of U.S.-Japan defense cooperation, the issues of whether Japan will acquire a missile defense capability and the extent to which such capability would be integrated with that of the U.S. Navy, have assumed major national policy significance for Tokyo. Because of the stakes, Japanese views on the development and deployment of a TMD system vary widely, even within government and political circles. These differences appear deep enough to make the political uncertainties surrounding TMD cooperation as significant as the technological challenges.

### Japanese Government Perspectives

During the early years of joint U.S.-Japan initiatives on BMD, support within the Government of Japan (GOJ) was tentative and sporadic, with the strongest advocacy coming from within the Japan Defense Agency (JDA). However, the JDA position found increasing support after North Korea’s Taepo Dong launch. Some note that the Ministry of Foreign Affairs (MOFA) still offers only a reserved support, for it is concerned that Japan’s TMD deployment would negatively affect the future of Japan-China relations. The Ministry of Finance (MOF) traditionally has been especially reluctant to commit funds for a program with no reliable long-term cost estimate nor duration of the program,<sup>32</sup> but nonetheless agreed to a multi-year commitment once the program became a high priority to the Prime Minister and defense policymakers. The MOF has agreed in principle to allow expenditures anticipated in the current Five-year Defense Program Outline.<sup>33</sup>

### Constitutional Considerations and the Implications of the New U.S. BMD Policy

Blurring the lines between national and theater missile defense has added to the Government of Japan’s burden of selling TMD cooperation to a skeptical Japanese public, particularly with regard to public attitudes towards arms control and the constitution. Two aspects of the Bush Administration’s new BMD strategy could have significant implications for future Japanese missile defense cooperation.

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<sup>31</sup> Pentagon Asks Defense Agency to Expand Missile Defense Research. *The Daily Japan Digest*, June 4, 2001: 3.

<sup>32</sup> Interview with a senior Japanese official with responsibility for U.S.-Japan alliance relations, in Tokyo, September 1998.

<sup>33</sup> Conversation with Japan Defense Agency officials in Washington, DC, March 6, 2002.

**ABM Treaty.** One aspect is the fact that a sea-based system designed to attack ICBMs violates the 1972 ABM Treaty – a reality graphically acknowledged by the Bush Administration’s decision to exercise the U.S. right to withdraw from the treaty. Japan was not a party to the treaty but has regarded the agreement as a fundamental pillar of nuclear stability. The abandonment of the treaty by the United States troubled Japan, but – ironically – also removed one barrier to participation.

**Ban on Collective Defense.** Second, any use of Japanese technology for an American NMD system would violate both Japan’s post-World War II anti-nuclear policy, which forbids participation in U.S. nuclear strategy, and a long-standing legal interpretation that Article 9 of the Japanese constitution forbids participation in collective self-defense. Under this interpretation, formulated by the Cabinet Affairs Legal Office in 1981, it is acknowledged that Japan has such a right under international law, but cannot exercise it because the constitution provides that the exercise of the right of self-defense must be limited to the minimum level necessary to defend Japanese territory.

The U.S.-Japan Security Treaty is deemed constitutional under this interpretation because Japan’s responsibilities relate only to the defense of Japan itself. Japan is not obligated under the U.S.-Japan Defense Treaty to participate in the defense of the United States or U.S. forces, let alone participate in security cooperation involving third countries.<sup>34</sup> Thus, under present and foreseeable circumstances, only a system that is designed for the defense of *Japanese* territory and is not in violation of the ABM Treaty would appear to be able to pass political and constitutional muster.

Japanese officials, political leaders, and opinion makers have universally expressed concern about the new U.S. approach to missile defense. During a visit to Japan in early May 2001 to brief Japanese leaders on the Bush Administration’s new policy, Deputy Secretary of State Richard Armitage reportedly received an ambiguous response. Japanese leaders expressed their “understanding” of the U.S. position – a classic Japanese formulation for avoiding assent. Japanese officials appeared to agree with the view of Japanese defense analysts who complained that supporting the U.S. initiative would link Japan to U.S. global nuclear strategy in a way that was incompatible with Japan’s non-nuclear principles.<sup>35</sup>

For the time being, the Japanese government has indicated that the new Bush Administration strategy will not affect joint research and development activities on the NTW interceptor, and also that Japan’s stance may be more relaxed than originally suggested. In a May 9, 2001 press article, a senior official of the Japan Defense Agency (JDA) reportedly explained, “We can understand U.S. thinking about regarding NMD and TMD as a comprehensive package, but our position will not change: we will only carry on joint research on the TMD.” The same article expressed the Japanese government’s position that Japan could give no more than

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<sup>34</sup> See discussion of this issue in the annual Japanese Defense Agency white paper, *Defense of Japan 2000*, p. 63-64.

<sup>35</sup> Doug Struck, Asian Allies See Hazards Ahead. *Washington Post*, May 3, 2001: A16; Japan’s Response to U.S.’ NMD Concept Remains Unclear, *Asahi Shimbun*, May 9, 2001: 2.

“moral support” by expressing “understanding” of the U.S. NMD program, since it was for the purpose of defending the United States and not Japan.<sup>36</sup> The Director General of the Japan Defense Agency (JDA), told reporters on May 11 that “The United States has just completed producing a blueprint, and it is too early to assess it at this point.” Reportedly, however, a senior official of the JDA judged that regardless of the decision of the Bush Administration not to distinguish between NMD and TMD, it was a “fact” that there was “a clear difference in technologies between long- and short- range missiles.” In any event, the official said, Japan’s research cooperation would continue.<sup>37</sup>

## Political Parties<sup>38</sup>

The stance of Japan’s political parties on missile defense cooperation underscores the depth of feeling against missile defense cooperation, especially at present, when Koizumi’s Liberal Democratic Party (LDP) depends on two coalition allies to sustain its legislative program. Throughout most of the post-World War II era, the long-ruling LDP was the only political party in Japan that supported a strong military capability and the alliance with the United States. The party fractured in July 1993 and currently lacks a majority in the upper house of the Diet (parliament) and only a bare majority in the lower house. (See **Figure 4.**) The Koizumi-led LDP retains power by virtue of a coalition with the New Komeito and the tiny New Conservative Party, an LDP splinter group.

Several bi-election victories in October 2001 allowed the LDP to regain a majority in the 480-seat Lower House, but the party still lacks a majority in the Upper House, which is less powerful but still necessary to pass legislation. Consequently, it remains dependant on its two coalition partners to be assured that legislation will pass.

**Stance of the LDP and its Coalition Allies.** The missile defense issue is a sensitive one for the LDP-led coalition government. The LDP itself generally remains broadly supportive of the U.S.-Japan alliance, but an ideologically nationalist wing increasingly has expressed the desire for a more self-sufficient defense posture. The party’s mainstream factions appear to have become increasingly more conservative as a result of defections by centrist members and seat losses in urban areas, a development with mixed implications for U.S.-Japan alliance relations. Generally, the LDP works closely with officials in the Ministry of Foreign Affairs and the Japan Defense Agency, both of which are strongly pro-alliance, but its positions are constrained by the need to placate its New Komeito coalition ally, a small but a well-organized and disciplined party that is affiliated with the Buddhist *Soka Gakkai* (“Value Creation Society”) organization. The New Komeito generally supports the

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<sup>36</sup> *Asahi Shimbun*, May 9, 2001: 2.

<sup>37</sup> Defense Agency Eager to Fathom America’s True Intention Behind its Missile Defense System. *Yomiuri Shimbun*, May 16, 2001:15.

<sup>38</sup> For more detailed background on Japanese politics see CRS Issue Brief IB97004, *Japan-U.S. Relations: Issues for the 107<sup>th</sup> Congress*, coordinated by Richard P. Cronin. Updated regularly.

status quo on domestic social issues but traditionally has strongly opposed the expansion of the role of the Japanese military.

Both the tiny Conservative Party, which is currently part of the governing coalition, and the small Liberal Party, headed by a conservative former LDP leader, Ichiro Ozawa, support missile defense cooperation. Ozawa has progressively lost public and political support since he played a key role in splitting the LDP in 1993 and later splitting the successor non-LDP coalition, but his well-articulated defense and foreign policy positions command considerable respect. His position, which seems colored by his own political agenda, is that the line against collective defense should be addressed directly via constitutional change, rather than by a formal or de facto reinterpretation.

Beginning with the North Korean Taepo Dong launch in August 1998, and continuing since the September 11, 2001, terrorist attacks on the United States, a number of political parties have begun to re-examine their defense policy positions. Several have agreed on the necessity for some measures to strengthen alliance cooperation and Japan's own defense capabilities, but not necessarily to the extent of acquiring a BMD capability. The New Komeito, for instance, reportedly has acknowledged the possible deterrent value of BMD-related technology cooperation with the United States.<sup>39</sup>

**Ambiguous Stance of the Opposition Democratic Party.** The leading opposition party, the *Minshuto*, has kept its missile defense policy ambiguous. As it consists of both former members of the LDP and the Japan Socialist Party (JSP), the *Minshuto* is careful not to create an internal rift over the TMD issue. The attitude of the *Minshuto* could be the most uncertain factor in Japan's decision on the deployment of a missile defense system.

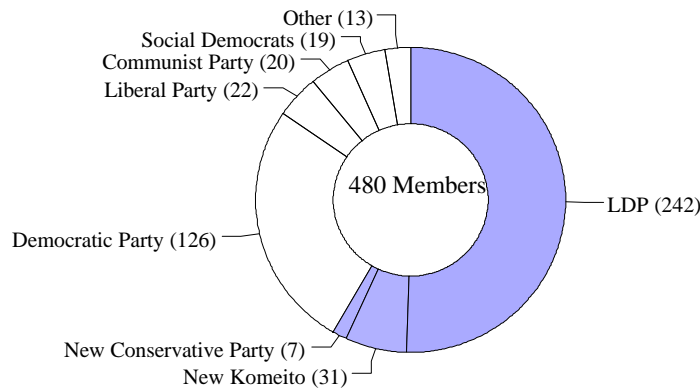
**Parties on the Left.** The strongest opponents of missile defense cooperation include the Japan Communist Party and the Japan Social Democratic Party (JSDP), formerly the Japan Socialist Party (JSP). Japan's major opposition party until the early 1990s, the Socialists have abandoned their past opposition to the alliance but still oppose the expansion of the role of the Self-Defense Forces. Despite their efforts to adjust to the post-Cold War era, the Socialists have steadily lost support and are now a marginal political force.

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<sup>39</sup> *Handbook for Defense 2000*. Tokyo, Asagumo Shimbunsha, 2000, p. 726.

**Figure 4****Lower House Composition**

Color Slice = Ruling Coalition Member



(Prepared by Mark Manyin, Foreign Affairs, Defense, and Trade Division, CRS)

## Japanese Industry

Despite some bitter experiences in defense technology cooperation with the United States, notably negative impact of cooperation on the FS-X fighter program noted above, Japanese defense industry appears generally enthusiastic about joint cooperation on missile defense. Apart from the goal of acquiring valuable technology, Japanese defense contractors are eager to find new business after more than a decade of little or no national economic growth.<sup>40</sup> Believing that Japan alone is unlikely to develop its own BMD systems, companies that engage in defense work reportedly see cooperation with the United States as a rare opportunity for large-scale contracts.<sup>41</sup> This applies especially to Japan's largest defense contractors, notably including Mitsubishi Heavy Industries, the primary BMD contractor, and electronics companies that produce related equipment such as Aegis radar components, satellites, and telecommunications gear.

Because of the FS-X experience, Japan's defense industry is expected to prefer license production or co-production to preserve its industrial base, and oppose off-the-shelf purchase from the United States. At one point some manufacturers of civilian, dual-use high technology reportedly were uneasy about cooperation on the BMD systems out of concern that such cooperation may harm their corporate image.<sup>42</sup> With the deepening of Japan's economic slump, however, and changing public attitudes towards defense issues, these concerns are not likely to deter industry participants.

<sup>40</sup> Interviews with U.S. government officials and others, July 2000.

<sup>41</sup> Interview with U.S. industry representative, July 2000.

<sup>42</sup> Challenges for the Japanese Defense Industry, by Yutaka Hineno. Published by Japanese *Keidanren* (an association of industries), November 1, 1994.

## Media/Public Opinion

Since the Taepo Dong launch, the Japanese media have shown unprecedented interest in covering BMD-related issues. The *Yomiuri Shimbun*, a daily paper with the largest circulation, and *Sankei Shimbun*, and the *Nihon Keizai Shimbun* are three major newspapers that traditionally support the country's military programs. Their positions on BMD are no exception.

In the aftermath of North Korea's Taepo Dong launch, the *Yomiuri* editorially urged the governments of Japan and the United States to expedite their cooperation on BMD research and development.<sup>43</sup> More recently, following ambiguous indications that North Korea might be prepared to give up its missile development program, the *Yomiuri* editorialized that North Korea's existing shorter-range Nodong missiles also were a problem that Japan had to deal with, even if some countries objected to Japan's acquisition of a missile defense capability.<sup>44</sup> The *Sankei* has advocated Japan's timely participation in the BMD deployment to deter missile attacks and provide the public with a greater sense of security.<sup>45</sup>

On the opposition side is *Asahi Shimbun*, another major daily newspaper in Japan with a more "liberal" stance and more critical view of government actions and policies than most of the major newspapers. *Asahi* has repeatedly warned that participating in the U.S. BMD program would greatly strain Japan's relationships with China and Russia.<sup>46</sup>

Media support for missile defense appeared to soften somewhat following President Bush's May 1, 2001, speech outlining the Administration's more comprehensive concept of national missile defense. Predictably, the *Asahi* pointedly underscored the discomfort of Japanese officials about blurring the distinctions between BMD and NMD by the United States, and editorialized that Japan should clearly reject the U.S. missile defense proposal.<sup>47</sup> Even the generally conservative *Yomiuri* indicated a more cautious stance, noting the costs and technological challenges of the joint BMD project, and calling on the Japanese government to seek additional information from the United States about its revised approach to missile defense.<sup>48</sup> Going against this trend, the *Nihon Keizai Shimbun*, Japan's counterpart to the *Wall Street Journal*, noted various objections to acquiring a BMD capability

<sup>43</sup> Editorial—North Korean Threat Must Be Contained. *The Daily Yomiuri* in English, February 5, 1999: 6.

<sup>44</sup> Editorial—N. Korean Missile Vow Questionable. *Yomiuri Shimbun*, July 21, 2000.

<sup>45</sup> Editorial—Beware and Prepare For Threat on Korean Peninsula. *Sankei Shimbun*, February 5, 1999.

<sup>46</sup> Theater Missile Defense Adds to Regional Tension. *Asahi News Service* in English, May 21, 1999.

<sup>47</sup> Japan's Response to U.S.' NMD Concept Remains Unclear, *Asahi Shimbun*, May 9, 2001, p. 2; *ibid.*, Editorial—Japan Should Clearly Reject U.S. Missile Defense Proposal, *Asahi Shimbun*, May 10, 2001.

<sup>48</sup> Defense Agency Eager to Fathom America's True Intention Behind its Missile Defense, *Yomiuri Shimbun*, May 16, 2001, p. 15.



but concluded that on balance “missile defense will help promote nuclear disarmament.” The *Nihon Keizai Shimbun* noted the Bush Administration’s announcement that it would unilaterally make reductions in the U.S. nuclear arsenal, and also argued that missile defense, if effective, would “potentially make the possession of nuclear weapons meaningless.”<sup>49</sup>

Acute concern about a growing missile threat to Japan has been increasingly evident among the Japanese public. A January 2000 poll by the Office of Prime Minister indicated high levels of concern about the situation on the Korean Peninsula (56.7%) and arms control regarding weapons of mass destruction and missiles (35.2%).<sup>50</sup> Nevertheless, there seems to be a persistent lack of consensus on the desirability of cooperation with the U.S. on BMD development. A poll by the United States Information Agency, published in November 1998, and taken shortly after North Korea’s Taepo Dong launch, showed that only 43% of the respondents supported cooperating with the United States in the development of a ballistic missile defense system, while 32% opposed to it.<sup>51</sup> Subsequently, when a similar question was posed in May 2000, 41% of the respondents favored cooperating with the U.S. on BMD development, 46% opposed, and 14% answered “I don’t know.”<sup>52</sup> Among other objections, many Japanese citizens have indicated apprehension about both the substantive and symbolic implications of the deployment of a BMD in terms of the role and status of Japan’s Self-Defense Forces.

## Key National Interest Considerations of Japanese Policymakers

The extent of future cooperation with the United States on BMD is one of the most important foreign and security policy decisions facing Japanese policymakers. In addition to being important to the future of the U.S.-Japan alliance, cooperative research and the deployment of a BMD system would have major ramifications for Japanese security and its relations with China and other Asian neighbors, as well as with Russia.

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<sup>49</sup> Missile Defense Reduces Nuclear Arsenals, *Nihon Keizai Shimbun*, May 21, 2001, p. 2.

<sup>50</sup> The two issues were the top concerns when a similar question was posed in 1997. But the number of those concerned about the Korean Peninsula increased by 10%, and those concerned about arms control by about 7%. The survey presented ten issues and asked respondents to choose three of them. (*Opinion Polls on Issues concerning the Self-Defense Force and National Defense*, in Japanese. Office of Prime Minister, February 1997 and January 2000.)

<sup>51</sup> USIA, Office of Research and Media Reaction, Briefing Paper: Japanese Public Opinion on Economic Issues, North Korea. November 16, 1998, p. 2. (Cited in CRS Report RL30256, *Japan’s Changing Security Outlook: Implications for U.S.-Japan Defense Cooperation*, by Richard P. Cronin.)

<sup>52</sup> Japanese Public Sees U.S. Ties in Good Shape. *Opinion Brief*. Office of Research, U.S. Department of State. June 7, 2000.

## U.S.-Japan Alliance Considerations

The Japanese Government appears to place alliance considerations high on the list of reasons for taking a positive stance towards missile defense cooperation with the United States. Some U.S. analysts portray missile defense cooperation as “a solid alliance-builder” with Japan,” albeit only if “properly carried out.”<sup>53</sup> Whether Japanese officials fully share this view is uncertain, but clearly the goal of strengthening the alliance has been a significant factor in their decision to press ahead with the program despite public criticisms that have been leveled at the Bush Administration’s revised missile defense policy. Joint development also has been seen as an opportunity for Japan to favorably respond to some congressional demands for greater responsibility in burden-sharing by Tokyo.

## Conflicting Concerns About China

Although normally unspoken in public, the potential ballistic missile threat from China appears to be both a fundamental reason for Japan’s desire to acquire a BMD capability and the main source of its cautious approach to the participation in the U.S. plan. Some believe that possession of a BMD capability could devalue the role of theater ballistic missiles in regional conflict and counter or even deter the further development and modernization of Chinese missiles.

Others in Japan have registered concerns that the BMD program may destabilize the Mainland’s relations with Taiwan, as well as Japan, and trigger a regional arms race. China has been adamantly opposed to the inclusion of Taiwan in the area covered by U.S.-Japan Defense Cooperation Guidelines and the BMD. Should the Bush Administration make progress in restraining North Korea’s ballistic missile program, the Chinese missile threat will stand out as the most obvious motive for Japanese cooperation on the development of a BMD system – a fact that could induce new strains in Sino-Japanese relations. Thus far, however, although North Korea has agreed to suspend tests of its long-range Taepo Dong missiles, Pyongyang has failed to respond to Bush Administration statements of intent to hold unconditional discussions on missile and other issues. Also, since the September 11 attacks, China has tended to downplay its opposition to the U.S. missile defense program in the interests of putting U.S.-China relations on a more cooperative footing. The relaxation of tensions in U.S.-China relations has had the effect of also taking some of the edge off Sino-Japanese relations.

## Other Foreign Policy Considerations

Strains in Japan’s relations with China are just part of a wider problem of reassuring Asian neighbors about Japan’s intentions. Regional reaction was muted towards Japan’s decision to send ships to the Indian Ocean to provide logistical support to U.S. forces participating in the anti-terrorist campaign in Afghanistan, but Japan has not succeeded in putting to rest regional concern that it aspires to play a

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<sup>53</sup> Paul Mann, Theater Defense Endorsed for Asia-Pacific Region. *Aviation Week and Space Technology*, July 24, 2000: 50-52.

larger military role. Much of this concern stems from Japan's failure to overcome lingering resentment of its colonial role and aggression in World War II.

**Continued Friction in Japan-South Korea Relations.** Japan seemed to make a breakthrough in its relations with South Korea in October 1998, during an October 1998 visit to Tokyo by South Korean President Kim Dae Jung, when the late Prime Minister Keizo Obuchi's gave Japan's first written apology for its past aggression. Since that time, however, a number of incidents have kept Japan-South Korean relations on edge, including a visit to the Yasukuni War Memorial by Prime Minister Junichiro Koizumi in August 2002.

As a beneficiary of U.S. presence in the region, South Korea may eventually condone the introduction of a U.S.-Japan BMD capability that would shield U.S. bases in Japan against a North Korean missile threat. To date, however, South Korean leaders and media commentators have continued to express suspicion of Japan's interest in missile defense.

South Korea's own preferred response to North Korea's ballistic missile capability has been to develop missiles capable of attacking North Korean missile sites, rather than supporting the deployment of a BMD system. Since 1979, this strategy has been constrained by a commitment to the United States that South Korea would not deploy missiles of more than 180 kilometers (112 miles) range – enough to attack North Korean targets near the Demilitarized Zone (DMZ) but not enough to reach Pyongyang. In mid-2000, however, reportedly after five years of negotiations, the Clinton Administration agreed to allow South Korea to develop missiles with ranges up to 300 kilometers (186 miles) and corresponding payloads of up to 500 kilograms. The U.S. State Department formally announced the policy change in mid-January 2001.<sup>54</sup> Reportedly the United States also agreed that South Korea could conduct research on missiles with up to 500 kilometers range.<sup>55</sup>

Thus far, South Korea appears not to have acted on the agreement because of President Kim Dae Jung's "Sunshine" policy that seeks North-South engagement<sup>56</sup> Nonetheless, because of continuing criticism of Japan by both North and South Korea, and the aspirations of Koreans for reunification, the apparent desire of Seoul to develop an offensive ballistic missile capability is another source of Japanese uneasiness.

**Concerns about Perceptions of Japan's Southeast Asian Neighbors.** Japan is also aware of negative ramifications that deployment of a BMD system could have on its diplomatic profile in Asia, especially among its Association of Southeast Asian Nations (ASEAN) neighbors. As past victims of

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<sup>54</sup> U.S. Department of State, New Republic of Korea Missile guidelines; Statement by Richard Boucher, Spokesman, Jan. 18, 2001.

<sup>55</sup> The 300 kilometer/500 kilogram range/payload combination is the upper limit of missile transfer limits under the multinational Missile Technology Control Regime (MTCR).

<sup>56</sup> Doug Struck, As Relations Thaw, Seoul Suspends Arms Plan. *Washington Post*, June 25, 2000: A20; ROK, U.S. Agree on ROK Extension of Missile Range. *Seoul Yonghap* in English, Oct. 17, 2000.

Japanese World War II aggression, many of the countries of Southeast Asia still harbor fears of Japanese remilitarization. Hence, many if not most countries in Southeast Asia view the U.S.-Japan alliance in a favorable light, for it signifies a continuing U.S. engagement in regional security and deters Japan from re-emerging as an independent military power. In this respect, joint deployment of a BMD system would tend to be less worrisome to most Southeast Asian countries than would Japan's acquisition of an independent capability, but some Japanese policymakers are concerned that even this would be unduly provocative, and would partly negate Tokyo's effort to improve its relations in the context of a de facto rivalry with China for influence in an area Japan once viewed as its "backyard."

## Legal and Constitutional Constraints

Foreign Japan-watchers and the Japanese themselves have given great attention to the constitutional issue, especially the question of whether the constitution can be reinterpreted to allow for collective defense arrangements, or whether the seriousness of the question requires a constitutional revision. A number of study groups within the Diet have considered the issue, but without coming to any clear conclusions. Generally, however, a large majority of the Japanese officials and the public have taken the position that reinterpreting the constitution to allow for collective defense is a step too far. Prime Minister Koizumi himself has argued for a more flexible interpretation, but this appears to be a minority view even within his own party. Many among the Japanese public are less concerned about collective defense, per se, than with the concomitant expansion of the roles of the Japanese military. From this perspective, Article 9 is viewed as a kind of Talisman protecting Japan from the revival of militarism.

**Possible Bellwether for the Future? Japan's Response to the U.S. War on Terrorism.** One aspect of Japan's response to the request of the United States that Japan "show the flag" with logistical support of U.S. forces deployed in the Indian Ocean after the September 11 terrorist attacks, could be a bellwether of how much effect the constitutional issue has on future Japanese BMD cooperation. After first indicating that the government would send an Aegis destroyer as part of a small naval contingent that it sent to the Indian Ocean in October 2001, Prime Minister Koizumi was forced to give way to vocal objections from within the LDP, the New Komeito, a coalition partner, and the opposition Democratic Party that sending an Aegis ship would be unconstitutional. Critics argued that because the Aegis ship would be establishing a data link with U.S. Aegis ships, Japan would be a party to any military action by those ships. Perhaps the most significant aspect of this opposition was that within the LDP objections to sending an Aegis destroyer came from a number of leaders generally viewed as politically conservative, if not nationalistic.<sup>57</sup>

The maintenance of this line of argument against deploying Aegis ships could be fatal to a number of possible BMD cooperation scenarios, but it remains to be seen if the position will stand. Some analysts and commentators have suggested that when the current six-ship naval contingent is rotated home, an Aegis destroyer will be sent

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<sup>57</sup> Koizumi Has to Drop Aegis Plan, Raising Questions about His Political Will. *The Daily Japan Digest*, Nov. 19, 2001: 1,2.

with the relief force. From this perspective, Koizumi's retreat was just a tactical one, temporarily saving the face of his critics, but without being deflected from his ultimate purposes. Alternatively, Koizumi's forced retreat on this issue may accurately reflect what is politically possible for the foreseeable future.

**Ban on the Use of Outer Space for Military Purposes.** Some in Japan oppose participation in the U.S. BMD program on grounds that joint research and development goes against a 1969 parliamentary resolution on the peaceful use of space that prohibits the SDF's direct use of space for killing, injuring or destruction. For now, this issue seems to be resolved in favor of BMD. The Japanese government declared in December 1999 that the Japanese involvement in the NTW program is in accordance with the upper house resolution on the peaceful use of outer space.<sup>58</sup>

Since North Korea's August 1998 Taepo Dong missile launch, public opinion generally has been supportive of the deployment of an independent national reconnaissance system,<sup>59</sup> but the employment of space-based sensors raises questions about the militarization of space, which Japan has pledged to avoid.

**Ban on Arms Exports.** Japanese critics also argue that participation in the U.S. BMD program violates a long-standing ban on arms exports. The Japanese government also has asserted that military technology transfer deriving from the joint research would stay within the preexisting lawful framework of military technology transfer to the United States.<sup>60</sup> However, exports of military hardware and components are viewed by some as going beyond current policy. Consequently, some LDP members with defense industry ties reportedly have called for a change in Japan's current ban on arms exports to make sure that Japanese contractors can participate in the production of BMD components for export to the United States.<sup>61</sup>

## Cost Concerns

Acquisition of a BMD capability would present a major financial challenge to today's Japan, which is struggling with a faltering economy and proportionately the largest public fiscal debt in the industrialized world. Although climbing for most of the 1990s, Japan's military budgets began leveling off around 1998. The share of the research and development budget has been shrinking in relation to the procurement

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<sup>58</sup> *Handbook for Defense 2000*, p. 147.

<sup>59</sup> A November 1998 poll by the U.S. Information Service found that 54% of respondents favored the development of an independent satellite reconnaissance capability but only 43% favored cooperation with the United States to develop a ballistic missile defense system. USIA, Office of Research and Media Reaction, Briefing Paper: Japanese Public Opinion on Economic Issues, North Korea. Nov. 16, 1998, p. 2. For additional details, see CRS Report RL30256, *Japan's Changing Security Outlook: Implications for U.S.-Japan Defense Cooperation*, by Richard P. Cronin.

<sup>60</sup> *Handbook for Defense 2000*, p. 147.

<sup>61</sup> LDP Panel Proposes Reviewing Japan's Weapons-Export Principles. *Nihon Keizai Shimbun*, March 24, 2001, p. 2.

budget.<sup>62</sup> BMD procurement would have to compete for funds with the planned procurement of such systems as F-2 fighter aircraft, air-refueling tankers, two new AEGIS destroyers (which could serve as platforms for an eventual BMD system), a replacement for Japan's fleet of PC-3 maritime reconnaissance aircraft, and information gathering satellites.

The costs of Japan's participation in research and development related to four parts of the Standard-3 interceptor missile are relatively small, but acquisition of a BMD capability would unquestionably present the Koizumi government and the JDA and Self-Defense Forces (SDF) with major defense budget decisions. In both FY2001 and FY2002, the Japanese government allowed less than a 1% increase in defense spending. Japan's prolonged economic slump has seriously limited new arms acquisitions. Some analysts estimate that it could cost Japan as much as \$50 billion over a number of years to develop and deploy a robust ballistic missile defense.<sup>63</sup> Considering that Japan's FY2001 budget for procurement for military hardware only totaled ¥ 767 billion (about \$7.1 billion at then prevailing exchange rates), and that the entire budget was less than \$40 billion, the JDA likely will face extremely difficult choices in deciding between BMD and other weapons system modernization programs.

Japanese officials say that the current Five-Year Defense Outline that began with FY2001 has sufficient funding for currently planned procurement programs only. Because the five-year plan traditionally does not allow for major revisions, Japanese officials indicate that a procurement decision could not take place until about FY2006.<sup>64</sup>

A decision by Japan to acquire a BMD capability would have costs and significance far in excess of the U.S. decision to push forward with missile defense, even though the actual monetary cost to Japan would be far less, both in comparative and absolute terms. Practically speaking, in view of other acute spending priorities and budgetary constraints associated with its mountain of bad loans, unfunded liabilities of hundreds of quasi-governmental corporations and pension funds, rising and unprecedented levels of unemployment, and falling tax revenues, Japan cannot opt for acquisition of a BMD capability without jettisoning the informal 1% of GDP limitation on defense spending. To do so, however, would likely generate significant criticism from both Japan's neighbors and a large section of the Japanese public.

A decision *not* to deploy a BMD system would likely have its own set of costs for U.S.-Japan security relations. Because a BMD system deployed in Japan could help protect U.S. troops stationed in Japan, as well as Japanese lives and assets, many in the Congress and the Executive Branch, and among the U.S. public, tend to see Japan's participation in BMD as a fully warranted exercise in alliance burden-sharing. Currently, Japan's burden-sharing in the form of host-nation support of U.S. forces amounts to \$4 to \$5 billion annually, taking into account direct support, foregone

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<sup>62</sup> *Handbook for Defense 2000*, p. 292.

<sup>63</sup> Paul Mann, Economic Woes Shadow Japan's Missile Defense. *Aviation Week and Space Technology*, March 11, 2002: 55.

<sup>64</sup> Discussion with JDA officials in Washington, DC, March 6, 2002.

revenues, and in-kind contributions.<sup>65</sup> However, the host-nation support (HNS) – also is in decline. During a presidential visit to Japan in July 2000, President Clinton and Prime Minister Mori agreed that Japan would reduce by \$30 million its annual host-nation support of U.S. troops stationed in Japan.<sup>66</sup>

This cut is largely symbolic, but the simple fact that it was deemed politically necessary by the Japanese government underscores the difficulties that may be encountered in seeking to finance the cost of acquiring and deploying a BMD capability. Likewise, U.S. efforts to hold the reduction to the absolute minimum indicate the limits of American sympathy for the Japanese government's political situation.

## Implications for U.S. Policy

As the U.S. BMD program progresses, a number of uncertainties concerning Japan's future participation are likely to emerge as executive branch and congressional concerns. Assuming development proceeds as U.S. planners hope, Japan may have to address the issue within the current term of the Bush Administration. Japan's decisions are not likely to have a significant impact on the U.S. program, but could affect the size and effectiveness of a U.S. BMD capability in Asia, as well as on U.S.-Japan alliance cooperation more generally.

Japanese decisions either for or against the acquisition of a BMD capability raise separate sets of subsidiary issues. The following discussion analyzes some implications of alternate outcomes.

**1) Burden-Sharing Issues.** Because the Japanese commitment on the U.S. BMD project to date is only for technology research on four specific components for Sea-Based Midcourse Defense, the U.S. Department of Defense anticipates a significant, but not crucial, Japanese technological contribution. If Japanese cooperation ends at the joint technology research level, however, Japan still will be a major beneficiary if a BMD capability – assuming, as is likely, that such a capability is deployed with the U.S. 7<sup>th</sup> fleet, home-ported in Japan. If Japan does not develop or deploy the system with the United States, what kinds of compensation, if any, would the United States expect of Japan?

At the moment, this is still a hypothetical question. A number of signs indicate that Japan wants to acquire a BMD capability. These indicators include not only the funds that the Japanese government is committing to cooperative R&D, but also the fact that two new Aegis destroyers and funds for the most current radar and communications suite have been included in the current five year defense plan. If, however, Japan decided not to acquire a BMD capability, the decision would play into

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<sup>65</sup> These figures are based on the 1996-2001 five-year bilateral Special Measures Agreement. (*Report on Allied Contributions to the Common Defense; A Report to the U.S. Congress by the Secretary of Defense*, March 1999, p. II-7.)

<sup>66</sup> Kiyotaka Shibasaki and Justin McCurry, U.S. Reaffirms Military Base Reduction Plan. *The Daily Yomiuri* in English, July 24, 2000, p. 1.

the broader issue of defense burden-sharing. At a minimum, a decision not to acquire a BMD capability could revive congressional concerns about whether Japan is shouldering enough of the burden of regional stability and its own defense.

**2) Utility of a Jointly Deployed U.S.-Japan BMD Capability to U.S. Military Operations in the Event of a Regional Conflict.** Although the Japanese government has rarely issued objections to the U.S. military's joint operations with Japan in the past, prior to the recent response to the U.S.-led anti-terrorist campaign in Afghanistan, such activities have been carefully restricted to training exercises having limited objectives such as sea-lane defense, air defense, or peacekeeping support. Current rules of engagement governing the operations of the Japanese Navy rule out activities that could be construed as combat support of U.S. forces for any missions not involving the defense of Japanese territory.

If a missile defense capability were deployed on Japan's Aegis destroyers and a conflict erupted on the Korean Peninsula or between China and Taiwan, the United States might put pressure on Japan to deploy some missile defense capability outside its own territory. Under prevailing Japanese rules of engagement and constitutional interpretations, a favorable Japanese response would appear all but impossible.

Less clear is whether in a crisis situation the exchange of real-time data between Japanese Aegis ships equipped with a BMD capability could pass political or constitutional muster. For instance, could Japanese ships equipped with the Sea-Based Midcourse System back up more forward-deployed U.S. units with supplementary target information? Presumably they could, so long as Japanese territory or U.S. bases in Japan were possible targets of a missile attack. Under current Japanese constitutional constraints, however, the U.S. military would likely find it prudent not to count on Japanese participation in anything short of a clear and present threat to Japanese territory. The example of Prime Minister Koizumi reversing his decision to send an Aegis-equipped destroyer to the Indian Ocean is a case in point.

In summary, an integrated binational BMD capability could be highly useful in situations that also threatened Japanese territory, but might be of little utility to U.S. forces in situations outside Japanese territorial waters or not involving an attack on Japanese territory. In these cases, U.S. forces presumably would have to operate independently. Since BMD capable ships are being designed to be self-supporting, if necessary, these limitations are not critical, but they raise questions about the ultimate value to U.S. security of a Japanese BMD capability.

Japanese perspectives on the limits of the collective security ban are in flux, and Prime Minister Koizumi has speculated in public that Japan might have to have a more open mind about a situation involving an attack on U.S. military forces in the region.<sup>67</sup> While campaigning for the LDP presidency, Koizumi said that he would give high priority to constitutional revision, but since taking office he has given first priority to his call for the direct election of the Prime Minister, and appears to have downgraded the urgency of revising Article 9, while calling for continued discussion of the issue.

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<sup>67</sup> Ayako Doi, *Japan's New Leader: Foreign Policy Liability in the Making?* Forum—*The Daily Japan Digest* (Arlington, VA, news service), April 27, 2001.



The Prime Minister's caution may reflect repeated polls consistently showing that 70% or more of the respondents oppose revising Article 9.<sup>68</sup>

**3) Impact of Japan's active involvement in regional deployment of a BMD system on U.S. operational flexibility.** Given the historical mistrust of Japan's intentions and programs among its Asian neighbors, a highly visible involvement by Japan in missile defense, were it otherwise possible, could have negative implications for U.S. security interests in Asia. China, for instance, might see an integrated U.S.-Japan BMD capability as more threatening to its interests than a U.S. system alone, because of the implication that Japan is joining a *de facto* collective security arrangement that is aimed at China, especially in a confrontation involving Taiwan. China and other neighboring countries may be less than convinced that Article 9 will continue to inhibit Japan's participation in collective security with the United States, especially because the restriction has become the target of nationalist opposition in Japan. Thus for China, North and South Korea, and some Southeast Asian countries, an integrated U.S.-Japan BMD system could be viewed as symbolizing the remilitarization of Japan under the cloak of alliance cooperation with the United States. To the extent that joint BMD deployment generated fears of a rearmed Japan, it could detract from the acceptability of a U.S. BMD capability.

On the other side of the equation, Japan's neighbors are likely to regard an independent Japanese BMD with even greater concern. For some of Japan's neighbors, such as South Korea, a Japanese capability firmly linked to that of the United States would seem more desirable. China, on the other hand, opposes both deployment options.

**4) Command, control, communication, and intelligence (C<sup>3</sup>I) issues.** These could be critical issues in the case of an integrated U.S.-Japanese BMD capability. To what degree would the United States be dependent on the decision-making capability of the Japanese Cabinet, which has yet to develop effective crisis management capabilities? Would, some ask, Japan allow a U.S. commander to control the "button" that would activate a joint system? This would be most unlikely, according to Japanese sources?<sup>69</sup>

A similar dilemma could arise if U.S. and Japanese missiles were integrated into a joint sensor and command and control system. In scenarios that do not involve the defense of Japanese territory, such as the deployment of U.S. BMD systems to protect Taiwan, the question arises as to whether Japan could or would allow the involvement of jointly operated satellite and command and control facilities. Several defense commentators and private analysts have suggested that this problem could be circumvented by the creation of a joint command and control system that would also allow either party to act independently, if necessary.<sup>70</sup>

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<sup>68</sup> Editorial—Amending the Constitution Is Not a Realistic Proposition. *Asahi Shimbun*, May 4, 2001 (Asahi News, [<http://www.asahi.com>]).

<sup>69</sup> Chester Dawson, Blueprint for Controversy. *Far Eastern Economic Review*, July 13, 2000: 19.

<sup>70</sup> Chester Dawson, Blueprint for Controversy. *Far Eastern Economic Review*, July 13, 2000: 18-20; Theater Missile Defenses in the Asia-Pacific Region: A Henry L. Stimson Center

Japanese officials and defense analysts are well aware of the inadequacy of their current crisis management and C<sup>3</sup> capabilities. Prime Minister Koizumi reportedly hopes to succeed where his recent predecessors have failed in getting the Diet to approve legislation giving him the emergency powers necessary for crisis decisionmaking. As of early 2002, however, the prospects for the introduction of such legislation remain doubtful.

## Conclusions

The United States and Japan have shared concerns about the proliferation of ballistic missiles in Asia and, therefore, a shared interest in the theater missile defense. The technological and financial contributions that Japan may bring into cooperative research on the Sea-Based Midcourse System element of the U.S. BMD program are potentially significant, although not critical. Japan continues to keep its options open regarding the acquisition and deployment of a BMD capability. Subject to flexible enough rules of engagement and crisis management capabilities, Japan's possession of an operationally compatible BMD capability would contribute importantly to the ability of U.S. military forces to deploy an effective missile defense system in the Asian region, as seems to be envisioned by BMD supporters in Congress and the Bush Administration. Also, the very feasibility of deploying a BMD system in Asia depends on the availability of bases in Japan, most notably the U.S. naval base at Yokosuka, on Tokyo Bay, which is the home port for the U.S. Seventh Fleet.

Considering the wide range of issues that the Japanese government must resolve before proceeding with a decision to acquire a BMD capability, the future of an interoperable U.S.-Japan capability cannot be taken for granted, let alone an integrated binational system. On the positive side, Japanese defense officials seem clearly to be leaning in the direction of at least a national BMD capability that would be interoperable with that of the United States. Even if Japan does opt to procure and deploy an operationally compatible BMD system, however, it remains highly questionable whether Japan will agree to an integrated command and control arrangement. At present, a substantial majority of the Japanese public appears opposed to constitutional changes that would allow collective self-defense, either for missile defense or other purposes.

Senior Bush Administration officials, most notably Deputy Secretary of Defense Armitage, have expressed a strong desire for Japan to address the constitutional constraints. Were Japan to amend or reinterpret Article 9, however, Japanese policy would still be based on its national interest perceptions. Thus any decision by Japan to opt for joint deployment of a BMD capability would itself raise additional foreign policy issues for Japan and operational challenges for U.S. forces.

Several of these foreign policy issues are trilateral rather than bilateral. For instance, Japanese policy could turn on the evolution of U.S. relations with the PRC and Taiwan, and whether or not the United States succeeds in negotiations to

eliminate the North Korean missile threat. North Korea's Taepo Dong launch of August 1998 provided an important public relations asset to BMD supporters in Japan. On the other hand, a number of indicators suggest that the main concern among defense analysts and planners in Japan, and those in the political world who think about such matters, is fear that China may one day threaten Japan with ballistic missiles. From this perspective, a missile defense capability is one means to counter China's rising military power.

It is difficult to assess the impact of future political change on Japanese decisionmaking concerning BMD cooperation, especially regarding any matters touching on the constitution. In general, political change since the split in the LDP in July 1993 seems not to have had much perceptible impact on the trend towards a more assertive defense posture and increased U.S.-Japan security cooperation. Because of the steady decline of the Social Democratic Party of Japan (SDPJ), the two most likely alternatives to the status quo are a revitalized Democratic Party of Japan (DPJ), which remains divided between former members of the SDPJ and more conservative defectors from the LDP, and the more nationalistic wing of the LDP, as represented by Shintaro Ishihara, the popular, iconoclastic Governor of the Tokyo Metropolitan Prefecture. For different reasons, neither of these alternatives to the political status quo has been enthusiastic about missile defense cooperation with the United States. What stance they would take were they to attain power is difficult to forecast with any confidence.

Another imponderable at this time is the longer term prospect for retaining U.S. bases in Japan. At present, the principal targets of public opposition to U.S. bases in Japan are facilities in Okinawa whose training and other operations have a large impact on the environment and quality of life. These mainly involve the U.S. Marines stationed there. In general, U.S. Navy and Air Force bases receive less criticism. Nonetheless, some of the same groups that support a defense buildup and closer alliance relations are ambivalent about hosting a major U.S. military presence more than five decades after the end of the U.S. post-World War II occupation. Already, Okinawans have succeeded in getting the Japanese government to "relay" their desire to put a fifteen year limit on use by the U.S. Marines of a proposed replacement for the current Futenma Marine Air Station. For now, issues concerning U.S. access to bases in Japan are limited to Okinawa, and to forces that do not relate to BMD. Should this situation change, it would become more difficult for the United States to maintain an "Asian" BMD capability.<sup>71</sup>

Japan's involvement in joint development of the SMD element of the U.S. missile defense program represents considerable progress by Japan towards greater alliance burden sharing, but its full implications remain to be seen. Neither Japan's participation in joint research and development, nor a decision by Japan for or against acquisition or deployment of a BMD capability, are likely to have critical impact on the development of a U.S. missile defense capability or on the deployment of an American sea-based capability in Asia. Nonetheless, Japan's participation in the

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<sup>71</sup> For more background on this issue see CRS Report RL30256, *Japan's Changing Security Outlook: Implications for U.S.-Japan Defense Cooperation*, by Richard P. Cronin, and CRS Issue Brief IB97004, *Japan-U.S. Relations: Issues for the 107<sup>th</sup> Congress* (section on Security Issues, by Larry Niksch).

research and development phase is viewed by U.S. officials as possibly contributing important technology, and a decision by Tokyo to acquire a BMD capability could have considerable foreign policy significance for the United States and important military implications. Given the prevailing uncertainties about Japanese policy and the implications of its future decisions, Congress may decide to consider carefully the assumptions of the Administration and the terms of any further steps in BMD cooperation with Japan. Part of such consideration could be obtaining additional information on the threat perceptions of the Japanese Defense Agency (JDA) and Self-Defense Forces (SDF), the possible implications of a change in the perceived threat from North Korea's missiles, the attitude of Japanese political leaders and Ministry of Foreign Affairs policymakers towards China, Japan's fiscal situation and defense budget trends, public and political attitudes towards U.S.-Japan security cooperation and U.S. bases in Japan, and the prospects for constitutional revision and the acquisition of emergency powers by the Japanese national command authorities.