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## **Report of the Study Group on Security Issues**

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### **FORWARD**

In the post-Cold War world, there have been frequent eruptions of regional and civil conflict, and the world is neither more stable nor peaceful than it was during the Cold War. There is increasing risk of civil war or regional conflict in many areas around the world that do not involve the great powers as they did during the Cold War.

The international environment surrounding Japan certainly cannot be taken lightly either. The worsening of the political and economic situation in North Korea and heightened tensions between China and Taiwan over presidential elections in the latter are serious concerns. Domestically as well, Japan has had its share of problems as a result of the Great Hanshin-Awaji Earthquake, and the sarin subway gas attack. There are other major political issues such as the redefinition of the U.S.-Japan Security Treaty and the reevaluation of the Status of Forces Agreement following the rape of an Okinawa schoolgirl by U.S. servicemen.

In light of these circumstances both at home and abroad, the Study Group on Security Issues has carried out its activities based on Keizai Doyukai's plan for fiscal 1995. The group's purpose is researching and studying the path Japan should take on security issues in light of changing international situations.

This study group consists of 44 members of Keizai Doyukai, mainly corporate executives interested in these issues. The Vice Chairmen are Bunichiro Shimura (Chairman, Denki Kagaku Kogyo Kabushiki Kaisha), Shijuro Ogata (Senior Advisor, Yamaichi Securities Co., Ltd.) and Tatsuo Asakura (Chairman of the Board, Japan Synthetic Rubber Co., Ltd.). The adviser is the Honorable

Hisahiko Okazaki (Senior Adviser, Hakuhodo Incorporated), former Japanese Ambassador to Thailand.

This report continues the work conducted during fiscal 1994 under the chairmanship of Ryuzaburo Kaku (Chairman of the Board and Chief Executive Officer, Canon Inc.). We added the views of foreign opinion leaders familiar with Japanese security issues and thoughts of Japanese experts on what would happen during actual crisis situations. As a result, we presented the following as the most important issues concerning security that we would like members of Keizai Doyukai to discuss:

1. Establishment of a proactive diplomacy and a comprehensive defense policy
2. Redefinition of the U.S.-Japan security system
3. Reinterpretation of the exercise of the right of collective self-defense
4. Greater flexibility of the Three Principles of Arms Exports
5. The position of the United Nations in Japanese diplomacy (How to utilize the UN more realistically)

In addition to these issues, we hope there is further discussion on constitutional reform.

I would like to express my deep appreciation to all who came to Japan to speak with our study group, the individuals in Washington DC who spoke with us, and everyone involved in the activities of this study group for taking time out of their busy schedules to help create this report.

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## I. Introduction

The optimistic view that the end of the Cold War between the United States and the Soviet Union would create a new international order and bring world peace has waned. Many regional conflicts and internal struggles have erupted, including the Gulf War five years ago, civil war in Somalia and Rwanda more recently, and prolonged conflict in the former Yugoslavia. As a result, there are few indications that the world has become more stable or peaceful than it was during the Cold War era. In fact, there is greater potential for internal wars or regional conflict than there was during the Cold War. At the same time, problems such as the environment, resources, energy, food supply and epidemics are becoming increasingly important as medium- to long-term global issues. It is possible that these problems, in particular conflicts over resources and energy, could develop into security issues involving military actions in the near future. The international environment around Japan is also a cause for concern. The growing seriousness of suspected nuclear arms development and the worsening politico-economic situation in North Korea, and heightened tensions between China and Taiwan over Taiwan's presidential elections give no reason for optimism. Domestically, too, Japan's crisis management system is being questioned in the aftermath of the Great Hanshin-Awaji Earthquake and the subway sarin gas attack. Furthermore, the rape of a Japanese schoolgirl in Okinawa by US servicemen has led to a number of problems, including calls for a redefinition of the U.S.-Japan Security Treaty, a reevaluation of the Status of Forces Agreement, and a questioning of the inequality of the defense burden between the United States and Japan, as well as between Okinawa and mainland Japan.

Up until now, there has not been a great deal of debate on Japan's national security policy. This has been due to our historical experiences, to the so-called "Peace Constitution" and to the relative peace enjoyed since becoming an independent nation again after World War II. The only debate has been whether certain security issues violated the Constitution or not; there has been no intensive discussion on security policy itself.

In light of recent changes both at home and abroad, the time has come for us corporate executives, while not experts on defense, to think about these issues. In other words, it has become difficult for corporate executives to formulate a vision for the future without considering these issues because security is vital to

our livelihood. We have been making constant efforts to create "A Nation Conceived upon International Collaboration and Humanism" and "A Nation Based on the Principles of a Civil Society" founded on the ideals of the Japanese Constitution: "liberty, democracy, human rights and peace." We are trying to be in other words, "A New Peace-Promoting Nation." We believe the maintenance of a free capitalist system based on a market economy is a prerequisite for our existence. As Japanese citizens, it is our duty to uphold these universal values along with other people of the world who share them, and these values form the context in which security issues need to be debated and understood. In order to maintain and improve ties with other countries, especially with the United States, mutual understanding of where we stand on this issue is essential.

In this report, our study group continued the work of last year's (fiscal 1994) Study Group on Security Issues (Chairman: Ryuzaburo Kaku, Chairman of the Board and Chief Executive Officer, Canon Inc.) and compiled our discussions on Japan's national security in light of recent changes in the international environment. This year, we asked foreign opinion leaders for their views on Japan's security, as well as Japanese experts for their thoughts on what would happen during actual crisis situations, such as an emergency in the Korean peninsula or China, or the renunciation of the U.S.-Japan Security Treaty. We focused on areas which are potential problems over the next five years.

The issue of national security is closely connected with Constitutional issues. These issues should have been addressed in this report as well, but as debate on the Constitution requires a great deal of time, we have not focused on it here. Instead, we have considered how Japan can realistically respond to a hypothetical change in the international situation which forces Japan to make some tough decisions. We hope that this report serves to stimulate the continuation of open and meaningful debate on the issue of national security, not just within Keizai Doyukai, but among all segments of Japanese society as well.

## **II. Current International Affairs and National Security Issues in Japan**

### **1. Our Views of Current International Affairs and the International Environment around Japan**

In the uncertainty of the present international situation, Japan needs to be fully aware of its role in the world. It must move away from a reactive style of

diplomacy characterized by dependence on foreign pressure and passivity, and strive to implement a more proactive style of diplomacy in which Japan actively participates in creating a new world order. In order to move toward a desired international environment, Japan must address such issues through a diplomacy based on a firm set of beliefs about how the international environment should be.

### **i) Characteristics of Current International Affairs**

The current state of international affairs is characterized by a mix of conflicting positive and negative elements; the future is very uncertain. Positive aspects include the globalization of the market economy, increasing interdependence and progress in regional economic cooperation. But there are also many unfavorable developments such as the increase of regional and internal conflicts involving race and religion, the tendency of advanced nations to focus inward on domestic issues, increased armament by developing nations and an increase in terrorist activities.

### **ii) The International Environment around Japan**

The characteristic of international affairs described above can also be seen in the international environment around Japan. Positive developments include progress in regional economic cooperation through APEC and ASEAN, the deepening of economic interdependence and the move of socialist countries toward a market economy system. But the negative elements include, most notably, the existence of a socialist nation possessing nuclear weapons and a divided nation. These two sub-regions have been pointed out by foreign opinion leaders as the two most important areas to watch in Asia, and it is a well-known fact that tensions there are rising.

## **2. The Status and Problems of Security in Japan**

During the Cold War, there was a strong tendency for most states to give priority to political and national security issues. But because of Japan's historical experience of defeat in World War II and its economic situation at the time, Japan has kept defense at the minimum necessary level, while relying heavily upon the United States for its national security and giving economic concerns

the highest priority in governing the country. For this reason, debate on national security has not focused on the essential issues, but rather has been made into a theological problem, limited to abstract debates on "constitutional reform" and "constitutionality." Those wishing to maintain the present Constitution have been the mainstream and have limited security issues to what is permitted within the constraints of the Constitution, instead of discussing the necessity of security itself. Even though many problems with the Constitution have been pointed out, there has been a tendency to label any mention of reevaluating or amending the Constitution as militaristic.

Although there have been some signs of change in discussions of security issues, there has not been much discussion on how to guarantee Japanese security except among some intellectuals and journalists. It is hoped that there will be responsible, continued debate in the Diet on this issue.

### **3. The View from Foreign Opinion Leaders**

As was mentioned in the introduction, this study group asked a number of foreign opinion leaders for their thoughts on Japan's national security. Their thoughts are summarized below.

- 1) The areas which are the greatest security concerns in East Asia are the Korean peninsula and the tension between China, a nuclear power, and Taiwan.
- 2) When considering the potential instability resulting from situations in the Korean peninsula and China, the U.S.-Japan Security Treaty is extremely important and must be maintained. This is because U.S.-Japan security is important for peace and stability not only between the United States and Japan, which share common values such as democracy, but also for the Asia-Pacific region as a whole.
- 3) Japan, with its economic strength, should and is obligated to play a more active role in the international arena, including security areas.
- 4) With advanced nations increasingly becoming inward-looking and focusing on domestic issues, both the United States and Japan, especially Japanese leaders, need to demonstrate strong political will. Regarding the relationship between Japan's role in security areas and the Constitution, many felt it was possible for political leaders to use their leadership to reinterpret the Constitution to allow Japan to play a larger role in security areas.

These comments from overseas indicate that Japanese diplomatic efforts in the post-Cold War era, especially in the security field, are insufficient considering Japan's status as an economic super power. In domestic discussion Japan's role is debated in terms of international contribution, but its role is seen as an international obligation, not contribution, in the eyes of people from other countries. This shows that a perception gap exists between Japan and other countries of the world.

### **III. Some Issues Which Need to be Resolved**

When considering security issues, Japan needs to be fully aware that the maintenance and development of its scope and affluence as the world's second-largest economic power is reliant on the rest of the world. In other words, there will be no Japanese prosperity without world peace. Aware of this fact, Japan should consider all the options available and strive to create the most appropriate security system for the current situation. To achieve this, a comprehensive security strategy is needed. Japan should play an active, independent role in global disarmament efforts, including the reduction of nuclear and conventional weapons, and the peaceful resolution of international conflicts.

We corporate executives, who are not security experts, cannot create or hold debate on a comprehensive security strategy by ourselves, but what we would like to do here is to make some suggestions for issues that need to be resolved in security at the national, regional and global levels. These three levels, centering on national security, need to be complementary. Thus Japan should create a collective system which connects us to other countries with similar values.

#### **1. National Security**

Regarding security issues at the national level, we hope that discussion on the Constitution by the people of Japan is held as soon as possible. In that discussion, substantive debate on the issue of national security is important. We urgently need to review existing laws and introduce new legislation to deal with national security issues. During these discussions, it is important to stand by our

ideals and maintain and improve relations with other nations, particularly with the United States, that share those ideals. Japanese people must not underestimate the extremely important role played by the U.S.-Japan security system in our country's peace and prosperity. There is a need to reevaluate the U.S.-Japan security system, and to rectify its one-sided nature, while recognizing the continued importance of the U.S.-Japan security relationship in the future.

## **1) Evaluation and Issues of the U.S.-Japan Security System**

The U.S.-Japan security system has contributed to the security of Japan and regional stability in Asia. As a result, Japan has been able to concentrate its resources in the economic sector, which is one reason for its remarkable economic growth. A number of people are questioning the relevance of the security system in the post-Cold War era, however, and it is important at this time to redefine its purpose. The purpose of the U.S.-Japan security system is threefold: (1) to defend Japan; (2) to eliminate fears of East Asian countries by preventing Japan from becoming too dominant; and (3) to contribute to the peace and prosperity of the Asia-Pacific region and the world.

Last November, the Japanese Cabinet decided on the New Defense Guidelines and a New Mid-term Plan for Defense, which took into account the international environment in the post-Cold War era. These plans form the basis of Japan's national security system and policy. In these plans, the U.S.-Japan Security Treaty remains the core of Japan's defense policy, and the New Defense Guidelines state that, "the security system with the United States is indispensable to Japan's security." In addition, it takes a bolder step than the previous Defense Guidelines in stating that, "if a condition arises in the region surrounding Japan that may seriously threaten Japan's peace and security, we shall respond by offering appropriate support to the activities of the United Nations as necessary, and ensuring the smooth and effective operation of the U.S.-Japan security system in accordance with the Constitution and related laws." The most important unresolved issue is whether Japan can exercise its right of collective self-defense.

The Japanese government has presented the following view regarding its right of collective self-defense: "According to international law, a nation shall have the right of collective self-defense, in other words, the right to repel with force a military attack on a foreign nation with which it has close ties, even if the nation itself is not directly attacked. As a sovereign nation, Japan possesses the right of



collective self-defense as acknowledged in international law, but the exercise of our right of self-defense under Article 9 of the Constitution is interpreted as the minimum necessary to defend our nation. Because the exercise of the right of collective self-defense goes beyond that interpretation, it is, in our view, not permitted under our present Constitution."

We do, however, hope to maintain and improve our ties with the United States, a country with which we share common values. As long as both the United States and Japan share a mutual recognition of their interests in the peace and prosperity in the Asia-Pacific region, we believe that the U.S.-Japan security system should be maintained. Therefore, we believe that the time has come for the government to reconsider its interpretation on the exercising of the right of collective self-defense, a right possessed by all countries as acknowledged in international law. At the very least, political leaders should have the authority to decide whether it is appropriate to carry out support activities for military operations.

Furthermore, we believe that restrictions stipulated in the Three Principles of Arms Exports should be relaxed for nations which are friends and allies of Japan and can be trusted with the use of such arms.

## **2) U.S. Forces Stationed in Japan (especially Okinawa)**

The rape of a young schoolgirl by U.S. marines in Okinawa Prefecture, where 75% of U.S. bases in Japan are located, raised anew the question of the division of the security burden in Japan. The security burden with the United States has taken the form of host nation support, but for the residents of Okinawa, the Japanese central government and Japanese citizens not living in Okinawa have been negligent in their efforts to share the burden.

We believe the issue of military bases in Okinawa should continue to be addressed in order to ensure a fairer distribution of defense burdens within Japan, while keeping in mind the importance of the bases and the necessity to use them should Japan's security be threatened.

## **3) Self-defense Capability and the Defense Industry**

As noted in the New Defense Guidelines, introducing high technology and streamlining are essential to improve the efficiency and mobility of our self-defense capability. The Japanese government should consider means to

ensure that Japan is not overly dependent on foreign countries for defense-related supplies, and, at the same time, it needs to come up with a clear vision and direction on the future of the defense industry which involves about 3000 companies of all sizes. If the government can establish policies to deal with these matters, the defense industry can restructure itself while maintaining its technological and productive capabilities.

## **2. Regional Security**

Japan's security depends on its own self-defense capability and the U.S.-Japan security system. The Asia-Pacific region lacks a collective security system in the strict sense. The ASEAN Regional Forum (ARF) is an important framework for promoting mutual understanding of member nations through regional security related exchange of opinions, information and personnel. However, if a military conflict arises in the region, the ARF has no force to act, so in that sense, it is not a full-fledged collective security system.

Although it would be extremely difficult to create a framework for collective security in the Asia-Pacific or even in East Asia in the near future, it is important to consider mechanisms to promote regional security.

## **3. Global Security**

Compared to collective security arrangements in the Asia-Pacific region, the global system of collective security centered around the United Nations is more formally established. As long as permanent members of the Security Council do not exercise their right to veto a resolution, the United Nations can undertake peacekeeping activities or use force against a member nation that has violated the UN Charter.

There is a tendency for Japan to view the United Nations as sacred and its actions as ultimately legitimate. The organization is, however, an aggregate of sovereign nations and its functions are by no means perfect. For example, if a permanent member was involved in a conflict, the United Nations would be powerless to act because that permanent member would undoubtedly use its right to veto any resolutions to which it objected. Thus, one cannot deny that the organization has its limitations, but if these limitations are recognized, the United

Nations does serve a purpose. It must be realized that participation in the United Nations is a means that each member nation uses for its own agenda.

Based on the recognition of these facts about the United Nations and an understanding of what it can and cannot do, Japan must participate in the United Nations while considering how to use it for Japan, for the Asia-Pacific and for solving global issues.

Currently, there is a move to reform the United Nations. We hope that substantial progress is made in the reform efforts and that they reflect a diverse set of values.

If Japan becomes a permanent member of the Security Council, Japan needs to be prepared to pass its own judgment on issues involving sharp conflicts of interest, and be willing to accept the consequences of such decisions. Actions following these decisions must be based on firm beliefs and values in a way that is supported by as many people as possible, not only in Japan but also throughout the world. If the United Nations is going to be one pillar of Japan's diplomacy, this type of awareness and understanding is essential.

#### **IV. Conclusion**

There is a great deal of instability in the post-Cold War world. We recognize that in the past, many Japanese have avoided direct discussion of what needs to be done to maintain our ideals, to guarantee the safety of the Japanese people and to ensure world peace and prosperity. Based on this recognition, we compiled this report with the hope that members of Keizai Doyukai, as well as all segments of Japan, will individually and objectively consider security issues for both Japan and the world as a whole.

Security is not composed of only military aspects. If economic problems remain unresolved, then security problems cannot be solved either. It is, however, unrealistic to consider security issues while ignoring their military dimensions. We are very much aware of the need for Japan to maintain and enhance ties with other nations that share common values, particularly the United States. Japan must endeavor to make the security relationship with the United States a more balanced one. Emphasizing the centrality of the U.S.-Japan security system, Japan should also make constant efforts to use or create a framework for security at the regional and global levels, and strive to eventually coordinate these three levels.

Needless to say, Japan should not choose to become a military super power and Japan should not take an unrestrained stance on security issues with a military aspect. There is the possibility of harming ourselves or others in the name of protecting ourselves. We must always keep in mind the seriousness of security issues. At the same time, we must be aware that there are some people who risk getting hurt or dying for the people of other countries and for maintaining the peace and prosperity of the world. Each and everyone of us should not avoid, but rather sincerely accept this solemn truth. We all must ask ourselves what is worth risking human lives to protect.

Based on these ideas, we need to take the initiative in selecting the most appropriate policies and acting on them.