

The Fifth Japan - Australia Track 1.5 Dialogue

July 23 - 24, 2009
JIIA Conference Room, Tokyo

Co -Hosted by:
The Japan Institute of International Affairs (JIIA)
The Australian Strategic Policy Institute (ASPI)

Supported by:
Ministry of Foreign Affairs, Japan

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Preface

This report is the product of the Fifth Japan-Australia Track 1.5 Dialogue held in Tokyo in July 2009, consigned to the Japan Institute of International Affairs (JIIA) by the Ministry of Foreign Affairs of Japan. This dialogue was organized with the aim of producing policy recommendations for the enhancement of Japan-Australia security cooperation.

In recent years, we have witnessed remarkable developments in the bilateral security relationship between Japan and Australia, represented by the issuing of the Japan-Australia Joint Declaration on Security Cooperation in March 2007 and of the Memorandum on Defense Cooperation in December 2008. Reflecting these developments, a group of security and regional experts from Japan and Australia discussed in this meeting possible measures to enhance security cooperation between Japan and Australia based on three topics: 1) maritime cooperation, 2) defense and security policy developments in Japan and Australia, and 3) the Obama administration's foreign and security policies and their implications for Japan and Australia.

We hope that this report will make a contribution to policy-making regarding Japan-Australia security cooperation. Lastly, we would like to express our deepest appreciation to the Oceania Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs of Japan, and the Australian Strategic Policy Institute (ASPI) for their cooperation in holding this dialogue.

(As this dialogue is based upon the Chatham House Rules, this report does not identify the speaker for any records of statements made throughout the course of the dialogue.)

Yoshiji Nogami
President
The Japan Institute of International Affairs

Policy Recommendations on “Japan-Australia Security Cooperation”

**The Fifth Japan-Australia Track 1.5 Dialogue,
co-hosted by the Japan Institute of International Affairs
and the Australian Strategic Policy Institute,
Tokyo, 23-24 July, 2009**

Introduction

In July 2009, a group of security and regional experts discussed possible measures to enhance security cooperation between Japan and Australia at the Fifth Japan-Australia 1.5 Track Dialogue, co-hosted by the Japan Institute of International Affairs and the Australian Strategic Policy Institute. The dialogue focused on three topics: 1) maritime cooperation, 2) defense and security policy developments in Japan and Australia, and 3) the Obama administration's foreign and security policies and their implications for Japan and Australia. Reflecting the topics of the dialogue, the recommendations are divided into three sections: 1) Japan-Australia security cooperation from a strategic perspective, 2) maritime cooperation, and 3) Japan-Australia-US trilateral cooperation.

I. Japan-Australia security cooperation from a strategic perspective

Since the end of the Cold War, Japan and Australia have been working together for the maintenance of international peace and stability, represented by their collaborations in the United Nations Peacekeeping Operations (PKO) in Cambodia and East Timor, disaster relief operations in the Indian Ocean, and humanitarian assistance and reconstruction activities in Iraq. These collaborations culminated in the issuing of the Japan-Australia Joint Declaration on Security Cooperation in March 2007 and of the Memorandum on Defense Cooperation in December 2008. Based on the remarkable developments in their security relationship in recent years, Japan and Australia should promote bilateral security cooperation in various ways.

1. In the near term, Japan and Australia should pursue opportunities arising from the many useful avenues for cooperation outlined in the 2008 Memorandum on Defense Cooperation. To some extent, the depth of the relationship will be determined by the breadth of engagement that the two countries actively pursue.
2. In the medium to long term, Japan and Australia should develop a clearer vision of what it is the two countries want from the bilateral security relationship. This is not a matter of deciding once and for all the nature of the relationship, but rather of moving forward concurrently with dynamic geopolitical changes in the Asia-Pacific region.

3. Japan and Australia should explore practical steps to enhance their cooperation in the areas of peacekeeping, humanitarian relief operations and capacity building for other countries' peacekeeping and humanitarian activities.
4. Japan and Australia should continue to collaborate in promoting the nuclear disarmament and arms control movement through the work of the International Commission on Nuclear Nonproliferation and Disarmament, co-chaired by former foreign ministers of Japan and Australia, and the 2010 NPT Review Conference.
5. Japan and Australia should make further efforts to encourage China and the United States to constructively engage in international cooperation on climate change and energy security.
6. Japan and Australia should continue on-going efforts to strengthen US engagement with East Asia by impressing on the Obama administration the importance of demonstrating strong US commitment on major regional security issues for the maintenance of regional peace and stability.

II. Maritime cooperation

With the rapid growth of global energy demand, the importance of maintaining the freedom of navigation has dramatically increased. Maritime security is one of the major areas in which the strategic interests of the two countries converge. Based on their shared interests, Japan and Australia should strengthen maritime cooperation in the following ways.

1. Japan and Australia should work towards an agreement on a common maritime threat assessment in the Asia-Pacific region in order to further clarify the scope of their maritime cooperation. More specifically, the two countries need to tackle questions regarding the boundaries, roles and strategy of their maritime cooperation.
2. Japan and Australia should promote a "maritime security coalition" that loosely binds states sharing common values and interests to cooperate on maritime issues in order to maintain and secure safe and free use of oceans during peacetime. Japan, Australia and the United States may become central to such a maritime security coalition.
3. Japan and Australia should also strengthen maritime cooperation on the softer sides of security such as climate change, ocean management, ocean acidification, natural disaster mitigation, and capacity-building initiatives. The threats to maritime security derive from not only hard security issues such as military modernization, terrorism, and piracy but also non-military security issues, including environmental security, food security, human security, and resource security.
4. Japan and Australia should share more generally information related to maritime security,

including information on climate refugees created by rising sea levels and on conflicts created by depletion of fish stocks.

5. Japan and Australia should help promote good law and order in the Antarctic and Southern Oceans. The Antarctic and Southern Oceans, which contain numerous marine resources and play a major role in the global climate system, can be seen as possible areas for bilateral maritime cooperation. For instance, the two countries can work together for the prevention of illegal, unreported and unregulated (IUU) fishing, pollution and other illegal activity in the oceans. They can also cooperate in research and development of marine resources in order to bring resources into production.
6. Japan and Australia should encourage China to join in regional maritime cooperation, particularly in anti-piracy and counter-terrorism efforts.
7. Japan and Australia should continue to make use of regional institutions such as the ASEAN Regional Forum (ARF) for addressing regional security issues, including North Korean nuclear issues. The two countries should also utilize the ARF to promote bilateral security cooperation on disaster relief, counter-terrorism and anti-piracy.

III. Japan-Australia-US trilateral security cooperation

Japan, Australia and the United States have convened the Trilateral Strategic Dialogue (TSD) since 2002. This development reflects not only the emergence of new security uncertainties and risks, including the rise of China and nontraditional security threats, but also a growing strategic partnership between Japan and Australia. Both Japan and Australia, which regard the US presence in East Asia as the cornerstone of regional peace and stability, have strong interests in strengthening their alliance relationships with the United States. Based on the two countries' shared strategic interests and the steady progress in bilateral security cooperation, Japan and Australia should develop the Japan-Australia-US trilateral cooperation in the following ways.

1. Japan, Australia and the United States should begin a strategic dialogue in order to develop a clearer vision of the trilateral relationship. The three countries have general ideas about the benefits of trilateral cooperation. However, it seems that none of them has a clear and long-term vision for the future direction and goal of trilateral cooperation.
2. The agenda for the TSD should include an array of regional and global security issues, including maritime security, the war in Afghanistan, proliferation issues, non-traditional security challenges, energy security and climate change, in order to expand the scope of trilateral cooperation.
3. The TSD should also discuss a long-term strategy to deal with looming geopolitical shifts in Asia. Given the shifts in the regional balance of power with the rise of China and India, the three countries should strive to build a viable security architecture by strengthening

multilayered mechanisms for international cooperation and deepening strategic ties amongst themselves.

4. Japan and Australia should develop trilateral security cooperation carefully and cautiously. While looking for a way ahead, Japan and Australia need to be careful not to inadvertently shape the security environment against their long-term interests. Japan, Australia and the United States need to guard against the trilateral relationships being misperceived by China as a bulwark against China's rise as a strategic player in the region.

The Fifth Japan - Australia Track 1.5 Dialogue



July 23 - 24, 2009
Venue: JIIA Conference Room, Tokyo



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THE AUSTRALIAN STRATEGIC POLICY INSTITUTE (ASPI)

PROGRAM

<DAY 1>		THURSDAY, JULY 23, 2009
10:00 - 10:15	Opening Remarks Japan - Amb. Yoshiji NOGAMI , President, The Japan Institute of International Affairs (JIIA) Australia - Dr. Anthony BERGIN , Director of Research Programs, The Australian Strategic Policy Institute (ASPI)	Conference Room, JIIA
10:15 – 11:30	Session 1 - Maritime Cooperation : Challenges and Opportunities <i>Moderator:</i> Ms. Naoko SAIKI , Deputy Director General, JIIA <i>Presentation:</i> Australia - Dr. Anthony BERGIN Japan - Vice Admiral (ret.) Hideaki KANEDA , Director, The Okazaki Institute / Adjunct Fellow, JIIA	
11:30 – 11:40	Coffee Break	
11:40 – 12:55	Session 1 Continuation	
13:00 – 14:30	Welcome Lunch	Kasumi Room, Tokai University Club, Kasumigaseki Bldg. 35F

14.:30 – 15:45	Session 2 - Defense and Security Policy Developments in Japan and Australia Moderator: Dr. Anthony BERGIN <i>Presentations:</i> Japan - Dr. Tatsuo AKANEYA , Professor, University of Tsukuba Australia - Dr. Mark THOMSON , Program Director, Budget and Management, ASPI	Conference Room, JIIA
15:45 – 15:55	Coffee Break	
15:55 – 17:10	Session 2 Continuation	

<DAY 2> FRIDAY, JULY 24, 2009		
10:00 - 11:15	Session 3 - Obama's Administration's Foreign and Security Policy and Its Implications for Australia and Japan Moderator: Amb. Yoshiji NOGAMI <i>Presentations:</i> Australia - Dr. Rod LYON , Program Director, Strategy and International, ASPI Japan - Dr. Eiichi KATAHARA , Deputy Director, Research Department, National Institute for Defense Studies (NIDS)	Conference Room, JIIA
11:15 – 11:25	Coffee Break	
11:25 – 12:40	Session 3 Continuation	
12:45 – 13:00	Closing Remarks Australia - Dr. Anthony BERGIN Japan - Amb. Yoshiji NOGAMI	
13:10 - 14:40	Farewell Lunch	Iwaen, Tokyo Club Bldg. 3F

Participant List

Japanese Participants

Dr. Tatsuo Akaneya

Professor, University of Tsukuba

Ms. Mayu Hagiwara

Deputy Director, Policy Planning Division, Foreign Policy Bureau, Ministry of Foreign Affairs

Ms. Ayako Hitomi

Researcher, Policy Planning Division, Foreign Policy Bureau, Ministry of Foreign Affairs

Mr. Keiichi Ichikawa

Director, Oceania Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Mr. Masafumi Ishii

Deputy Director-General, Foreign Policy Bureau, Ministry of Foreign Affairs

VADM (ret.) Hideaki Kaneda

Director, The Okazaki Institute; Adjunct Fellow, The Japan Institute of International Affairs

Dr. Eiichi Katahara

Deputy Director, Research Department, National Institute for Defense Studies

Dr. Tsutomu Kikuchi

Professor, Aoyama Gakuin University; Adjunct Fellow, The Japan Institute of International Affairs

Mr. Masahiro Kohara

Deputy Director-General, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Ms. Erina Morioka

Researcher, Oceania Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Dr. Toshihiro Nakayama

Associate Professor, Tsuda College; Adjunct Fellow, The Japan Institute of International Affairs

Amb. Yoshiji Nogami

President, The Japan Institute of International Affairs

Ms. Naoko Saiki

Deputy Director General, The Japan Institute of International Affairs

Prof. Naoko Sajima

Professor, Senshu University

Mr. Koji Tomita

Deputy Director-General, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Mr. Hideaki Tonooka

Senior Coordinator, International Policy Division, Defense Policy Bureau, Ministry of Defense

Dr. Takeshi Yuzawa

Research Fellow, The Japan Institute of International Affairs

Australian Participants

Dr. Anthony Bergin

Director of Research Programs, The Australian Strategic Policy Institute

Brig. David Coghlan

Director General of Military Strategy, Strategic Policy Division, Department of Defence

Dr. Rod Lyon

Program Director, Strategy and International, The Australian Strategic Policy Institute

Mr. Peter Roberts

Counsellor, Australian Embassy in Japan

Dr. Mark Thomson

Program Director, Budget and Management, The Australian Strategic Policy Institute

Mr. Hugh Watson

Second Secretary, Australian Embassy in Japan

Biographies

Japanese Participants

TATSUO AKANEYA

Professor, University of Tsukuba

Mr. Tatsuo Akaneya (Ph.D., the Australian National University) is an international relations specialist. He was born in 1956, and graduated from University of Tokyo in 1980. He was Research Associate (1989-92) at the University of Tokyo before joining the College of International Relations at Tsukuba in 1992. He is now professor at the Graduate School of Humanities and Social Sciences, the University of Tsukuba. He was a visiting fellow in the Asia-Pacific Program at the Royal Institute of International Affairs, London, from July 1995 to June 1996. He wrote chapters on “Japan” in *Asian Security* edited and published by the Research Institute for Peace and Security (Tokyo) from 2007-2008 to 2009-2010. His other publication related to the theme of the Conference includes:

Tatsuo Akaneya and Kotaro Ochiai ed., *Atarashii Anzenhosho Ron no Shiza* (Perspectives on the New Security Agenda), (new edition), Tokyo: Akishobo, 2007

Tatsuo Akaneya and Kotaro Ochiai ed. *Nihon no Anzen-hosho* (Japanese Security), Tokyo: Uchikaku 2004.

“A Comparison of Arms Control Regimes with Regard to the Prospect of Banning Nuclear Weapons” *Shinboei Ronshu* (Journal of the Association of Japanese Defense Studies) 28(4) March 2001 pp.69-90.

“Japan,” in Paul B. Stares ed., *The New Security Agenda: A Global Survey*, Tokyo: Japan Center for International Exchange, 1998.

The Japanese-US Alliance: A New Definition, London: The Royal Institute of International Affairs 1998.

MASAFUMI ISHII

**Ambassador (Policy Planning, International Security Policy), Foreign Policy Bureau,
Ministry of Foreign Affairs**

Date of Birth : Nov. 3, 1957

Oct. 1979 Passed Higher Diplomatic Service Examination

Mar. 1980 Graduated from University of Tokyo, Faculty of Law

Apr. 1980 Joined Ministry of Foreign Affairs

Jul. 1987 Deputy Director of Treaties Division, Treaty Bureau

Aug. 1990 Deputy Director of Personnel Division

Feb. 1993 First Secretary, Embassy of Japan in the United States of America

Feb. 1996 Principal Deputy Director of Policy Coordination Division Foreign Policy Bureau

Jul. 1996 Senior Coordinator of Policy Coordination Division Foreign Policy Bureau

Feb. 1998 Director of Planning Division, Foreign Policy Bureau

Oct. 1999 Director of Second Southeast Asian Division, Asian Affairs Bureau

Feb. 2002 Private Secretary to the Minister for Foreign Affairs

Nov. 2003 Minister, Embassy of Japan in the United Kingdom

Jul. 2006 Minister, Embassy of Japan in the United States of America

Jan. 2009 Deputy Director-General, Foreign Policy Bureau

Jan. 2009 Present Position

HIDEAKI KANEDA

Vice Admiral, Japan Maritime Self-Defense Force (ret.) / Director, The Okazaki Institute / Adjunct Fellow, The Japan Institute of International Affairs

Vice Admiral Hideaki Kaneda, JMSDF (ret.) is an Adjunct Fellow of JIIA (Japan Institute for International Affairs), a Director for The Okazaki Institute, and a trustee of RIPS (Research Institute of Peace and Security). He was a Senior Fellow of Asia Center and J. F. Kennedy School of Government of the Harvard and a Guest Professor of Faculty of Policy Management of Keio University.

He is the author of published books and articles about security, including “*Proposal for Maritime Coalition in East Asia*”, *IMDEX*, Germany, Nov. 2000, “*Changing situation of China’s and Japan’s security*”, *World and Japan*, Tokyo, Sep. 2001, “*US/China Power Game in Maritime Hegemony*”, *JIIA*, Tokyo, Mar. 2003, “*BMD for Japan*”, *Kaya-Books*, Tokyo, Mar. 2003, “*Multilateral Multi-Agencies Cooperation for Maritime Order Maintenance*”, *CSCAP*, Apr. 2005, “*US and Japan’s Policy toward North Korea*”, *World and Japan*, Tokyo, Sep. 2005, “*Japan’s Missile Defense*”, *JIIA*, Tokyo, Dec. 2006, “*Collective Defense Right and Japan’s Security*, *Naigai News*, Tokyo, Aug. 2007, “*Aspects of the War (Sea Battle)*”, *Naigai Publishing Company*, Tokyo, July. 2008, “*Understanding BMD*”, *Ikaros-Books*, Tokyo, Oct. 2008.

He is a graduate of the National Defense Academy in 1968, the Maritime War College in 1983, and the U.S. Naval War College in 1988. He served in the JMSDF from 1968 to 1999, primarily in Naval Surface Warfare at sea, while in Naval & Joint Plans and Policy Making on shore.

EIICHI KATAHARA

Deputy Director, Research Department, National Institute for Defense Studies

Eiichi KATAHARA is Professor and Deputy Director, Research Department at the National Institute for Defense Studies (NIDS) of the Japanese Ministry of Defense. Prior to joining the NIDS, he was Professor of International Relations at Kobe Gakuin University; a visiting fellow at Stanford University’s Asia-Pacific Research Center; a postdoctoral fellow at the University of California’s Institute on Global Conflict and Cooperation (IGCC); lecturer in the Department of Political Science and research fellow at the Australia-Japan Research Center both at the Australian National University. His publications include “Japan: From Containment to Normalization,” in Muthiah Alagappa (ed.) *Coercion and Governance* (Stanford University Press, 2001); Chapter on the USA, *East Asian Strategic Review 2009* (Tokyo: National Institute for Defense Studies, 2009); “Japan’s Plutonium Policy: Consequences for Nonproliferation,” *The Nonproliferation Review*, Vol. 5, No. 1 (Fall), 1997; “Japan’s Concept of Comprehensive Security in the Post-Cold War World,” in Susan Shirk & Christopher P. Twomey (eds.) *Power and Prosperity: Economics and Security Linkages in Asia-Pacific* (Transaction Publishers, 1996). and other articles and book chapters. He earned a Ph.D. in Asian and International Studies from Griffith University, an MA in International Relations from The Australian National University, and a BA in Economics from Keio University.

TSUTOMU KIKUCHI

Professor, Aoyama Gakuin University / Adjunct Fellow, The Japan Institute of International Affairs

KIKUCHI Tsutomu is professor of international political economy at the Department of International Politics, Aoyama Gakuin University, Tokyo. He has been a senior adjunct fellow at the Japan Institute of International Affairs (JIIA) since 1987. He was a visiting fellow at the Australian National University (ANU) and the Institute of Southeast Asian Studies (ISEAS) and a visiting professor at the University of British Columbia (UBC). He has been engaged in various track 2 activities such as PECC and CSCAP. He has published many books and articles on international political economy (especially regional institution-building) of the Asia-Pacific. He obtained his doctoral degree (LL.D) from Hitotsubashi University, Tokyo.

MASAHIRO KOHARA

Deputy Director-General, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Date of Birth: July 23, 1955

March 1980 Graduated from Tokyo University

April Entered Ministry of Foreign Affairs (MOFA)

July 1989 Deputy Director, Press Division, MOFA

Jan. 1991 Deputy Director, Loan Aid Division, MOFA

May 1993 Consul, Consulate-General of Japan in Hong Kong

April 1996 Counsellor, Permanent Mission of Japan to the United Nations

Feb. 1999 Director, Regional Policy Division, MOFA

Jan. 2001 Director, Grant Aid Division, MOFA

April 2003 Professor, National Institute of Information

March 2005 Deputy Consul-General, Consulate-General of Japan in Los Angeles

Sep. 2007 Deputy Director-General, Asian and Oceanian Affairs Bureau, MOFA

TOSHIHIRO NAKAYAMA

Associate Professor, Tsuda College / Adjunct Fellow, The Japan Institute of International Affairs

Dr. Toshihiro Nakayama is an Associate Professor of American Politics and Foreign Policy in the School of International and Cultural Studies at Tsuda College. He is also an Adjunct Fellow at the Japan Institute of International Affairs (JIJA). Dr. Nakayama was a Special Correspondent for the Washington Post at the Far Eastern Bureau (1993-94), Special Assistant at the Permanent Mission of Japan to the United Nations in New York (1996-98), Senior Research Fellow at The Japan Institute of International Affairs (2004-06), and CNAPS Visiting Fellow at the Brookings Institution (2005-06). He received his M.A. in 1993 and his Ph.D. in 2001 from School of International Politics, Economy and Business (SIPEB) at the Aoyama Gakuin University. He has written numerous articles on American politics and foreign policy.

YOSHIJI NOGAMI

President, The Japan Institute of International Affairs

Yoshiji Nogami is President of The Japan Institute of International Affairs and Executive Advisor of the Mizuho Corporate Bank, Limited. His current responsibilities include Advisor to the Cabinet, Advisor to the Minister for Foreign Affairs. He is former Japanese Ambassador to the U.K. and a Vice-Minister for Foreign Affairs of Japan. After graduating from the University of Tokyo he entered the Ministry of Foreign Affairs in 1966. He was Deputy Director-General of the Middle Eastern and African Affairs Bureau and the Foreign Policy Bureau, Director-General of the Economic Affairs Bureau, Deputy Minister for Foreign Affairs. His overseas posts include Economic Counsellor at the embassy in the U.S. and Consul-General in Hong Kong. Mr. Nogami was also Ambassador to the OECD in Paris in 1997-99. He was Senior Visiting Fellow at the Royal Institute of International Affairs.

NAOKO SAIKI

Deputy Director General, The Japan Institute of International Affairs

Ms. Naoko SAIKI is Deputy Director General, The Japan Institute of International Affairs. She graduated from the University of Tokyo (Faculty of Law) and entered the Ministry of Foreign Affairs in 1982. There she has served as Director of the International Peace Cooperation Division, Foreign Policy Bureau (1998-2000), Director of the Second North America Division, North American Affairs Bureau (2000-2002), Director of the Legal Affairs Division, Treaties Bureau (2002-2004), Director of the Economic Policy Division, Economic Affairs Bureau (2006), and Director of the Financial Affairs Division (2006-2008). She also served as Professor, Faculty of Policy Management, Keio University (Japan, 2004-2006).

NAOKO SAJIMA

Professor, Senshu University

Professor at Senshu University. Sajima graduated from Sophia University, Department of Law, and completed her M.A. (International Politics) at Aoyama Gakuin University. During a career of 19 years at the Japan Defense Agency, she worked in the Foreign Relations Office and as a senior researcher in the National Institute for Defense Studies, among other posts. In April 2001 she assumed her current post. She was a visiting fellow of the Strategic Defence Studies Centre, ANU in 1994-1995 and a distinguish fellow of Centre for Strategic Studies, NZ in 1998-1999. She has been the Secretary General of Japan Society for New Zealand Studies (JSNZS) since 2008. Amongst various publications both in English and Japanese, her leading monographs in English include; *Japanese Sea Power: A maritime nation's struggle for identity* (Canberra: Sea Power Centre, Australia, 2009); *JANZUS: towards complementary security arrangements*, presented at the 2008 ISA (International Study Association) Annual Convention in San Francisco; *Japan, Australia and Asia-Pacific Security* (London: Routledge, 2006) (Coauthor); *Strategic Cultures in the Asia-Pacific Region* (London: MacMillan Press Ltd., 1999) (Coauthor). In 2005 she got the 15th Cum-Sophia Award [Sophia Alumni Association Prize] with the winning work of *Gendai anzen hosho yogo jiten [Concise Encyclopedia of Security Affairs]* (Shinzansha, 2004) as an editor in chief.

KOJI TOMITA

Deputy Director-General, North American Affairs Bureau and Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs

Date of Birth

8th November 1957

Professional History

Jul. 2009-	Present
2006-2009	Minister (Head of Political Section), Embassy of Japan, UK
2004-2006	Minister (Head of Political Section), Embassy of Japan, Seoul
2003-2004	Director, Policy Coordination Division, Foreign Policy Bureau
2001-2004	Director, National Security Policy Division, Foreign Policy Bureau
1999-2001	Director, Second International Organisations (OECD) Division, Economic Affairs Bureau
1997-1999	Counsellor, Permanent Delegation of Japan to OECD, Paris
1994-1997	First Secretary, Embassy of Japan, Singapore
1992-1994	Deputy Director, First North America Division, North American Bureau
1990-1992	Executive assistant to Minister for Foreign Affairs
1984-1986	Second Secretary, Embassy of Japan, London
1982-1984	In-service Training at Oxford University
Apr. 1981	Joined Ministry of Foreign Affairs

Education

University of Tokyo (Faculty of Law)

HIDEAKI TONOOKA

Senior Coordinator, International Policy Division, Defense Policy Bureau, Ministry of Defense

Mr. Hideaki Tonooka is Senior Coordinator, International Policy Division, Defense Policy Bureau, Ministry of Defense (MOD), Japan. He is recently back from Washington DC.

From January 2007 to July 2009, he was Intelligence Coordination Officer, Intelligence Division, Defense Policy Bureau, Ministry of Defense (MOD), Japan and a Visiting Fellow at the Center for Strategic and International Studies, Japan Chair since April 2007. As a CSIS Visiting Fellow, he has attended many events and symposia, and has interviewed a variety of experts regarding national security and regional affairs. Based on these activities, he has prepared reports for MOD consideration in pursuing its efforts to broaden the relationship between Tokyo and Washington.

Mr. Tonooka served in the Public Relations Division of the Japan Defense Agency (JDA) before it became a Ministry as Deputy Director from June 2005 to September 2006. In charge of public relations, he actively moved forward MOD's public relations agenda. This included the introduction of an innovative "Package PR," the release of videos such as "Fiftieth Anniversary of the Self Defense Forces (SDF)/JDA," SDF operations in Iraq/Indian Ocean," and the production of a number of paper media products.

From June 2003 to 2005, Mr. Tonooka served in the Communication and Information Division, JDA as Deputy Director. He played a discreet but essential role in advocating and increasing the Agency's budget for communication and information systems.

He was seconded to Cabinet Office twice. The first time (June 2000 to June 2002) was to the Peacekeeping Office in the Cabinet. In this capacity as a JDA representative to the office, he was in charge of SDF Peacekeeping operations. He was a main player in dispatching the Ground Self Defense Force's Engineering Battalion to East Timor to participate in UNPKO in early 2002 and the six Air Self Defense Force C-130s humanitarian mission flights to Islamabad, Pakistan in October, 2001. The second time he was seconded to the Cabinet Satellite Intelligence Center (CSICE), Cabinet Intelligence and Research Office (CIRO) from June 2002 to June 2003. Here he played a critical part for the first Information Gathering Satellites (IGS) launch by developing the basic schedule.

From 1998 to 2000, Mr. Tonooka worked in the International Planning Division, Defense Policy Bureau for the Chief of the Arms Control section and supported preparations for Japan's ratification of the Anti-Personnel Landmine Treaty. He conducted coordination within JDA on the

development of an alternative weapons system and the plan for the disposal of one million anti-personnel land mines.

From 1996 to 1998, Mr. Tonooka's work was as part of the intelligence community. For the first six months, he was assigned to the Second Intelligence Division, Defense Policy Bureau, and when the Defense Intelligence Headquarters (DIH) was established in January 1997, he moved there as one of the first members of the organization. He was tasked to plan the merger of various staffs into one organization, and he also actively coordinated activities between the DIH and its U.S. counterparts.

His first tour of duty in Washington, DC was from 1994 to 1996 as a procurement officer for Foreign Military Sales (FMS). In addition to this assignment, he served as *rapporteur* for senior JDA officials, who visited National Defense University's Institute for National Strategic Studies to interview scholars and experts in defense policy.

Mr. Tonooka, upon entry into the JDA in April 1990, was variedly involved in the drafting of Japan's defense White Paper, *Defense of Japan 1993*, activities in the Equipment Bureau and took some training courses.

Mr. Tonooka is a native of Tokyo, a graduate of Sophia University where he earned a Bachelor of Arts degree in history.

TAKESHI YUZAWA

Research Fellow, The Japan Institute of International Affairs

Dr Yuzawa is a Research Fellow at the Japan Institute of International Affairs (JIIA). He received his PhD in International Relations from the London School of Economics and Political Science (LSE). His current research interests include the prospects of regionalism and regional order in East Asia. He is the author of *Japan's security policy and the ASEAN Regional Forum: The search for multilateral security in the Asia-Pacific* (Routledge, 2007). He has also published articles in international academic journals such as *Pacific Review* and *Asian Survey*.

Australian Participants

ANTHONY BERGIN

Director of Research Programs, Australian Strategic Policy Institute

Anthony is the Director of Research Programs for ASPI. He is responsible for the Institute's research and publications programs on defence and international security issues. Dr Bergin was most recently Associate Professor of Politics, University of New South Wales at the Australian Defence Force Academy (ADFA) in Canberra. From 1981-1985 he taught political science at the Royal Australian Naval College. From 1991-2003 he was the Director of the Australian Defence Studies Centre (ADSC). He is the author and editor of a number of important works including *Future Unknown: the terrorist threat to Australian maritime security* (ASPI, 2005), *Naval Power in the Pacific* (Westview, 1993), and *The Pacific Patrol Boat Project "C a Case Study in Defence Cooperation* (ANU, 1994). He has written extensively on a wide range of national security and ocean policy issues.

DAVID PETER COGHLAN

Director General of Military Strategy, Strategic Policy Division, Department of Defence

David Coghlan was born in Canberra and graduated from the Royal Military College Duntroon in 1984 to the Royal Australian Artillery. From 1985 to 1988 he held a variety of Regimental postings in the 16th Air Defence Regiment at Woodside in South Australia involving both the Rapier and RBS-70 surface-to-air guided missile systems.

In 1989 and 1990 Captain Coghlan was the SO3 Operations at Headquarters 3rd Brigade in Townsville and from there was posted as an instructor at the US Army Air Defense School at Fort Bliss Texas. For his service at Fort Bliss he was awarded the United States Army Meritorious Service Medal. Upon return to Australia in 1993 he was the Operations Officer and Battery Commander of Headquarters Battery at the 16th Air Defence Regiment.

From there Major Coghlan attended Army Command and Staff College at Queenscliff followed by a posting to Brisbane as the SO2 Operations at the Deployable Joint Force Headquarters. In 1998 he was posted to Canberra as Staff Officer to the Director General of Preparedness and Plans – Army. In 1999 he was promoted to Lieutenant Colonel as the SO1 Organisational Structure in Army Headquarters. For his efforts in this area he was awarded a Chief of Army's Commendation.

While posted to Army Headquarters he completed a Master of Defence Studies at the Australian Defence Force Academy where he was awarded the Defence Studies prize as the top student in the program. In 2001 Lieutenant Colonel Coghlan was awarded first and second prizes in the Chief of Army's Essay competition for his papers *The Revolution in Military Affairs* and *The*

Prospect of a United Nations Standing Force. A later article, Australia's Defence Policy in the Post-Cold War World, was published in the Army Journal.

During 2002 Lieutenant Colonel Coghlan deployed as the contingent commander of the Australian United Nations Military Observers and Senior United Nations Military Observer in the Oecussi Sector of East Timor. In 2003 and 2004 he commanded the 16th Air Defence Regiment during a period of rapid expansion and revitalisation. Promoted in 2005 he was appointed as Colonel Plans Headquarters Training Command – Army. During 2006 he was the J5 – Plans at Headquarters Joint Operations Command in Sydney. Following this appointment Colonel Coghlan deployed to Afghanistan as the Deputy Commander Joint Task Force 633 (Afghanistan). In this role, based in Kabul, he was the senior Australian Defence Force representative in Afghanistan. For his performance as J5 and in Afghanistan Colonel Coghlan was appointed a Member of the Order of Australia in the 2008 Australia Day Honours List. Colonel Coghlan then attended the US Army War College in Carlisle, Pennsylvania as a member of the resident Class of 2008 graduating with a Masters of Strategic Studies. His major research paper for the course *Prospects from Korean Reunification* was published by the Strategic Studies Institute, the US Army's institute for geostrategic research and analysis.

Promoted in October 2008, Brigadier Coghlan is the Director General of Military Strategy in Strategic Policy Division of the Department of Defence.

ROD LYON

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PETER ROBERTS

Counsellor, Australian Embassy in Japan

Peter Roberts is the Political Counsellor of the Australian Embassy in Tokyo. Prior to taking up this post in June 2009 he served as Director, Kyoto Protocol Section, Department of Climate Change and Director, Climate Change Section, Department of Foreign Affairs and Trade. He has previously been posted to Samoa and has served as a Peace Monitor in Bougainville, Papua New Guinea. He studied at the Australian National University, Australia and Tohoku University, Japan.

MARK THOMSON

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Mark began his career as an academic working in theoretical physics. As a scientist he held research and teaching posts in Australia and the United Kingdom.

In the mid-1990's Mark joined the Department of Defence and commenced work in the Force Development and Analysis division scrutinising capability development proposals. Over the next five years he held a diverse range of jobs in the department that saw him working on budget management, organisational change and force development. In this period, he was deployed on operations as a Civilian Truce Monitor to Bougainville in 1997, and as Political Military Adviser to the INTERFET Commander in 1999.

In 2002 Mark joined the newly formed Australian Strategic Policy Institute as inaugural director of the Budget and Management Program. Mark's research touches on a wide range of issues including Australia's defence and security budgets, links between strategy and force structure, the internal management of the Department of Defence and defence industry.

HUGH WATSON

Second Secretary, Australian Embassy in Japan

Hugh Watson is the Second Secretary Political in the Australian Embassy in Tokyo. Prior to taking up his post in March 2007 he served in the Japan Section, the Human Rights and Indigenous Issues Section and the Iraq Task Force in the Department of Foreign Affairs and Trade (DFAT). Before joining DFAT in 2004, he worked as a commercial lawyer in Sydney. He studied at Sydney University, Australia and Cambridge University, United Kingdom.

Summary

Day One – 23 July, 2009

Opening Remarks

From the Japanese side, Ambassador Yoshiji Nogami noted that the political and security landscape included good news and bad news. The good news included international economic cooperation and low tension across the Taiwan Strait, while bad news covered issues like the effects of the economic crisis, the situation on the Korean Peninsula and recent terrorist attacks in Jakarta.

From the Australian side, Dr. Anthony Bergin remarked that Japan and Australia have an increasing, deepening strategic engagement in recent years including foreign and defense ministerial consultations. Growing interoperability between the countries' defense forces enhances the security cooperation of the Asia Pacific region. Also, Australia and Japan have come together to make a contribution to the successful outcome of next year's nuclear nonproliferation treaty review.

Session One – Maritime Cooperation: Challenges and Opportunities

Presentation One

The concept of security goes beyond simply bombs and bullets to embrace a much wider concept including environmental and human security. There is also a maritime defense component which has now adopted a much more comprehensive definition. This includes, for example, illegal, unreported and unregulated fishing; the acidification of the oceans; issues to do with the rising sea level; issues to do with marine biodiversity; issues to do with marine natural hazards; and maritime safety.

Underlying that point is that these issues require a shared approach. Neither country can resolve issues to do with maritime security purely on its own. There is an interdependency of the oceans by their very nature. Most of the issues that are being discussed with respect to maritime security and maritime cooperation require mutual collaboration.

One of Japan's greatest assets that does not get enough recognition is the great role that the Japan Coast Guard plays. While some who follow maritime affairs have noted in recent years the increasing role and contribution that the Japan Coast Guard makes, it does not seem that the changing role and contribution that it is making is appreciated amongst a wider security

audience. One item which should also be acknowledged is the contribution that Japan has made with respect to the establishment of ReCAAP (Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia).

Japan has an extraordinary dependence on maritime commerce and is one of the largest importers of oil in the world. In this way, the US- Japan Security Alliance is really a maritime defense alliance whose aim is to protect and advance common national interests. In contrast, although Australia has the largest exclusive economic zone in the world and is heavily dependent on the oceans, the country has, on a whole, looked inward to continental Australia. Australia lacks any significant capability to explore its ocean domain and has tended to view the oceans as something that separates it from its neighbors. The Australian Defense White Paper also looks at Australia's ocean areas as something that keeps intruders away rather than viewing them as a positive highway by which Australia can cooperate with its neighbors to build law and order at sea. One of the ways in which Australia can advance its interests as an active middle power is through maritime affairs.

With respect to Australia and Japan security cooperation in the maritime area, there is much to gain in terms of mutual benefits with Australia and Japan by cooperating on the softer side of security; specifically, climate change. This includes issues like ocean acidification, maritime capacity building, and issues to do with natural disaster mitigation.

The South Pacific area, the 22 countries that make up the Island Pacific, offer a fantastic opportunity for Australia and Japan to cooperate in the maritime field. Australia and Japan could work well together in terms of monitoring, control and surveillance of the approximately 30 million square kilometers of ocean in terms of fisheries cooperation giving those countries a strong resource base as well as securing fishing resources for Japan. Joint research and collaboration could also be undertaken in the area of rising sea levels for South Pacific atolls. Collaboration is also possible in carbon sequestration technologies.

Australia has accepted that it is possible under the Antarctic Treaty to use naval vessels for maritime interception work in the Southern Ocean. While Antarctica is being reserved for peaceful purposes, with respect to collaboration with Japan, Australia sees no problem in using military assets for maritime interception, search and rescue work, and logistical support. Japan and Australia can work together to police and protect the sovereignty of the Antarctic Treaty.

Finally, one area that Australia and Japan should discuss further is the possible militarization of Antarctica. Resource wars might extend to the exclusive economic zones of Antarctica as only a handful of countries have ratified an agreement banning mining in Antarctica. China has established a base in Australia's Antarctic Territory, signaling greater geopolitical interest in Antarctica.

Presentation Two

Preventing regional maritime conflicts is one of the key areas of focus. The first component of this is maritime defense alliances for state to state conflicts. Maritime security cooperation is another, softer component, and maritime security coalitions are a third component.

Regarding maritime defense alliances, China has first and second island defense lines with the ultimate security of Beijing being paramount. The United States and Japan share common strategic interests and thus share a military alliance. Second, maritime security cooperation is being engaged in between Japan and other likeminded countries like Australia. In this way, they take the initiative in responding to foreign long-term national security issues including fishery resource depletion, occurrence of a large-scale disaster, the spread of disease, large scale depletion of coast lines and others. Finally, international collaboration among maritime nations sharing common values is essential. In order to develop and ensure international collaboration in maritime security, Japan proposed a maritime security coalition that loosely binds nation that share common values with Japan like Australia.

Returning to the maritime defense issue, Chinese military advancement to Japanese waters has been especially evident in areas like the Spratly Islands in the South China Sea and the sea lanes of the Indian Ocean through which vital sea vessels pass. Japan's neighboring seas are no exception to their advancement. This Chinese activity clearly indicates Chinese intentions to make the South China Sea a sanctuary for themselves. China is starting to make the Eastern China Sea a real frontier, so that they may control the area. This demonstrates their intention to further expand their forward defense line, extending the maritime defense border eastward. In this way, they are to create an expedition area on the water into the second island defense line along the line of around 150 degrees east.

There is a danger that China may be able to deny access of US naval intervention forces in case of a crisis arising over islands in the area. The Chinese Navy is increasing the number of modernized nuclear strategic and attack submarines, increasing conventional attacks and deep water action capabilities with a large southeast competence, and is also developing ground base aircraft with air refueling capabilities, and ballistic and cruise missiles.

What China lacks, however, are capable aircraft carriers to engage in combat against the US Navy (USN) and the Maritime Self-Defense Force (MSDF) in these areas so far from the Chinese mainland. Experts worldwide agree that China is planning to build aircraft carrier groups, but they are currently remodeling Soviet-era carriers currently in their possession with the aim of creating three aircraft carrier battle groups by 2020. China's Air Force could build its power projection capabilities following the completion of aircraft carrier battle groups, and they may reach the level that can endanger the regional military balance.

Moving on to the US-Japan Alliance, Japan and the US have been closely linked defensively since the end of World War II. It is extremely critical in the long term to sustain this maritime

defense alliance with the US, which is at a crossroads in its position as a global leader in the international maritime community. Japan's crossroads hinge on its relations to middle powers, namely, Australia.

The US-Japan alliance is not only beneficial to Japan, but to the interests of the region and the international community. China's strategic buffer zone, its blue triangle, almost coincides with the triangle connecting the Japanese archipelago, Okinawa Island, and Guam and the Marianas Island. If the US Armed Forces and the Self-Defense Forces can actively and jointly operate military aircraft and the naval vessels in this triangle and the East China Sea to demonstrate their power of control over these waters, it may stymie the ambitious advancement of China. This means that Japan needs to possess valuable assets like nuclear-powered attack submarines and tactical aircraft carrier battle groups.

For Japan and the US, the relationship with Australia is of special significance as it is a neighboring Asian Pacific country that has strong interests in the security of Southeast Asia. Australia is one of the most important countries in the North-South extended Asia region. These three countries, Japan, the United States and Australia share the same values based on democracy.

For the peace and prosperity of Asia such a trilateral maritime alliance is of vital significance. Australia cannot neglect the issue of China's maritime expansion for the sake of its own security. If Japan and the US take appropriate actions, there can be an opportunity to gradually develop that approach to restrain and control the advancement of China. Australia can provide considerable strategic significance in the strategic delta waters and its southern peripheral.

In terms of maritime security cooperation, there are several points. For many years in the past, Japan has actively taken the initiative in maritime security cooperation in the region. The international cooperation activities among navies and coast guards have made significant contributions to promoting confidence, transparency and mutual understanding among nations. Examples include the Western Pacific Naval Symposium, the North Pacific Maritime Security Summit and the Heads of Asian Coast Guards Agency meeting.

Japan actively supports the Global Maritime Purpose (GMP) which is a program promoted by the United States for the purpose of providing disaster relief and preventing maritime terrorism, piracy and invasion of the weapons of mass destruction. Japan believes that the support activities to ensure the navigational safety at the Malacca-Singapore straits and neighboring areas should be extended to the Indian Ocean, Oceania or Southeast Asian outer area and South Pacific. Japan welcomes ReCAAP, which has developed into a regional cooperation framework through informational exchange and data analysis activities as well as capacity building support.

Democratic powers should be assembled into maritime security coalitions. Three issues would bind such a coalition: democracy, maritime power and modernized maritime forces. Responsibilities should be proportionate to each country's national capacity. Values are very important to

areas such as keeping order at sea during disasters, sea restoration, climate issues, the environment, resource use and others.

Japan, the US and Australia should take the initiative to create a security coalition in North and Southeast Asia, and expand it to encompass broader members including India, and finally expand it globally.

Discussion Period

A **Participant** stated that while Australia's strategy is to act independently, lead military coalitions and make tailored contributions, however, many of these contributions are difficult for Japan to make due to legal restrictions. Most threats to Japan are in terms of sea lanes of communication where it can make something of a contribution. With these different approaches, if they come to be organized well, they would be beneficial to both parties.

A **Participant** expressed surprise at how different the presentations were, but admitted that both Japan and Australia had a range of opinions within their countries on whether to focus on soft or hard issues in maritime security.

It is getting very difficult to know what the future security environment will look like as Asia is going through dynamic geopolitical change. The geopolitical geography of peace is coming to an end because land power in Asia is growing and is reasserting its claim for a larger role on the world stage. Both countries have to think more about what that means.

There are a wide range of questions regarding maritime security that there is no agreement on even within national capitals. These include questions regarding how fast change is moving, how urgent the need is to get on one track rather than another, what roles each state should play in Asia and what strategies Japan and Australia should adopt.

The dynamic shifts that are underway in Asia can go to the good or they can go to the bad. Possibilities include developing an underlying security architecture or forging a great power rivalry. The question for Australia is whether to build their maritime force for cooperation or for rivalry. Weak Asian powers are coming to an end. The age of the strong Asian powers is coming to and is going to be felt most profoundly in the maritime area.

Countries that are not democratic, like China, have an interest in some democratic public goods, like trade. Australia is trying to find its own place in the world as power balances shift. Central to Australia's policy is linkage with the US and effort is being put towards solidifying Australia's relationship with Japan. Linking with Japan is easy due to shared interests and values, but it is more difficult with India or China.

A **Participant** stated that Australia's defense white paper talks about what role Australia is expected to play in terms of North Asian security. While Australia does have some military

capabilities it wishes to protect, the white paper does not point to Australia joining an alliance or coalition to protect sea lanes with other democracies.

The case in Asia can be compared to Europe at the turn of the century, where military production increased in response to Germany's rise as a power and new alliances were formed. World War I was caused by the momentum of that military modernization and military expansion that was occurring. This should be cautionary to the progression of maritime security cooperation in the modern Asia Pacific.

A **Participant** asked for clarification on the dimensions of security cooperation, and how China can concretely cooperate in increasing maritime security.

Further, the **Participant** expressed concern about China's growing military power in the region. While previous calls for a maritime security agreement between democracies are ambitious and provocative, it may be better to move forward with such a plan quietly to foster good diplomacy and good relations with China.

While China must be made to act cooperatively, the democratic powers like Japan and Australia must figure out how to take advantage of Chinese power rather than create conflict with China. Issues to consider in this light include disaster relief, North Korea and protection of sea lanes.

A **Participant** admitted to discomfort and apprehension regarding China's actions, and stated that it necessitated deep discussion with friendly countries on many levels. China can be viewed either in light of its maritime contribution activities, or its aggressive buildup and ambitions. China is also vulnerable in terms of sea lanes, being highly dependent on external resources, and these sea lanes are protected by the US. Their dilemma is that the more they grow the more dependent they are on the US in this regard, which is the dilemma they are trying to address. While Japan and Australia must prepare for the Chinese maritime buildup, they must also engage China for the peace and stability of the region.

Also, there has been no division of labor between seafaring nations and coastal nations in terms of combating piracy. Although many coastal nations are developing, they must be involved in anti-piracy efforts.

A **Participant** responded that Japan needs to encourage China to be more stable and friendly, as well as becoming a more democratic and free country. That being said, Japan and China have many problems between them including territorial disputes. Japan also has territorial disputes with South Korea, though there have been no conflicts over this dispute, and Japan and South Korea do share values as two democratic countries.

In order to gain the cooperation of China, several different routes can be attempted at once. Efforts to create a maritime security cooperation agreement should be very straightforward. This means that Japan, the US, Australia and even India should begin cooperation right away.

However, the group need not be very expansive, and only the primary three are necessary to make it effective.

A **Participant** stated that while protection of sea lanes was necessary for all countries, not all countries shared the same concept of protection of sea lanes. However, China shares similar concerns and may want to protect its sea lanes independently.

A **Participant** explained that it is difficult to differentiate between protection of sea lanes in different parts of the Asia Pacific. In wartime, strategic deltas need to be protected, the US-Japan Alliance needs to be solidified and Australia should support strategic shared interests including protecting sea lanes around Japan from Chinese aggression.

As a related goal, there should be an international coalition to maintain and secure safe and free use of the oceans in peacetime. Places like the Strait of Malacca, the east coast of Somalia and the Gulf of Aden are vital for Japan as well as Australia, and these places need to be protected in peacetime.

A **Participant** asked what the word “friends” entails in the context of the current discussion.

A **Participant** responded that engaging in joint exercises without a treaty in place, as happened between Japan, India and the US, is a good indication of friendship.

A **Participant** stated that Australia is not opposed to hedging against China. Also, Australia does not prioritize the area south of Japan’s strategic delta in its own defense calculus as it has its own defense lines and perimeters which focus on Indonesia. Currently, Australia is watching the South China Sea as this has to do with Chinese claims that any economic activity by foreign bodies infringes on China’s rights.

There are two levels as to how China can cooperate in maritime security cooperation. The first is to draw China into public goods areas including anti-piracy, stable sea lanes and anti-terrorism. The second is to obtain more evidence of Chinese respect for international maritime legal principles as a way of codifying China’s behavior.

A **Participant** stated that the South China Sea is a hot-button issue now. Japanese self-protection has to focus on specific areas like the South China Sea and the Strait of Malacca. The **Participant** then asked how states could respond to conflict of naval competitions.

A **Participant** stated that there are several groups within those who call for greater cooperation between Japan and Australia. Although Japan and Australia would benefit from an enhanced security relationship, this should be implemented cautiously. The Japan-Australia relationship is pragmatic so long-term visions cannot be managed in it.

A **Participant** asked what the strategic significance of the US Marine Corps troop movement

from Okinawa to Guam had. The **Participant** then asked why nuclear submarines and aircraft carriers are necessary in light of the US Marines movement. Finally, the **Participant** asked what the domestic legal constraints would be for Japan to acquire nuclear submarines and aircraft carriers.

A **Participant** explained that China uses the international legal framework only when convenient for it. For this reason, Japan needs great maritime power. Japan is eager to enter into coalitions with countries like Australia. US and Australian naval personnel also seem concerned with Chinese expansion into the western Pacific Ocean.

A **Participant** asked if this meant that Australian naval personnel would like to emphasize a kind of semi-alliance with Japan.

A **Participant** responded that straightforward, comprehensive discussions need to take place. Regarding the relocation of the Marines, the transformation taking place is on the US side, rather than due to relations with Japan. Also, the need for nuclear submarines and aircraft carriers is not related to the Marines realignment. The Japanese government has forbidden three weapons, ICBMs, long bombs and attack aircraft carriers, like those possessed by the US.

A **Participant** stressed that the Australian defense white paper did not rule out inter-state conflict in Asia. Australia notes Japan's concerns about China and recognizes that it probably the biggest foreign policy dilemma faced by Australia and Japan. It will not help Australia's interest to be seen to be drawn into an anti-China maritime coalition. The GMP is not about constraining China. It is much more about trying to develop cooperative maritime activities. The focus should be on expanding maritime cooperation and drawing the Chinese in as a cooperative power. China can play roles both as a threat and a partner. Australia should not be in the business of stigmatizing China. The Australian defense white paper did provide for significant naval buildup, but Australia has significant national interests in the oceans. Australia and Japan can cooperate in anti-piracy.

It is in everyone's interests to draw China to accept international legal norms on the law of the sea, but the US should sign the Law of the Sea Convention. China has recent made a formal protest regarding the South China Sea continental shelf issue. Australia cooperates with the MSDF, in terms of hard security issues. Australia and Japan can work together further in the area of fisheries in the South Pacific. Whaling is an area where Australia should be quiet.

A **Participant** stated that the US moved troops without weakening the Alliance. Since 9/11 the US has been trying much harder to consolidate alliances. The US has, however, moved back to second line defense islands with the move to Guam.

Session Two – Defense and Security Policy Developments in Japan and Australia

Presentation One

In January 2009, Japanese Prime Minister Taro Aso created the Council on Security and Defense, an informal advisory council comprised of businessmen and academics as well as former high-ranking bureaucrats. The National Defense Program Outline (NDPO) is an official document which provides for Japanese security strategy and defense policy. That latest National Defense Program Outline was approved by the Koizumi Cabinet in December 2004. Previous suggestions to include nuclear submarines and aircraft carriers in the MSDF may or may not be shared in the Ministry of Defense or the MSDF.

The upcoming Japanese elections put future defense and security strategy into doubt as the opposition DPJ, which is posed to win the election, has not supplied much information about defense and external policy. As the DPJ is made up of pragmatic politicians it is doubtful that much would change in regard to defense policy. DPJ President Hatoyama remarked that he thought diplomatic continuity was important and that he wanted to establish a good relationship of trust with the US. This relationship would include a consideration of roles Japan could play in stabilizing Afghanistan and Pakistan.

There are four questions about how Japan's security strategy and the defense policy evolved. First, what are the factors regarding the treaty? Second, what are the focal issues in examining Japanese security strategy and defense policy? Third, what implications do possible changes of security strategy have with respect to the basic security policy of the past? Fourth, assuming the current security strategy will be continued, what does all this mean for the future prospects of Japan-Australia cooperation?

In Japan, basic troop and equipment numbers are determined through long-term procurement plans, which are considered when creating annual budgets. In 1957, the NDPO was very short and simple. There was no new NDPO until 1976, during which time Japan acquired major weapon systems with the idea of how to match the US and France during Japan's rapid economic growth period. The 1976 NDPO established a 1% GDP cap on defense spending. Though many left-wing elements believed the SDF to be unconstitutional, the Japan Defense Agency (JDA) believed that the support of the people was necessary for further buildups.

There was relative stability in defense policy during the Cold War, but after the Cold War was a rethinking of security strategy and defense policy. This is exemplified by there being only 10 years between the two latest NDPOs, 1994 and 2004, and the fact that a new NDPO is currently under consideration.

Under the 2004 NDPO, there are two roles for Japanese security. One is the defense of Japan from direct threats, and the second is improving the international security environment. This

NDPO made international peace cooperation a major mission of the SDF, leading to various missions undertaken, including those in Iraq, Kuwait and the Indian Ocean. These missions abroad provide greater opportunities for international cooperation, particularly with Australia. Both Japan and Australia are affluent democracies and share common values and concerns, including uncertainty over China.

Presentation Two

Two very important developments regarding Australian security forces have occurred in the last year. The first is a National Security Statement that came out last December and the second is the May 2009 Defense White Paper. These two documents together are the official statements of the new Rudd Labour Government and represent the spectrum of defense and security policy for Australia.

The National Security Statement was an attempt by the government to bring together an overarching framework as to what Australia's national security interests were. It posits that the world is experiencing increasing complexity, rapid change and multi-layered interconnectedness in which Australia is a regional power prosecuting global interests. It also contains seven principles that encapsulate the underlying framework for the Defense White Paper: self reliance across a range of national security capabilities, the Australia-US Alliance, bilateral and multi-lateral regional engagement, a commitment consistent with global multilateral institutions, a strategy of creating the middle power of diplomacy, a risk-based approach to national security planning and the pursuit of national security through cooperation between the federal government and the state governments of Australia.

In terms of nontraditional security threats, the National Security Statement explores them at length. It discusses terrorism, fragile states on Australia's periphery, energy security, transnational crime and border security. The government's response to the identified challenges in the National Security Statement has three parts: an activist diplomatic strategy, a defense force that is willing to respond to a range of situations, and a strategy of building and maintaining national security agencies and capabilities.

One of the key things the statement did was set out how Australia was going to structure bureaucracy to pursue national security. A National Security Advisor has been appointed. There is a series of first steps that the government outlined that the National Security Advisor is going to do, including establishing an Executive Development Program on National Security, looking at a coordination of policy functions and putting into place evaluation measures to ascertain what returns the government was getting on investments in national security. The National Security Advisor has also set up a crisis coordination center.

The 2009 Defense White Paper took 16 months to put together. With the new Force 2030 concept, Australia's defenses will be built with a view to defending the continent against attack. Priorities in this plan include deterring armed attacks on Australia, contributing to stability and

security in the South Pacific and East Timor, contributing to military contingencies in the Asia Pacific region and contributing to military contingencies in the rest of the world.

Force 2030 is not a radical departure from the 2000 White Paper. Three standout points include differing military demands when defending Australia, differing views of American support under the alliance and differing perception of the potential for great power conflict. In 2009, the maritime strategy was built around protecting land, air and sea approaches from any credible hostile force. In 2009, the military strategy to counter any credible hostile force has been changed to controlling only the air and sea approaches to Australia. The White Paper wrote a definition for maritime defense more in line with what people expect defense to be – an ambitious military task. Greater demand was placed on a concept from 2001, that Australia would use its maritime capabilities to safeguard critical sea lines.

The White Paper is a document written with a very long-term mindset. It envisages the development of Australia's maritime capabilities into the 2030s, and suggests a lot of critical changes. First, it suggests the creation of 12 new submarines to replace the six Australia currently possesses. It also suggests replacing the current eight carriers with 18 larger, perhaps destroyer-class vessels. Finally, it outlines a plan for a new fleet of large, multipurpose offshore patrol vessels.

The White Paper expects the continuation of the US alliance, but makes preparations in the event that this alliance is cancelled. Force 2030 conceives a defense scenario in which Australia would only need to ask the US to come to its aid in the event that it was up against a military power so strong that it would be utterly impossible for Australia to go it alone. This idea reconsiders the 1951 treaty with the US in way that has never been done.

The third important aspect of the White Paper is its treatment of the possibility of a major conflict in the region. It uses very careful language on this point, but treats the possibility very seriously. Chapter six details the consequences this would have for Australia and the contribution that Australia would want to make should this happen.

Force 2030 puts an emphasis on Australia's maritime capabilities by 2030, which is the target date for developing these capabilities. The plan continues the defense plans of the previous government. The Australian defense force is in operation in a range of theaters and this will continue in the future. The previous government put into place plans to expand the army, and create a higher degree of safety in higher intensity operations than ever before.

The White Paper puts less of a rhetorical emphasis on the way in which Australia will assist the US, but that does not mean Australia will stop assisting the US. Australia will continue to be a strong partner of the US. In terms of Australia and Japan, the White Paper says that Australia will be deepening and furthering its engagement with Japan. In December of 2008, there was a MoU between the Japanese Ministry of Defense and Australian Ministry of Defense which set out a wide range of avenues through which Australia and Japan could cooperate, from official

high-level meetings to exchanges. If you look at the last seven or eight years, the Japan-Australia relationship has grown considerably. This relationship has grown very rapidly and is something very positive for the region. Japan and Australia should carefully consider what they want their roles to be, and should do this through a careful trilateral dialogue between Australia, Japan and the US.

Discussion Period

A **Participant** asked what risks Australia was responding to in increasing its maritime defense forces, as well as what sort of coalition Australia would enter into should there be conflict in the region.

A **Participant** replied that Australia's first and foremost priority was the defense of the continent, and that there were countries in the area close to Australia, such as Indonesia, which may not always be stable. The White Paper tried to establish a situation in which Australia would have every confidence in its own ability to respond to any arising situations. As to what the White Paper meant when it stated that Australia would form coalitions to resist aggression in the region, the **Participant** explained that frankly, this section was talking about China and East Asian power dynamics. For example, Australia would join forces, probably with the US and perhaps with Japan, against China should that country pose a threat. Australia, thus, was attempting to build up its maritime forces because it recognized that involving itself further in such power dynamics, although intended to protect Australia in the long run, could very well lead to a greater threat for Australia.

A **Participant** asked about how the White Paper had been informed by rising defense expenditures in China, as well as how the US would react to Australia becoming more independent regarding security issues.

A **Participant** thanked the previous **Participant** for the questions and answered that as China became more powerful it would gain the right to restrict access to its air and sea routes. In the past, the US had been able to ensure that important global trade routes stayed open, but it would be difficult to convince a more powerful China to allow access should it not want to, and the White Paper had taken this issue into account when making policy suggestions. On the question of the United States, he explained that the White Paper was not saying that Australia would pull away from the United States, but that it would work to become a more self-reliant actor while still working with the US.

A **Participant** asked about the way the China-Taiwan relationship affected peace in the region, as well as what long-term strategic commitment the US had in the region.

A **Participant** responded that Australia intended to watch China and Taiwan very closely, particularly in respect to the aid the two countries were spreading throughout the region. He remarked that it was important to ensure that OECD transparency arrangements were adhered to.

Concerning the US strategic commitment in the region, the **Participant** noted that the relationship was complex, and that it was vital that the countries interested in the region carry out inclusive dialogues. Furthermore, US commitment in the region depended on that country's belief in its role as a force of good in East Asia.

A **Participant** asked about the effects on security policy in Japan of the upcoming election, the economic situation, and external factors such as China and North Korea.

A **Participant** replied there would be two constraints on defense in Japan in the future, one was budgetary concerns, the other was the aging population. Against these constraints, he suggested that the Self-Defense Forces recruit more women. He noted that no matter which party comes to power, he believed that the consumption tax would be raised to 10% or more, and that this would help to fund defense spending. Regarding China, the **Participant** gave his opinion that Japan and China have some affinity with each other, and how the rise of China affected Japan's policy would depend on what government came into power. He believed that young Japanese shared more values with the West than with China, and so in the future it was likely that Japan would move in that direction. As for North Korea, the Japanese perception was that they were radical and difficult to deal with.

A **Participant** asked about the position of National Security Advisor in Australia.

A **Participant** answered that the office of the National Security Advisor had been created by expanding the national security division within the Department of the Prime Minister and Cabinet which had been created to deal with post-9/11 security issues and had itself been formed as a branch of the long-standing international division of the same department.

A **Participant** asked about whether Japan would continue to implement nuclear deterrence going forward.

A **Participant** responded that while he believed that deterrence did not work in the case of North Korea, he did not think that it would be any more useful for Japan to produce nuclear weapons itself. He mentioned that some had been saying that Japan should equip its submarines with cruise missiles to counter the Nodong missiles of North Korea, and he noted that Australia possessed such missiles, but he was unsure what the objective of such missiles were. A **Participant** responded that Australia had always felt strike to be an important aspect of its military strategy and that conventional weapons had shown not to be effective in robbing an enemy of its will to fight.

A **Participant** again brought up the role of the US in Asia, arguing that its commitment was not based on altruism. The United States' strategic interest in the region and the way it would probably change over the coming twenty years meant that the US was not going to leave soon. He disagreed with the other **Participant's** assertion that the region needed to have inclusive discussions, stating that what the region actually needed was exclusive and small groups willing to act

on and accomplish goals.

A **Participant** asked why Japan did not increase immigration to improve the situation concerning the shrinking population. A **Participant** answered that foreigners did not want to come to Japan. He stated that the Japanese government had discussed the issue in the past and agreed to utilize the foreign labor force, but would not open up immigration, as Japanese society was still closed to the idea. A **Participant** clarified that Japan had EPAs with the Philippines and Indonesia allowing for workers from those countries to enter Japan. These EPAs had very stringent requirements and quotas.

A **Participant** brought up a number of points concerning the power structure between the US, China, Taiwan, and North Korea. He noted that it was important for Australia and Japan to think about how their actions toward other countries played into this power structure. For example, with China and Taiwan giving money to island countries in an effort to win influence, Australia and Japan putting pressure on Fiji to democratize may very well just push that country toward China. The US was looking for ways to engage with China as it rose in power in the region, and China was looking for ways to grow economically while remaining politically stable. For China, instability in the Korean Peninsula was bad for its economic growth and political stability, and so would be a continuing issue. North Korean rising as a nuclear power would change the whole structure of power in the area.

A **Participant** exclaimed that the upcoming elections would lead to birth of healthy debate over security issues in Japan through the creation of a real two-party system.

A **Participant** declared that in the following day he hoped that the group could discuss the differences between the defense budgets of Australia and Japan. While the Japanese public believed that their defense budgets were too high, research showed that the budget for defense in Australia was higher on a per capita level.

A **Participant** again brought up the topic of Australia becoming independent from the US, positing that the US should be overjoyed that Australia was taking a more proactive stance toward security in the region, as this was good for Australia, and would also contribute to the broader goals of the US in the region.

A **Participant** then drew the conversation to a close, commenting that there seemed to be many areas where Australia and Japan could further cooperate.

Day Two – 24 July, 2009

Session Three – The Obama Administration's Foreign and Security Policy, and Its Implications for Australia and Japan

Presentation One

When looking back to predictions made in the first days of the Bush Administration, it is apparent that predictions for the future of the Obama Administration have little chance of being correct. President Obama has many issues on his agenda with foreign concerns dwarfing domestic ones, including healthcare and the economic crisis. He seems uncertain as to how he will get all of his goals accomplished.

Since Obama's inauguration, the US has become more consultative, willing to reach out its hand to adversaries, prone to talk more and fight less, and is trying to reposition how it exercises influence in the world. Resetting relationships is a big issue if the US is to play a leadership role again. The presidency is very much an intellectual exercise for Obama. He is both an idealist and a realist at the same time. Overall, there will be continuity than change in US strategic policy.

In terms of the Asia Pacific, events, leadership relationships and core strategic issues are focal points in Obama's policy. In the short and medium terms, Obama has been pulled toward Asia by the global financial crisis and the ongoing North Korean nuclear crisis, respectively. While Obama may think more about the Middle East than the Asia Pacific, the latter now has a much more prominent standing due to these two events.

Obama has fostered warm relationships with Asian leaders; warmer, in fact, than his relations with European leaders. Japanese Prime Minister Aso was the first foreign leader invited to the White House and South Korean President Lee was the first foreign leader to hold a press conference in the Rose Garden.

Core strategic objectives will inevitably pull Obama further towards Asia. He is aware of the geopolitical shift in weight toward Asia and he appreciates the fact that the broader agenda for global issues is being driven by the rise of Asia. The global nuclear order is also taking on Asian characteristics.

Moving on to US-Australian relations, it is the view of the Australian government that an unhealthy and close dependency was developed between the previous Australian coalition government led by John Howard and President Bush. That relationship drew Australia too much into a satellite orbit of Washington. The ALP government of Kevin Rudd talks more about basing Australian foreign policy upon three pillars: a relationship with Washington, a high degree of

Asian engagement and a high pursuit of multilateral organizations. That said, relatively less has changed in the ANZUS alliance than some might have initially expected.

Some of the tensions running through the Australian government can be seen in the defense white paper, though white papers need not be pored over like academic texts. The tensions are in regard to the alliance being a pillar of the US-Australia relationship though Australia wants to pursue greater self-reliance in light of the questions over the longevity of US power.

Traditionally, the US likes Australia, and Australia is a good ally that can deliver when times call for it, but its power assets are limited. The ANZUS alliance is like a well-baked cake with the relationship between Howard and Bush as a thick layer of icing on top. Rudd and Obama have intelligent conversations, whereas the former two had emotional conversations. The US is also willing to leave certain issues to Australia, like East Timor.

The key lesson for the ANZUS alliance is that the relationship waxes and wanes. Also, much of a president's feelings towards a country are based on how that country responds to the US's first crisis. This can be seen in the response to 9/11 by Australia, but Obama does not seem to have hit such a crisis.

Finally, the Japan-US-Australia trilateral relationship will grow over time as it is not a short-term relationship and enjoys bipartisan support. All three countries get much use out of the relationship. It is a steady relationship that benefits all of its members.

Presentation Two

The Obama Administration's Asia team is strong with several well-known figures in Asian policy. There are also many elements of continuity from the Bush Administration. The Obama Administration puts great weight on coordination or cooperation with allies and partners, and they want to use smart power, a combination of hard power and soft power, while expanding strategic partnerships with emerging powers like China and India. Obama has designated Afghanistan as the main battlefield in the war on terror and he will try to endeavor to stabilize the country by also taking a deeper interest in Pakistani affairs. Given this, there are questions over Obama's prioritization of Asia.

Among security and foreign policy challenges facing the US, Japan and Australia, Afghanistan and Pakistan look large. The most serious threat to the United States and its allies lies at the nexus of transnational extremists, hostile states and weapons of mass destruction. The challenge is to develop a comprehensive, viable and long-term strategy addressing not only security but also governance, economic and social development, and reconciliation and capacity building in Afghanistan and Pakistan.

A nuclear-armed North Korea or the Korean Peninsula armed with nuclear weapons and ballistic missiles would pose a direct military threat to Japan and the region. It would seriously

destabilize the regional balance of power, possibly sparking an arms race in the region. It would also test the validity of multilateral diplomacy centering on this Six-Party Talks, and the credibility of the US-Japan Alliance. First, Japan should strengthen its own conventional deterrent capabilities, including its missile defense system. Second, Japan should strengthen its alliance with the United States. Third, Japan should intensify its diplomatic efforts to build up international pressure on North Korea while expanding our strategic relations with regional and democratic powers.

China remains a long-term challenge. Shaping China's strategic decisions and policies would be critical if a new security order in the region is to be open, safe and stable. Japan would welcome China as a responsible major power that plays a key role in maintaining a stable, peaceful security order in the region. Though both engagement and hedging are necessary, these two elements would be insufficient to meet the China challenge. The region would benefit from a carefully designed trilateral framework for comprehensive strategic dialogues and consultations among Japan, the United States and China at the official level on wide-ranging security and economic issues. Mechanisms to promote safety on the ocean and in the air can be also discussed between Japan and China also perhaps on the trilateral level.

Regarding nuclear proliferation, America along with other major powers' top-down initiatives in seeking a world without nuclear weapons are timely, important and very welcome. It should be noted however that Tokyo and Washington have long avoided in-depth and thoroughly informative, substantial debate and discussions on extended deterrence. The time has come for policymakers of Japan and the United States to begin a truly strategic dialogue on extended deterrence and other relevant issues of global consequence.

Now, to conclude with some recommendations regarding trilateral security cooperation between Japan, Australia and the US. First, the agenda for the US-Japan-Australia trilateral security dialogue and cooperation would include a host of regional and global security issues. Second, this should also include a dialogue on long-term China strategy so as to shape China's future strategic decisions and policies in the region. Third, Japan and Australia should play a proactive role in promoting the nuclear disarmament and arms control movement. Fourth, given shifts in the balance of power with the rises of India and China, these three and other major regional powers must build a viable security architecture by strengthening multilayered mechanisms for international cooperation, and deepen strategic ties amongst themselves.

Discussion Period

A **Participant** asked for elaboration on Australia's perception of the future or the United States role in Asia. It was suggested that for Australia, from the utility of the alliance with the United States will be decreased in the future. Also, the **Participant** asked how Australia would respond to a decrease in US power.

A **Participant** commented that the US and Japan see mini-lateralism as networking. The two

countries have begun a networking boom because of the relative decline of US influence in the region and the increase in issues which require global responses. Mini-lateralism includes three links that go beyond the hub and spoke model. The US is no longer willing to be the center of the alliances and wants to create a safety network. While a quadrilateral US-Japan-Australia-ROK alliance is desirable, it will be too obviously anti-China. Trilateral alliances either as US-Japan-Australia or US-Japan-ROK will have different characteristics as the former will make South Korea realize its regional responsibilities. Also, other major powers, namely India, need to be engaged further.

Japan would like to use trilateral linkages to deal with difficult partners including Russia and China. While Japan has been in favor of this for some time, China proposed this to the US with the arrival of the Obama Administration and it was accepted. South Korea will be kept fully informed of any discussions regarding North Korea at these consultations.

In terms of India, the US and Japan will engage more in policy planning. The safety of navigating the Indian Ocean would be a good point to work together on as the US, Japan and India have already engaged in joint naval exercises four times in the past. South Korea is welcome in such talks as well as China.

Japan's agenda for the next year will be to engage in dialogues on extended deterrence, and contingency dialogues on North Korea. Assessments of China have been ongoing and have focused on policy planning for 2025.

A **Participant** stated that there seemed to be remaining perception gaps between Japan and Australia. The Australian Labour Party puts much more emphasis on independence in global and regional issues. However, the US sees Japan and Australia as its north and south anchors, respectively, thereby necessitating further coordination between the two. In particular, the Japan-Australia relationship lacks bilateral meaning. More must be done to strengthen the Japan-Australia bilateral relationship.

A **Participant** commented that the Australian defense white paper mentioned ballistic missile defense capacity building against North Korea and other countries. The **Participant** then asked what Australia's actual threat perception is, and whether that missile defense system is meant for protection against China or India. Also, the **Participant** asked about the possibility of BMD cooperation between Japan, the US and Australia.

A **Participant** stated that there is great potential in US-Japan-Australia cooperation. The potential are not only deep, but wide, covering a vast number of different fields. These three countries are the only three that share a strategic outlook, basically, that Asia is dynamically changing, and this shared realization allows for a strategic, long-standing cooperation in regional issues.

Recent trilateral discussions included talk about North Korea, Afghanistan-Pakistan, Iran, Myanmar and the Middle East. This reveals a global strategic view that cannot be seen in other

trilateral discussions. There is much potential in Japan-US-Australia talks as Australia holds much potential in coping with the changing dynamics of the region.

Continued assessments of important regional and global issues are necessary. At the same time, trilateral practical cooperation including maritime security, humanitarian aid, disaster relief and counterterrorism is very important.

A **Participant** stated that this meeting was different from past meetings as in the past the Australian side eagerly requested Japan to actively take on a greater regional security role. The situation seems to have changed with the Japanese side encouraging the Australian side to become more active in the region. It is possible that Australia has grown tired after the Howard government's policies and the Rudd government wants to focus more on Australia itself.

A **Participant** stated that there was a greater reliance on multilateral institutions by Japan, and that this also applies to the US. However, the US's core alliances are its bilateral ones, like that with India, and a diplomatic facade is put up when engaging multilaterally. The problem for Australia is that multilateral frameworks are like a chair with a wobbly leg on which one is too afraid to sit.

The G20 has not produced much except for papers written by old G7 experts and some bilateral discussions that generated commitments to financial and multilateral institutions. Obama's mentality of having fewer summits and more results is very apt, and it will have to be forward during the G20 meeting in Pittsburgh.

A **Participant** commented that India had three taboos when drawing up a joint security declaration. First is not to mention China. Second is not to mention US strategy. Third is not to mention US-Japan-India-Australia quadrilateral cooperation. Leaving out these three elements made it possible to engage in bilateral security cooperation. India seems to be putting much emphasis on their bilateral relationship with Japan rather than multilateral institutions. Also, they want to engage in technological cooperation, though legal issues in India may keep this from happening for now.

It is currently difficult for Japan to do much in the South Pacific due to the difficulties in sending troops to the region. One primary reason for this is the fact that the Solomon Islands have diplomatic relations with Taiwan rather than the People's Republic of China. Although the DPJ might put into place legislation for greater international cooperation if it is voted into power, this cooperation would still have to take place under the auspices of the UN.

Regarding extended deterrence, Japan and the US should conduct studies on possible scenarios that would require extended nuclear deterrence. Also, alliance mechanisms and which deterrence capabilities are necessary should be reviewed. Deterrence should be looked at not just in view of nuclear threats, but also chemical and biological threats. Japan and the US should also discuss a no-first-use policy on the part of the US.

While missile defense is important, the **Participant** admitted to skepticism over it. Conventional deterrence is needed before missile defense is put in place. Missile defense can act as an element that confuses opponents' planning.

A **Participant** stated that when trying to assess the future utility of the ANZUS alliance, the defense white paper can be very confusing. It does, however, voluntarily circumscribe, in a way that has not been done before, the extent to which one might think the alliance important to Australia, which is that ANZUS should not be called upon if Australia is faced with anything besides an armed attack. This position is not an advisable one as it takes away from the credibility of the alliance. The white paper is written every five years, during which time the security environment is reassessed, but Australia's force structure is assessed only once every 20 years, creating something of a disconnect.

Effective multilateralism in Asia is built by small networks of groups that share some views of the world and work cooperatively together. This can be done by bringing together unfriendly and potentially difficult powers. Australia has a deep interest in the extended nuclear deterrence feature of the Japan-US Alliance since the deterrence offered to Australia can only be the same that is offered to Japan.

While Japan and Australia are north and south anchors for the US in Asia, the alliances are based on different principles. Most US alliances in the Asia Pacific are built on the hub and spoke model. The ANZUS alliance is quite general and the dilemma arises that, if the US is called upon by a hub and spoke alliance partner to get involved in a conflict, this will pull Australia into the conflict as well.

In regards to Australia asking Japan to do more, former Australian Prime Minister Paul Keating said that it would be helpful to pull Japan more towards Asia while the Asia Pacific is at peace. Now is a good opportunity for Japan to take on more of the normal power definitions and move right out of that slightly circumscribed security role that Japan has accepted since World War II. On the other hand, Australia is strategically tired from the Howard years and there is an understanding that Australia is doing as much as it can do as a middle power. Regarding the DPJ's policy platform, the ideological makeup, in terms of its diversity, is very similar to that of the ruling party of Australia.

A **Participant** explained that Japan's intentions are to engage in regular dialogue on ways to enhance deterrence as a whole. Deterrence contains three elements: deterrence provided by the US as per the alliance, deterrence Japan can provide through increasing defense expenditures or changing its military posture, and deterrence that can be had through cooperation.

Deterrence includes considerations for threat assessment, target choice and weapons choice. Japan does not want assurances on how or when nuclear weapons will be used, as that is a decision to be made by the US President. The objectives of deterrence are to gain reassurance in terms of present threats, to engage Japanese leaders with the United States, and to be able to

explain the necessity of deterrence in the face of threats from North Korea among others. It is Japan's policy to tell China that as long as the deterrence element of the alliance remains credible, Japan will have no need to go nuclear. It also seems that South Korea understands and is comfortable with Japan's position.

Regarding US and the no-first-use policy, Japan should not encourage this, though it is an interesting concept. On the other hand, one of the reasons Saddam Hussein did not attack US forces with chemical and biological weapons was his fear of nuclear retribution from the US.

There is much potential in the idea of Japan and Australia engaging in cooperation with South Pacific countries. There are more avenues for this cooperation than the Self-Defense Forces. As South Pacific countries have wide EEZs, there is much that can be gained in joint exploitation of natural resources.

India's stubbornness in terms of joint security cooperation seems to be a feature of the Indian Foreign Ministry. The Indian Navy, for example, is very forward-looking. Discussions about the possibility of Japan-US-India naval exercises were started through consultations with the Indian Navy, not the Foreign Ministry.

A **Participant** pointed out that the Australia-US Alliance was more mature than the Japan-US Alliance. Firstly, Australian soldiers are fighting with American soldiers. Second, Australia has been making a more significant contribution to intelligence gathering and ballistic missile defense than Japan.

A **Participant** asked how Japan planned to get over the island dispute issue in its bilateral relations with South Korea. The **Participant** stated the one of the biggest differences between the Howard and Rudd governments in Australia is the stock being put in the G20 by the Rudd government. The **Participant** then asked how Japan sees the G20.

Australia faces an extraordinary dilemma in its relations with China. While Australia "dodged the bullet" in terms of the economic recession unlike China, the Chinese government has shown that it will brook no risk to its sustained economic growth, as can be seen in the arrest of senior executives of Rio Tinto.

A **Participant** explained that the Australian defense white paper states that Australia is looking to acquire ballistic missile defense due to extant threats from rogue states in the region. This is motivated by both Australian desire for greater self-reliance and doubts over whether the US ballistic missile defense arsenal will be enough to protect itself and Australia.

Regarding cooperation with Japan, there are two aspects. First, indirect cooperation currently exists in terms of both countries hosting US forces. Second, more active cooperation between the two countries is yet some time off. It will take at least two years until the respective policies of Australia and Japan are mature enough to allow for greater cooperation.

A **Participant** stated that many developments by Japan in its security cooperation have been more diplomatic in nature than purely military. While Japanese people see the troop dispatch to Iraq as a significant event, the specifics of the situation are more complicated. There is, in fact a huge gap between what is being done by Japan and what is being done by other countries, and this is not being recognized by the Japanese public or by politicians.

South Korea, Indonesia and Australia are very active in promoting the G20, but as these countries are not G8 members, the legitimacy of the G20 is put on the spotlight. Generally speaking, the perception is that the smaller the body, the more effective, whereas the larger the body, the more legitimate it is. For example, it is very difficult to find real results from the G8 L'Aquila Summit. The Japanese view of all of the Group meetings is that larger groups create broader and more effective international networks than smaller groups. In addition, one reason Japan is undertaking more multilateral cooperation is to add attractiveness and marketability to these meetings, rather only engaging in low-profile bilaterals.

A **Participant** commented that the proliferation of multilateral meetings seems to be due to "conference building measures." It seems that Obama's instinct is to go for multilateralism over bilateralism. In order for the US to effectively use its power, Obama believes in using progressive preemption. Secretary of State Clinton mentioned that in this interdependent world, major partnerships must be focused on rather than looking at the world in terms of polarity.

Obama has also been trying to change the perception of the US in the world. Obama's East Asia team is skeptical of his visiting Hiroshima and delivering a major speech, though the inner political circle is very interested in it. The **Participant** then asked if Japan would be ready on a psychological level to talk openly about the atomic bombing issue after a trip to Hiroshima by Obama.

A **Participant** stated that the island dispute issue between Japan and South Korea would not disappear. On the G20, Japan feels that it needs two levels of conferences, with one being small and stacked with like-minded actors who can develop and work toward ambitious goals. The G7 was such a group before Russia joined, and since then it has lost some of that flavor. For this reason, Japan is looking to a larger number of smaller groupings to create results. The second, larger type of grouping focuses more on negotiating and consensus building rather than progressive actions. The G20 is too big for this second type, necessitating an inner consensus group within the G20.

A **Participant** stressed that the world's nuclear future will be decided in the next few years. Experts around the world are all split on what the world's nuclear future will look like. Since nuclear disarmament will not happen in the next three years, the world will most likely fall into a second nuclear age.

India and Australia have long been in each others blind spots. The war on terror has worked to bring the US and Australia closer. Regarding international conferences, legitimacy is not only

based on how many states attend and depends more on areas of public good and going beyond individual interests.

A **Participant** stated that while it is true that Australia has had a greater role to play in the war on terror, Japan's role has been getting more and more prominent.

A **Participant** stated that Obama is well-aware of the critical importance of extended deterrence. Regarding a change in policy with a new administration in Japan, the place of the bureaucracy in the government will most likely not change, thus leaving policies intact. Also, the time has come for the Japanese public to tackle issues like the military alliance and nuclear deterrence.

Closing Remarks

Ambassador Nogami stated that the last two days bore fruitful discussions and that bilateral consultations tend to be more advantageous than trilaterals. Japan may or may not be going through a transformation as the DPJ's policies are not yet clear. Of course, whether the DPJ's policies are important or not depends heavily on the party's success in the election.

Mr. Bergin pointed out that while the global economic crisis has negatively affected Japan, the effects have not had an inordinate impact on Australia's trade with Japan. The meeting underscored the fact that close economic relations have morphed into a broader strategic partnership as both countries are committed to peace and prosperity in the Asia Pacific.

Papers Session One

Maritime cooperation: challenges and opportunities

Dr. Anthony Bergin
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Our concept of security has broadened. It now includes considerations of environmental security, safety, food security and human security, as well as of resource security.

In the oceans, relevant threats include IUU fishing, ocean acidification, sea level rise, pollution, loss of marine biodiversity and habitats, and marine natural hazards. Safety and security can also be closely related, again particularly in the maritime domain. Climate change and its implications are now regarded as having significant security dimensions.

An important quality of non-traditional security is that in the main threats are of a shared nature and not direct threats to the interests of any one nation.

Dealing with these threats invites a cooperative response.

I will talk about the interests our countries have in maritime security and cooperation.

Maritime energy security is one of the most important elements needed to ensure stable energy supplies for the fast growing Asian economies.

Major user states, must contribute to the security of chokepoints such as the Strait of Hormuz and the Malacca Strait.

As far as energy is concerned we see rapid increases global energy demand, and most especially in Asia.

China and India are demonstrating remarkable growth.

The supply of energy from non-OPEC countries is declining.

This is leading to Japan becoming more dependent on energy imports from the Middle East. 30 per cent of the world's oil production is currently concentrated in the Middle East, and this will

increase to about 40 per cent by 2030.

The Middle East supplies about 50 per cent of China's oil requirements; about 85 per cent of Japan's and about 50 per cent of South Korea's.

These oil tankers could be considered critical cargoes that would require protection in the event of hostilities.

It's in the region's collective interests to ensure that the energy continues to flow to North Asia.

The majority of this oil transported by sea through the two very narrow waterways of the Strait of Hormuz and the Malacca Strait.

The majority of Australian export trade to Japan transits the Indonesian Archipelago, passing through the Lombok Strait, then the Strait of Makassar into the Pacific Ocean, south of the Philippine Archipelago.

The importance of the Malacca Strait, along with the Strait of Singapore, has risen over the past decade.

The Malacca and Singapore straits now constitute the most economically important waterway in the world.

The main shipping channels between the Indian and Pacific oceans, they carry nearly half of the world's annual seaborne trade, including oil supplies.

Nearly 94,000 vessels used the straits in 2004, a figure thought to rise to 150,000 vessels by 2020, with tankers in the energy trade accounting for much of the increase

The importance of safety, security, and environmental protection in these straits is increasing.

User states have been concerned about the high level of piracy and seaborne robbery in the straits and, following the 11 September 2001, the possibility that a maritime terror attack could disrupt shipping in the straits.

Countries bordering the straits are worried about the implications of increased shipping traffic, the threats posed to the marine environment, the high costs of maintaining navigational safety and environmental protection, and the possibility that their sovereignty could be jeopardized by the operational involvement of non littoral countries in providing security in the straits.

We need closer cooperation among the littoral and user states to manage these issues.

This requires a comprehensive approach: navigational safety, maritime security and environmental protection. China, Japan, Taiwan, and South Korea are heavily dependent on shipping through the Straits.

This includes tankers and gas carriers moving from the Middle East, and large container ships on around-the-world service runs among Europe, East Asia, and North America as well as other types of vessel, such as car carriers and ro-ro vessels carrying important export and import commodities.

Of these states, Japan has been the most active in assisting the littoral countries with their efforts to provide safety and security in the straits and to protect the marine environment.

The Japanese Coast Guard has sent experts, held seminars and conducted joint training sessions with these states.

The Japanese Government is developing the global maritime distress and safety system, conducting joint hydrological surveys, and developing electronic hydrological maps of the straits.

Japan Coast Guard ships and aircraft regularly visit Southeast Asian states to assist local security forces through training and exercises in building their capacity to combat threats from piracy and maritime terrorism.

I will come back to role of the JCG, of which I'm a big fan!

In June 2006, Japan donated three patrol boats to Indonesia to help fight terrorism and piracy, after earlier donating a training vessel to the Malaysian Maritime Enforcement Agency.

In January 2008, Japan announced a major grant to assist in upgrading Malaysia's maritime surveillance system along the Malacca strait.

I'd like to acknowledge the great work of Japan's Coast Guard. As Richard Samuels noted in recent article in 'International Security' journal the modernisation and expansion of the JCG enhance not only Japan's power projection capabilities but also Japan's ability to project influence—and it does so without the destabilizing consequences that a shift in the formal defense budget might entail.

The transformation of the JCG into a de facto fourth branch of the Japanese military may be the most significant and least heralded Japanese military development since the end of the Cold War.

A well known commentator on maritime affairs, Sam Bateman has pointed out that since 2000

Japan has been actively using the JCG as a ‘foot in the water’ in Southeast Asian waters. In fact, the JCG has become a regular participant in the ASEAN Regional Forum, Southeast Asia’s most prominent collective security assembly.

Samuels notes this ‘foot’ may not be sheathed in a steel-tipped boot, but it is nonetheless a formidable addition to Japan’s diplomatic and military capacity—ironically, not least because of its nonmilitary character.

The commitment by littoral states to maritime security cooperation constitutes another major step forward with regime building in the Malacca and Singapore straits. Relevant activities include trilateral coordinated maritime surface patrols among Indonesia, Malaysia, and Singapore called the Malacca Strait Sea Patrols and coordinated airborne surveillance under the Eyes in the Sky arrangement.

I would also mention here the **Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships** that came into effect in 2006.

This Japanese-inspired initiative, ReCAAP, is a very significant achievement that provides the basis for regional cooperation to counter piracy and seaborne robbery in the Asian region. The agreement became operational in September 2006 with the opening of the Information Sharing Center in Singapore.

With the important exceptions of Indonesia and Malaysia, it involves all ASEAN nations, plus Japan, China, South Korea, India, Bangladesh, and Sri Lanka. It includes an information network and a cooperation regime with assigned contact points in each participating country.

Indonesia’s reluctance to join ReCAAP stems from the belief that ReCAAP undermines state sovereignty in archipelagic waters and the territorial sea. Malaysia’s reluctance to support ReCAAP is believed to lie in its objections to the location of the Information Sharing Center in Singapore and its view that ReCAAP is an unnecessary competitor for the IMB’s Piracy Reporting Center located in Kuala Lumpur.

Tighter government control and onshore policing are important factors contributing to the improved situation with piracy and robbery at sea.

As piracy off the coast of Somalia demonstrates, corrupt governance or lack of good order onshore facilitates disorder at sea.

Pirates operate from bases onshore, usually in small fishing communities, and it is not unreasonable to assume that most of the community knows what is going on. Official and community attitudes against piracy in Indonesia have hardened in recent years. Greater awareness and more active policing onshore constitute the most significant factors leading to the reduced incidence of piracy and seaborne robbery in Indonesia, in-

cluding in the Malacca strait.

As the majority of energy flows in Asia are seaborne in nature, navies would be involved in the protection of this shipping if it were threatened.

We don't yet have agreement on a common maritime threat assessment for shipping in the Asia-Pacific region.

That's the first step to wider bilateral and eventually multilateral naval cooperation.

Its encouraging that ASEAN is establishing a Maritime Forum and ARF has set up an inter-sessional meeting on maritime security. Both will address maritime cooperation, including shipping safety and security.

In terms of **Australian Japan maritime cooperation**, Japan of course is a leading seafaring nation and as already noted depends on maritime commerce and its one of the world's largest importers of oil.

The ocean is a lifeline for Japan's so security in the oceans is essential for your national security. The US-Japan Defense Alliance is substantially a maritime defense alliance in the sense of using the sea to protect common national interests.

Australia maritime domain is around 4 per cent of the planet's oceans, but Australia is not a great maritime nation, even though we have world's third largest EEZ.

Why is it so? We choose to live and play on the shores of our country but lack a maritime culture. Our national identity has largely been forged by looking inward to continental Australia, with the sea cutting us off from unwanted intruders.

We need to change this mindset. We persist in seeing our maritime jurisdiction and surrounding oceans as isolated and unimportant issues. We haven't grasped their significance as central to the nation's future in the twenty first century.

Until about thirty years ago, our marine industries were mainly in the hands of foreigners. Our marine scientific research effort to explore the economic potential of our oceans is paltry in comparison with other countries; notably in our region, China, Japan and India. It's a 'Catch-22' situation. We don't invest resources in marine research because we don't know what we have.

Our maritime domain offers great economic potential: offshore oil and gas, shipping, marine tourism and fishing are key industries already, but there are also emerging new industries, such as marine biotechnology, wind and tidal energy, desalination, deep seabed mining, and carbon capture and storage.

In national security terms, our strategic planners too often regard our surrounding oceans and seas as a moat that separates us from our neighbours: we continue to seek security against rather than with the region. This is the mindset of insular insecurity that has influenced Australian strategic thinking since the earliest days of European colonisation.

Regional oceans and seas provide important opportunities for cooperation with our neighbours. Australia has a clear strategic interest in helping to build good law and order at sea with our neighbours. It's one of the surest ways we can prevent threats to our security.

Most threats faced by the countries around us, such as population growth, terrorism, food shortages, military expansion, climate change and energy insecurity, have a significant maritime dimension.

While we can't have much influence on these issues at source, at least we can try to have an influence, even in some cases a controlling influence, on how they affect Australia via the adjacent oceans and seas.

The links between climate change and the oceans are under-appreciated. The oceans directly affect climate and, in turn, are directly affected by climate change.

Most policy concern with climate change has focused on controls to reduce greenhouse gas emissions. However, climate change also poses significant challenges for oceans management and policy. Increasing acidification of the seas is a particular threat that might have very severe consequences for Australia and our region, particularly on pristine coral reefs.

The promotion of Australia as a maritime power and a clever maritime nation would fit well with the Rudd government's concept of Australia as an activist, creative middle power focused on keeping our region peaceful and prosperous.

The Rudd government has set an ambitious goal to increase our international influence as a middle ranking power: the oceans offer a potential source of credibility and leadership to achieve that status.

In terms of maritime security cooperation with Japan we should at this point keep to the softer "S" side of security: climate change, oceans management, ocean acidification, natural disaster mitigation, and capacity building initiatives.

The South Pacific is a good area for this, especially our navy cooperating with Japan coastguard in border patrolling.

Australia and Japan can also work together to give the islands greater economic return on fisheries. Japan has a strong interest in the stability of the resource.

This can act as a balance for increasing Chinese presence there.

In the harder “S” security context Australia needs to be sensitive to Chinese concerns about a US sponsored containment strategy.

SLOC security is of course a common interest.

We can cooperate with Japan through PSI and also with Japan in your own efforts to suppress piracy off the coast of Somalia.

Its pleasing to note that your parliament last month approved a law allowing the Japan Maritime Self-Defence Force greater powers in combating piracy off the coast of Somalia. The bill allows the two JMSDF destroyers in the Gulf of Aden to escort any ship and fire at suspected pirate ships, as compared to previously only being able to escort Japanese ships and use their weapons in self-defence.

Australia recently sent a frigate to this operation.

We can share information related to maritime security more generally, including on climate refugees created by rising sea levels, and conflict created by depletion of fish stocks.

We can also cooperate in research on ocean energy resources in order to bring ocean energy sources into production. Australia is soon to get major new marine research vessel so we can cooperate more in research and development of marine resources. One area that Australia is very interested in is CO2 capture and sequestration technologies

Australia and Japan have an increasingly sophisticated understanding of highly complex climate systems – the relationships between oceanic and atmospheric systems – and how the increase in our carbon emissions is affecting them. Australia and Japan have a long history of working together on climate change and more recently acidification issues. In fact, it is the focus of our Antarctic research cooperation.

Because the **Antarctic and the Southern Ocean** play a major role in the global climate system Australia and Japan should work together to help us understand the pace, and trajectory of climate change.

A related issue is the increasing need for good order at sea, including the prevention of IUU fishing, pollution and other illegal activity in the waters off Antarctica.

Generally it seems to have been accepted that the use of naval vessels for enforcement operations against illegal fishing constitutes a “peaceful purpose” under the Antarctic treaty. Australia, for example, has used military deployments over the years for fisheries interception, search and rescue, and logistic support. Australia has a very large maritime Search and Rescue Region

that stretches to the Antarctic continent.

Australia and Japan are both members of CCAMLR so we direct interest to cooperate to reduce costs in the Southern Ocean and tackle IUU fishing. The Japan Coast Guard could cooperate with Australia for Antarctic for policing and sovereignty protection and in so doing honour the spirit of the Antarctic Treaty.

Last season Australia helped Japan with its Antarctic logistic support and in the future with Japan's new Antarctic vessel, this will open the door to future logistic cooperation in eastern Antarctica. We can build on this to work with Japan to extend Australia's work to western Antarctica as well.

Perhaps one area that Australia and Japan need to think more about is the issue of possible **militiarisation** of Antarctica. It is not inconceivable that resource wars might extend into Antarctica in the future. The waters off Antarctica, and the claimed exclusive economic zones there, might be particularly vulnerable to such competition and conflict. There's the Madrid Protocol of 1998 that implemented a 50-year ban on mining in the Antarctic. However, the Protocol only binds the relatively small number of countries that are party to it.

The emerging strategic competition between China on the one hand, and India and Japan on the other, is one development that could impact on activities in Antarctica. There is increased risk of geopolitical competition in and around Antarctica. China's bases are in the Australian Antarctic Territory, and the expanding Chinese presence there maybe one factor behind the funding increase for the Australian Antarctic Division in the 2009–2010 Federal Budget.

Maritime Cooperation Challenges and Opportunities

...Japanese Perspective...

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To prepare for any conflicts with other countries in scramble over maritime resources and energy, or in territorial disputes including the determination of maritime territory under the sovereign right of a nation, each country shall develop a full crisis response system, while adopting various maritime security and confidence building measures to mitigate the rise of tense situation and to prevent the manifestation of armed conflicts.

Japan, with the allied US, is to jointly maintain and deploy robust maritime defense power in preparation for unstable security environment arisen when regional power balance collapses, especially as a nation seeking hegemony advances toward the oceans. Japan, with the allied US, should proceed to share common strategic interests and responses with other trustworthy maritime nations, like Australia.

On the other hand, for many years in the past, Japan has taken active initiative in the regional maritime security cooperation. Its activities have been highly valued and welcomed by regional nations. Especially the international cooperation activities among navies and coast guards have made significant contribution in promoting the confidence, transparency and mutual understanding among nations through their efforts to stabilize regional maritime security environment. Japan will continue to proceed this way with like-minded maritime powers, like Australia.

For the security of broader ranged regional or global SLOCs, ultimately the international collaboration among maritime nations sharing the common values should be essential from the peace time. In order to develop and ensure international collaboration in maritime security, Japan proposes to build a maritime security coalition that loosely binds like-minded nations with common values, like Australia. Those nations participating in this maritime security coalition are required to comply with international norms or rules, at least, and to share willingness to contribute to and cooperate with international community.

1. Rising Maritime Power of China

(1) Chinese Ambition to Expand Maritime Power

Chinese military advancement toward oceans has been especially evident around the Paracel

and Spratly Islands in the South China Sea, and the “String of Pearls” through the Indian Ocean where vital SLOCs pass through. Japan’s neighboring seas are no exception to their advancement. As seen in the strong stance China has recently taken in the issues of Japan-China mid-line and their repeated invasion of Japan’s territory water near Senkaku Islands, China is forcibly advancing its ways into the East China Sea. Chinese Navy is openly exhibiting its military power through various military activities, such as Han class nuclear submarine’s unlawful submerged invasion of Japan’s territory water near Okinawa, and Song class submarine’s adventurous approach toward a US aircraft carrier. At the end of 2008, their one surface squadron navigated throughout the Sea of Japan, as well as another squadron throughout the East China Sea, demonstrating their strong military interests in the waters surrounding Japan. Moreover, their maritime survey activities were observed near Ogasawara (Bonin) Islands and Oki-no-Torishima Island for possible purpose of submarine activities.

These activities clearly indicate China’s intention to make the South China Sea a “Sanctuary (Sacred Area: 聖域)” surrounded by China’s southern coastlines and their “First Island Defense Line,” connecting Japanese archipelago, Okinawa (Nansei) Islands, Taiwan, Philippines and Borneo, which they consider as their Ultimate Defense Line. At the same time, China starts to make the East China Sea as their “Front Yard (Control Area: 制域)”, and demonstrates their intention to further expand their Forward Defense Line (extended maritime defense border) east-ward, as their military power and ocean-going capability develop further. In this way, they are to create a strategic “Buffer Zone (Expedition Area: 征域)” on the waters inside their “Second Island Defense Line” along the line of around 150 degrees East Longitude, extending from the Western Kuril Islands, Ogasawara Islands and Mariana Islands (Guam) to New Guinea. This “Buffer Zone” encompasses almost all of Japanese territory waters including Japan’s Pacific Islands and the Exclusive Economic Zone (EEZ), as well as major military and commercial SLOCs.

Chinese Navy will likely intend to overwhelm Japan Maritime Self-Defense Force in terms of military power in this “Buffer Zone”, which may ultimately be the waters where Chinese Navy thinks to compete with the activities of the US Navy in fight over the hegemony of the Western Pacific Ocean. These waters will be the area where they are to deny the access of the US Naval intervention forces in case crisis arises over Taiwan and others. Chinese Navy is building their power mainly by increasing the number of modernized nuclear strategic and attack submarines as well as conventional attack submarines that can take actions in these waters, with large surface combatants, ground-based aircrafts with air refueling capability, anti-ship ballistic and cruise missiles.

(2) Chinese Aircraft Carrier

However, the Chinese Navy lacks one capability if they are to combat with the US Navy and Japan Maritime Self-Defense Force in these waters, that is, the aircraft carrier battle group. As they are to take actions as far away as possible from the mainland China, it is essential to have the capability of ship-based air powers.

Military experts worldwide share a common view that Chinese Navy has actually started the plan to build aircraft carrier battle groups. First, they are to remodel Varyag, an incomplete aircraft carrier of former Soviet Union Navy stationed in Dalian, as a training (experimental) aircraft carrier, and create three aircraft carrier battle groups by 2020 through their self developing efforts and Russian aids.

To support such a view, the deputy director of General Equipment Department of the People's Liberation Army (PLA) stated in March 2006 that "PLA is to build aircraft carriers" and "to develop aircraft carrier battle groups", indicating their intention to promote research and development in escort ships and ship-based air powers for aircraft carriers. At the end of 2008, the spokesmen of Chinese MOD stated that "aircraft carriers are the embodiment of a nation's overall capability", and "it is not surprising" that "China seriously study and consider issues related to aircraft carriers." Moreover, China is said to have a plan to build nuclear powered aircraft carriers.

China's efforts to build power projection capability following the completion of aircraft carrier battle groups may reach the level that can endanger regional military balance, increasing the risk of Chinese political leaders driven toward the exercises of adventurous or even imprudent military actions. Han class nuclear submarine's unlawful submerged invasion indicates a sign of danger in Chinese domestic politics, in which political leaders with less military experiences such as President Hu Jintao and Premier Wen Jiabao may lose the control over the adventurous ambition of PLA to demonstrate their military power, even before the completion of aircraft carrier battle groups.

2. Reassurance of Japan-US "Maritime Defense" Alliance

(1) Japan-US "Maritime Defense" Alliance

If the safety and security of the military and commercial SLOCs in the Asia-Pacific region could be disrupted, it will seriously and adversely affect global economy and the security of the region and coastal nations. Especially for Japan, free use of oceans is the very fundamental and essential factor in its "existence" and "prosperity", and the securing the safety of SLOCs presents critical importance. Still, SLOCs extend over vast areas of waters in the world, and it is apparent that Japan alone cannot ensure the safety of these SLOCs.

Since the end of the Second World War, Japan has valued and maintained the strong alliance with the US (as a "Maritime Defense" Alliance) that provides powerful maritime defense commitments. As international security environment undergoes significant changes, it is extremely critical in a long term to sustain this "Maritime Defense" Alliance between the US "on the cross road in its position as a global leader" in the international community, and Japan "on the cross road toward rise or fall as an influential nation." Both nations clearly indicated their intention to maintain this alliance healthy.

Japan and the US have strong points and weak points. In their relationship, it is essential to maintain cooperative and complimentary relationship as a “pair in the three-legged race,” with the US as a “Strong and Desirable” global power, and Japan as a “Tough and Reliable” influential power of the world. To maintain such relationship of Japan-US Alliance is not only preferable for the US and Japan, but also as a key factor to bring favorable impacts to the region and the international community in terms of sustaining and developing international system based on liberal democracy.

More straightly speaking, in terms of regional security, the issue is how to maintain effective defense over Japan’s territory, EEZ and SLOCs against the apparent ambition of China to create their strategic “Buffer Zone.” When looking at the map of these waters, it is evident that China’s strategic “Buffer Zone” almost coincides with a “Triangle” connecting Japanese archipelago, Okinawa Islands, and Guam.

Upon the transfer of US Marine Corps stationed in Okinawa to Guam, if the US forces and Japan Self-Defense Forces can actively and jointly operate military aircrafts and naval ships in the waters of this “Triangle” and the East China Sea to demonstrate their powers of control over these waters, it may thwart the ambitious advancement of China.

In other words, this “Triangle” can signify “Strategic Delta Waters” to weaken the strategic “Buffer Zone” of China. This means, however, that Japan itself might need to possess some nuclear-powered attack submarines and tactical aircraft carrier battle groups. In this sense, Japan should have serious discussion on this subject upon the development of new National Defense Program Guideline and the revision of Mid-Term Defense Program scheduled to be completed by the end of 2009.

(2) Reassurance of Japan-US Alliance

In the United States, a new Obama administration has been started. The Administration has appointed Asian experts such as Assistant Secretary of State Campbell and Assistant Secretary of Defense Gregson, as the cores of its policy making on the Asian diplomacy and military issue. Recently, those two have visited Japan to attend mini “2+2” talks with those counterparts of Japan, focusing on the US extended nuclear deterrence issue for the defense of Japan in this talks.

On the other hand, while the Secretary of State Clinton selected Japan as the first country to visit calling it the “keystone of Asian policies”, and signed the “Agreement to transfer US Marines in Okinawa to Guam”, at the almost same time, however, she declared the promotion of “strategic and economic dialogue” with China including the resumption of defense dialogue.

As Japan’s political decision making to dispatch the naval forces on Somali piracy issue has been far behind than China, if Japan does not voice its own opinion loudly, the US is likely to lean on China. Japanese politics need to regain effective functions so it can clearly demonstrate its intention to maintain solid and complimentary alliance relationship between “Tough and Reliable Japan” and “Strong and Desirable US” as a “three-legged race pair”, in order to

subjectively contribute to and cooperate for the solutions of global issues in international politics, economy and so on.

At the same time, Japanese politics need to share the concerns with the US over China's ambition to build strategic "Buffer Zone" and the recognition on the needs to create and secure the "Strategic Delta Waters." Regardless to the results of the coming general election in Japan, the elected administration must keep this line in its diplomatic and defense policy.

Then, a question is how we should do in the outer area of this "Strategic Delta Waters." Who should be reliable members for Japan and the US to play a "four-legged race trio" or more legged?

3. Cooperation with Other Reliable Influential Maritime Nations

(1) Semi-Alliance with Australia in the "North-South Extended Asia"

Major SLOCs can be described as the artery of the maritime nations such as Japan, which extend beyond the "Strategic Delta Waters" to run through the waters of the East China Sea and the South China Sea peripheral to China, Indian Ocean, southern peripheral of the "Strategic Delta Waters", Oceania, South Pacific region, and East Pacific region adjacent to the region, and expanding further in a global scale. It is impossible to attain the security of such broad ranged SLOCs by Japan-US "Maritime Defense" Alliance alone. There must be cooperation and coordination with other reliable maritime nations of each region.

For Japan and the US, the relationship with Australia has special significance as it neighbors Asia-Pacific region and has strong interests in the security of South East Asia and the safety of SLOCs. Considering recent international economic situation and security environment, Australia is one of the most important countries in the "North-South Extended Asian" region. These three countries of Japan, the US and Australia share the same "values" based on liberal democracy, and Japan and the US, and the US and Australia are allies, while Japan and Australia have been establishing a so-called "Semi-Alliance" relationship. For the peace and stability of Asia, such trilateral "Maritime Semi-Alliance" has vital significance.

Although Japan has several issues with neighboring countries over sovereign rights, including the mid-line issue and territorial disputes over islands, they are bilateral issues, inviting less interest from Australia, than the US.

The issue of China's military challenge over the Western Pacific Ocean, or the east-ward expansion of their "Second Island Defense Line", however, is the issue not only Japan and the US, but also Australia cannot neglect in terms of their own security. A traditional and historic strategic view of Australia, "Threats will come from North", would not be changed. This issue can become common strategic issue among these three countries.

If Japan and the US take appropriate actions, there can be an opportunity to jointly develop the approaches to restrain and control political and military advances of China toward their strategic “Buffer Zone”, that is, “Strategic Delta Waters” and its peripheral for Japan-US alliance. Moreover, if Australian Defence Forces would join military actions with Japan and the US based on Guam, it can provide considerable strategic significance in the “Strategic Delta Waters” and its southern peripheral. In the future, such actions can develop to joint actions extended into outer region such as in Oceania/South Pacific region, the East China Sea and the South China Sea.

(2) Cooperation with India in the “East-West Extended Asia”

In regards to the Indian Ocean region, the regional countries used to form “Arc of instability” and were recognized as the region of state to state and in-state struggles offering bases for international terrorist group activities. These countries also had weaker linkage with the Pacific region. In recent years, however, the SLOCs connecting both the Indian Ocean and the Pacific Ocean are increasingly recognized as the major artery of “Arc of inseparability” linked by solidarity and coordination in terms of security and economy.

For Asian countries, India becomes one of the most important nations in the “East-West Extended Asia.” For three countries of Japan, the US and Australia, India is the only stable maritime nation with willingness and capability to provide close coordination in ensuring maritime safety in the Indian Ocean, and the only nation that can share the “values” of liberal democracy.

“Maritime Semi-Alliance” among Japan, the US and Australia needs to start close linkage with India, maintaining close cooperative relationship with South East Asian countries, and work with influential powers of other regions to create global maritime coalition centered around a global and reliable maritime power, the US, and shared a common goal of pursuing “existence, prosperity and values” based on liberal democracy.

4. Regional Maritime Security Cooperation

(1) Progressing Regional Maritime Security Cooperation

Any maritime nation in a region has the needs to secure freedom of navigation on oceans, and to stabilize maritime security environment, while avoiding and preventing armed conflicts over maritime interests, and promoting the sustainable development of oceans.

The ocean is a gigantic entity that requires a comprehensive measure to solve any issues concerned, hence the cooperation among regional maritime countries is increasing importance, especially in the aspects of military/security, resources/ environmental protection, and the promotion of science and technology.

For many years in the past, Japan has taken active initiative in the regional maritime security cooperation. Its activities have been highly valued and welcomed by a broad range of re-

gional nations.

Especially the international cooperation activities among navies and coast guards have made significant contribution in promoting the confidence, transparency and mutual understanding among nations through their efforts to stabilize regional maritime security environment. Examples include “the Western Pacific Naval Symposium” for which Japan has taken an initiative to create with Australia, “North Pacific Maritime Security Summit” and “Head of Asian Coast Guards Agency Meeting” launched under Japan’s initiative.

Japan intends to continue expanding such international activities and building multi-layered regime in maritime security cooperation with regional countries.

Japan actively supports the Global Maritime Partnership (GMP), which is a program promoted by the United States for the purpose of providing disaster relief and preventing maritime terrorism, piracy, and the proliferation of the weapons of mass destruction, through the use of various types of maritime forces possessed by regional nations. Furthermore, Japan, with Australia, supports the notion of the United States that the GMP activities should be promoted in the Western Pacific region including the South East Asia and the Oceania, in addition to the waters surrounding Japan.

Under these notions, Japan continues to provide extensive efforts, in cooperation with the United States, to develop Maritime Domain Awareness (MDA) as international public goods. Moreover, it intends to offer cooperation in preventing nations and non-state entities to misuse MDA as way to disturb the freedom of navigation.

In regards to GMP, Japan believes that the support activities to ensure navigational safety at the Malacca/Singapore Strait and neighboring areas should be extended to the Indian Ocean, Oceania or South Pacific. Japan further plans to promote cooperation with the developing countries, to the extent permissible for Japan to exercise in such area. As an example, Japan has been participating in international efforts for the suppression of piracy off the coast of Somalia and Gulf of Aden. This would provide excellent opportunities for Japan to share cooperative activities, directly and indirectly, with many other countries participating in such efforts, including the US, EU, Australia, India, Singapore, ROK and so on, including even China or Russia. Japan considers that these efforts may provide ideal opportunity in developing a multilateral system to ensure the maritime security.

(2) Further Promotion of Maritime Security Cooperation

Japan appreciates the role of International Maritime Organization (IMO) or other international entities in addressing maritime security issues. In regards to the piracy issue, Japan welcomes that the “Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP)” has been developed into a regional cooperation framework through their information exchange and data analysis activities as well as the capacity building supports. Moreover, it appreciates this as a valuable model of international cooperation in solving the

piracy issue off the coasts of East and West Africa. Japan strongly hopes for the early accessions of Indonesia and Malaysia to ReCAAP, while considering this “ReCAAP model” as a model to be applied to other regions on the various maritime security issues.

Japan considers that it should further promote diplomatic efforts in offering cooperation to developing countries, especially in the fields of; coastal development, navigational safety and security in international waters and straits; support for environmental protection activities, training and education of coast guards, and information exchanges in the maritime security. Furthermore, Japan is currently assessing the possible mitigation of its three principles for the embargo on arms export, in view of maintaining maritime security, so that it can provide some useful assets such as flying boats or patrol boats for that purpose, to further enhance the effectiveness of aids and supports to developing countries.

In addition, Japan intends to continue supporting and contributing to the maintenance and enhancement of several “cooperative mechanisms,” which relevant countries have introduced for the purpose of securing navigation and conserving environment around Malacca and Singapore Strait. Japan also hopes to continue promoting measures for the enhancement of cooperation among not only governments but also private sectors such as shipping companies or maritime industries.

5. Maritime Security Coalition

Here the “Maritime Security Coalition” is defined as the “global or regional nation-to-nation coalition with the objective to maintain and secure safe and free use of oceans from the peace time.” “Maritime Security Coalition” centered by “Maritime Semi-Alliance” consisting of Japan-US-Australia should take responsibilities, cooperating with the other regional responsible maritime powers, appropriate to ensure the maritime security, as the core “responsible stakeholders.” In addition, such coalition need to develop closer cooperative relationships with other democratic maritime powers in view of developing “Broad Maritime Security Coalition” to cover “Broad Sea Lane”, and ultimately to build a “Global Maritime Security Coalition.”

(1) Democratic Maritime Powers

The democratic maritime powers should strengthen their relationship as “Maritime Security Coalition” based on their common three features of “democratic countries”, “maritime powers” and “modernized maritime forces.”

In terms of the first feature of “democratic countries,” their universal interests and benefits would be to attempt the dissemination and solidification of the concept and values common to the powers, i.e. democracy. Since the powers inevitably involves countries with different traditions and governance systems, to ask their cooperation in maintaining the maritime security would be a big challenge to those. In addition, the powers have fundamental differences in geopolitical, historical, environmental, cultural, linguistics, and religious backgrounds, although they share the values founded on democracy. Their national concepts are not entirely the same

and there are some differences in their political system. However, the democratic maritime powers undoubtedly share basic concepts as the democratic countries, and their history of fight on the ideology for the last 60 years after the end of the World War Second clearly demonstrated the presence of such common concepts.

For the second feature of “maritime powers”, they need to maintain “properly managed maritime freedom” for their existence and prosperity. As for the security of the “Broad Sea Lane”, they need to recognize this matter straightly related Chinese strategic and military aggressive advancement toward the “string of pearls” through Indian Ocean, and disputed area in South and East China Sea, and vast Western Pacific Ocean, specifically their strategic “Buffer Zone” between their First and Second Island Defense Lines. Considering these factors, to ensure the “Maritime Security” and “Management of Marine Interests” will become important for the maritime powers as a way to effectively deter the aggressive and unlawful advancement of China anywhere in the “Broad Sea Lane.”

On the other hand, to find common interests with regional countries including China in terms of “maintaining regional maritime order (law enforcement)” is possible. This is because to maintain regional maritime order, such as to prevent the indiscriminate terrorist attacks including maritime terrorism that international terrorists groups are likely to launch in association with local terrorist groups, and to address the issues of piracy, and drug/human trafficking, is to the interests of all the countries and their people in the region. There is no reason they refuse to cooperate in such responses.

Finally, in terms of the third feature of “modernized maritime forces”, the region has some countries with many islands and broad area to patrol, yet insufficient maritime military and police forces quantitatively as well as qualitatively. Therefore, to provide “capacity building” and other supports acceptable to concerned countries will be the responsibility common to the maritime powers. In this sense, it is still noteworthy that Japan, the US and Australia, cooperating with India and other countries, swiftly sent troops for the relief and recovery support activities at the time of Sumatra earthquake and Tsunami disaster of 2005, and their efforts were welcomed by local government and people.

(2) Maritime Security Coalition

The “Maritime Security Coalition” is the “global or regional nation-to-nation coalition with the objective to maintain and secure safe and free use of oceans from the peace time.” This kind of coalition does not necessarily require the entry into force of a treaty or international convention, but can be a multi-national network based on mutual confidence with common concepts.

Therefore, it is basically possible to enter into a coalition relationship with any coastal countries as long as they can share the common objectives. In building such global or regional maritime coalition, each member country is required to take a responsible role proportionate to the features of the country or the region. How to take responsibility may differ from a nation to a nation, and each can decide on what each can contribute within each intention and capacity.

One precondition for accession to such Maritime Security Coalition will be whether a country can share three basic Marine Interests with other countries. Those are, in the maritime domain: (i) to cooperate in maintaining the security of the region from peace time as well as in emergency or crisis (Existence); (ii) to cooperate and to prosper together in the commerce and trades as well as marine resource development (Prosperity), and (iii) to sincerely pursue the conservation and development of various benefits the seas can provide in terms of marine environment protection and marine resource control (Value).

In short, the basic requirement to join the coalition is that “a country has no severe dispute over marine interests or territories, economic conflicts, or objections toward environmental conservation or the development of marine resources.” Even if there is a seed of dispute, to build a coalition among countries that allow fair and democratic way of solving disputes is essential for maintaining the coalition. More importantly, the coalition needs to be built on the national action principle of each participant as “service to others,” which is based on the idea of democracy.

Each Japan, the US and Australia, maybe India, holds very positive and eager will to be a “Responsible Stakeholder” for “Maritime Security Coalition” in the “Expanded Asia.”

(3) Broad Maritime Security Coalition

In consideration of the above, it will be the best to create a coalition among the US allied or friends (in other words, among democratic maritime powers that share the same three indicators of Existence, Prosperity, and Value), then add the regional democratic maritime powers that can fulfill these three indicator conditions and the action principle of the powers as “service to others”, and eventually expand to include other countries.

First of all, the link between North East Asia and Oceania including South Pacific region, are likely to have the “Maritime Semi-Alliance” of Japan, the US and Australia taking a role to assure maritime security in principle.

On the other hand, it is urgently needed to develop “Maritime Security Coalition” centered around the “Maritime Security Cooperation” of Japan, India and the US to ensure the maritime security of the Indian Ocean and Asia-Pacific region from the peace time, since the SLOCs that navigate through “East-West Expanded Asia” extending from the South of Suez Canal (East of Cape of Hope) to the North East Asia are the most important and vulnerable among “Broad Sea Lane.” If other influential democratic maritime powers, such as Singapore, are to join this coalition, it will boost the creation of “Maritime Security Coalition.”

Although the obvious security collaboration between India and Australia is said to be unlikely and needed to pay a close attention to the movement of the administrations of both countries for a moment, still it will not be difficult for such stakeholder countries to make efforts for the maritime security in each relevant region, through “Maritime Security Coalition” such as the one among Japan-US-Australia, and Japan-India-US, with a view to unify and develop more regional wide “Broad Maritime Security Coalition” in the “Broad Sea Lane” sometime in the future.

For the “Broad Maritime Security Coalition”, it is important to build global coalition with other global democratic maritime powers. It is certainly possible to build a “Global Maritime Security Coalition” that is founded on freedom and democracy, and shares common indices of pursuit of “Existence, Prosperity and Values”, mainly by the various “Maritime Security Coalitions” centered around the US in the regions adjacent to broadly unified SLOCs, such as the coalition with Canada in East Pacific Region, Turkey, France and Italy in the Mediterranean Region, the UK in the Northern Atlantic region, and Germany and others in the Europe.

In case of Japan, the initiative of the “Broad Maritime Security Coalition” coincides with the “Arc of Freedom and Prosperity” proposed by then Foreign Minister Aso, and the “coalition of nations based on common values” stated by the former Prime Minister Abe. The ex-Prime Minister Fukuda promised to continue Abe’s concept in his diplomatic policies as “Synergy with Japan-US Alliance and Diplomacy toward Asia.”

(4) Challenge for “Maritime Security Coalition”

Finally, an important element of the global or regional “Maritime Security Coalition” is how to assure maritime security especially at the choke points of SLOCs on the coasts from the peace time, even if a coalition can be formed in and covered the area as discussed above, for the most part. As these regions are the stages of historic confrontations over territories and marine interests of coastal countries, as demonstrated in relations of Japan with China, ROK, and Russia, and the national interests of relevant countries intertwined, it will be difficult task to form a cooperative system.

For example, it will not be so easy to build coalition system in the North East Asia and South East Asia due to their coastal SLOCs involving many seeds of confrontations. In the East China Sea and South China Sea, China has coerced and aggressively advanced toward oceans, which has led to the rise of confrontations over territories, and marine interests such as sea-bottom resources. For the region, the security coordination with three countries of Indonesia, Malaysia and Singapore at the coasts of Malacca-Singapore Strait will be the most important one of all.

In addition, there are other areas that have similar and complicated problems, such as the Persian Gulf, Arabian Peninsula and its coasts, where remains religious confrontations centered on Islam, conflicts over oil rights and concessions, and the hot-bed of international terrorism or piracy, and East African coasts as well as Eastern Mediterranean Areas. However, it is possible to develop the opportunities to resolve the issues in the future, if we are to aim for the regional “Maritime Security Coalitions” among relevant coastal countries. As described before, the joint action among relevant countries can be relatively easy to develop, if the focus is limited to the “maintenance of maritime order (law enforcement)” in order to respond against international terrorism and piracy, or non-traditional maritime risk factors.

Conclusion

Chinese military advancement toward oceans is especially evident in the South China Sea and the Indian Ocean where vital SLOCs pass through as well as Japan's surrounding seas including East China Sea. These activities clearly indicate China's intention to make the South China Sea a "Sanctuary (Sacred Area)", the East China Sea a "Front Yard (Control Area)" inside their "First Island Defense Line." They also try to create its strategic "Buffer Zone (Expedition Area)" on the waters inside their "Second Island Defense Line."

Japan-US alliance is essentially a Maritime Defense Alliance. Both Japan and the US have strong points and weak points. In their relationship, it is essential to maintain cooperative and complimentary relationship as a "pair in the three-legged race," with the US as a "Strong and Desirable" global power, and Japan as a "Tough and Reliable" influential power of the world. More straightly speaking, in terms of regional security, the issue is how to maintain effective defense over Japan's territory, EEZ and SLOCs against the apparent ambition of China to create its strategic "Buffer Zone."

Beyond the Chinese Sanctuary, Front Yard or even strategic "Buffer Zone", vital SLOCs can be described as the artery of Japan, expanding further in a global scale. It is impossible to attain the security of such broad ranged SLOCs by Japan-US Maritime Defense Alliance alone. There must be cooperation and coordination with reliable maritime nations of each region, such as Australia which is one of the most important countries in the "North-South Extended Asia." These three maritime countries of Japan, the US and Australia share the same "values" and common "interests", based on liberal democracy.

For these three countries, India is the only maritime nation with willingness and capability to provide close coordination in ensuring SLOC security in the Indian Ocean, and that can share the "values" of liberal democracy. India is one of the most important countries in the "East-West Extended Asia." In the South-East Asian region, we can find some reliable maritime countries, such as Singapore, as like as India in the Indian Ocean.

From the peace time, the "Maritime Semi-Alliance" of Japan, the US and Australia must create "Maritime Security Coalition", sharing same values with other democratic maritime nations, such as India or Singapore. And further, Japan-US-Australia "Maritime Semi-Alliance" should take initiatives in developing broader "Maritime Security Coalition" through the efforts of relevant countries in the global stage to unify voluntary coalitions.

For many years in the past, on the other hand, Japan has taken active initiative in the regional maritime security cooperation. Its activities have been highly valued and welcomed by regional nations. Japan will continue to proceed this way with like-minded maritime powers, like Australia.

Session Two

Defense and Security Policy Developments in Japan and Australia

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On 7 January 2009, Prime Minister Taro Aso created a panel of nine experts on Japan's security and defense capabilities ("Anzenhosho to Boeiryoku ni kansuru Kodankai"), an informal advisory council to the Prime Minister himself. The panel was comprised of a businessman and academics as non-official civilian members; and former high ranking bureaucrats of the Ministry of Foreign Affairs, the Japanese Defense Agency, and the Chairman of the Joint Chiefs of Staff of the Japanese Self-Defense Forces (JSDF) as "expert members". (See the list)

The Council on Security and Defense Capabilities

<non-official member>

Setsuko Aoki, Professor, Keio University (specialist on International Space Law)
Chikako Ueki (Kawakatsu), Waseda University (specialist on Asian security)
Tsunehisa Katsumata, Chairman of Tokyo Electric Power Company (Chair)
Shinich Kitaoka, Professor, Tokyo University (Diplomatic historian and IR specialist)
Akihiko Tanaka, Professor, Tokyo University (IR specialist)
Hiroshi Nakanishi, Professor, Kyoto University (IR specialist)

<expert member>

Ryozo Kato, (Japanese Ambassador to the U.S. 2001-2008)
Ken Sato, (Vice Minister, Japanese Defense Agency 2001-2002)
Shoji Takegochi, (Chairman of the Joint Chiefs of Staff 2001-2003)

Ministries, local governments and business organizations concerned with Japanese security, U.S. bases and defense industry (such as the Ministry of Defense, the Ministry of Foreign Affairs, the Ministry of Finance, Yokosuka city and Japan Business Federation) would provide basic data and materials for reference. The Cabinet office would provide the panel with full logistical supports. Tsunehisa Katsumata, Chairman of the Tokyo Electric Power Company, was appointed chairperson of the panel. After several meetings of deliberation, the council was originally reported to be submitting a report to the Prime Minister by July¹. If earlier precedent

¹ The Council eventually submitted its report on 4th August 2009 ("Katsumata Report") which is available on the following

is to be followed, in spite of its unofficial character, its report would be made the basis for the next National Defense Program Guidelines and Mid-Term Defense Program which would be adopted by the government by the end of this year.

The National Defense Program Guidelines (NDPG) is an official document which provides for Japanese security strategy and defense policy. A table is attached to the NDPG which lists the numbers of SDF personnel, the numbers and sizes of major military units and equipments. The latest National Defense Program Guidelines (*NDPG 2004*) was the one adopted by the *Security Council of Japan* and subsequently by the Koizumi Cabinet in December 2004. The present NDPG would be effective for, it was specified, the next 10 years, yet a review should be made in 5 years time. Prime Minister Aso was acting in accordance with the provision.

Since the adoption of *NDPG 2004* there have been significant changes in the security environment surrounding Japan. Japan and the world today are in a global financial and economic crisis (called “a crisis in one hundred years time”). North Korea conducted nuclear and ballistic missile tests in 2006 and again in 2009 and now says that the 6 parties talk is over for good. China has been modernizing its nuclear arsenal, expressed her intension to possess aircraft carrier combat groups, and invigorating military activities in the South and the East China Seas and other sea areas adjacent to the Japanese territorial water. The relative influence of the United States, Japan’s only ally, appeared to have declined owing to her prolonged military engagement in Iraq and Afghanistan and the world-wide economic crisis originating in the collapse of American financial systems. The American economy today is dependent on Chinese willingness of continued possession of U.S. Treasury bills. It was in this rapidly changing security environment that Prime Minister felt a need to re-examine the present Japanese security strategy and defense policy.

As mentioned, a new National Defense Program Guidelines is scheduled to be made and adopted by the end of this year, yet a new situation has arisen. Prime Minister Taro Aso has dissolved the Lower House for general election; and the date for voting is set on 30 August. According to the opinion polls conducted by several mass media, the opposition party Minshuto, Democratic Party of Japan (DPJ), is said to be likely to win the election. A change of government from the current ruling coalition of the Liberal Democratic Party and New Komeito to a coalition centered on the DPJ would affect the planned schedule of the formation of a new National Defense Program Guidelines; it might also affect the contents of existing Japanese security strategy and defense policy. DPJ’s leader Hatoyama in a press conference for foreign correspondents suggested the postponement of a revision to the National Defense Guidelines saying that the newly elected government would need time to review the National Defense Guidelines. He also said he did not have intention to increase defense budget ².

Given the envisaged change of government, the present time may not be opportune for

web site of the Prime Minister’s Office.

<http://www.kantei.go.jp/jp/singi/ampobouei2/200908houkoku.pdf>

2 “Hatoyama Daihyo Yasukuni Sanpai sezu”, (Leader Hatoyama will not visit Yasukuni Shrine), *Yomiuri* 12 August 2009 (2).

predicting future Japanese security strategy and defense policy. However if a state's security strategy is or should be primarily shaped by the international security environment surrounding that country, we will be able to guess the future directions and trends of Japanese security strategy. In mid July, being asked about DPJ's Manifesto for the general election regarding defense and external relations, DPJ's leader Hatoyama remarked that he thought diplomatic continuity was important and that he wanted to establish a good relationship of trust with American President Obama if his party won the election. He also said that the party would consider what roles Japan could play to stabilize Afghan regions ³. Hatoyama's stand on major issues regarding Japanese security policy appears to have been a bit shaky throughout the election campaigns. Nevertheless, given his pledge and pragmatism, we might be able to expect a basic continuity of Japanese security and defense policy even if the DPJ comes to power.

Since the formation of the so-called 1955 regime, Japanese politics has been characterized as a de facto one party dominance of the Liberal Democratic Party. For the first time in the post W.W.II political history, there is a possibility of change of government as the direct result of a general election which might change the leading party in the Lower House. In this uncertain situation, the countries which have close relationship with Japan such as the United States, Australia and Republic of Korea are showing a growing interest for the future direction of Japanese security strategy and defense policy. With this increasing international concern in mind, this paper aims at investigating the following questions:

1. What are the main features of present Japanese security strategy and defense policy? What are the current problems and challenges facing Japan's security?
2. What are the focal issues of contention in the current re-examination of Japanese security strategy and defense policy? What new revisions are likely to be made to the existing security strategy and defense policy?
3. What common security concerns do Japan and Australia share? What would be the possible areas of cooperation and collaboration between the two countries?

Additional related questions to be asked will be:

1. How did Japanese Security Strategy and Defense Policy evolved? What were/are the factors triggering the changes?
2. What implications do the possible changes in the existing security strategy and defense policy have with respect to Japan's basic security policy in the past?

These two questions may be peculiar to Japan which as a result of the Second World war has had adopted a very restrained defense policy. Historically, Japanese governments have adopted the following basic principles: (1) Exclusively Defense-Oriented Policy, (2) Not Becoming a Military Power posing a threat to other countries. (3) Three Non-Nuclear Principles (Not possessing nuclear weapons; Not producing nuclear weapons; Not permitting nuclear weapons to be brought to Japan) and (4) Ensuring Civilian Control. Some of these principles are still

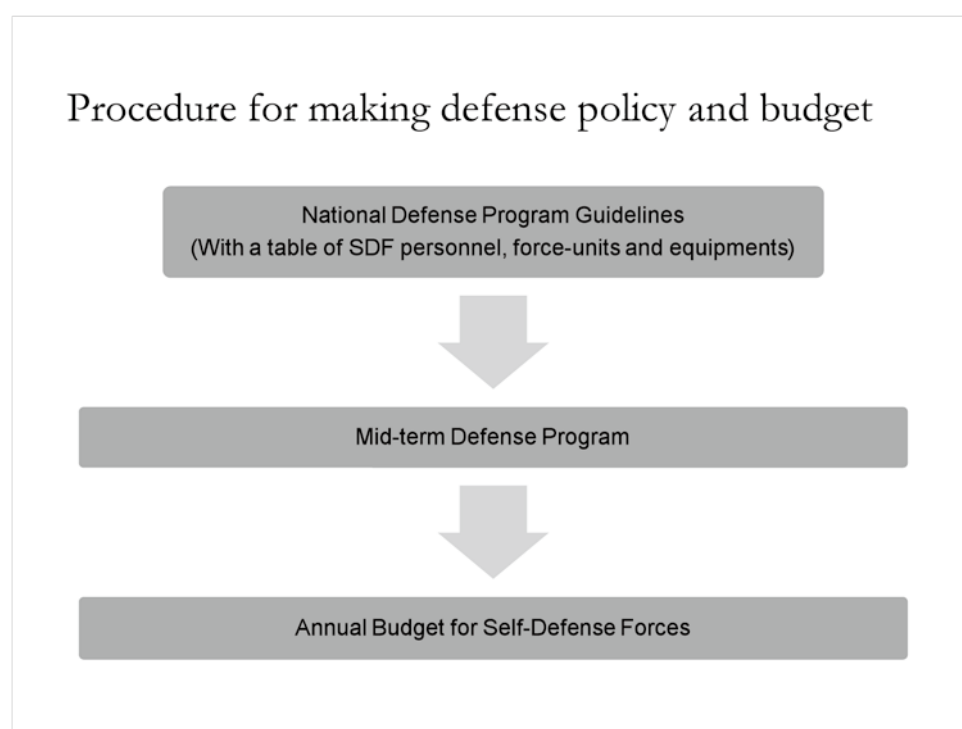
³ "Hatoyama Daihyo, Indoyo deno Kyuyu Keizoku Bei ni Hairyo 'Genjitu Rosen' ni, (Leader Hatoyama, Oil Supply Operation in the Indian Ocean to be continued, "Realistic Policy" with care to the U.S.), *Kyodo News*, 17 July 2009.

regarded as valid, yet inflexible categorical application of some of these is today called into question.

Section 1 Japanese system of making a security strategy and defense policy

First, a brief explanation about Japanese system of making defense policy and its historical evolution is in order.

National Defense Program Guidelines describes the basic points regarding the build-up, maintenance and operations of Japan's defense capabilities in light of the security environment surrounding Japan. A table attached to NDPG lists the total numbers of SDF personnel, the numbers and sizes of major military units and equipments for Ground, Naval and Air Self-Defense Forces. These numbers are the target levels which a government is expected to attain within a specified time period. The government then makes a mid-term defense program with a time period of three to five years; and subsequently yearly budget for the SDF will be determined.

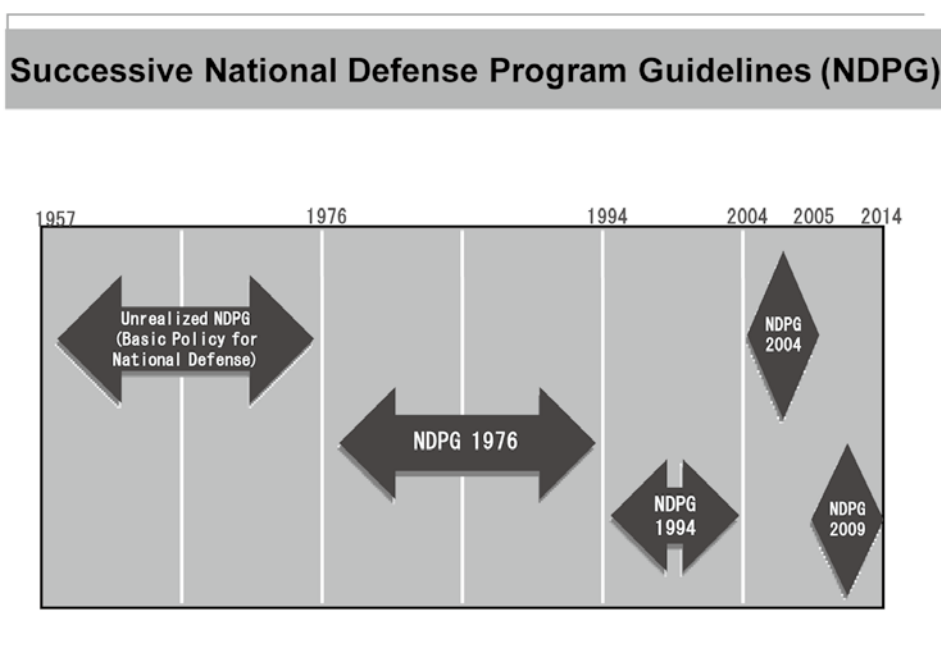


There have been four NDPGs made, that is, *NDPG 1976* which was effective between 1977 and 1994; *NDPG 1994* covering the 1995-2004 period; *NDPG 2005* covering the 2005-2009 period. (If a *NDPG 2009* is to be made, it will cover the 2010-2014 period.)

From the diagram, it can be seen that there was an interval of around 20 years between the adoption of Basic Policy for National Defense (which is still effective today) and the adoption of *NDPG 1976*. The conservative LDP governments built up Self-Defense Forces through the 1st to 4th Defense Procurement Program in the period of high economic growth. The guiding defense concept in the period was “required defense force” (*shoyo boeiryouku*) which meant ac-

quiring a defense force that was necessary to counter conventional invasion by an enemy.

There was also an interval of around 20 years between *NDPG 1976* and *NDPG 1994*. The period was characterized as a period of low economic growth after the oil shock of 1973. Reflecting this economic situation, *NDPG 1976* formulated the “basic defense force concept” (*kiban-teki boeiryoku*) meaning a minimum level of basic force which enable Japan to counter a “limited and small-scale conventional invasion” by an enemy. *NDPG 1976* also set the target of 1% of GNP as a ceiling for the military budget.



After about 20 years of the *NDPG 1976* era, a new NDPG was adopted in 1994 in response to the end of the Cold War. *NDPG 1994* was effective for about 10 years. Now 5 years have passed since the adoption of *NDPG 2004*, the government was considering a revision to it or a new NDPG this year. It can be seen that the intervals at which a new NDPG was adopted became shortened, from around 20 years to 10 years, and then to 5 years, which suggests that the Cold War period was a period of relative stability in terms of Japan’s defense policy, yet the post Cold War era and the post 9/11 era were the periods of instability and rapid change ⁴.

Following the establishment of the Self-Defense Forces in July 1954, the National Defense Council (*Kokubo Kaigi*) was to be established which would deliberate and formulate a “National Defense Program Guidelines” as the basis for mid-term defense procurement. But the Council was not set up owing to domestic political difficulties. It was a time just prior to the formation of the Liberal Democratic Party which was created as a result of the merger of two conservative

⁴ A very informative work concerning Japanese security strategy in the post 9/11 is Daniel M. Kliman, *Japan’s Security Strategy in the Post-9/11 World: Embracing a New Realpolitik*, (Forwarded by Michael H. Armacost), The Center for Strategic and International Studies, Westport, Connecticut and London: Praeger, 2006.

parties. The major conservative opposition party Kaishinto (the Progressive Party) demanded that the National Defense Council should include a non-official member from the civil society in order to prevent the possible abuse of military power by a dictatorial prime minister. The ruling Liberal Party was opposed to this demand, anticipating that, contrary to the argument of the Progressive Party, accepting its demand might result in a crisis of civilian control of the military. For it was feared that the opposition party was intending to send a former officer of the imperial army to the National Defense Council as a non-official citizen member⁵.

After the establishment of the Liberal Democratic Party in 1955, the Hatoyama LDP government eventually succeeded to get a bill through the Diet which provided for the establishment the National Defense Council which was comprised of only Cabinet ministers. By this time, however, the government had lost an interest to make a National Defense Program Guidelines to clarify its ideas about defense policy. Defense was an extremely touchy and divisive political issue in Japan in those days of the heightened Cold War tension. Left-wing opposition parties and political forces made vehement objections to the creation of the Self-Defense Forces as unconstitutional and criticized the security treaty with the United States. There was still a strong pacifist ethos among a wide spectrum of Japanese people who suffered from the disastrous war.

It was under the Kishi government that the Basic Policy for National Defense (*Kokubo no Kihon Hoshin*) was adopted in May 1957. It was in essence a short list of four basic principles which should guide Japan's defense policy⁶. A literal reading of Article 9 of the Japanese Constitution should have indicated that the possession of military forces was prohibited. By presenting the Basic Policy for National Defense to the public, the LDP governments which established the de-facto military forces wanted to be accountable to the Japanese citizens.

Based on the Basic Policy for National Defense (which is still effective today), National Defense Program Guidelines have been made since 1975. Each National Defense Program Guidelines adopted by Cabinet is a relatively short policy document on security in comparison with corresponding policy documents of, for instance, the United States which has been a global superpower. This situation is unfortunate for an academic observer of Japan's defense policy, for the document does not contain detailed analysis of security environment and the reasoning behind the defense policy adopted. However since *NDPG 1976*, there have been panels of experts on defense and security whose reports contained rich information for an outside observer regarding background of governmental security policy.

At the time of establishing *NDPG 1976*, the then Director General of the Defense Agency, Michita Sakata set up a panel of civilian experts on defense policy called Boei o *Kangaeru Kai* (Panel to deliberate on defense) and resumed issuing *Defense of Japan* or a White Paper on Defense (*Boei Hakusho*) that was published in 1970 yet had not been issued since then.

5 Akihiko Tanaka, *Anzenhoshō: Sengo 50nen no Mosaku*, (Japanese Security Policy: 50 Years of Groping Trial), Yomiuri Shinbun, pp.134-135.

6 The four principles were (1) Support the United Nations' Activities and promote international cooperation to achieve world peace. (2) Stabilize the people's livelihood and establish the foundations for national security. (3) Establish effective defense capabilities. (4) Defend the nation on the basis of the Japan-U.S. Security Arrangements.

Sakata's intension was that without the understanding and support of the Japanese people to the Self-Defense Forces, it would not be useful in time of emergencies even if SDF built-up military equipments. The panel included members from business and academic sector such as Mr. Kiichi Saeki (Director of the Nomura Research Institute) and professor Kosaka Masataka of Kyoto University, who later developed the idea of "comprehensive security" which influenced governments' security strategy from the late 1970s to the 1980s.

Prior to the making of *NDPG 1994*, Prime Minister Hosokawa established an advisory panel called the Council on Security and Defense Capabilities as a private consultative body to Prime Minister. Its final report called Higuchi Report (after the name of the chairperson of the Council who was then the Chairman of the Asahi Beer Company) was submitted to the next Prime Minister Murayama. Since then, it appears that prime ministers have made it a rule to set up similar panels of experts on security strategy and defense before they create new defense program guidelines. The chairpersons in the three successive Councils on Security and Defense Capabilities were all from the business sector; and their final reports go by the name of chairpersons such as Higuchi Report, Araki Report and Katsumata Report ⁷.

The Reports by the Councils presented a systematic analysis of security environment surrounding Japan and built up a systematic argument for a security strategy for Japan. The concept of security strategy was broader in scope than the concept of defense policy. A security strategy was comprised of, besides defense policy, diplomatic efforts, intelligence, provision of ODAs, economic policy, reformation of governmental structure, reform of top decision-making and the others. The Reports by the Councils made proposals for a defense policy within a broad framework of grand security strategy.

We need to analyze the basic framework of Government's security strategy and defense policy by looking at both a *NDPG* and each Council Report whose idea obviously underlay the corresponding *NDPG* ⁸. But foreign observers might wonder why a private advisory panel whose members were comprised of businessmen, academics and former bureaucrats could have strong influence on governmental defense policy. An answer to this puzzle would be that the governments selected Councils' members from those people whose thinking on security and defense, they knew, were basically identical with that of the governments. In this respect, an explanation by Professor Akihiko Tanaka of Tokyo University (who happened to be in both Araki and Katsumata panels) may be suggestive. He argued in his book on Japanese security policy that the basic outlines of thinking such as the one which was later to be called the Basic Defense Force Concept (Kibanteki Boeiryoku) contained in the final Report of Boei o Kangaeru Kai could be found in the arguments which Takuya Kubo, Vice-Minister of the Defense Agency,

⁷ It is believed that the actual drafters of the Council Report were academics who took part in its deliberation. For example, Professor Akio Watanabe of Tokyo University wrote the so-called Higuchi Report.

⁸ Japanese security strategy is strongly affected by Japan's alliance relationship with the United States, which will not be covered in this paper. For American influences, see Magosaki Ukeru, *Nichibei Domei no Shotai: Meiso suru Anzenhosho* (A True Character of Japan-U.S. Alliance: Japan's Security Straying), Kodansha, 2009. Tsuyoshi Sunohara, *Zainichi Beigun Shireibu*, (U.S. Forces, Japan), Shinchosha, 2008. Tsuyoshi Sunohara, *Domei Henbo: Nichibei Ittaika no Hikari to Kage* (Alliance Transformed: Light and Shadow of Integrating Alliance), Nihon Keizai Shinbun, 2007.

had developed in his earlier papers ⁹. This indicated that the policy ideas of the top-ranking bureaucrat in the Defense Agency was reflected in the deliberation of the panel to the Director General of the Defense Agency.

Section 2 Present Japanese security strategies and defense policy

The present Japanese security strategy and defense policy are outlined by National Defense Program Guidelines of 2004. It can easily be ascertained that the basic ideas and policy prescriptions contained in the Araki Report are reflected in it.

The main features of the present Japanese security strategy and defense policy are as follows. First, the goals of security strategy are comprised of (1) Defense of Japan from direct threats and (2) Improving international security environment. The primary task for a government is to attain these goals in a complex security situation surrounding Japan. The first requirement for the task is an accurate analysis and assessment of security situation Japan is faced with.

Today, Japan is confronted with new-types of threats and complex security situations. As exemplified in the 9/11 attacks, non-state actors such as terrorists and international criminal organizations possess lethality which only states had in the past. Worse still, they are very difficult to identify; and they operate on a global scale. Secondly, Japan is confronted with an instable regional security environment. China and Russia possess a substantial nuclear arsenal. China is rapidly modernizing its nuclear weapons, building a blue-water navy, and expanding military activities in the South and East China Seas and the sea areas close to Japanese territorial waters. Thirdly, North Korea is frantically developing Weapons of Mass Destruction and their delivery systems. Its leaders now say that the six-party talk is over for good. These are the current security situation surrounding Japan. Japanese governments have developed a variety of policy responses.

As for conventional threats, a major change of policy took place from the period of *NDPG 1994*, that is, the abandonment of the Basic Defense Force Concept (*Kibanteki Boeiryoku*) and the adoption of a new concept of “Multi-Functional Flexible Defense Force”. The Basic Defense Force Concept, which reflected security situation in the Cold War period, assumed the contingency of conventional invasion from the North. However, the likelihood of a Cold-War type major military clash is now regarded as very remote. International security situation surrounding Japan today gave rise to a new demand for a highly mobile, flexible and effective force, and a force capable of fulfilling diverse duties and tasks.

It may be reminded however that *NDPG 2004* considers some elements of the Basic Defense Force Concept as still valid, given the uncertainties in the regional security environment. In this respect, the government’s defense stance has been cautious. Nonetheless, the priority has been shifted from the defense of Hokkaido to the defense of offshore and remote islands and southwestern frontier of Japanese Archipelago facing the East China Sea. Relocation of major

⁹ Tanaka *op. cit.*, p.256.

divisions of Ground SDF from the North to the South-West is now envisaged as a policy direction for the future.

Second, for nuclear threats of various kinds, it has been the Japanese policy to rely on the extended deterrence of the United States, while keeping the three non-nuclear principles. Recently, Mr. Ryohei Murata (a one-time Japanese Ambassador to the United States; a one-time Vice Minister Ministry of Foreign Affairs) revealed the existence of a secret understanding with the United States that the introduction of nuclear weapons onboard American vessels to Japanese ports did not constitute a violation of the three non-nuclear principles. This simply confirmed the remarks to this effect in 1981 by Edwin Reischauer (U.S. Ambassador to Japan 1961-1966). Murata's remark was interpreted as implying that the actual Japanese policy was based on a 2.5 rather than the three non-nuclear principles. But the government so far has made no comment on this.

Responding to North Korea's developments of nuclear weapons and deployment of mid-range ballistic missiles targeting Japan, the Japanese government purchased very expensive Ballistic Missile Defense (BMD) systems from the United States. The Aegis-equipped ships with SM-3 and PAC3 anti-missile systems were deployed at the time of Hokkaido Toyako G8 Summit (July 2008) and North Korea's test of a long-range ballistic missile (April 2009). The streamlining of conventional weapon systems was made necessary to acquire the costly BMD systems.

Third, participation in the activities of international peace cooperation is today made a primary mission of the Self-Defense Forces by making a revision to the Self-Defense Forces law. In the past, this mission was regarded as a secondary or supplementary mission for the Self-Defense Forces whose primary mission was the defense of Japan itself. There have been growing Self-Defense Forces' overseas activities under the new legislation. Ground Self-Defense Forces were sent to Iraq and successfully fulfilled its mission. This mission was conducted within a framework provided by the Special Measures Law for Humanitarian and Reconstruction Assistance in Iraq. Maritime Self-Defense Forces are now engaged in logistical support activities supplying oil to foreign naval vessels conducting interdiction mission in Operation Enduring Freedom in the Indian Ocean. This mission is based on the Anti-Terrorism Special Measures Law. Maritime Self-Defense Forces are now deployed for anti-piracy operation in the Gulf of Aden, off the coast of Somalia, which is based on the Law on the Penalization of Acts of Piracy and Measures against Acts of Piracy. Two Japanese P3Cs dispatched to the region are now engaged in surveillance mission of suspect vessels in cooperation with American and German P3Cs.

As stated earlier, Japanese security strategy is not confined to defense policy in a narrow sense. Rather it is comprised of other diverse activities. Araki Report advocated an Integrated Security Strategy which has diverse aspects and components.

To repeat, there are two major goals of security strategy: (1) Defense of Japan from direct threats and (2) Improving international security environment. To attain these two goals simultaneously, Araki Report and *NDPG 2004* expanded the idea of a three-fold approach to security,

that is, approach via (a) Japan's own efforts, (b) Cooperation with an Alliance Partner, and (c) Cooperation with the International Community.

Since there are two goals and three approaches for each, there are six fields of activities to realize the security goals. An Integrated Security Strategy is comprised of all the activities in the six fields in order to enhance security of Japan as well as to improve international security environment. Some activities involving the SDF in Cells {(1)(b)}, {(2)(b)} and {(2)(c)} have some implication in conflict with the traditional Japanese basic defense policy, which includes (i) "collective defense" constrictions, (ii) arms-export prohibitions and (iii) a self-imposed principle of not-sending SDF overseas for combat operations. These activities by SDF therefore raised political concerns and debates in the Diet and mass media.

New Priority Fields and Their Implications for traditional policy constraints

	(1) Security of Japan from Direct Threats	(2) Improving International Security Environment
(a) Japan's Own Efforts	(1) (a)	(2)(a)
(b) Cooperation with an Alliance Partner	(1) (b) ○	(2) (b) ○
(c) Cooperation with the International Community	(1) (c)	(2) (c) ○

Besides a three-fold approach to security, there are other aspects to Integrated Security Strategy. These are (i) Integration of roles/functions of various actors (state organs, local authorities, police, fire brigades, and citizens), (ii) Creation of integrated top decision-making for crisis management, (iii) Creation of integrated intelligence capability and (iv) Operating and Utilizing intelligence satellites (Basic Law for the Development of Space was enacted in May 2008 for this purpose). One salient feature of Araki Report and *NDPG 2004* is its emphasis on the importance of collecting, analyzing, sharing and utilizing information/intelligence. An underlying idea is that under the budgetary constraint and the inevitable downsizing of military units and their equipments, what supplement it will be a timely and effective utilization of information/intelligence for security ¹⁰.

Section 3 Prospect for A New National Defense Program Guidelines

As stated at the beginning, Japan is now in the period of general election for the House of Representative, whose outcome decides the next Prime Minister. Prospect for a New National Defense Program Guidelines will be significantly affected by it. It is premature to predict the future at this stage. Yet, Katsumata Report was finalized and submitted to Prime Minister Aso on

¹⁰ Concerning criticism to *NDPG 2004* by a policy research institute of the Japanese government, see Chapter 8 of Higashi Ajia Senryaku Gaikan (East Asian Strategic Review), The National Institute for Defense Studies, Japan, 2009, pp.230-262.

4th August which contained several concrete policy proposals. Katsumata Report is reported to reflect more or less the views of Prime Minister Aso, the ruling Liberal Democratic Party, and Ministry of Defense. For this very reason, if there is a change of government from the LDP-led coalition to the Democratic Party, a new government may intentionally neglect some aspects of the Katsumata Report and postpone proposed revisions to the present National Defense Program Guidelines. Besides, currently the Democratic Party needs the cooperation of *Shaminto* (the Social Democratic Party) to obtain majority in the House of Councilors. The Social Democratic Party inherited the strong left-wing anti-military ethos from the former Socialist Party of Japan. Though the current leadership of the Democratic Party is comprised of realistic conservative politicians, it will be obliged to make compromises in security policy to the ideologically committed pacifist *Shaminto* if DPJ decides to form a coalition with it.

Owing to uncertainties surrounding Japanese domestic politics, the prospect of future Japanese security strategy and defense policy is unclear. Nevertheless, based on the points made in the Katsumata Report, we can explore what will be the focal points of contention concerning a New National Defense Program Guidelines. First, we are concerned with the budget for the SDF for the next Fiscal Year. The Liberal Democratic Party made a policy proposal for A New National Defense Program Guidelines in June 2009. Some LDP parliamentarians are worried that there are too many diverse duties for the SDF under the condition of declining budget and the limited number of adequate personnel. They think that it is time to change it. The Aso government and the ruling LDP changed their stand of budgetary restraints after the global economic crisis and the resultant Japanese recession and unemployment came to the fore. This new situation will provide LDP politicians with ammunition for demanding a larger budget for the SDF, yet if a change of government is to take place, a newly elected government may not easily accept it.

Second, ever since the tests of nuclear explosion and ballistic missiles by North Korea, there has been a heated debate as to the desirability of possessing the capability to attack missile bases with sea launched cruise missiles (SLCM). The Japanese government intends to further develop BMD systems in close collaboration with the United States. However, the BMD systems which are extremely costly are viewed as unreliable defense system. Japan will continue the three non-nuclear principles and rely on the extended deterrence provided by the United States. Yet, some have doubts as to the effectiveness of such deterrence. North Korea will resort to nuclear weapon, if they actually do, in a desperate, suicidal manner in an ultimate situation. For this reason, some Diet members requested an examination of another supplementary option.

There has been a division of mission between Japanese and American forces: while the former plays the shield mission, the latter plays the spear mission. The acquisition by Japan of a certain capability to attack missile bases will somewhat change this division of labor. Katsumata Report made a point that such traditional principle as *Senshu Boei* (Exclusively Defense-Oriented Policy) needs to be re-examined from today's point of view. It also proposed that Basic Policy for National Defense which was made more than 50 years ago needs a review in light of rapidly changing security environments.

Third, conservative LDP as well as DPJ parliamentarians are reported to be worried about a high speed of modernization and growth of Chinese military power and their vigorous military activities in the East and South China Seas. Defense of offshore/remote islands in Japan's South is given priority in today's strategic thinking. How and to what extent, divisions of SDF are to be reallocated from the North to the South-West of Japan will be a focal point of expert attention.

Fourth, a recommendation has been made for creating a more effective information/intelligence organization and a decision-making body in the Prime Minister's Office. The Japanese government is planning to further develop and utilize intelligence satellites. In tandem with the efforts to gathering and utilizing intelligence/information, it is proposed that top-decision making in national emergencies needs to be strengthened. In this connection, a proposal to set up a Japanese National Security Council of an American type has been made. Whether a new government will materialize it or not is a point of public concern.

Fifth, there is a wide concern as to whether or not a change is to be made to the government's position on the exercise of the right to collective defense in light of Article 9 of the Japanese Constitution. The questions to be asked are: With respect to Self-Defense Forces' operation of the BMD systems, is it legal to destroy ballistic missiles which are heading for the territory of the United States? Is it legal for Japanese Self-Defense Forces to use weapons to protect foreign personnel who are working together in international peace cooperation? Are Maritime Self-Defense Forces allowed to use weapons to defend U.S. naval vessels in an emergency situation in the areas surrounding Japan? The Council on Reconstructing Legal Basis for Security which was established in May 2007 by Prime Minister Abe already examined these questions and made a proposal to change the present governmental interpretation of legality regarding the exercise of the right to collective defense ¹¹. Katsumata Report strongly endorsed the stand of the Yanai Report and encouraged the government to adopt it.

Sixth, we are concerned with the outcome of proposed reconsideration of the three principles of arms export restrictions. The development of state of the art weapons systems today are increasingly conducted within a framework of joint international research, development and co-production. A pre-condition for further co-development of BMD systems with the United States is an exemption from the principle as far as export to the United States is concerned. Whether such exemption should be extended to other friendly countries is a matter of policy choice. Japan has been unable to take part in an international consortium to co-develop F35, a next generation fighter airplane, owing to the existing arms-export-ban regime.

Finally, Katsumata Report made a recommendation to enact a general law under which Japan can send Self-Defense Forces more promptly if a need for it arises. Japan has dispatched Self-Defense Forces for international peace cooperation under ad hoc special measure laws which limited the mandate and the duration of the operations. Each time a special measure law was

¹¹ The Council on Reconstructing Legal Basis for Security was established by Prime Minister Abe. Its final report (Yanai Report of June 2008) was submitted to Prime Minister Fukuda who however paid scant attention to it. It may be noted that Foreign Minister in the Abe Cabinet who took the initiative to start the deliberation was Prime Minister Aso.

deliberated in the Diet, it has been a heated point of contention between the government and opposition parties. DPJ leader Hatoyma remarked that if elected his government would reconsider the current logistical support operation of Maritime Self-Defense Forces to supply oil to foreign vessels when the bill authorizing the operation ceased to be effective in January next year. However we are not sure whether his can actually carry out this policy for it would undoubtedly cause political frictions with Washington. This sort of difficult experience may create a condition in which a newly elected government find some merit in accepting the proposal to enact a general bill for international peace cooperation involving Self-Defense Forces.

Section 4 Prospect for Japan-Australia cooperation to improve international security environment

As explained, the present National Defense Program Guidelines and the Araki Report which underlay it adopted an Integrated Security Strategy which had two goals and three approaches, namely (1) Defense of Japan from direct threats and (2) Improving international security environment, as the two goals; and (a) Japan's own efforts, (b) Cooperation with an Alliance Partner, and (c) Cooperation with the International Community, as the three approaches. In contrast, Katsumata Report advocated a "Multilayered Cooperative Security Strategy" which had three goals (1) Defense of Japan, (2) preventing threats from materializing, and (3) maintaining and constructing an international system; and four approaches which were (a) Japan's own efforts, (b) cooperation with its ally, (c) cooperation with countries in the region, and (d) cooperation with the international society.

It can be seen that goal (3) and approach (c) were newly added to the present security strategy under *NDPG 2004*. The underlying reason why this change was proposed was that in the Asia-Pacific region, threats to Japan and international systems have been increasing while there have been lacks of an effective regional security framework. It should be noted that Katsumata Report in this connection emphasized the importance of further developing cooperative and collaborative linkages with Australia and the Republic of Korea, the two regional partners which share the same basic values with Japan and also are close allies of the United States. There are diverse areas of cooperation and collaboration for the three countries such as international disaster relief operations, UN PKOs and international peace cooperation. They can make joint efforts in information sharing, procurement, supply, transportation, and medicine.

Japan and Australia, as close American allies, today share a wide range of common concerns regarding international security situation in Asia and the Pacific. They include, for example, uncertainties surrounding China's future. China's expanding economy and technological basis have allowed her to modernize her nuclear weapons, space technology and blue-water naval forces. If this trend continues, it will have security implications for the two countries. There is also uncertainty regarding Chinese top political leader's ability to maintain civilian control over the world's biggest military forces. A slow-down in economic growth may result in the destabilization of Chinese politics, which in turn creates an unfavorable security situation with implications for the world.

On one hand, Japan and Australia highly appreciate the stabilizing effects of American military presence in the region where there are uncertainties about China's future. On the other hand, both countries welcome the constructive and responsible roles China can play in regional and world affairs. Hence, Japan and Australia are interested in promoting dialogue and exchanges with China at all levels. Japan-China-South Korea's Trilateral Summit provides a good opportunity of shuttle diplomacy to build trust and confidence among the top leaders.

Japan and Australia today have valuable venues for collaboration at bilateral and multilateral levels. One of them is Japan-Australia strategic dialogue. A member of the Council on Security and Defense Capabilities raised an idea of making Japan and Australia "a quasi-alliance". Japan, Australia and China are members of ASEAN Regional Forum (ARF) and East Asia Summit (EAS), both of which also provide good venues to promote exchange of views and collaboration between the three countries ¹².

As BRICs countries (Brazil, Russia, India and China) grow further, Japan will be relegated to the status of Middle Power. A comparative advantage for a Middle Power will be in the area of information/intelligence, agenda setting and conference diplomacy. Japan and Australia may be able to collaborate in collecting and sharing high-quality intelligence, and thereby improve diplomatic position in their joint effort to enhance international security.

A promising area of cooperation, or rather Australian assistance to Japan, will be in educational exchange program. There will be increasing opportunities for Japan and Australia working together in international peace cooperation. Yet given the lingua franca status of English, Japanese lack of communication capability in English is a significant hindrance. Australian educational assistance in this to the future generation of Japanese officers, academics and bureaucrats will be highly appreciated.

12 As for the current Japan-Australia strategic relationship, see for example, Yusuke Ishihara, "Partnership Adrift: Reshaping Australia-Japan Strategic Relations", *Security Challenges*, vol. 5, no. 1 (Autumn 2009), pp. 103-122.

Defence and security policy developments in Japan and Australia

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The past twelve months have seen important developments in Australia's defence and security policy. Australia's inaugural National Security Statement was released in December 2008 and its first Defence White Paper in nine years was released in May 2009. These two documents set out the defence and security policy of the Rudd Labor government that took power in late 2007.

While there is a great deal of continuity with previous policy, there are some significant changes and even a few surprises.

The 2008 Australian National Security Statement

Consistent with its election promise, the Rudd government released Australia's first National Security Statement on December 4, 2008. The Statement is a relatively short document, amounting to only twelve pages. As such, it is a high level strategic document that in no way should be confused with a National Security Strategy like that produced by the United States in 2006 or the United Kingdom in 2008.

The 2008 National Security Statement is a key part of a broader package of policy development that the Rudd government initiated soon after entering office. It provides context for the Defence White Paper (released in May 2009) and the forthcoming Counter-Terrorism White Paper and National Energy Security Assessment. Moreover, the Statement incorporates the results of a review of Homeland and Border Security commissioned in early 2008. As the Statement says, it is designed to begin 'the process of binding the detailed and diverse work of the national security community into a coherent, coordinated whole.'

The Statement defines national security in relatively broad terms:

Freedom from attack or the threat of attack; the maintenance of our territorial integrity; the maintenance of our political sovereignty; the preservation of our hard won freedoms; and the maintenance of our fundamental capacity to advance economic prosperity for all Australians.

Noteworthy is the inclusion of the 'capacity to advance economic prosperity', an area not always identified with national security.

As for the security environment and Australia's place within it, the Statement embraces the now routine post-9/11 depiction of increasing complexity, rapid change and multi-layered inter-connectedness within which Australia is a 'regional power, prosecuting global interests'.

The 'clear and enduring security interests' identified by the Statement are;

- maintaining Australia's territorial and border integrity
- promoting Australia's political sovereignty
- preserving Australia's cohesive and resilient society and the long term strengths of the economy
- protecting Australians and Australian interests both at home and abroad
- promoting an international environment, particularly in the Asia Pacific region, that is stable, peaceful and prosperous, together with a global rules-based order which enhances Australia's national interests.

Advancement of these interests will be based on seven 'enduring principles' which reflect in large part long-established Labor party policy on defence and foreign affairs matters. The principles are:

1. *Self reliance* across the range of national security capabilities.
2. The *Australia-US alliances* based on the 1951 ANZUS treaty.
3. Bilateral and multilateral *regional engagement*.
4. A commitment to *global multilateral institutions* and particularly the United Nations.
5. A strategy of using creative *middle-power diplomacy* to further Australian interests.
6. A *risk-based approach* to national security planning and spending.
7. *Federal-state cooperation* on national security affairs.

The Statement places Australia's national security firmly in the context of what it calls 'the Asia-Pacific century' and identifies the relationships between China, Japan and United States as central to Australia's economy and security. The US-China relationship is described as 'most crucial'. While the Statement says that conflict between major powers is 'unlikely', it acknowledges that the landscape is changing and the Australia needs to 'be prepared for any unforeseen deterioration in the strategic environment'. Most importantly, the Statements judges that 'the future strategic stability of the Asia-Pacific region will in large part rely on the continuing strong presence of Australia's closest ally, the United States'.

In terms on non-traditional threats, although the Statement adopts a somewhat less urgent tone on the issue of terrorism than was sometimes heard under the Howard government, the issue is examined at length. So too are the long-established problems of fragile states on Australia's periphery, energy security, transnational crime and border security. And consistent with the UK approach, climate change is identified as 'a most fundamental national security challenge for the long term future'. One area of particular prominence in the Statement that has not previously been discussed at length is cyber-security.

The government's response to the identified national security challenges has three parts;

- an activist diplomatic strategy aimed at keeping our region peaceful and prosperous
- an Australian Defence Force that is ready to respond to a range of situations from combat operations to disaster relief
- building and maintaining national security agencies and capabilities that work effectively together.

Among the many diplomatic initiatives underway already by the Rudd government, perhaps the most high profile (and least likely to succeed) is the 'development of an Asia-Pacific Community by 2020 as a means of strengthening political, economic and security cooperation in the region in the long term.' Of more immediate interest and substance, the Statement announces strengthened 'security policy cooperation with a number of regional partners including Japan, South Korea, Indonesia, Malaysia and Singapore.' In addition, it says that the government wishes to expand 'security policy dialogue with China and our security policy cooperation with India.'

On the whole, the Statement's description of the national security environment was largely as expected. Equally, the conceptual framework laid out in response was a logical and unsurprising extension of existing Rudd government policy. Where the Statement gets interesting is in what it says about the organization of Australia's national security bureaucratic infrastructure as a result of the Review of Homeland and Border Security.

Rather than follow the US model and create a single consolidated Homeland Security Agency, the decision was taken to retain multiple national security agencies but to add a level of coordination below the political level of government. To achieve this, the position of National Security Advisor will be created reporting to the Prime Minister with responsibility for advice 'on all policy matters relating to the security of the nation, and to oversee the implementation of all national security policy arrangements.' The position is a Public Service appointment within the existing Department of Prime Minister and Cabinet.

The Statement describes the need for a National Security Advisor as 'to provide improved strategic direction within the national security community; to support whole-of-government national security policy development and crisis response; and to promote a cohesive national security culture'. Additional specific initiatives identified for the National Security Advisor include:

- establishing an executive development program in national security perhaps leading to a National Security College
- developing a strategic policy framework with a view to establishing a coordinated budget approach for national security
- putting in place a whole-of-government evaluation mechanism.

Another measure outlined in the National Security Statement are the establishment of a

National Intelligence Coordination Committee (chaired by the National Security Adviser) to ensure that the national intelligence effort is effectively integrated and ‘closely aligned and accord with Australia’s national security priorities’.

In addition, the Australian Customs Service will be expanded to become the Australian Customs and Border Protection Service with the ‘capability to task and analyse intelligence, coordinate surveillance and on-water response, and engage internationally with source and transit countries to comprehensively address and deter people smuggling.’

Finally, a Crisis Coordination Centre will be established to ‘improve inter-agency whole-of-government management of major crises and be supported by new facilities for secure ministerial participation in rolling national security crisis management’.

It is fair to say that the 2008 National Security Strategy has continued the process of refining and improving the national security apparatus that began following September 2001. Most importantly, it has firmed up the process of whole-of-government coordination. A more coherent and comprehensive statement of national security policy will have to await future National Security Statements and perhaps, eventually, a formal National Security Strategy.

The 2009 Australian Defence White Paper

After sixteen months of preparation and a five month delay, the Australian government’s new Defence White Paper was released in May 2009. Entitled *Defending Australia in the Asia-Pacific Century: Force 2030*, it is the first Defence White Paper since 2000. With a *twenty-one year time horizon*, *Force 2030* takes a long-term view of the development of the Australian defence force.

A lot has been written in the media and academe in Australia regarding *Force 2030*, much of it critical. Given that this commentary is freely available online, no attempt will be made to capture the range of views in what follows. Instead, I’ll try to set out what the document says and highlight where changes have been made compared with prior Australian defence and strategic policy. Nonetheless, it is probably unavoidable that my personal prejudices will show through in parts.

With some minor changes, *Force 2030* continues the post-Vietnam conception of Australia’s defence built around the defence of the continent from armed attack. In doing so, it presents a simplified version of the ‘concentric circles’ approach to defence policy that was set out in its 2000 predecessor. *Force 2030* identifies four priorities for the Australian defence force. These are in descending order:

1. Deter and defeat armed attacks on Australia.
2. Contribute to stability and security in the South Pacific and East Timor.
3. Contribute to military contingencies in the Asia-Pacific region.

4. Contribute to military contingencies in the rest of the world.

Of the four priorities, only the first two determine the structure of the Australian defence force while the others influence enhancements to capabilities than might be needed to allow them to be used in those circumstances.

A long-standing tenant of Australian defence and strategic policy is the doctrine of ‘self-reliance’. Consistent with this, it is expected that the Australian defence force should be able to *act independently* to deter and defeat armed attacks on Australia or when Australia’s unique interests are at stake, where appropriate *lead coalitions* where Australia has shared strategic interests at stake with others, and *make tailored contributions* to military coalitions where Australia shares wider strategic interests with others.

As described so far, *Force 2030* is not significantly different from its 2000 predecessor. Where the two documents diverge, is in the assessment of the strategic environment and in some aspects of the planned response. Three factors that stand out are; the military demands of defending of Australia, the expectation of support under the US alliance, and the potential for great power conflict in the Asia-Pacific.

Geography dictates that the Indonesian archipelago and its Melanesian satellites are the strategic approach to the Australian continent. The term-of-art usually used is that any military attack on Australia would have to come ‘from or through’ the archipelago to our north. Irrespective of whether a threat emerged within or beyond, this simple fact has set the fundamental military objective for our defence force since at least the late 1970s. In the 2000 White Paper, the task was set at ‘denying our air and sea approaches to any credible hostile forces’, in 2009 the task has become ‘controlling the air and sea approaches to Australia’.

The distinction between ‘denying’ and ‘controlling’ is significant, the former is a subset of the latter as official RAN definition makes clear: ‘Sea Denial: The condition that exists when one’s adversary is denied the ability to use a maritime area for his own purposes for a period of time, without being able to exercise sea control oneself.’ What’s more, *Force 2030* says that the ADF has to be able to safeguard ‘critical sea lanes’, a vastly demanding task that was absent from earlier policy. By moving from sea denial to sea control and expanding the notion of defending Australia to include the protection of critical sea lanes, *Force 2030* significantly raises the bar on what the defence force is expected to do.

These more demanding tasks are reflected in the range of expanded maritime capabilities announced in *Force 2030*. These include twelve new submarines to replace the current fleet of six Collins class submarines when the leave service in the mid-2020s, eight new anti-submarine warfare capable destroyer-sized surface combatants to replace the present Anzac class frigates around the same time, and a new fleet of large multirole offshore patrol combatants to enter service also in the 2020s.

The potential demands on the Australian defence force are further ratcheted up by what *Force 2030* says about our alliance with the United States and self-reliance. While stressing the value of the alliance, it is somewhat equivocal—even unclear—about the potential endurance of US strategic primacy in the Western Pacific. More importantly, *Force 2030* boldly circumscribes the expectations of the assistance that Australia expects under the ANZUS Alliance. Specifically, under the heading of ‘The Australia-US Alliance and our Defence’ it says that ‘Australia would only expect the United States to come to our aid in circumstances where we were under threat from a major power whose military capabilities were simply beyond our capacity to resist’. Not only does this redefine the notion of self-reliance, but it caveats the 1951 treaty in a way not previously seen.

The third noteworthy factor is the view taken in *Force 2030* in the potential for great power conflict in the region. While the document is diplomatically circumspect in discussing the possibilities, it concedes that ‘tensions are likely between the major powers of the region’ and that as ‘the primacy of the United States is increasingly tested, power relations will inevitably change’ thereby introducing the possibility of ‘miscalculation’ and ‘a small but concerning possibility of confrontation between some of these powers’.

However small *Force 2030* judges this to be; it takes it serious enough to discuss the consequences in some detail. To start with, it says that Australia should be prepared to make ‘potentially substantial’ contributions to meet our alliance obligations in the Asia-Pacific. Specifically, at ‘the highest end of the scale, Australia might need to be prepared to engage in conventional combat in the region, in coalition with others, in order to counter coercion or aggression against our allies and partners’. [It is perhaps worth mentioning that *Force 2030* describes Japan, and only Japan, as a ‘critical strategic partner’.]

To underline the seriousness of this, *Force 2030* goes on to outline the direct threats that Australia might face as a result of such assistance including ‘aggressive intelligence collection operations being conducted against us; missile strike, air attack, or special forces raids against Australian territory or offshore facilities; mining of our ports and maritime choke points; threats to or harassment of critical shipping between Australia and its trade partners; hostile submarine operations in our approaches and our waters; and cyberattacks on our defence, government and possibly civil information networks’.

Of course, while a confrontation involving India and Russia cannot be discounted, the principle risk that the White Paper is referring to is a conflict between China and the United States (either alone or alongside Japan) in which Australia becomes embroiled. In this way, the White Paper explicitly links Australia’s security to the fate of North-East Asia. How China will respond to Australia’s thinly veiled depiction of them as a potential adversary remains to be seen. Their sustained silence is difficult to interpret.

The focus on great power inter-state conflict in *Force 2030* is accompanied by a downplaying of non-traditional threats like terrorism as a role for Australian defence force—at least relative

to the focus of the Howard Government. Similarly, Force 2030 places an explicitly lower priority on making contributions to US coalition operations in the Middle East than the Howard Government did. But this might only be a rhetorical difference. When examined closely, both the Howard and Rudd governments are happy to ‘free-ride’ on US efforts in Afghanistan and Iraq—garnering as much credit as possible for minimal contributions on the ground.

When it comes to substantive plans for building the Australian defence force, *Force 2030* outlines the developments to take place over the next twenty-one years. In the near term—in fact over the next decade—*Force 2030* effectively continues to deliver the range of capabilities planned under the Howard government. The army will continue to be expanded and the strike and fighter aircrafts fleets will be replaced by the F-35 Joint Strike Fighter. It is only towards the 2020s that the Rudd government’s vision of Australia as a robust maritime middle power begins to take shape.

Given the extended time horizon of *Force 2030*, it must be conceded that many of the plans will be reconsidered multiple times before they become reality—and therefore are subject to revision or even cancellation. Indeed, the government has committed to a five-year cycle of Defence White Papers that will guarantee ongoing refinement of the plans.

Despite the Global Financial Crisis, the government renewed its long-term commitment to increase defence funding in real terms by 3% per annum for the next decade and promised 2.2% real growth for the decade that follows. Although there were some near-term deferrals of previously planned spending in the 2009 budget, the Australian defence force appears, so far, to have largely escaped the impact of the recession. Whether this continues will depend on how hard Australia is hit by the downturn, and also on the extent to which events maintain support for strong defence spending in the electorate.

Implications for the Australia-Japan security relationship and cooperation

The prospects for strengthening the Australia-Japan security relationship are good under the Rudd government. The parallel commitments to engagement with Asia and ‘middle power diplomacy’ predispose the government to engage closely and constructively with a major power in the region like Japan.

Consistent with this, and building on the expanded Memorandum on Defence Cooperation (see Attachment 1) signed between the Japanese Ministry of Defense and the Australian Ministry of Defence in December 2008, *Force 2030* mentions ‘further cooperation in counter-terrorism, disaster relief, humanitarian assistance, peacekeeping and maritime security; a commitment to explore cooperation in science and technology; a commitment to develop an annual calendar of defence activities; an emphasis on multilateral and trilateral defence cooperation with the United States; and a formal commitment to regular bilateral Defence Ministers’ meetings.’

From modest beginnings earlier in the decade, the Australia-Japan security relationship is now

progressing on a number of fronts. What is more, the tri-lateral strategic dialogue involving Australia, Japan and the United States is now well established. So where do we go from here?

In the near-term, the answer is simple; we get to work implementing the many useful avenues for cooperation outlined in the 2008 Memorandum. To some extent, the depth of the relationship will be determined by the breadth of engagement that we actively pursue. And there is no need to rush; relationships take time to develop. Exchanges, dialogues and cooperation will slowly but surely build personal links between our respective political leaders, foreign affairs and defence organisations.

Beyond this, we need to work out what it is we want from our bilateral security relationship (and equally what we want from our joint strategic relationship through the Trilateral Strategic Dialogue with the United States). This is not a matter of deciding once and for all the nature of the relationships, but rather, moving forward concurrent with the emergence of other relationships and institutions in Asia. The security architecture of the region is a work in progress, and while ideas for its design are useful, the reality is that it will develop incrementally and organically.

The uncertainty surrounding the development of our bilateral security relationship (and trilateral relationship with the United States) is also a reflection of the uncertainties surrounding our own individual roles. It is clear, for example, that the Rudd government is still feeling its way in Asia. The depiction of Asia's future in Australia's White Paper reveals uncertainties and misgivings about how things will develop in general and about China in particular.

Arguably, one of the most valuable things that our security relationship can give us is the opportunity to talk through and further develop our thinking on how Asian security affairs can develop constructively and peacefully.

Finally, a note of caution is necessary. While looking for a way ahead, we need to be careful not to inadvertently shape the security environment against our long-term interests. Specifically, we need to guard carefully against our bilateral and trilateral relationships being misperceived by Beijing as a bulwark against China's rise as a strategic player in the region.

Attachment 1

Memorandum on Defence Cooperation between Ministry of Defense, Japan and Department of Defence, Australia

This Memorandum is between the Ministry of Defense, Japan (MOD) and the Department of Defence, Australia (ADOD) (hereinafter referred to as both defence authorities).

Both defence authorities,

recognise that the strategic partnership between Japan and Australia, based on shared security interests; friendship founded in trust and mutual respect; and a strong commitment to democracy and freedom, will continue as the basis of the excellent bilateral defence relations;

acknowledge the mutual benefits inherent in continuing their cooperation and exchange in the field of defence;

recognise that the Joint Declaration on Security Cooperation of 13 March 2007 and the Memorandum on Defence Exchange between Japan Defense Agency and Department of Defence Australia, which was signed on 29 September 2003, facilitate the conduct of defence cooperation activities;

seek to deepen bilateral cooperation in international peace cooperation activities, following the stipulation of international peace cooperation activities as a primary mission of the Japan Self-Defense Forces and the past achievements of defence cooperation;

hereby express the following:

1. Both defence authorities share the intention to conduct the following joint defence activities.

(a) High Level Exchange

- (i) Hold annual bilateral Defence Ministerial meeting.
- (ii) Hold regular visits between the Vice-Minister of Defense of the MOD and the Secretary of the ADOD; between the Chief of Staff, Joint Staff of the Japan Self-Defense Forces and the Chief of the Defence Force of the Australian Defence Force (ADF); and between the Chiefs of Staff of the Ground, Maritime and Air Self-Defense Forces and their respective ADF counterparts.

(b) Working Level Exchange

- (i) Hold regular military-to-military consultations on security and defence matters at the director-general or deputy director-general level.
- (ii) Hold regular strategic policy discussions.
- (iii) Hold regular staff talks between the Joint Staff of the Japan Self-Defense Forces and the ADF's Headquarters Australian Joint Operations Command.
- (iv) Hold regular staff talks between the Japan Ground Self-Defense Force (GSDF) and the Australian Army (AA).
- (v) Hold regular staff talks between the Japan Maritime Self-Defense Force (MSDF) and the Royal Australian Navy (RAN).
- (vi) Hold regular staff talks between the Japan Air Self-Defense Force (ASDF) and the Royal Australian Air Force (RAAF).
- (vii) Hold staff talks on relevant subject matters between any combination of the GSDF, MSDF, ASDF and the AA, RAN and RAAF as required.
- (viii) Hold working level international peace cooperation activities dialogue on the occasion of the above exchanges for practical defence cooperation in such areas.

(c) Unit-to-Unit Exchange

- (i) Participate, including as observers, in bilateral and multilateral exercises.
- (ii) Implement unit-to-unit exchanges between the GSDF and the AA.
- (iii) Expand and enhance regular mutual maritime patrol aircraft exchanges between the MSDF and the RAN, RAAF including exercises and exchange programs.
- (iv) Expand and enhance exercises and exchange programs whenever occasion permits such as during regular mutual aircraft visits by the ASDF and the RAAF.
- (v) Expand and enhance exercises and exchange programs whenever occasion permits such as during regular mutual ship visits, including but not limited to training ships, by the MSDF and the RAN.
- (vi) Implement unit-to-unit exchanges between any combinations of the GSDF, MSDF, ASDF and the AA, RAN and RAAF.

(d) Education and Research Exchange

- (i) Exchanges of students between educational institutions of both defence authorities.
- (ii) Exchanges of representatives between educational and research institutions of both defence authorities.

(e) Information Exchange

- (i) Exchange strategic assessments and related information in areas of mutual interest.

(f) Technical Exchange

- (i) Seek cooperation and collaboration in the area of defence science and technology, which may include the sharing of information and expertise in areas of mutual interest.

(g) Cooperation in international peace cooperation activities

- (i) Promote cooperation in international peace cooperation activities. International peace cooperation activities will be defined by each country's regulations and include, but not be limited to, the following areas:
 - International peace cooperation operations such as United Nations peacekeeping operations.
 - International disaster relief activities.
 - The Proliferation Security Initiative (PSI).
 - Activities to respond to international terrorism.
- (ii) Conduct the following to promote cooperation in international peace cooperation activities:
 - Share inventories of regional disaster relief assets and capabilities of each defence authority's armed forces.
 - Participate in exercises conducted within multilateral frameworks such as the ASEAN Regional Forum.
- (iii) Undertake studies on measures to promote smooth cooperation in the area of logistics cooperation.

(h) Multilateral Cooperation

- (i) Strengthen defence cooperation within the trilateral framework among Japan, Aus-

tralia and the United States.

- (ii) Strengthen cooperation in multilateral frameworks such as the ASEAN Regional Forum and participate in multilateral consultations and seminars held by both defence authorities (including the Tokyo Defense Forum organised by the MOD and the International Peace Operations Seminar organised by the ADOD).

(i) Other Activities

- (i) Active participation in training courses and seminars offered by both defence authorities.
 - (ii) Short-term exchanges of MOD and ADOD personnel to promote greater mutual understanding and friendship.
 - (iii) Visit by the MSDF Icebreaker “Shirase” to Australian ports.
2. Both defence authorities will work to coordinate and link the exchanges mentioned in 1. in order to harmonise efforts and create more effective and efficient exchanges leading to greater opportunities for defence cooperation.
 3. Both defence authorities will develop an annual calendar of defence exchanges to assist with planning for practical initiatives, and will monitor the progress of practical cooperation listed in the annual calendar through the working level exchanges listed in 1.(b) of this Memorandum including through regular military-to-military consultations.
 4. Cooperation measures between both defence authorities are not limited to those listed above. Both defence authorities may consider and perform such other areas of defence cooperation as they mutually determine in the future.
 5. International Policy Divisions will act as the Points of Contact for their defence authorities under this Memorandum, to ensure the steady progress of the above mentioned activities and coordinate matters of policy associated with the Memorandum.
 6. Both defence authorities express their intention to ensure that any information which includes any knowledge and medium in which it is contained, acquired in the processes of their defence cooperation is administered appropriately, in line with their respective laws and fully taking into account the requests from the other side. The information, when designated, will not be released to any person, body or government other than the Governments of both defence authorities without the prior written consent of the providing defence authority.
 7. Both defence authorities recognise that this Memorandum does not give rise to legally binding rights or obligations and the above mentioned activities are conducted within the legal

and budgetary constraints of each country.

8. Both defence authorities may review this Memorandum at any time and amend it by mutual consent in writing.
9. This Memorandum supersedes the 2003 Memorandum on the date it is signed by both Defence Ministers.

Signed at Tokyo on 18 December 2008 in duplicate in the English and Japanese languages, both texts having equal validity.

Yasukazu Hamada
Minister of Defense
Japan

Joel Fitzgibbon
Minister for Defence
The Commonwealth of Australia

Session Three

Obama's administration's foreign and security policy and its implications for Australia and Japan

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Section 1: Change and continuity in US foreign and strategic policy under the Obama administration

We're still only six months into the Obama administration. Congressional hearings of nominees are still underway. The first year of any new administration involves a steep learning curve for the key participants and this one is no different. Indeed, it might even be steeper; Obama himself has talked about his administration confronting six or seven crises simultaneously, rather than the usual three. Certainly, he has a great deal on his plate:

- the Iraq wind-down (withdrawal of US combat forces from Iraqi cities by 30 June is only the first test of Iraq's ability to manage its own future)
- the Afghanistan-Pakistan wind-up (and finding a viable strategy to counter the insurgency)
- the broader War on Terror (whatever it's called these days)
- Iran (a fractured elite, an ongoing nuclear program, and a Middle East location)
- North Korea (especially after the second nuclear test)
- and the Global Financial Crisis (GFC).

Of course, that list covers only his foreign and strategic policy crises, and doesn't even get to his domestic priorities—though we can expect a president who has styled his presidency upon Abraham Lincoln's to have some 'civil wars' to fight at home. Moreover, all the challenges I have listed above are specific ones; yet President Obama's key strategic objective is actually a larger and grander one: the restoration of US power and influence in a complex world. That larger objective contains its own 'flow-on' problems, including uncertainties over:

- what instruments, or blend of instruments, offer the US greatest influence in which situations?
- what sort of war should shape US strategic thinking and guide force development?
- how can the US defence budget be controlled, without bringing on strategic insolvency?
- and how should he 'reset' relations with the great powers, starting—but certainly not ending—with the US-Russia relationship?

What we can tell already is that this is clearly an administration with a nuanced, and carefully-

shaded, view of the world. The Prague speech, for example, was an odd mixture of idealism and realism on nuclear weapons; an admission that nuclear disarmament was still a distant goal, but a reaffirmation of US commitment to the goal. The initial outlines of the future US-Russian arms control agreement that will replace START, also suggest a moderated caution on the delicate area of nuclear arms control. We're still waiting to see whether idealism or realism is the stronger vector shaping administration policy on this issue.

In his Cairo speech, Obama stretched out his hand to the Muslim world. The speech was a key part of the Obama philosophy that attempts to put a kinder face on the US role in the world. And reaction to the speech was generally positive. But how much change does that speech actually signal? Even the Bush administration did not see the Muslim world as a monolithic adversary. The key dynamics of the Middle East remain difficult. And US behaviour post-Iranian elections shows that even the Obama administration has few good options on some issues. US policy, in short, continues to hit difficulties when the outstretched hand doesn't evoke the proper response. This is also true beyond the Muslim world, where the relationship between Washington and North Korea seems to have gone from bad to worse.

Overall, I would say we see more continuity than change in US foreign and strategic policy under the Obama administration.

Section 2: The Obama administration's approach to the Asia-Pacific region

Asian countries are starting to see a greater US focus on Asia. So far this has been primarily driven by events. While the administration's priorities still tend to be Central Asian-Middle Eastern, both the GFC and the North Korean crisis have done something to turn that around. The GFC has made the US much more aware of its codependency on China; and it is both attracted to and fearful of a G2 arrangement. After some hiccups in the bilateral relationship, US-China mil-mil talks are now back underway; and I think there are good prospects for an easing of the maritime incidents that have occasionally troubled the relationship (a meeting is scheduled for July). The North Korean crisis has made the administration much more sensitive to the underlying strategic tensions in Northeast Asia. Obama himself has spoken of the DPRK nuclear issue as a 'grave threat' to global and regional security, and his statements about the issue have tended to be hard-headed rather than soft-headed.

In addition, I think we have seen under the Obama administration a greater 'courting' of Asian leaderships than we saw under the Bush administration, and—in contrast—a relative dilution in the US treatment of European leaderships. Applying the rule of precedence would seem to indicate that Prime Minister Aso and President Lee seem to rank especially high in US thinking. Aso was the first head of state to be hosted by Obama at the White House; Lee the first foreign leader to be accorded a press conference in the Rose Garden. In part, perhaps, that courting of Asian leaders suggests both a judgment by Obama that such relationships were neglected during the Bush days, but also a sense that the US needs to 'tend' its Asian partners more visibly in order to cope better with challenges ahead.

For beyond the vagaries of leadership politics and the short-term drivers of GFC and North Korean nuclear test, a set of more durable factors are all pulling US back to Asia: the region's economic weight; the geopolitical significance of China's rise; proliferation worries; and a growing debate about regional security architecture and institutionalisation. Moreover, the US knows that a period of strategic dynamism looms in Asia, and that its own strategic position in the Asia-Pacific is in flux as part of that process.

None of that is especially new, so all of this makes, as Robert Gates observed at the Shangri-La Dialogue this year, for a high degree of continuity in US policy towards Asia. A comparison of Gates' speech in Jakarta in February 2008 with the speech he delivered to Shangri-La this year shows that similar themes and points run through both speeches. We are witnessing a supplementing of the US 'permanent presence' bases with more 'over the horizon' facilities; a move to complement direct action options by US forces with greater capacity building amongst US partners; and an attempt to overlay the old 'hub-and-spokes model' of regional security with a more diverse set of structural arrangements. As Gates himself observed in Jakarta:

'Moving forward, we would like to see a good deal more cooperation among our allies and security partners – more multilateral ties rather than hubs and spokes. This does not mean any weakening of our bilateral ties, but rather enhancing security by adding to them multilateral cooperation.'¹

Overall, I believe that Asian issues are slowly starting to set the broader agenda for global issues—albeit constrained in the short-to-medium term by the lasting difficulties of the Middle East. In the field of economics, that growing dominance is easily seen. But what is true of economics is also true of other 'global order' issues. A good example is the nuclear weapons issue: despite the recent focus on the US-Russian nuclear arms accord, the global nuclear order is starting to look less like the old East-West model, and more Asian. But this brings with it a set of challenges; can the old order—the order that the British scholar William Walker once described as consisting of two interlinked systems of abstinence and deterrence—hold in coming years? What does it mean to say that deterrence might be coming to have Asian characteristics? Can abstinence hold, when the nuclear identities of most Asian countries were chosen in an era when Asia was a nuclear footnote to a European nuclear world? And Washington, notwithstanding its classic Eurocentric focus, is aware of Asia's growing global prominence. Obama knows he will be dealing more with Asia because he has no choice.

Section 3: Specific issues for US alliance relations with Australia/Japan

The Obama administration came to power in Washington with the Australian Labor Party (ALP) already in power in Australia. Labor, which represents the centrist-left of Australian politics (rather than the Coalition's centrist-right), was all too ready to hear Obama's plans for a more engaged, consultative America, but one still committed to US global leadership. For some time, in Opposition, the ALP had made clear its views that Howard's government had become 'too close' to Washington, and that the alliance had come to be the all-consuming narrative of

¹ Robert Gates (2008) Speech to the Indonesian Council on World Affairs, Jakarta, 28 February

Australian strategic policy. The Rudd government spoke of rebalancing Australian foreign and strategic policy on three pillars: the alliance, closer Australian engagement with Asia, and a UN-centered multilateralism. Australians came naturally to expect a relative dilution in the alliance relationship as the government started to place more weight upon the other two pillars.

In practice, though, rather less has changed than some might have expected. The alliance is probably still the strongest of the three pillars. Asian engagement has been somewhat complicated by a set of initial mis-steps in policy settings: with Japan on the whaling issue, and with the region as a whole over Prime Minister Rudd's sudden proposal last year for an Asian Pacific Community. The UN and other multilateral bodies have afforded some policy traction—especially the G-20 in the wake of the Global Financial crisis. But the alliance still enjoys a prominent place in Australian strategic policy.

The Defence White Paper released in early May reinforced that theme, but is itself a contradictory and ambiguous document. Although I am cautious about reading too much into any White Paper (policy-makers tell me that policy documents are not meant to be subjected to detailed analysis), this one has several messages about the alliance. If I can briefly summarise those messages, the document both endorses the alliance, but simultaneously suggests decreased expectations about the utility of the alliance in relation to Australia's own defence settings, and seems uncertain about the durability of US strategic primacy in Asia.

In a subsequent glossy booklet published by the Department of Defence to help clarify the White Paper (a publication entitled 'Your guide to the 2009 Defence White Paper'), considerable space was devoted to a reaffirmation of the alliance's importance for Australian strategic policy, so perhaps some of the contradictory messages within the paper itself were the product of poor editing. Not all of them though. The contradictions about ANZUS in the White Paper are also a product of two other things:

- The inherent tension between the alliance and self-reliance in Australian strategic policy that has endured for some decades now, and was probably bound to re-surface under an ALP government, the ALP being more attracted to the concept of self-reliance than the Coalition government;
- The changing strategic power relativities in Asia, which has meant that Australian defence planners are starting to anticipate the end of the era of weak Asian powers, and to reconsider what that means for Australian strategy.

Both of those factors are what we might call 'doctrinal' rather than 'military' or 'technical' in nature. The first points to a long-standing debate about abandonment and entrapment in alliance relationships that also flows through Australia, and both informs and underpins the notion of self-reliance in Australian strategic policy. But the second is a newer and growing point: a point about the 'longevity of the American age', if I can put it like that, and a growing concern for great-power 'transition points' in Asia.

So far those debates have had little impact on the 'new closeness' that the ANZUS alliance has

achieved during the last decade. Prime Minister Rudd, for example, has made clear that the alliance was an important factor in his decision to increase Australian troop numbers in Afghanistan, suggesting that the 'global alliance' that started to emerge under the Howard-Bush partnership, especially in the wake of the 9/11 attacks, might not yet have run its course. And even the latest Defence White Paper leaves open a range of options for Australia to act as a security partner to its friends and allies a long way from home. But, after looking at the White Paper, I do think there's some danger of a more schizophrenic approach to alliance relations currently in the works.

What of the other side of the relationship? What are the new administration's expectations of Australia? US expectations of Australia are probably modest. Not because we aren't a good friend, close confidant, and loyal ally. We are. But we don't offer special leverage in solving any of Obama's priority problems. And we're rather limited in our power assets. As a former US official, Richard Armitage, once observed, his preference would be for there to be 100 million instead of just 20 million Australians. But there aren't.

What are our expectations? Australia's usual approach in its relationship with Washington is to concentrate on interests and not personalities. I say that even though president is central figure in policy-making in US, and even though the Rudd-Obama connection gives us a particular opportunity for a close leadership relationship. The idea that we can carve out a special place with the administration on an 'intellectual meeting of minds' places too much emphasis on a thin veneer of compatible personalities. That's not to say intellectual ideas don't matter; indeed, the middle-power theory of international relations (which the ALP seems to like) encourages middle powers to be especially 'creative' if they want to exercise influence. But Obama sees lots of ideas every day. This vision places too much emphasis on the belief that a political leadership dialogue can be a meeting of intelligent minds. It isn't; indeed I'm not expecting any 'new' special warmth in the relationship.

So, we should concentrate on interests. Which interests? Those that suit our long-term agenda. At the global level, we want a world where the US leads. For Australians, that's more important than the secondary question of how it chooses to exercise leadership. Engagement trumps style; a 'cocooning' US would be seriously bad for us. That's also true at the regional level, but here we're more interested in how US leads, where it focuses its effort (NEA v SEA?), and what the direct consequences are for Australia. I'm less convinced that we should be trying to draw US into greater South Pacific engagement. Sandy Berger, President Clinton's national security adviser, is reputed to have told Australian diplomats when the East Timor crisis arose that he doesn't clean his daughter's bedroom, and that the US doesn't solve small problems (like the ones that were occurring in East Timor). Of course, at the national, bilateral level, there are a host of on-going alliance issues—military-to-military cooperation, the joint facilities, technology transfer, intelligence exchange, and the like—and we will work those on a daily basis.

Australia has no certain recipe for influencing the US administrations. But, at the same time, building influence is not a green-field construction site. We already have good access,

a reputation as a strategic extrovert, and the advantage of 'like calling to like'. We're frank speakers, with similar values, and a congruent world-view. But note two things this doesn't mean: first, it doesn't mean that all our interests overlap, and second, it doesn't mean that we can easily overcome the asymmetry that is inherent within the relationship. The US is a super-power and we aren't: if it moves first on an issue, giving itself both a power advantage and a first-mover advantage, it's always going to be hard for Australia to do more than follow. Creativity doesn't overcome those limits. Washington will always have more influence in Canberra than Canberra will have in Washington.

The key lesson from the history of the ANZUS alliance is that the relationship is not a fixed quantum: it evolves; it waxes and wanes. It tends to be characterised by our behaviour on different crisis-points: on East Timor, or 9/11 and the WOT; on the NZ anti-nuclear crisis of the mid-1980s if we go back far enough. The 'closeness' of the alliance typically reflects how we act when we're under pressure. The experiences of New Zealand and Canada both show it is possible for close relationships to weaken. The lesson seems to be that once countries 'slide away' from alliances, they find it hard to rebuild the position. That doesn't mean Australia would always have a role alongside the US in any crisis (e.g. we would probably have no role to play in the event of a crisis in Mexico), but we do tend to be conscious of the lesson. Of course, in current circumstances, there's an important conclusion that follows from that lesson: that Obama's first 'new' crisis will be a character test for his administration, but it might also be a character test for us, telling the Americans how we define our interests and how we interpret our on-going alliance obligations.

Section 4: Japan-Australia-US trilateral security cooperation

The trilateral security cooperation that has been underway between Japan, Australia and the US can be expected to grow. We think this is the logical consequence of Japan's continuing to take a large role in Asia-Pacific security at the same time that it remains, like Australia, a close ally of the United States. Part of the answer to this, though, depends on the future of Japanese security policy, and Japanese participants are obviously much better qualified than I am to speak about those matters. But from Australia's point of view, the issues drawing Australia closer to Japan have considerable longevity in Australian strategic thinking:

- A growing emphasis on the Asian region as the natural 'home' for Australian strategy
- A belief that new forms of 'partnership' will underpin the future security arrangements of Asia
- A bipartisan belief that Japan should be encouraged to take on more of the attributes of a 'normal' security power in the changing Asia-Pacific security environment
- The conclusion of a security agreement between Japan and Australia back in Feb 2007 and the continued fleshing out of that agreement in recent years

This has represented what some analysts in Australia call a quiet success. While issues concerning China have been particularly prominent in the spotlight in recent years, the Australia-Japan relationship is enjoying one of its most productive periods for decades. But even in

Australia, is this 'activist window' starting to close?

The trilateral security arrangement links the three countries' shared interests: in commercial ties and open markets, in making the long-standing bilateral security partnerships pull in a similar direction, and in pursuit of strengthened multilateral cooperation in pursuit of mutual global outlooks. Trilateralism represents a broader move to nurture new structures as old structures face challenges of historical and institutional relevance. UN structures in particular face that challenge, which is why we have seen such a proliferation of smaller, and extra-UN, structures in recent years: the G-20, the Proliferation Security Initiative, the Six-Party Talks, and the Asia-Pacific Partnership on Clean Development and Climate.

We do not believe the Obama administration is drawing back from the Trilateral Security Dialogue: indeed, it is the sort of structure the new administration favours— multilateral and dialogue-oriented. But nor does the Obama administration think TSD is the answer to its key problems: indeed, I would suspect it sees it as merely the harbinger for other forms of trilateral and multilateral security cooperation in Asia-Pacific. It was the easiest trilateral structure for the US to start off with, given Japan and Australia were both close allies who shared a range of perspectives and interests. So the danger for TSD is not that it will fall out of favour, but that it will be increasingly overtaken by other trilateral arrangements: the US-Japan-India relationship, for example, which offers to build an important vector of great-power cooperation; or the US-Japan-ROK arrangements, now much more relevant for managing the North Korean issue.

Strategic dynamism in Asia is increasing, not decreasing. I think the problem for TSD is simply that none of the three governments actually know what they want to do with it, or where they want it to go. That's not to say they don't have some sound, general ideas about the benefits of TSD; but none of them see it as a first-line mechanism for addressing vital security concerns. Japan's security policy is somewhat adrift, and might remain so even after the lower house elections later this year; Obama's security policy is still primarily globalist in its orientation, despite the fact that the growth of Asia's importance will mean he has to become more engaged there; and Australia's policy is still in a 'settling' period after the change of government in late 2007. If the TSD is to have a future it needs a stronger vision of its own relevance.

Obama Administration's Foreign and Security Policy and its Implications for Australia and Japan

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Since the inauguration of President Obama on January 20, 2009, the new U.S. administration has been focused on stabilizing financial systems and repairing the US economy, while continuing to meet a host of security challenges. In light of the diminished international stature of the United States over the last eight years of the Bush administration, the Obama administration is seeking to restore its global leadership in meeting wide-ranging challenges of international security of the 21st century world, including stabilization of Iraq, Afghanistan and Pakistan, greater security risks with regard to nuclear proliferation and WMD terrorism, intensified competition for resources and food, climate change, infectious diseases, and civil strife in Africa.

In the longer run, the United States, along with Japan and Australia, will be expected to manage the shifting balance of power and influence in the region, in the face of the accelerating rise of China and India. It would be critical for the major powers in the region, including the United States Japan and Australia, to build a viable security architecture by strengthening multi-layered mechanisms for international cooperation and by deepening strategic ties among the major powers, while maintaining the power equilibrium in the Asia-Pacific region.

Obama administration's foreign and security policy toward Asia

The new U.S. administration's foreign policy and national security policy team confirms President Obama's emphasis on quality, experience and pragmatism. He has retained Mr. Gates as the defense secretary in order to maintain the continuity of defense policy and garner bipartisan support. He has appointed Senator Hillary Rodham Clinton as secretary of state, former Commander-in-Chief of the Pacific Command Dennis C. Blair as director of national intelligence, former Supreme Allied Commander of NATO Forces in Europe James Jones as national security adviser. The Asia policy team of the Obama administration is also eminently strong and reassuring, including Jeffrey Bader, former deputy assistant secretary of state under the Clinton administration, as director for Asian affairs in the National Security Council, Kurt M. Campbell, a former deputy assistant secretary of defense who is well-versed in Japanese and alliance

affairs, as assistant secretary of state for East Asia and the Pacific, retired Marine Corps Lt. Gen. Wallace C. Gregson, who previously served in Okinawa, as assistant secretary of defense for Asia and the Pacific.

Looking at the first six months of the Obama administration, there have been elements of continuity and change in its foreign and strategic policy toward Asia.

It can be argued that the main tenets of President Obama's Asia strategy have not radically diverged from that of the Bush administration¹. First, the United States will maintain its military presence in Asia centered on the alliance with Japan and other traditional bilateral alliances, while expanding strategic partnerships with countries like India. The centrality of the US-Japan alliance in the US strategy in Asia will likely remain intact, as will the robust US-Australia alliance in the foreseeable future. Second, the United States will try to comprehensively engage China in cooperative efforts toward such goals as prevention of nuclear proliferation and climate change problems and seek to forge a "positive, cooperative relationship", while maintaining a hedging strategy to be ready for unforeseeable developments in the future. Third, the United States will seek to sustain the Six-party Talks framework to advance the denuclearization of North Korea.

Then, what are the elements of change in the Obama administration's policy toward Asia?

First, the Obama administration appears to have divorced itself from the unilateralism that characterized the Bush administration's first term, and instead place great weight on coordination and cooperation with allies and partners and the maximum use of "smart power", while expanding and strengthening partnerships with emerging powers such as China and India. It can be argued in this respect that the new administration's policy toward multilateralism has been reflected in its engagement in trilateral strategic dialogue and cooperation among the U.S., Japan, Australia, and that among the U.S. Japan, the ROK, and that this can be significantly broadened to include a new and perhaps more consequential trilateral dialogue and cooperation among the U.S., Japan and China. In addition, the Obama administration has been exploring the possibilities for solving international problems through not only via multilateral diplomacy, but also direct dialogue with potential adversaries such as Iran.

Second, the question of whether President Obama will succeed in fulfilling his campaign promise to withdraw US armed forces from Iraq within his first 16 months in office will partly hinge upon how the situation unfolds in Iraq, including with regard to the US-Iraq status of forces agreement that allows the US military to remain there until the end of 2011. Since he has designated Afghanistan as the main battleground in the War on Terrorism, he will likely work to

1 See Hilary Rodham Clinton, "U.S.-Asia Relations: Indispensable to Our Future," Remarks at the Asia Society, New York, February 13, 2009, <http://www.state.gov/secretary/rm/2009a/02/117333.htm> ; James B. Steinberg, Deputy Secretary of State, "Engaging Asia 2009: Strategies for Success," Remarks at National Bureau of Asian Research Conference, Washington, DC, April 1, 2009, <http://www.state.gov/s/d/2009/121564.htm> ;and Kurt M. Campbell, Nomination to be Assistant Secretary for East Asian and Pacific Affairs, Statement before the Senate Foreign Relations Committee, Washington, DC, June 10, 2009, <http://www.state.gov/p/eap/rls/rm/2009/06/124554.htm>

stabilize that country and eradicate al-Qaeda by deploying additional troops, bolstering collaboration with NATO members, other allies and partners, and by taking a deeper interest in Pakistani affairs. In particular, the Obama administration has been seeking to strengthen the US military in order to boost the effectiveness of efforts for stabilizing Afghanistan and Pakistan.

Third, President Obama's speech in Prague represents a significant departure from post-war U.S. nuclear strategy. Obama declared that the United States "is committed to seeking the peace and security of a world without nuclear weapons," although "[t]his goal will not be reached quickly" perhaps not in his lifetime. He also agreed that the U.S. would take concrete steps toward a world without nuclear weapons by a host of measures including reducing of the role of nuclear weapons in U.S. national security strategy and also reducing nuclear warheads and stockpiles, yet proclaiming that as long as nuclear weapons exist, the United States will maintain a safe, secure and effective arsenal to deter any adversary, and guarantee that defense to allies ².

Given the global economic and financial problems and the security challenges in Iraq, Afghanistan and Pakistan, there is a question-mark as to how the administration will prioritize Asian security issues within an array of diverse challenges, regional and global. The Bush administration was criticized for neglecting Asia due to its involvement in Iraq and the War on Terrorism. As exemplified by the rise of China and India, a significant geopolitical power shift requires the highest-level attention to and engagement in its policy and strategy toward Asia.

Major foreign and security policy challenges facing the U.S., Japan and Australia

1) The "Af-Pak" Challenge

I concur with the assessment of General David Petraeus, currently Commander of the U.S. Central Command, who testified in the U.S. Congress that the most serious threats to the United States and its allies lie at the nexus of transnational extremists, hostile states, and weapons of mass destruction ³. The acquisition of nuclear weapons by terrorist groups and rogue states would constitute the most serious threat to the region and the world of the 21st century.

Al Qaeda and its extremist allies are operating most ominously and actively in an increasingly unstable Pakistan which is armed with 60 100 nuclear weapons. The United States, along with the international community, have so far failed to bring good governance to Afghanistan, failed to build sufficient and reliable security forces there, failed to secure the Afghan population, failed to deal with the Pakistan's FATA (Federally Administered Tribal Areas), and failed to defeat al Qaeda and its extremist allies. Indeed, the situation in Afghanistan and Pakistan appears to be deteriorating day by day.

2 Remarks by President Barack Obama, Hradcany Square, Prague, Czech Republic, April 5, 2009, http://www.whitehouse.gov/the_press_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered/

3 Statement of General David H. Petraeus, Commander, U.S. Central Command, Before the House Armed Services Committee on the Afghanistan-Pakistan Strategic Review and the Posture of U.S. Central Command, April 2, 2009, page 7.

There are many lessons that can be drawn from U.S. involvement in Iraq and Afghanistan. The most important lesson from Iraq and perhaps from Vietnam for that matter is “do the right thing, but remember that the road to hell is paved with good intentions.” An equally important lesson from Iraq and Afghanistan is the recognition that the U.S. alone cannot do much; it requires allies and partners and even potential adversaries in a host of cooperative efforts.

The challenge for us is to develop a comprehensive, viable and long-term strategy addressing not only security but also governance, economic and social development, reconciliation and capacity-building in Afghanistan and Pakistan as well. The “Af-Pak” challenge would test not only the US leadership role, but also the US allies’ roles including NATO, Australia and Japan. It is a global security problem and therefore requires a global response.

Japan has pledged assistance of a total of US \$ 2 billions and has implemented US \$ 1.46 billions in such various fields such as humanitarian assistance, political process, security, human resource development, economic infrastructure, and so on. Japan took the initiative of hosting the International Conference on Reconstruction Assistance to Afghanistan (Tokyo Conference) in January 2002, which marked the beginning of reconstruction process of Afghanistan. As of February 2009, 130 Japanese civilians including Japan International Cooperation Agency (JICA) experts and Embassy staff work in Afghanistan. Tokyo will strengthen assistance through human resources by dispatching a civilian assistance team to a Provisional Reconstruction Team (PRT) from spring 2009. Japan continues refueling activities in the Indian Ocean in support of international operations in Afghanistan, and has engaged in DDR (Disarmament Demobilization and Reintegration) program and DIAG (Disbandment of Illegal Armed Groups). The government of Japan has announced that it will pay the salaries of all 80,000 members of the Afghanistan’s police force for 6 months; Tokyo will also fund construction of more than 500 schools, training of 10,000 teachers, construction of hospitals, building of 650-kilometer roads, building of the terminal at the Kabul International Airport ⁴.

As for Pakistan, Tokyo has been providing economic and other forms of assistance for many years. In April 2009, Japan, together with the World Bank, sponsored an international donors conference pledging more than \$5 billion over the next two years. Tokyo announced that it will extend US\$1 billion in assistance ⁵.

What is required now is a “general law” that will enable Japan to robustly contribute to international peace cooperation activities, possibly involving the use of force for security and stability purposes, thereby protecting not only troops but also the population. A new Japanese government that will be formed after the election this year, will likely explore the possibility of dispatching the SDF to Afghanistan, but this will require informed public debate and strong political leadership.

4 Japanese Ministry of Foreign Affairs, “*Nihon no afuganisutan shien* (Japan’s contributions to Afghanistan),” March 2009, <http://www.mofa.go.jp/mofaj/area/afghanistan/pdfs/shien.pdf>.

5 Statement by Foreign Minister Hirofumi Nakasone at the opening session of the Pakistan Donors Conference, April 17, 2009. <http://www.mofa.go.jp/region/asia-paci/pakistan/meet0904/state-fm.html>

2) The North Korean Nuclear and Missile Challenge

A nuclear-armed North Korea or the Korean peninsula armed with nuclear weapons and ballistic missiles would pose direct military threats to Japan and the region. It would seriously destabilize the regional balance of power, possibly sparking an arms race in the region. It would also test the validity of multilateral diplomacy centering on the Six-party Talks, and the credibility of the US-Japan alliance. The current situation may not constitute a crisis yet, but no doubt that the Japanese people feel increasingly insecure in the face of a belligerent Pyongyang that appears to be determined to accelerate nuclear and ballistic missile program.

It should be noted here that there seems to be a perception gap between Japan and the United States regarding the North Korean nuclear threat. As Secretary Gates said in the Shangri-La Dialogue that North Korean nuclear program does not represent a direct military threat to the United States at this point⁶. It is not an exaggeration in my view to say that Pyongyang's nuclear weapons program, its missile program and its extremely provocative behavior do pose a direct military threat to Japan and the region.

In the face of the growing North Korean nuclear and missile threat, Japan would feel compelled to do three things. First, Japan would strengthen its own conventional deterrent capabilities, including its missile defense system. Second, Japan would strengthen its alliance with the United States so that extended deterrence offered by the United States would remain credible. Third, Japan would intensify its diplomatic efforts to build up international pressure on North Korea, while expanding its strategic relations with Australia, India, the ROK, ASEAN countries, the EU, China and Russia.

In this respect, let me make some brief observations about Japan's nuclear option. As we all know, Japan is the first and the only country in the world that suffered the consequence of the nuclear bombing. The Japanese people experienced at first hand the horrors of the nuclear explosion and hence Japan is firmly committed to promote nuclear non-proliferation and nuclear disarmament. It is true that Japan does have the technical means, including sophisticated rockets for its space program, and fissile materials such as plutonium that together would enable Japan to become a nuclear weapons state if it desires. But the government of Japan is politically determined not to go nuclear. It is also true that, given the real prospect for a nuclear North Korea, there have been voices in Japan calling for revision of Japan's strategic posture vis-à-vis nuclear weapons. In my view, Japan's nuclear option cannot be in the interest of Japan because it would create tremendous uncertainty and instability in the region, seriously undermine the non-proliferation regime, and possibly create a serious rupture in the US-Japan alliance, which has been the foundation of peace and stability in the Asia-Pacific region for the last 60 years.

It can be argued that the North Korean nuclear and missile threat can be met best by intensified diplomacy, including more proactive, forcible and effective Chinese and Russian efforts in

6 Secretary of Defense Robert M. Gates, "America's Security Role in the Asia-Pacific Q&A", The Shangri-La Dialogue, Singapore, May 30, 2009.
<http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2009/plenary-session-speeches-2009/first-plenary-session/qa/>

strengthening sanctions on Pyongyang, conventional deterrent capabilities of the USA, Japan and the ROK, and importantly, continued extended deterrence offered by the United States.

I think the time has come for the international community to stop treating North Korea like a spoiled child, because Pyongyang appears to have strategic goals: it is aiming not just at the survival of its regime but also at re-unification of the Korean peninsula on Pyongyang's terms; and in this endeavor, they believe they would need nuclear weapons and intercontinental ballistic missiles that would deter US intervention ⁷. The Six-party Talks has its merits, but it has failed to deliver a desired outcome. Before it gets too late, we should be able to develop a truly viable and comprehensive strategy vis-à-vis North Korea.

3) The Long-term China Challenge

The emergence of China as a global actor presents an inevitable long-term challenge for policymakers in the region, given the ongoing power shift driven by China's growing comprehensive national power and influence not just in the region but in the world at large, including Africa. Shaping China's strategic decisions and policies would be critical if a new security order in the region is to be open, safe and stable.

The Chinese people themselves will determine their own future, yet the international community, especially major powers in the region, would be able to help shape China's strategic decisions and policies. We would welcome China as a responsible major power that plays a key role in maintaining a stable, peaceful security order in the region. We also expect China to play a global role in tackling a host of global issues, including the economic and financial crisis, climate change and non-traditional security issues.

To meet the long-term China challenge, we would need both engagement and "hedging" strategies. It would be essential for the countries in the region to engage China in strategic dialogue, confidence building measures, joint disaster relief and exercises and international humanitarian activities energy & maritime security.

Yet it would also be prudent and necessary for the countries in the region to hedge against a China that might aim to dominate in the region not just economically but also politically and militarily, thus challenging the time-honored regional security order underpinned by US strategic primacy. The defense white paper recently released by Australia put it: "China by 2030 will become a major driver of economic activity both in the region and globally, and will have strategic influence beyond East Asia. By some measures, China has the potential to overtake the United States as the world's largest economy around 2020. ... China will also be the strongest Asian military power, by a considerable margin. Its military modernisation will be increasingly characterised by the development of power projection capabilities. A major power of China's stature can be expected to develop a globally significant military capability befitting its size. But

⁷ Hideshi Takesada, "North Korea's nuclear issues", January 17, 2007, Research Institute of Economy, Trade & Industry (RIETI) BBL seminar, <http://www.rieti.go.jp/jp/events/bbl/07011701.pdf>.

the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans.⁸

Japan too is increasingly concerned about China's increases in defense spending, its rapid build-up of air power, ballistic missile, submarine, and anti-satellite capabilities and nuclear forces⁹. One could argue nevertheless that China's military modernization is nothing but a defense response to more formidable US forces in Asia and the Pacific. Notwithstanding, more explanation and clarification about China's long-term strategic posture and objectives would be required.

I would argue further that both engagement and hedging would be insufficient to meet the China challenge. It would be crucial to strategically and proactively co-opt China in architecture building in the region. One attractive policy idea in this regard that has been looming large on Japan's strategic policy agenda is the idea of a U.S.-Japan-China trilateral security architecture which perhaps can be defined as a carefully designed trilateral framework for comprehensive strategic dialogues and consultations among the U.S., Japan and China at the official level on wide-ranging security issues encompassing terrorism, the proliferation of WMD, protection of sea lanes, international peace-keeping, and a host of "human security issues," including climate change, the avian flue epidemic and natural disasters. A U.S.-Japan-China trilateral security architecture could also involve trilateral mechanisms for cooperation in the fields of intelligence exchanges, defense exchanges, and military training and exercises. In times of international crises, there would be hot-line channels of communication among the defense establishments of the U.S., Japan and China so that they could exchange intelligence information and coordinate policy measures in timely and effective ways. A robust U.S.-Japan alliance, a harmonious U.S.-Japan-China partnership, and an emerging East Asian community would be essential ingredients of peace and stability in the Asia-Pacific region of the 21st century.

4) The Nuclear and Proliferation Challenge

Given the growing danger of nuclear proliferation and the prospect of terrorist groups and rogue states acquiring and using nuclear weapons, and in light of the fact that the US and Russia together possess more than 90 percent of the world's nuclear weapons, and that the Obama Administration is working on its Nuclear Posture Review and is negotiating with Russia on a follow-on agreement to the US-Russia Strategic Arms Control Reduction Treaty which expires December 5, 2009, the American and other major power's top-down initiatives in seeking "a world without nuclear weapons" are extremely timely, important and welcomed.

It should be noted, however, that despite the fact that "extended deterrence" has been regarded as the most critical element of the alliance relationship between the U.S. and Japan, both Tokyo and Washington have long avoided in-depth and thoroughly informative and substantial debate

8 Australian Department of Defence, *Defence White Paper 2009, Defending Australia in the Asia Pacific Century: Force 2030*.

9 See, for example, Boeisho (Ministry of Defense), *Heisei 21-nennban Nihon no boei* (Defense White Paper 2009), pp. 47-63, http://www.clearing.mod.go.jp/hakusho_data/2009/2009/pdf/index.html.

and discussions on this matter. However, faced with the North Korean nuclear threat, which would constitute a direct and serious military threat to Japan and the region, the growing Chinese military power and the potential of Pakistan turning to a jihadist Pakistan with Taliban, al-Qaeda and nuclear weapons, the time has come for policymakers of the U.S. and Japan to begin a truly strategic dialogue on the issue of extended deterrence and other relevant issues of global consequence¹⁰. And this can be an important topic for strategic dialogue among the U.S., Japan and Australia. More specifically, the US and Japan should conduct studies on specific scenarios that would require extended *nuclear* deterrence by the US. Policymakers of the two countries should also review the existing alliance mechanism from a whole-of-government standpoint in the broad spectrum of contingencies to which extended deterrence may be relevant. And, as Scott Sagan argues in his recent article published in *Survival*, “the forthcoming US Nuclear Posture Review should include a thorough cost-benefit assessment of movement toward a no-first-use declaratory policy” and the United States should consult closely with allies including Japan¹¹.

It is also expected that Japan and Australia will play a leading role in promoting the nuclear disarmament and arms control movement through the work of the International Commission on Nuclear Nonproliferation and Disarmament chaired by former foreign ministers of Australia and Japan, Gareth Evans and Yoriko Kawaguchi and the 2010 NPT Review Conference as well.¹²

Prospects for Japan-Australia-U.S. Trilateral Security Cooperation

Japan and Australia, both strong democracies and trade partners over the post-war years, have been working together in international peace cooperation activities, including the UN PKO in Cambodia in 1992 (commanded by Lt. Gen. John Sanderson of the Australian Army), the PKO in East Timor (February 02-June 05), disaster relief operations in the Indian ocean, and humanitarian assistance & reconstruction activities in Iraq, culminating in the Japan-Australia Joint Declaration on Security Cooperation issued in March 2007. Building on the strengthening Japan-Australia security relationship, Japan-Australia-U.S. trilateral security dialogue and cooperation should be promoted in various ways.

10 The bipartisan Congressional Strategic Posture Commission -- headed by former secretaries of defense William J. Perry and James R. Schlesinger -- argues that “now is the time to establish a much more extensive dialogue with Japan on nuclear issues, limited only by the desires of the Japanese government. Such a dialogue with Japan would also increase the credibility of extended deterrence.” William J. Perry, Chairman, James R. Schlesinger, Vice-chairman, *America’s Strategic Posture: The Final Report of the Congressional Commission on the Strategic Posture of the United States* (Washington, D.C.: United States Institute of Peace, 2009), p. 70; see also, William Perry and Brent Scowcroft, Chairs, Charles D. Ferguson, Project Director, *U.S. Nuclear Weapons Policy*, Council on Foreign Relations Independent Task Force Report No. 62, 2009, pp. 90-91.

11 Scott D. Sagan, “The Case for No First Use,” *Survival*, Vol. 51, No. 3, June-July 2009, pp. 163-182.

12 As for Japan’s nuclear disarmament and non-proliferation efforts, see Foreign Minister Hirofumi Nakasone’s speech, “Conditions toward Zero – ’11 Benchmarks for Global Nuclear Disarmament”, Japan Institute of International Affairs, April 27, 2009, <http://www.jiia.or.jp/en/>

First, the agenda for the Japan-Australia-U.S. trilateral security dialogue and cooperation would include an array of regional and global security issues, including maritime security, the war in Iraq, Afghanistan and Pakistan, proliferation problems, non-traditional security challenges, energy security and climate change.

Second, the Japan-Australia-U.S. trilateral dialogue should also include dialogue on long-term China strategy so as to shape China's future strategic decisions and policies in the region.

Third, as already suggested, Japan and Australia should play a proactive role in promoting the nuclear disarmament and arms control movement through the work of the International Commission on Nuclear Nonproliferation and Disarmament and the 2010 NPT Review Conference.

Finally, given the inevitable power shift driven by the rise of China and India, it would be critical for the major powers in the region, including the United States, Japan and Australia, to seek to build a viable security architecture by strengthening multi-layered mechanisms for international cooperation and by deepening strategic ties among the major powers, while maintaining the stable balance of power in the Asia-Pacific region.