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The Enduring Relevance of the U.S.-Japan Alliance

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About the Author

Dr. James J. Przystup is a Senior Research Fellow in the Center for Strategic Research, Institute for National Strategic Studies, at the National Defense University. He dedicates this paper to William.

Key Points

- ◆ The U.S.-Japan relationship is multifaceted in nature, with rich cultural and educational exchanges, market-based economies, and shared political values. At its core, however, the relationship is strategic, anchored in the Treaty of Mutual Cooperation and Security Between the United States and Japan, a key pillar of the post-World War II international order.
- ◆ The significant bilateral trade frictions of 2017–2018 have not adversely affected the alliance to date. Faced with an ongoing period of global instability and uncertainty, the alliance has continued to evolve to meet the challenges of the 21st century in the Indo-Pacific region.
- ◆ Today, the alliance enjoys broad popular support in both countries, and both governments have been updating and upgrading key elements of this partnership.
- ◆ President Donald Trump's December 2017 National Security Strategy reaffirmed U.S. commitment to the alliance. Prime Minister Shinzo Abe has taken steps to enhance Japan's defense capabilities to allow the country to deal more effectively with the serious security challenges posed by North Korea and China, as well as to allow Japan to address the broadening challenges to the existing rules-based international economic and security order.

The Enduring Relevance of the U.S.-Japan Alliance

By James J. Przystup

For over six decades, the Treaty of Mutual Cooperation and Security Between the United States and Japan and the U.S. forward-deployed military presence in Japan have served as the foundation of stability, prosperity, and security in the Asia-Pacific region and beyond. It is the basis of the U.S. Asia-Pacific strategy and is a central pillar of its global strategy. The ability to project power halfway around the world from Japan was critical to the allies' success in the 1991 Persian Gulf War—the USS *Independence* was then homeported in Japan. The deployment of the *Kitty Hawk* from Japan to the Persian Gulf in support of Operations *Southern Watch* and *Iraqi Freedom* underscored the global significance of the U.S. presence in Japan and the U.S.-Japan alliance.

As successive Japanese governments have reiterated over the past decades, the alliance is the foundation of Japan's security strategy and the starting point of Japan's foreign policy. Across the Asia-Pacific region, the perceived strength of the alliance has been considered the barometer of the U.S. commitment to the region and the foundation of regional stability and security.

This paper argues that the bilateral alliance remains strongly anchored on common security interests. It demonstrates that the alliance is of great contemporary importance for both the United States and Japan in managing the security challenges from a nuclear-armed North Korea, China's assertive actions in the maritime domain (via the Belt and Road Initiative [BRI]), as well as its disregard for international law. The alliance is also important for shaping the future for a Free and Open Indo-Pacific (FOIP).

This paper is organized into four sections. The first outlines the alliance today—the transcendence of security ties over current trade and economic issues in the operational environment. The second focuses on the ongoing activities of the alliance at work and the benefits that accrue from the alliance, including bilateral security cooperation and the management of mutual concerns about

North Korea and China. The third offers a concise assessment about the enduring importance of the alliance. The final section offers a number of policy recommendations aimed toward advancing U.S. interests in the alliance and in the wider Indo-Pacific region.

The Alliance Today: Security Still “Trumps” Economics

Since the 1996 Joint Declaration Alliance for the 21st Century, and evolving through the 1997 and 2015 revisions of the Defense Guidelines, the U.S.-Japan alliance has reached new levels of diplomatic and security cooperation. Today, the United States and Japan are engaged in updating and strengthening the alliance to meet the security challenges of 2020, while at the same time moving to address longstanding trade and economic issues.

The Trump administration’s focus on addressing trade imbalances with Japan has made an understandable “splash” with political pundits and commentators. On March 23, 2018, the Department of Commerce announced the imposition of tariffs on steel and aluminum imports from Japan, adding an economic strain to the relationship.¹ Economic strains between the two countries, however, are not new. Trade issues and the bilateral trade imbalance have long impacted the U.S.-Japan relationship without serious damage. The “auto wars” of the late 1970s and early 1980s resulted in the acceptance of voluntary restraint agreements by Japanese automobile companies on exports to the United States as well as investments by Japanese automobile companies in production facilities in America. In the late 1980s, the United States and Japan addressed continuing trade imbalances and market access issues in the Structural Impediments Initiative. The Clinton administration also addressed trade relationship frictions under the U.S.-Japan Framework Agreement.

On November 30, 2018, President Donald Trump and Prime Minister Shinzo Abe met during the G-20 Summit in Argentina. President Trump addressed the trade issue in a manner demonstrating that it remains a manageable dimension of strong, security-dominated bilateral relations:

We’re doing a lot of business with Japan and trade. The deficit is coming down. It’s a massive deficit between Japan and the United States and it’s coming down. Just in finishing, we’re two countries that are doing very well in many different ways. Our military working together, having to do with North Korea and other factors, really has been very strong. Our partnership has been quite extraordinary, and we will be together for a long time.²

The President and prime minister met again on April 26, 2019, in Washington, DC. In their Joint Statement, the two leaders “affirmed the importance of strong, stable, and mutually beneficial relationship between the United States and Japan” and their commitment to “enter into negotiations . . . for a United States and Japan Trade Agreement on goods, as well as on other key areas including services that can produce early achievements.”³ Trump and Abe also shared an “in-depth exchange of views” on issues related to the denuclearization of North Korea. They also emphasized their shared commitment to a FOIP order and referred to the alliance as a “cornerstone of peace, stability, and prosperity in the Indo-Pacific region and around the globe.”⁴

Despite the often heated rhetoric in both countries that has marked the various trade issues, successive governments in the United States and Japan have worked successfully to isolate the alliance’s security interests from the economic-political debate. Strategic realities then, as now, have served to reinforce and strengthen the alliance. Today, the alliance is faced with a triad of security challenges: a nuclear-armed North Korea, an increasingly assertive China, and the shaping of a FOIP order.

North Korea’s nuclear weapons program has been front and center of the U.S.-Japan relationship since late in the Obama administration. As of mid-2019, the promise of the June 10, 2018, Singapore Summit and the hopes of the February 27–28, 2019, Hanoi Summit between President Trump and North Korean leader Kim Jong-un regarding the denuclearization of North Korea remain unrealized. While the Joint Statement issued after the Sin-

gapore Summit expressed a commitment “to work toward the complete denuclearization of the Korean Peninsula,” the United States and North Korea have yet to agree on a definition of that construct. At the Hanoi Summit, U.S. and North Korean negotiators failed to reach any agreement on concrete steps toward denuclearization.⁵

Until the final, fully verified denuclearization of North Korea’s nuclear program is accomplished, the country’s nuclear weapons, ballistic missiles, and an emerging sophisticated dyad—including both land-based and submarine-launched ballistic missiles—will remain the most imminent threat to the United States and Japan in the Asia-Pacific region. Various public sources have speculated on the range of North Korea’s international continental ballistic missiles (ICBMs), but it is known that 200 deployed Nodong missiles, potentially armed with nuclear warheads, are capable of hitting both the Republic of Korea (ROK) and Japan, including U.S. bases in both countries.⁶ North Korea’s dogged pursuit of advanced nuclear weapons and ballistic missile capabilities places a premium on deterrence and the integrated defense capabilities of the U.S.-Japan alliance, in particular missile defenses. A credible deterrence will also require regular and high-level consultations among the United States, Japan, and ROK.

A key question for the alliance is whether or not a North Korea with an operational ICBM capability that can reach the United States is a strategic game changer. Such an ICBM force potentially exposes the U.S. homeland to nuclear blackmail in the event of a contingency on the Korean Peninsula, thus undermining the credibility of the American nuclear umbrella for Japan and the wider region. Would an American threat of destruction of the North Korean state in the event of aggression by Pyongyang against South Korea, Japan, or the United States still remain credible in the event of a North Korean international nuclear weapons capability?

Of equal importance, albeit a bit less urgent, for the U.S.-Japan alliance is that China has continued to modernize its military with near double-digit increases in spending since 1989. At the same time, Beijing is pursu-

ing assertive irredentist maritime claims in the East and South China seas, selective adherence to international law, and predatory national industrial policies. Chinese economic reforms are likely to remain incomplete as President Xi Jinping focuses on strengthening and retaining his power base as reflected in the results of the 19th Communist Party Congress that met in October 2017 and the First Session of the 13th National People’s Congress held in March 2018.⁷ In gray zone situations (that is, security challenges that fall below the threshold of direct military conflict) in both the East and South China seas, China continues to advance its territorial claims and economic interests in a manner that disregards international legal decisions. Its extralegal claims are now backed by China’s People’s Liberation Army deployments to its man-made islands in the South China Sea.⁸

China’s military-backed unilateral alteration of the longstanding status quo in the South China Sea—including its disregard for the 2016 ruling of the Permanent Court of Arbitration in The Hague, dismissed by former Deputy Minister for Foreign Affairs and State Councilor Dai Bingguo as “nothing but a piece of paper”—presents an additional alliance challenge.⁹ That China flaunts its disregard for the basic tenets of the post-World War II international order in many parts of the Pacific region makes it imperative for the United States and Japan to counter by way of a rules-based FOIP order. This need has been recognized, and the bilateral U.S.-Japan commitment to FOIP was reaffirmed at the April 19, 2019, “Two-Plus-Two” meeting in Washington, DC, attended by Secretary of State Michael Pompeo, then-Acting Secretary of Defense Patrick Shanahan, Foreign Minister Taro Kono, and Defense Minister Takeshi Iwata.¹⁰

The Alliance at Work

At the first Trump-Abe summit on February 10, 2017, President Trump reaffirmed the “unshakeable” nature of the alliance as “the cornerstone of peace, prosperity, and freedom in the Asia-Pacific region.”¹¹

The summit’s Joint Statement reiterated the U.S. commitment to defend Japan “through the full range of

U.S. military capabilities, both nuclear and conventional” and made clear the U.S. intention to “strengthen its presence in the region.”¹² Addressing concerns about gray zone contingencies, the Joint Statement clearly states that “Article V of the U.S.-Japan Treaty of Mutual Cooperation and Security covers the Senkaku Islands.”¹³ For its part, Japan accepted that it will “assume larger roles and responsibilities in the alliance.”¹⁴

It also agreed that, as alliance partners, both the United States and Japan “will continue to implement and expand defense cooperation as laid out in the 2015 U.S.-Japan Defense Guidelines” and “will further enhance cooperation with allies and partners in the region.” Both the President and prime minister “underscored the importance of maintaining international order based upon the rule of law.”¹⁵

Subsequent meetings between Trump and Abe have reinforced positive trends and positioned the alliance to deal with the economic and security challenges posed by the rapidly evolving international order. In their Joint Statement issued after a November 6, 2017, meeting, Trump and Abe agreed to “maximize pressure on North Korea . . . in response to its unlawful nuclear and missile development programs” and to align “strategic priorities toward a shared vision of a free and open Indo-Pacific.”¹⁶ And after the April 19, 2019, U.S.-Japan Security Consultative Meeting convened in a Two-Plus-Two format, the Joint Statement observed:

*The Ministers welcomed the alignment of the strategic policy documents of both countries, namely the [U.S.] National Security Strategy and National Defense Strategy, and Japan’s National Defense Program Guidelines. These strategies show that the U.S.-Japan security partnership continues to adapt to be stronger, more advanced, and more effective, consistent with the objectives of the bilateral 2015 Guidelines for U.S.-Japan Defense Cooperation.*¹⁷

On December 18, 2018, Abe approved the 2018 National Defense Program Guidelines and the Mid-Term Defense Plan. Both documents are focused on strength-

ening Japan’s defense capabilities.¹⁸ Among the key features, Japan will purchase 105 U.S. F-35 aircraft: 63 F-35A and 42 F-35B model planes. Japanese modernization plans also call for the refitting of the helicopter carrier *Izumo* to accommodate the vertical takeoff F-35B. Development of capabilities to address defense in the space, cyberspace, and electromagnetic domains will be emphasized. At the same time, recognizing the need for cross-domain flexibility, defense plans call for the formation of a “multidimensional joint defense force.”¹⁹

Total defense expenditures for the Mid-Term Defense Plan total a record 27.47 trillion yen (approximately \$243 billion), a 2-trillion yen increase over the previous Mid-Term Defense Plan and an annualized increase of 1.1 percent. Japan’s defense spending under the Abe government has increased for 6 consecutive years.²⁰

Japan’s defense policy reforms—namely the July 2014 decision to reinterpret its constitution to allow for the limited exercise of the right of collective self-defense—have opened the door to greater security cooperation with the United States. In sequence, the United States and Japan adopted the 2015 Guidelines for U.S.-Japan Defense Cooperation, which provide “the general framework and policy direction for the roles and missions of Japan and the United States.”²¹ The guidelines expanded the scope of functional cooperation between the two militaries, allowing for greater integration of security operations with the United States, particularly in the area of missile defense, in response to gray zone contingencies as well as advancing security cooperation with third countries.

Other alliance-enhancing changes made under the previously cited 2015 Guidelines for Japan-U.S. Defense Cooperation include:

- ◆ Allowing the Alliance Coordinating Mechanism (ACM) to support day-to-day alliance management activities. The ACM is the on-the-ground, working-level political-military body based in Japan, with direct links to U.S. Indo-Pacific Command and Washington, DC. The ACM demonstrated its value during the 2016 earthquake relief effort in Kumamoto, Japan. It also has the potential

to align missile defense assets in a North Korea contingency while coordinating short-fuze gray zone events.

◆ Establishing a bilateral planning mechanism to address contingencies affecting Japan's peace and security. Planning on gray zone contingencies is critical to enhance deterrence vis-à-vis North Korea and with respect to China and the Senkaku Islands. This mechanism is also important to the United States because it can only meet its Korean Peninsula military defense commitments from American bases with logistical support found only in Japan.

◆ Outlining steps to enhance interoperability, readiness, and vigilance in the fields of intelligence, surveillance, and reconnaissance; air and missile defense; maritime security; asset protection; training and exercising; logistical support; and joint use of facilities.

◆ Utilizing advanced trilateral and multilateral security and defense cooperation mechanisms, enabling Japan to participate in trilateral exercises with the United States and Australia, with the United States and the ROK, and with the United States and India.²²

Reiterating commitments made at the February 2017 Trump-Abe summit, the two countries reaffirmed at the April 19, 2019, Security Consultative Meeting “the crucial roles that U.S. extended deterrence plays in ensuring the security of Japan as well as the peace and stability of the Indo-Pacific region.” The Trump administration also reiterated the U.S. commitment “to the defense of Japan through the full range of U.S. military capabilities, including conventional and nuclear” and “reaffirmed that the U.S. force posture in the region would remain robust and grounded in a clear-eyed assessment of threats.” The two governments committed to “deepen consultation on ensuring deterrence and security in the region.”²³ Enhancing coordination and integration between Japanese Self-Defense Forces and U.S. Armed Forces, as well as between Japan and other security partners, is an important capability that will prove critical to maintaining deterrence in the region.

The Trump administration's repeated reaffirmation of the U.S. commitment to the alliance during bilateral meetings, and Japan's increasing defense capabilities before and since the 2014 constitutional change, have positioned the alliance to deal more effectively with the security challenges posed by North Korea and China. The 2017 U.S. National Security Strategy (NSS) acknowledges that “U.S. allies are critical to responding to mutual threats, such as North Korea, and preserving our interests in the Indo-Pacific region. . . . We welcome and support the strong leadership role of our critical ally, Japan.”²⁴

Trump and Abe have coordinated closely over the threat posed by a nuclear-armed North Korea to both the United States and Japan. Soon after the unanticipated March 8, 2018, White House announcement of the Trump-Kim summit, President Trump spoke with Prime Minister Abe at Mar-a-Lago, Florida, on April 17–18, 2018, to coordinate policy toward North Korea. The two leaders agreed to sustain the policy of “maximum pressure” aimed at the denuclearization of North Korea. In subsequent Trump-Abe meetings and at high-level Secretary of State–Foreign Minister and Secretary of Defense–Minister of Defense meetings, the two allies reaffirmed their mutual commitment to maintain this policy until North Korea takes concrete steps toward denuclearization. Abe has been forceful in support of the maximum pressure policy in his high-level diplomacy with counterparts in Asia and Europe.

On December 3, 2018, Japan's Ministry of Defense published its annual defense white paper. The ministry cast North Korea's development of nuclear weapons and missile capabilities as “an unprecedentedly serious and imminent threat” and is “taking into consideration that North Korea appears to possess and deploy several hundred Nodong missiles capable of reaching most every part of Japan . . . there is no change in our basic recognition concerning the threat of North Korea's nuclear weapons and missiles.”²⁵

In his late 2018 *Foreign Affairs* article, Secretary Pompeo wrote:

We have described our objective as the final, fully verified denuclearization of the Korea Peninsula as agreed to by Chairman Kim Jong Un. "Final" means that there will be no possibility that North Korea will ever restart its weapons of mass destruction and ballistic missile programs . . . "fully verified" [means] there will be stronger verification standards than under JCPOA [Joint Comprehensive Plan of Action], which did not require inspection of Iranian military facilities."²⁶

At the April 19, 2019, meeting of the Security Consultative Committee, the United States and Japan again addressed the nuclear challenge posed by North Korea and "reiterated the importance of achieving North Korea's abandonment of all of its weapons of mass destruction, ballistic missiles, and related programs in a complete, verifiable, and irreversible manner in accordance with relevant UN Security Council resolutions."²⁷

At the same time, China remains a dominant, if slightly less urgent, bilateral security concern. As underscored by Vice President Mike Pence's October 4, 2018, speech at the Hudson Institute, the U.S. bipartisan consensus that has guided a partnership-oriented China policy since the Nixon opening in 1972 has eroded.²⁸ Today a new Sino-U.S. relationship is being defined, with the balance shifting from cooperation toward competition. The Trump administration characterizes China as a "competitor" aimed at challenging "American power, influence, and interests, attempting to erode American security and prosperity." China's military buildup is "designed to limit U.S. access to the region and provide China a free hand there."²⁹

In the *Defense of Japan Annual White Paper 2018*, the Ministry of Defense found that "the unilateral escalation of China's military activities poses a strong security concern for the region, including Japan." Of particular concern was China's expansion of the "operational areas" of sea and air power to the Senkaku Islands and its "considered attempt to routinize" its naval presence in waters

"close to Japan and to extend air and naval training exercises into the Pacific Ocean."³⁰

The challenges posed by China, particularly in the East and South China seas, will require an alliance-based integrated diplomatic, political, and security response. China's increasingly assertive actions in waters around the Senkaku Islands, including intrusions into Japan's contiguous zone and territorial waters, appear intent on challenging Japan's sovereignty/administrative control over the islands. Japan's defense white paper noted that China's enhanced operational capabilities and unilateral actions are "generating strong security concerns."³¹

These concerns are reflected in the April 19, 2019, Security Consultative Committee Joint Statement, in which the United States and Japan expressed "serious concern about, and strong opposition to, unilateral coercive attempts to alter the status quo in the East China Sea and South China Sea." The document also "reconfirmed that Article V of the U.S.-Japan Security Treaty applies to the Senkaku Islands and that both nations oppose any unilateral action that seeks to undermine Japan's administration of these islands. . . . The Ministers highlighted space, cyberspace, and the electromagnetic spectrum as priority areas to better prepare the Alliance for cross-domain operations."³² It is important for the United States to demonstrate an operational capability to honor the treaty commitment.

On the economic front, Japan and the United States agree that China's predatory industrial practices must be addressed and are a critical part of the ongoing U.S.-China trade negotiations. As detailed in the 2017 American Chamber of Commerce in China report, Beijing's subsidizing of national champions under "Made in China 2025," its restrictions on market access in key high-tech sectors, its requirements for majority Chinese ownership of joint ventures, and its software registration requirements, among others, pose existential threats to the future of American and Japanese economies.³³ Addressing these commercial issues directly is critical if the U.S.-Japan-China economic relationship is to develop satisfactorily. An effective commercial response to China will require U.S.-Japan coordination with the European

Union and with other like-minded allies and strategic partners.

Japan has benefited recently from rising U.S.-China trade tensions, but this need not harm the Japan-U.S. relationship. Pivoting on the 40th anniversary of the August 1978 Japan-China Friendship Treaty, Prime Minister Abe and President Xi moved to normalize relations. Abe visited China on October 25–26, 2018, and met with Xi and Prime Minister Li Keqiang.³⁴ Notwithstanding the political and diplomatic success of the October 2018 visit attributed to Abe, Japanese commentary was markedly restrained. In the *Nikkei Asian Review* of November 6, 2018, Yoichiro Sato wrote that Japan and China “have merely set aside deep-rooted mutual suspicions in a tactical response to U.S. President Donald Trump’s foreign policy. . . . It is most unlikely to prove an historic turning point.” Sato cautioned that “China has a great interest in splitting the U.S.-Japan alliance.”³⁵

Viewing the relationship between Japan and China through the prism of Vice President Pence’s October 4, 2019, speech on China, Yasunori Nakayama, director general (acting) of the Japan Institute for International Affairs, the foreign ministry’s think tank, wrote, “no matter how political and economic relations with China develop in the future, Japan will need to ensure its own security by maintaining a united front with the United States in checking China’s expansionism and attempts to change the status quo.” Japan’s diplomacy should reinforce “its stance of not tolerating China’s military expansionism, and in other realms play a leading role in creating international standards and rules to regulate problematic behavior by China.”³⁶

In the December 11, 2018, edition of the *Japan Times*, Yoichi Funabashi, former editor in chief of the *Asahi Shimbun*, observed that “recent developments have simply returned the Japan-China relationship from ‘a minus to zero.’ Normalization of China and Japan relations was due in large part to the Trump factor.” While normalization of relations is welcomed across the region, “China’s diplomacy,” Funabashi wrote, “could be viewed as a hedge against the U.S. under Trump, and promote the percep-

tion that Japan has begun to distance itself from the U.S. If this spread, it could drive a wedge between Japan and the U.S. This is exactly what China is hoping for.”³⁷

Bearing in mind that U.S. and Japanese interests with respect to China are congruent but not completely identical, the policy challenge going forward for both governments is to narrow gaps and align priorities. At the same time, the United States should monitor and counter Chinese actions designed to exploit any differences in the alliance. As argued, the growing strength of the alliance should facilitate a well-informed strategic dialogue that both protects and advances the security interests of both countries.

Development of greater strategic coordination is also critical to shaping the future economic and security contours of an FOIP. The April 19, 2019, Security Consultative Meeting Joint Statement stated that “a shared concern that geopolitical competition and coercive attempts to undermine international rules, norms, and institutions present challenges to the Alliance and to the shared vision of a free and open Indo-Pacific.”³⁸

In Japan and the United States, visions of the Indo-Pacific have developed against a background of a rising China, one exercising increasing assertiveness in the East and South China seas and one rapidly expanding its influence through the BRI. Since the turn of the century, countries’ ideas of order—values, structure, and economic and political influence—around the world and in the Pacific region have become increasingly competitive. The 2017 NSS concluded that “A geopolitical competition between free and repressive visions is taking place in the Indo-Pacific region” and that “China’s infrastructure investment and trade strategies reinforce its geopolitical aspirations.”³⁹ In a 2018 study, the Center for Global Development estimated that China under the BRI had committed an estimated \$8 trillion in support of projects in Asia, Africa, and Europe.⁴⁰ That level of investment signals the breadth of Chinese aspirations.

Under Prime Minister Abe, Japan has increased diplomatic engagement and development assistance to support infrastructure projects, the rule of law, and free and

open oceans across the Indo-Pacific region. In the New Tokyo Strategy of 2015, Japan committed 750 billion yen, (approximately \$6.7 billion) to enhance connectivity through infrastructure development with Mekong partners—Myanmar, Thailand, Vietnam, Laos, and Cambodia. Also in 2015, Abe announced that Japan, in collaboration with the Asian Development Bank, would provide Asia with \$110 billion in innovative infrastructure financing over the coming 5 years. At the 2016 G-7 Summit, the Prime Minister announced Japan's \$200 billion investment in high-quality infrastructure projects for the next 5 years.⁴¹ Japan and its Mekong partners also adopted the Tokyo Strategy 2018, with three new main pillars: vibrant and effective connectivity (industrial infrastructure), hard connectivity (land and maritime infrastructure), and soft connectivity (customs regulations, telecommunications, and cyber infrastructure).⁴²

In August 2018, the *Nikkei Asian Review* reported that in support of the FOIP strategy, the Ministry of Foreign Affairs' fiscal year 2020 budget submission proposed 70 percent of its Official Development Assistance budget to the Indo-Pacific region. This commitment would be to capitalize infrastructure projects in the region extending west from Southeast Asia and into the Middle East and Africa while emphasizing the quality of projects over their quantity.⁴³

Simultaneously, American administration officials began to bring specificity to the U.S. Indo-Pacific vision first articulated in President Trump's address to the Asia-Pacific Economic Cooperation Forum (APEC) CEO Summit in Danang, Vietnam, on November 10, 2017. In remarks before the U.S. Chamber of Commerce on July 30, 2018, Secretary Pompeo spotlighted the U.S. private sector's critical role in the Indo-Pacific region as well as the contributions of the Overseas Private Investment Corporation and the Millennium Challenge Corporation in financing future development and growth in the region. Pompeo emphasized that "the Trump administration is committed to expanding [its] economic engagement in the Indo-Pacific region."⁴⁴ He announced "\$113.5 million in new initiatives to support founda-

tional areas of the future: digital economy, energy, and infrastructure. These funds represent just a downpayment on a new era of U.S. commitment to peace and prosperity in the Indo-Pacific region."⁴⁵ Addressing the regional infrastructure challenge, Pompeo announced the launch of the Infrastructure Transaction and Assistance Network "to boost the development of infrastructure done right," with "a whole-of-government initiative, seeded with \$30 million . . . to coordinate, strengthen, and share U.S. tools for project scouting, financing, and technical assistance."⁴⁶ Pompeo also endorsed the Build Act, which, when passed by Congress, would "more than double" development finance resources to \$60 billion.⁴⁷

On November 16, 2018, Vice President Pence took up the BRI challenge in remarks at the APEC CEO meeting in Papua New Guinea. Pence told his audience, "We are also making infrastructure in the Indo-Pacific a top priority . . . and the United States has a principled approach that stands in contrast to some other nations." Contrasting the terms of other government loans, he stated that loans are "often opaque at best. The programs they support are often unsustainable and of poor quality. And too often they come with strings attached, and lead to staggering debt." Pence also declared to the audience to "know that the United States offers a better option. We don't drown our partners in a sea of debt. We don't coerce or compromise your independence. The United States deals openly, fairly. We do not offer a constricting belt or a one-way road. When you partner with us, we partner with you and we all prosper."⁴⁸

Indicative of increasing alliance-based cooperation on an FOIP in November 2018, the United States, Japan, and Australia joined together to promote "high-quality" infrastructure projects across the Indo-Pacific. A Joint Statement by the three nations announced that the approach "will help meet the region's genuine needs while avoiding unsustainable debt burdens for the nations of the region."⁴⁹

At the same time, competing interests among the United States, Japan, and China in shaping the Indo-Pacific maritime domain have become increasingly promi-

ment drivers of policy. The 2017 U.S. National Defense Strategy cast China as “leveraging military modernization, influence operations, and predatory economics to coerce neighboring countries and to reorder the Indo-Pacific to their advantage.”⁵⁰ Japan’s 2018 defense white paper stated that “where its [China’s] interests conflict with other countries, [it] continues to act in a way which can be considered assertive, such as attempts to change the status quo by coercion.” The Japan Ministry of Defense also cited China’s land reclamation and militarization on “seven features in the Spratly Islands” and noted that China is also “promoting militarization of the Paracel Islands.”⁵¹

Both the United States and Japan have focused diplomacy on the United Nations Convention on the Law of the Sea to support “free and open” oceans. The United States has backed diplomacy with freedom of navigation in naval and air operations in the South China Sea to challenge excessive maritime and airspace claims. At the same time, the Abe government has moved to play a larger security role in the region. The government’s December 2013 NSS stated that:

*Japan will take measures to address threats in the sea lanes of communications . . . to ensure safe maritime transport and promote maritime security cooperation [and] provide assistance to those coastal states alongside sea lanes of communication and other states in enhancing their maritime law enforcement capabilities and strengthen communication with partners on sea lanes who share strategic interests with Japan.*⁵²

In line with the NSS, on February 10, 2015, the Abe government revised Japan’s Official Development Assistance guidelines to provide for the strategic use of resources, allowing the transfer of defense equipment to strategic partners across the Asia-Pacific region.⁵³ Japan also began supporting maritime capacity-building to enhance capabilities of Indo-Pacific countries to resist challenges to their sovereignty. Japan’s Self-Defense Force, in particular the Maritime Self-Defense Force (JMSDF), has assumed a more active role in support of an FOIP. In

transit from its home waters to its Djibouti base, JMSDF ships regularly pay port calls across the region and engage in training exercises with partner navies. In 2015, JMSDF also joined the United States and India as a permanent partner in the annual Malabar exercise.

Underscoring the JMSDF’s growing regional engagement, Japanese ships visited—almost simultaneously—Danang and Sydney Harbor in April 2016. In 2017, Japan sent the helicopter carrier *Izumo* to the South China Sea on a 3-month deployment. In August 2018, the JMSDF dispatched three ships, including the helicopter carrier *Kaga*, for a 3-month extended deployment through the South China Sea and Indian Ocean that involved port calls and training exercises with the United States and the navies of Indonesia, Singapore, Sri Lanka, and India.⁵⁴

The U.S. Navy and the JMSDF also have stepped up bilateral training exercises in the East and South China seas—in the East China Sea with the USS *Carl Vinson* in March 2017; in the Western Pacific with the USS *Carl Vinson* in April; in the Sea of Japan with the USS *Carl Vinson* and the USS *Ronald Reagan* in June; and in the South China Sea with the USS *Carl Vinson* and Japan’s helicopter carrier *Ise* in March 2018. In 2017, the United States and Japan conducted 74 publicized joint exercises, almost 4 times the 19 joint exercises conducted in fiscal year 2015 before the Abe government’s new security laws were enacted.⁵⁵

The Enduring Importance of the Alliance

For the past seven decades, the U.S.-Japan alliance has been the foundation of the U.S. security strategy toward the Asia-Pacific region and a central pillar of U.S. global strategy. Across the Asia-Pacific region, the U.S. commitment to the alliance and its forward-deployed presence in Japan are widely regarded as the barometer of the U.S. dedication to the security of the region. Singapore’s Ambassador-at-Large and former Permanent Secretary in the Ministry of Foreign Affairs Bilahari Kausikan commented in remarks delivered in Tokyo to

Japan's Institute of International Affairs on February 8, 2018, that "Japan's unique and irreplaceable role is to anchor the U.S. in Asia through the U.S.-Japan alliance. No other U.S. alliance in East Asia can play this role. Every member of ASEAN regards the U.S.-Japan alliance as being in its interest."⁵⁶

The alliance is critical to the preservation of an FOIP. Absent the homeporting in Japan of the forward-deployed naval forces of the 7th Fleet, an FOIP would become increasingly problematic. China's expanding navy—marked by the indigenous construction of aircraft carriers—and increasingly assertive actions in the maritime domain would meet with diminished opposition.

Since Secretary of State John Hay's Open Door Notes of September 1899 to July 1900 established the American Open Door Policy for China, U.S. policy has aimed at preventing the rise of a regional hegemon that would deny U.S. commercial, political, and military access to the Asia-Pacific region.⁵⁷ This historic concern is again reflected in the Trump administration's 2017 NSS, only now the focus is not on outside imperial powers that might use outposts in China to dominate, but on the specter of regional domination by China itself: "As China continues to pursue its economic and military ascendance . . . it will continue to pursue a military modernization program that seeks Indo-Pacific hegemony."⁵⁸

As countless U.S. statesmen have made clear over the years, the American strategic position in the Indo-Pacific region is centered on its bilateral alliance with Japan.⁵⁹ In the absence of the U.S.-Japan alliance, the U.S. bilateral alliance structures with the ROK, Australia, the Philippines, and Thailand would be significantly weakened. China's surging economy, expanding political influence, and rapidly modernizing military would meet with weakened resistance. The strategic fates of both the United States and Japan are thus bound to the sustainment of an enduring bilateral alliance.

Policy Recommendations

A set of five policy recommendations are drawn from the above discussion. Progress in these areas will measur-

ably enhance U.S.-Japan alliance contributions to both regional stability and economic prosperity in the three major areas of security concern addressed here: North Korea, China, and defining an FOIP:

- ◆ Diplomatic and Defense Cooperation on North Korea. To underscore U.S. commitment to the defense of Japan and to enhance deterrence, strengthening U.S.-Japan coordination on missile defense should be an alliance priority. Strategic de-coupling must be avoided. North Korea's missile arsenal must be addressed in its entirety. Serious mitigation of the risks to Japan and the ROK from Pyongyang's intermediate-range ballistic missiles and short-range ballistic missiles must be part of any overarching U.S.-North Korea agreement. Pending North Korea's fully verified denuclearization, a bilateral policy best thought of as the "Three Nos" should frame U.S. policy. The three are no use (any use of nuclear weapons or missiles against the United States or its allies will be met with effective and overwhelming response and result in the unification of the peninsula under Seoul's leadership); no launch (any launch of nuclear missiles toward the United States or its allies will be met with an overwhelming response); and no export (any export of fissile material or nuclear or missile technology will be interdicted and result in harsher sanctions imposed on North Korea).

- ◆ Implementation of the 2015 Guidelines for Japan-U.S. Defense Cooperation. Particular focus should be on joint planning and exercising with respect to gray zone contingencies that could arise in the East China Sea and Senkaku Islands. To enhance bilateral defense cooperation, Japan should move rapidly to develop the integrated force referred to in the 2018 Japan National Defense Program Guidelines.

- ◆ Alliance coordination on China. High-level strategic coordination with respect to China is vital. U.S.-Japanese interests are congruent, but not identical, and China should be expected to attempt to drive wedges into the alliance. The long-term policy challenge will

be to narrow policy gaps and effectively align policies. To align long-term policies toward China, a high-level U.S.-Japan semi-annual Deputy Secretary of State/Vice Foreign Minister Strategic Dialogue on China should be instituted.

◆ The United States and Japan should clearly define the component elements of an FOIP strategy. Advancing the FOIP approach will present a long-term structural challenge and should involve consultations with allies and strategic partners across the region. The starting point should be the development of a common U.S.-Japan understanding of the policy requirements to advance the FOIP concept. There will be additional resources required to advance the strategy as well. Secretary Pompeo's \$113.5 million downpayment to support high-quality infrastructure development needs to be followed by substantially greater financial commitments. The \$1.5 billion authorization of the Asia Reassurance Initiative Act should be appropriated to support U.S. economic, diplomatic, and military engagement.

◆ Exercise public diplomacy as an important policy instrument. Too often overlooked, good public diplomacy—effectively employed—shapes international opinion toward realization of the FOIP. To advance FOIP, coordinated bilateral public diplomacy should focus on issues related to the rule of law—in particular the 2016 ruling of the Permanent Court of Arbitration that rejected China's expansive claims to sovereignty in the South China Sea, which China dismissed as “nothing more than a piece of paper.” After initial support for the Court's ruling, reference to its judgment has largely disappeared from Washington's public diplomacy. In consultation with Japan, it should be resurrected.

The future of the region is vital to the prosperity and security of the United States. Progress in these policy elements will significantly enhance prospects for the members of the alliance in particular, as well as the broader community of nations in the Indo-Pacific region.

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