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Defense / Trade Tech.

MIT News

U.S. and Japan should seek a new defense understanding

Charles H. Ball

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During the Cold War, the United States shared some of its important defense technologies with Japan as a way of encouraging Japan to increase its defense capabilities and help achieve other U.S. foreign policy objectives. But this was strictly a one-way arrangement. And it should now change.

That is the central finding of a report, "Maximizing U.S. Interests in Science and Technology Relations with Japan," issued recently by the National Research Council's Committee on Japan.

Dr. Richard J. Samuels, Ford International Professor of Political Science and head of the department (at MIT) is vice chair of the NRC's Committee on Japan and, with his graduate students, played a role in developing the report.

"The report," Professor Samuels said, "is bound to have a major impact in refocusing strategic thinking in the U.S. on our relationship with Japan."

The Committee on Japan organized a special Defense Task Force to examine the question of how the United States should manage scientific and technical relations with Japan in the post-Cold War era.

The study was based on the premise that Japanese industry, building on the technological and manufacturing base created through licensed production of American technology "is now able to produce the most advanced weapons and can independently develop less sophisticated systems."

Additionally, the Defense Task Force said, Japanese industry "has diffused know-how acquired through military programs to gain important footholds in certain high-technology commercial sectors such as aircraft and space and has developed considerable strengths in a variety of commercial technologies with significant and growing defense applications."

Despite several U.S.-Japan agreements and Department of Defense initiatives over the past 15 years, the report said, transfer of both military and commercial technologies from Japan to the United States to support U.S. national security "has been minimal."

The Defense Task Force concluded that future U.S.-Japan cooperation in defense and dual use technology "must involve greater reciprocity in technology flows than has been the case in the past." This enhanced reciprocal cooperation, the report said, "will require greatly expanded Japanese technological contributions to meeting U.S. and common security needs."

Elaborating on this central finding, the Defense Task Force said that the international security and economic environment that exists today and is likely to prevail in the foreseeable future "no longer justifies this trade-off with Japan."

It continued: "The United States has a continuing interest in enhanced Japanese contributions to the security alliance through expanded participation in peace-keeping activities, pursuit of foreign policy initiatives that serve common interests, the acquisition of improved defense capabilities within the framework of the alliance, and increased host-nation support.

"The United States also continues to have an interest in allowing Japan to purchase major U.S. systems off-the-shelf. However, the time has passed when defense cooperation featuring primarily one-way transfer of technology from the United States to Japan could be justified by U.S. security interests.

"In order for U.S.-Japan cooperation to advance U.S. interests in the future, it must feature greatly expanded Japanese technological contributions to U.S. and common defense needs." In the long run, the report said, the U.S.-Japan alliance will be best served by defense technology collaboration that can stand close scrutiny and attract sustained support from the political leadership and broader publics of both countries.

"This implies a partnership," the report added, "in which contributions, risks and opportunities to benefit from cooperation are comparable."

The report noted that Japanese industry "is strong in a wide variety of technologies such as advanced materials and optoelectronics, in which commercial product advances increasingly set the pace and are modified for use in defense systems."

Although "a perfectly balanced flow of technology in the defense relationship is not a realistic expectation for the foreseeable future," the Defense Task Force said, it believes that more rapid progress toward greater reci-

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procity "is necessary and desirable."

Significant obstacles remain, the report said, and overcoming these obstacles "will require redoubled efforts and goodwill on the part of both countries."

As part of the process of reducing and eliminating barriers to cooperation, the Task Force said, the U.S. government should seek from the Japanese government:

(1) a clarification of the arms exports principles and a public statement to the effect that export of items embodying substantially commercial technology that undergoes minor modifications for defense applications is not restricted, and

(2) a change in the 1983 exchange of notes stating the Japanese military technologies transferred to the United States are exempt from transfer restrictions, with changes addressing legitimate Japanese concerns and including provisions for the payment of royalties.

Meanwhile, the report said, the Department of Defense should develop new mechanisms for facilitating technological collaboration between U.S. and Japanese companies to address common defense needs.

"One promising approach," it said, would be a program to fund U.S.-Japan industry research and development on specific enabling technologies—including the adaptation of commercial technologies—targeted at application in future weapons systems." JSTM

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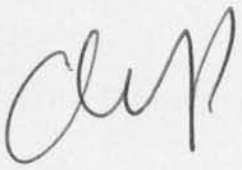

Commentary

U.S. and Japan trade: it's time to share

Richard J. Samuels
and
David Friedman

Now that Congress has debated the possibility of an endless Bosnian quagmire, what the United States needs is an exit strategy from the Cold War in Asia. The outmoded U.S.-Japan alliance and increasingly contentious trade relations with China generate trade, technology, and defense asymmetries every bit as critical to the nation's future as the threat of casualties in Europe. What's needed is an economic and security regime for current realities.

That's the message of a new, but largely ignored report on U.S.-Japan security by the National Research Council's Defense Task Force, a team of university, public policy, and private-sector experts who evaluated the security consequences of U.S. science and technology policies toward Asia. The report describes how U.S. strategic thinking around the region is built around maintenance of an unbalanced security relationship with Japan—a situation that, ironically, could generate exactly the explosive conflicts that both nations want to avoid.

During the Cold War, profound differences between U.S. and Japanese strategic ambitions were overshadowed by a common Soviet threat. Thanks to U.S. military protection, Japan was able to pursue a mercantilist security policy. Amassing weaponry and pursuing an independent foreign policy were less important than creating national technological and economic advantage.

The United States, by contrast, subordinated technology and economic concerns to "pure" defense considerations such as troop deployments. Unlike Japan, it traded technology that helped educate and enrich foreign manufacturers to shore up its military alliances.

Until recently, U.S. strategy meshed perfectly with Japanese ambitions. Japan bowed to American interests in exchange for one-way, inbound technology flows and U.S. military protection. Under the circumstances, the U.S.-Japan alliance became the linchpin of Asian security.

All this can unravel—and fast. Lacking an overriding threat, and in an era when Japanese technology capabilities are incomparably more advanced than at the time the alliance was formed, long-repressed resentments in both countries could erupt at the slightest provocation.

Japanese political subservience may have been crucial during the Cold War, but it comes at a technological price hard to justify today. According to the task force, Japan imports eight times the amount of technology it sends to the United States each year and dispatches 15 times more technical personnel than go to Japan.

If both countries believed their oft-repeated sentiment that the U.S.-Japan relationship is "the most important bilateral relationship in the

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world, bar none," they would never have allowed it to languish unadjusted for decades. Instead, they would have formed a reciprocal and multilateral agreement responsive to the dramatic changes in regional power that have occurred in the last 40 years—including an explicit recognition of the Asia wide, rather than bilateral, security role now played by U.S. troops in Japan.

Many officials in Washington, Tokyo, Seoul, and even Beijing, in fact, agree that U.S. regional presence is critical. Privately, however, they admit that a reassessment of U.S.-Asian alliances is long overdue. Yet, not only has no one even begun to think about this, but American planners keep repainting the rusty chassis of the cornerstone U.S.-Japan bilateral relationship and insist it's suitable for the high-speed maneuvers the next century will demand. This is wishful thinking. Differential technological and economic benefits alone can cause a crash.

Over the past 20 years, the task force found that the two countries have not come close to balancing their military or dual-use technology exchanges, despite numerous, high-profile initiatives designed to do so. Since the 1970s, Japanese firms have been obliged to "flowback" technological improvements as a condition of receiving U.S. technology licenses. In the early '80s, Japan promised to send certain defense-applicable technologies to the United States, despite self-imposed restraints against military exports.

In practice, however, Japanese firms still avidly resist technology transfers—often citing the same restrictions supposedly eliminated years ago. Nor have "joint development" projects such as the FS-X jet fighter program resulted in much technological benefit to U.S. manufacturers. Most recently, Sharp, a major Japanese flat panel display maker, declined to license its technology to the Pentagon, leading Washington to mount a domestic development program at great cost to U.S. taxpayers.

This is consistent with the security policy Japan honed during the Cold War, but Washington has shown little stomach to press for a better alternative. The Clinton administration arrived with a freshly minted "Technology for Technology" policy targeting Japan. Two years later, Defense Secretary William J. Perry, the original architect of the plan, officially "delinked" the effort from key co-development projects, including a major missile-based effort, when Japan balked at the approach.

Pressing for balance in the U.S.-Japan alliance is particularly important because public resentment over one-sided technology exchanges and concerns over military-technology proliferation and foreign dependence are already helping foster an isolationist backlash in America. The illogic of having U.S. troops in Japan without a broad, region wide security rationale breeds rancor in Asia, as the outrage following the rape of a Japanese schoolgirl by U.S. soldiers in Japan shows. Feeding on such ill will, nationalist politicians in the United States and Asia could create a crisis that would leave America with neither allies nor influence in the world's most populous—and soon to be richest and most innovative—region.

The National Research Council's task force outlines a more promising approach. The new foundation of a U.S.-Japan alliance, it suggests, should be recoupling U.S. economic and security interests in Asia. For its part, Washington must prepare to learn about and exploit the technology and know-how Japan has to offer; the Japanese must moderate their historical strategies and show that they can, in fact, share their knowledge.

One place to start, the task force suggests, is with the Theater Missile Defense Project, a complex and controversial effort to which both the United States and Japan could contribute a combination of operational and R&D resources. The Japanese should be expected to ante up with technology if they are to participate in joint development. Otherwise, Washington should insist that Japan buy the missile project off the shelf. A far more desirable and ambitious goal would be to expand the bilateral alliance into a region-wide security organization that recognizes each participant's economic and technology interests, as well as its legitimate military concerns. Accomplishing this objective, however, means each country must shed its Cold War mentality. Above all, it means carefully, but firmly, re-engaging the United States in Asia on terms offering clear benefits that U.S. citizens will embrace.

The U.S.-Japan security alliance is indeed the key to Asia, but its mounting pathologies, if not treated soon, could produce an unhappy regional outcome. Major powers like China, for example, are pursuing mercantilist technology and trade strategy eerily reminiscent of Japan's, largely because Washington has failed completely to offer a credible alternative. Others, such as South Korea, would welcome a stable regional order that encompasses China and balances Japanese power without having to depend entirely on the presence of increasingly unpopular uniformed U.S. troops strolling in downtown Seoul.

We are understandably fearful of a Vietnam-line result in Bosnia, but exiting from the Cold War in Asia may well be a far greater security challenge. Washington should begin

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