

# *The U.S. - Japan Cooperation for the Security of the Asia - Pacific Region*

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## *I. Introduction*

The alliance between Japan and the U.S. is entering a new stage in history. Its fundamental framework which lasted up to the present time was structured largely during the 1950s. However, there have been some drastic changes in international relations in the intervening decades, while the balance of economic strength between Japan and the U.S. has also been fundamentally altered. As a result, it is now apparent that we can no longer maintain the alliance of the past ( which has often been referred to in Japan as " Yoshida Doctrine " ), by means of which Japan relied upon the protective shield of the U.S. as a military and economic hegemon.

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It should be noted, however, that this does not necessarily lead us to such conclusions as would imply a possible abolition of the existing ties of alliance between the U.S. and Japan, or the rendering of it into something less potent. The economies of the two nations have been interwoven in many more ways and much more closely to each other than ever before, exerting a dominant influence on the rest of the world by their colossal economic size and superb technological capabilities. To sever such economic ties between both countries, therefore, is not only fatally injurious to each other, but also will play havoc with the entire world economy. Also, as will be dealt with at length in this paper, the security interests of Japan and the U.S. have been converging at an accelerating pace. Thus, the severing or weakening of the existing U.S. - Japan alliance

cannot be considered a realistic option both in the economic and military sense.

Therefore, the only realistic option left for the two countries vis - a - vis their alliance is to further strengthen the existing cooperative relationship. However, in order to maintain a closer cooperative relationship on a stable basis, it becomes crucially important that mutually acceptable ways are found of handling the question of division of labor as well as burden sharing between the two nations.

In this paper, I will first examine the fundamental characteristics of the recent changes in the international relations of the East Asia - Pacific region and its geostrategic peculiarities, and then address the principal tasks of Japan - U.S. cooperation.

## ***II. Economic Growth and Advent of More Cooperative International Relations***

When compared with more than twenty years ago, the most salient feature of the present - day Pacific - East Asia region is the fact that most of the region's non - communist developing nations have achieved a marked economic growth, and in the process created a set of more peaceful and friendly relations not only among themselves, but also with the U.S., Japan and a host of other advanced Western nations.

After World War II, right up to the end of the 1960s, the advanced Western nations had enjoyed an unprecedented peace and prosperity under the Pax Americana. Spurred by the need to fend off the Soviet Union which posed a common threat, the interdependence among these nations has flourished on so many levels in such divergent ways never experienced before. To totally disrupt such interdependence even for a limited period therefore became too costly for individual nations involved, and gradually it

has become a concept commonly accepted among them that trying to resolve disputes by means of war was clearly out of question. In this sense the relations among the advanced Western nations have already reached a stage of " **stable peace** " ( Kenneth Boulding ). This is indeed an epoch - making turn of event when one views the international strife that marked the entire historical period since the emergence of the nation - state system. And the network of mutual dependence thus constructed has gradually incorporated the developing nations as well, among which arose the so - called **NICs** riding on their rapidly growing economies. Especially, in the Pacific - East Asia region, such trend has strongly manifested itself with the great expansion of Japan's economy followed by the NICs and the ASEAN nations. In spite of the fact that the American military and economic power began receding and the Soviet military prowess became eminently notice-

able during the 1970s, the “ stable peace ” has been being solidified not only by the collaboration between Japan and the U.S., but also by incorporating NICs and developing nations into the system.

In contrast to the development of such cooperative relationships amongst the non - communist nations, economic stagnation and international confrontation have marked the relationships among this region’s communist nations. Among the East Asia’s communist states, there did not exist the same type of imperialistic order seen in Eastern Europe with the Soviet Union as the hegemon. In East Asia, however, communist China and the Soviet Union have confronted each other as did China and Vietnam in a tense climate, while North Korea chose to refrain from becoming irrevocably aligned either with China or the Soviet Union. The Vietnamese and the Russians are maintaining nothing more than marriage by convenience between them ( and one very costly to the Soviet Union ), while in Cambodia the pro - Vietnam government does not seem to have a chance of winning the heart of its own people. With the advent of the Gorbachev administration in Moscow, the Soviet Union launched a new diplomatic drive to improve the existing relations with the East Asian communist neighbors. Under the prevailing environment of this region, however, its effectiveness will remain limited producing only marginal results. If everything went well, the out - and - out confrontation of the past might well be alleviated to a degree, but for some time to come the Soviet Union will remain the major threat to communist China as China will for Vietnam, and Cambodia’s resistance against Vietnam will continue as long as Vietnam’s occupation of that Asian nation remains unchanged. Also, proud North Korea will continue with its own policy of “ **self determination and independence.** ” The more important trend to watch among the East Asian communist nations is the growing economic intercourse

with the non - communist countries, especially the new ties being forged resulting from the communist nations’ desire to induce technology and capital from these countries. In East Asia, in the region - wide competition for prosperity, the non - communist nations have come to command an absolutely superior position in relation to their communist counterparts. In fact, the influence of the Soviet Union in this region has waned inspite of the marked increase of military buildup. The nature of the Soviet threat can no longer be characterized as political influence as in the past, and became limited to the purely military. American foreign policy makers have some good reasons to single out this region as the area where they have achieved the greatest success.

However, the deepening of interdependence among the non - communist nations is also bound to generate increasing confrontations of respective national interests. After all, a “ **stable peace** ” is not at all a system devoid of inner conflicts. Most people for whom their own nation states still constitute the mental framework of self - identity prefer to remain within their respective national boundaries. Besides, most other countries maintain strict restrictions on incoming immigrants, especially unskilled workers. As long as most peoples thus remain solidly integrated within their own nation states, serious economic and social disorders can occur when commodities and money start moving freely across national boundaries. Even in such situation, if one hegemonic nation with an absolutely superior power can provide the rest of the world with what might be called “ **international public goods,** ” such as a lasting peace, a working system of free trade, a stable international monetary system and so on, the management of disputes should not be that difficult. Indeed, the United States after World War II played the role of just such hegemonic state providing the rest of the world with these public goods. And, indeed, the international

economic frictions we are experiencing today can be said to have arisen from the situation where the nation - state system still remains in force while the multi - level interdependence among these nations has progressively expanded, and as a result the U.S. finds itself no longer capable of taking on the responsibility of maintaining the international system, and no other nations have yet emerged to effectively take over the former U.S. role of a hegemonic nation.

The chaotic convulsion of the stock market and the continued fall of the U.S. dollar since the second half of October this year can be interpreted as the critical response of the market to the U.S. inability to function as the leader nation in the conduct of the international economic affairs for one thing, and also to the inadequate level of policy coordination so far achieved by the principal advanced nations for the other. If the present inadequacy of policy coordination should remain unchanged, it is not at all improbable that another worldwide economic chaos as was witnessed in the early 1930s descend upon us.

The world - wide slowdown of economic growth since the oil crisis has forced the confrontational aspects of international economic

competition come to the surface. The success of the aggressive export - led growth policy of Japan and the Asian NICs gave rise to a surging protectionism in the EC countries and the U.S., which in turn has become a threat to the sustained growth of the East Asian countries. Given the recent fall of the prices of the primary commodities, this difficulty is especially visible in such raw materials - exporting nations like Indonesia and Malaysia. There are not negligible possibility today of a vicious cycle of economic stagnation and political instability of the type that beset the Philippines spreading in most other East Asian nations except Japan where the experience of modern nationhood is relatively short and political institutions have not yet fully matured inspite of rapid economic growth ( or in a sense because of it ). In the case of countries like South Korea, Taiwan, Indonesia and Singapore, where change of top political leadership is already predictable, this tendency is especially true. The Pacific - East Asia region which has enjoyed peace and economic growth is in this sense facing a difficult crossroads now that the nations' economic slowdown is coupled with the Soviet Union's effort at a new thrust into the Pacific region.

### ***III. Geostategic Characteristics of The Region***

The geostrategic characteristics of this region become evident when it is compared with Western Europe. There are a number of important differences between the security interests of the nations in the Pacific - East Asia region and those of Western Europe. *First*, while the West European nations have the most important common security interest in effectively countering the Soviet Union's threat, the perceived threats and the felt security interests of the Pacific - East Asian nations are multiple and diverse. It is true that many East Asian nations have recently be-

come more acutely aware of the Soviet military presence, but for most of them, and especially for the Southeast Asian nations which are geographically far away from the Soviet Union, it is neither serious or direct, and Russia merely remains a secondary or indirect threat. North Korea is the direct threat for South Korea, as China is for Taiwan, or Vietnam for Thailand. For Malaysia and Indonesia, it is Vietnam and China and the domestic ethnic conflicts that pose more direct threats. For the Philippines, political chaos and economic stagnation are the

clearest danger. The United States, Japan, China, Australia and New Zealand are the only regional nations which see the Soviet Union as the main threat, but even then for the latter two the Soviet Union is a distant presence and the threat an unlikely one.

The United States maintains an amicable and close relationship with most of the Asian nations and has a variety of defense commitments with many. There is, however, no real likelihood that in the foreseeable future these various security ties will be integrated into a region - wide, formal multilateral alliance similar to the Atlantic Alliance.

*Second*, Europe has traditionally been seen by the Soviet Union as the theater that is most important for its national security, while East Asia has had only secondary importance. Some 80% of the Soviet population lives west of the Ural Mountains, and by far the majority of its economic activities are concentrated there. Though Siberia is rich in underground resources, they are extremely difficult to exploit because much of the land - mass ( especially the eastern part of it ) is permafrost and the population of the area is scanty. And, even though the Gorbachev administration has officially attached an importance of the Pacific - East Asia region to the Soviet Union, so long as the direction of its domestic economic reform is toward the all - important goal of efficiency improvement, the development of East Siberia, where there is an extreme lack of capital investment in social infrastructures, will have to be left alone for now in the interest of pursuit of efficiency. Therefore, the Soviet Union has deployed in the European theatre larger and stronger forces than those in East Asia and will continue to do so.

Since the latter half of the 1960s, and particularly from the late 1970s, there has been marked strengthening and modernization of both conventional and nuclear Soviet forces in East Siberia and East Asia. Despite the spectacu-

lar military build - up, however, the Soviet Union has not yet established military superiority in the region and the East - West military balance in Pacific - East Asia still favors the West, at least as far as conventional forces are concerned. The Soviet conventional ground forces stationed principally along the Chinese border are adequate to deter possible Chinese attacks, but not powerful enough for the purpose of subjugating China's huge territories and population. Though the Soviet land - based air force is powerful, its reach remains limited except for the Backfire bomber.

As to maritime power projection, most of the Soviet fleet must pass through the three choke points of the Japanese archipelago before reaching the outer ocean. Also, the two Kiev - class carriers in the fleet have only vertical, short take - off and landing ( VSTOL ) aircraft and are thus much inferior to the U.S. Nimitz - class carriers with their heavier and longer - range fighters. It is true that Cam Ranh Bay is the largest Soviet naval forward - deployment base outside the USSR. However, the bases in Vietnam are far away from the Soviet Union, and while useful in peacetime for maintaining a military presence and for surveillance, but they are in no way capable of withstanding U.S. attack in time of war. In contrast with its practice in Western Europe, the United States has never adopted a formal strategy that includes a possible first - use of nuclear weapons in East Asia. The reason why there is such a high nuclear threshold in East Asia is primarily because the United States has been able to maintain a favorable conventional balance, especially in relation to the defence of the island nations such as Japan and the Philippines. Although the Soviet regional nuclear forces have been considerably strengthened by the deployment of the SS-20 IRBM and the Backfire, it has not produced in East Asia the same kind of popular fear of nuclear war as seen in Western Europe. Nor has the Soviet Union fostered a strong anti - nuclear, anti - American

movement - primarily as a result of the balance of conventional forces. This balance also partly explains why, even after the United States lost overall nuclear superiority, there has been no increased concern in East Asia over the reliability of the U.S. military commitment. Similarly, no conflict between 'deterrence' (the effective discouragement of war) and 'reassurance' (the maintenance of self-confidence among allies) has emerged in East Asia as it has in Western Europe. If someone sees a strong need to resort to the first - use nuclear strategy in the Pacific - East Asia region, it is more likely to be the Soviet Union and the U.S. will remain an improbable party.

*Third*, in Europe NATO and Warsaw Pact forces confront each other on land, so that there are geostrategic and force posture symmetries. In Asia, however, the Soviet land-based forces in East Siberia are countered by the United States and Japan with island-based and maritime forces, so that there is marked geostrategic and force posture asymmetries. The East Asian allies of the United States (Japan is typical) take a negative view towards stationing U.S. nuclear weapons on their soil. While such non-nuclear policies tend to weaken the credibility of U.S. nuclear deterrence to some extent, they nevertheless reflect these nations' wisdom because they avoid a conflict in the region between deterrence and reassurance by not arousing latent anti-nuclear sentiment. However, U.S. port visits by vessels which may be nuclear-armed can give rise to serious problems, as the case of New Zealand vividly demonstrates. But as long as U.S. nuclear weapons are adequately deployed at sea as well as at U.S.-owned bases (Guam), there is little possibility that the Soviet Union could threaten U.S. allies with nuclear blackmail. The low visibility of U.S. nuclear arms in East Asia accounts, to a considerable extent, for the limited success of anti-U.S. and anti-nuclear movements there, despite the recent rapid strengthening of Soviet

nuclear forces.

Another type of geostrategic asymmetry in the region is that of the vulnerability of principal targets. Among the nations of the West in the region (such as Japan and South Korea) the economic, social and military infrastructures are concentrated within small geographical areas with extremely high population density. On the other hand, most areas of the wide expanse of Eastern Siberia remain undeveloped and thinly populated. In Western Europe and the Soviet Union west of the Urals there is general symmetry of attack targets. Therefore, while in Europe there is a high possibility of a nuclear war inflicting a similar level of destruction on both sides, in East Asia any nuclear exchange, even a limited one, would cause massive damage unilaterally to American allies. This is where one of the reasons lies why many Japanese tend to see a real threat not necessarily in the Soviet Union itself, but rather the aggravation of the Soviet-U.S. confrontation.

*Fourth*, between the Soviet Union and Western Europe lie the East European nations, which are Soviet client states, albeit in varying degrees. In East Asia there is no such buffer. The fact that there are buffer states between the Soviet Union and the Western European nations has a beneficial aspect because of the reduced likelihood of direct Western attack on the Soviet mainland at the outset of hostilities. In Europe, NATO could inflict severe damage upon the Warsaw Pact by attacking the East European nations, without striking the Soviet Union itself. However, in East Asia, and especially in Northeast Asia, any counter-attack or retaliation in response to a Soviet invasion must be directed against the Soviet Union. In such circumstances there would be a dangerously high probability of escalation to the use of nuclear weapons. The implications of this asymmetry are rather complex. In time of mounting tension, it might restrain Soviet action or it might erode and weaken the

credibility of the American commitment. Which of these alternatives would become the reality would depend largely upon the balance of nuclear and conventional forces in the region.

*Fifth*, there are some unresolved issues, however, in East Asia, of the kind which in Europe have long since been settled. They are the problems of achieving peaceful unification of the divided states or mutual recognition between them and the resolution of territorial disputes. From a long - term viewpoint, China can perhaps become unified by means of a special framework of ' One State, Two Regimes ' with Taiwan retaining its *de facto* independence. The two Koreas can possibly achieve a stable relationship

similar to that between East and West Germany with a remaining possibility of ultimate peaceful unification. But even if events should follow this optimistic scenario, the whole process will still take a very long time. The tensions between the two Koreas and between China and Taiwan will surely remain high for many years to come.

There are also a number of unresolved territorial problems. The territorial issue between Japan and the Soviet Union in Northeast Asia; the disputed title to the islands and the continental shelf rights in the South China Sea being contested by China, Vietnam, the Philippines and Malaysia, only add to the instability in the region.

#### ***IV. Objectives of Japan - U.S. Mutual Security Cooperation***

In the East Asia - Pacific region with the above - described geostrategic characteristics, the national security objectives of Japan are basically of similar nature to those of the U.S., and can be divided into the following three categories. Also, these objectives are in tune with the interests of the region's non - communist nations. The first objective is to realize arms control and tension relaxation with the Soviet Union while deterring its military actions and preventing the infiltration of its political and military influence into the countries of the region. The second objective is to prevent the occurrence of regional conflicts in such high - tension areas as the Korean and the Indochina peninsulas, and strive to relax the region's tension while organizing a framework for containing it should such conflict flare up unfortunately. The third objective is to promote the economic development and political stability of the region's newly industrializing and developing countries, and strengthen their political and economic resilience. These problems are closely interrelated. For instance,

if the Soviet influence should rise, regional conflicts will become progressively more difficult to contain, and the prosperity and stability of the NICs and the developing countries will be threatened. The reason why most of the countries in this region can take the Soviet threat as something indirect and of secondary significance is merely that the military balance between the U.S. and the Soviet in this region is in the West's favor and the Soviets maintain only a limited military presence. On the other hand, should regional conflicts intensify and expand, or the resilience of the region's nations weaken, it will surely nurture and strengthen the Soviet influence.

The danger of a local conflict within this region however remains relatively well contained, and so long as the deterrent force against the Soviet Union is well organized and the Soviet military influence remains limited, the chance of such local conflict getting out of hand threatening this region's security within the foreseeable future is also relatively small even if not all together

impossible. And, since the third idea of strengthening the resilience is closely tied in with the task of achieving national security in the economic sense, I will not discuss it in this paper, and deal primarily with the policy questions regarding the Soviet Union.

Central to our security policy relative to USSR is the question of how to prevent the expansion of the Soviet influence along with the question of realizing arms control and relaxation of tension. The typical methods currently proposed of further ensuring effective deterrence are the following three. First, it is to strengthen the conventional deterrence and up the nuclear threshold assuming that we maintain the present nuclear balance. This approach is appropriate in that it enhances the credibility of deterrence, and mitigates our fear of nuclear war and give us a sense of security. But, the problem germane to this approach is that it is costlier than relying more heavily on nuclear deterrence. Therefore, if the conventional force balance is in Russia's favor as in Europe, the cost burden of this conventional deterrent force becomes heavy indeed making it difficult to secure the needed public support. However, in the Pacific - East Asia region the conventional force balance is tipped the other way, and as long as Japan continues to strengthen its own self - defence capability in addition to the renewed buildup by the U.S. forces since toward the end of the 1970s, it will be relatively easy to enhance the credibility in this region of conventional force deterrence. Moreover, the U.S. force structure in this region is overly offensive while the Japanese self - defence force structure is overly defensive. Thus, given this mutual complementarity, the close cooperation between the U.S. and Japan in strengthening their conventional deterrence against the Soviet Union carries a special significance.

The second method of deterring the Soviets is the establishment of a link between theaters. If and when the Soviets should commence military

actions in a given region, this method makes it possible to launch attacks on them in other regions; a strategy which is called "horizontal escalation." If the deterrent system in each region is well organized, such inter - theater linkage will undeniably enhance the reliability of deterrence. However, there is a real possibility of this strategy's arousing concern among the nations in a region ( such as East Asia ) which is least likely to be exposed to the Soviets' first attack. Especially in Japan, where people tend to regard the intensification of U.S. - Soviet confrontation as the real threat than the Soviet Union itself, rejection of the horizontal escalation strategy is almost a certainty. Adding to this anguish is the fact that there are no buffer states between the two nations, and since the Sea of Okhotsk constitutes an important element of Russia's SLBM strategic second - strike capability, any direct clash between the two military giants in this region has a high probability of escalating into a nuclear war. All this adds up to the conclusion that in East Asia also this approach threatens to cause a split between deterrence and reassurance.

The third method of enhancing the credibility of deterrence is to develop an extended air defence system which will effectively intercept a variety of hostile missiles. This is a plan to achieve deterrence by means of lessening the chance of success of the opponent's attack, especially the first strike. Eventhough the operational deployment of such extended air defence system incorporating SDI is still a long way off, the technological innovations, especially the advances in surveillance technologies, will in the meantime be useful in enhancing the deterrence credibility. The fact that Japan and the U.S., two most advanced nations in high technologies, are to work together is going to be a major contributing factor in organizing the extended air defence system. However, surrounding the research and development of this system, as already witnessed in SDI

research, there will be emerging conflicts between the both governments and enterprises regarding the recruitment of fund and personnel on the one hand, and the title to and utilization of the fruits of the joint efforts on the other. Also, if and when it should require an excessive financial and human resources mobilization, it gives birth to the peril of neglecting the strengthening of conventional deterrence which is at present of the paramount importance.

Japan and the U.S. are the only two nations in this region which are seriously taking up ( or capable of taking up ) these three methods of deterring the Soviet Union. That Japan and the U.S. collaborate in beefing up the conventional deterrent against the Soviet Union in the Pacific - East Asia region is important not only for the security of both nations, but also for providing the nations of the region with a safeguard against the threat of the Soviet Union whose military forward deployment in this region remains severely limited. Further, it carries a global significance in that it will restrain the Soviet actions in still other regions ( especially Western Europe ). Moreover, this form of deterrence is achievable for Japan without itself becoming a military giant as long as Japan and the U.S. cooperate closely to build up conventional deterrence utilizing the region's geostrategic factors and the favorable military balance. But there are not a few hurdles Japan must overcome if it intends to make a positive contribution to the region's conventional deterrence. The first hurdle is the strong public opinion in Japan against an open acceptance of collective self defence policy. The second hurdle is the popular fear that such move would provoke the Soviet Union into a new push of arms race.

The official view of the Japanese government is that Japan does have the right to defend itself ( self - defence ), but that collective defence is unconstitutional. But the policy of building its collective defence system has been pushed

since toward the end of the 1970s. As early as in 1978 the " Guideline for the U.S. - Japan Defence Cooperation " was formally adopted, and since that time a joint Japan - U.S. research effort has been underway on the question of defence cooperation. In the area of joint exercise, Japan's Maritime Self - Defence Force began taking part in the LIMPAC maneuvers since 1980. In 1981 and 1983 respectively Japan's Ground Self - Defence Force and Air Self - Defence Force began participating in joint Japan - U.S. military drills. In 1987 a large - scale command post exercise involving the land, sea, and air forces of both countries was commenced. The Nakasone administration decided in January, 1983 to embark upon a joint military technology exchange with the U.S., and in February made a public statement in a Diet session that " it is constitutional and within the legal limitations of the concept of individual self defence for Japan to provide protective shield for the U.S. naval vessels engaged in operational activities for the defence of Japan even if the Japanese mainlands are not directly under attack. " The recently surfaced incident involving Toshiba's obvious breach of the COCOM regulations is a double - edged sword; while it has an implied danger of wider U.S. - Japan confrontation it also holds out the possibility of serving as the agent for enhancing the cooperation between the two countries in military technology, as demonstrated by the recent decision on the joint development of the new generation of fighter - supporters ( FSX ). However, given Japan's domestic political situation it is still almost impossible for the government to openly recognize the need and the constitutionality of Japan's collective defence rights, and therefore, there are limitations as to how far Japan can go in the near future with its effort in building up the conventional deterrent against the Soviet Union.

Japan's strengthening of conventional force when coupled with the powerful U.S. offensive

capability, especially once the extended air defence system is in place, will be taken by the Soviets as an increased threat, adding to the danger of mounting tension and renewed arms race. This is one of the major reasons why there are not a few Japanese who oppose arms buildup and are especially critical of cooperation with the SDI program. The strengthening of deterrence must be undertaken therefore while negotiating arms control, arms reduction and tension relaxation with the Soviet Union. To be successful in negotiating with an ambitious challenger like the Soviet Union, which is highly oriented toward reliance on military strength, the conditions will have to be that the Soviets are financially incapable of further arms expansion, or have little to lose from arms control and reduction, but do not wish to lose arms race either to wealthier opponents in the absence of arms control. Further, negotiations with the Soviets will not succeed unless the West repeatedly makes it clear that it has absolutely no intention of attacking the Soviet Union, and that it strongly desires arms reduction and tension relaxation, but also that it is determined to pursue arms race to the end if the Soviets are unwilling to negotiate. Thus, the cooperation of the Western nations is a necessary condition for the realization of arms control and reduction.

We must also keep in mind the fact that in East Asia there are communist nations which are highly independent of the Soviet influence and possess unnegligible military power of their own ( such as China, North Korea and Vietnam ), and also that these nations are mutually in confrontational relationships making it difficult to achieve arms control and reduction in East Asia, especially in conventional arms. Also the arms control and tension relaxation on the Korean peninsula cannot be automatically achieved even if such agreement between the U.S. and USSR could be attained even though one will certainly be affected by the other. It will still take a consider-

able time in this region before there is an agreement on the so - called confidence building measures which are already in place in Europe.

The burden Japan assumed so far as its role within the Japan - U.S. alliance has predominantly been in the economic sphere, and it ought to continue to be so in the future. The military role for Japan should be limited fundamentally to making contributions toward strengthening the conventional deterrent against the Soviet Union in the northwestern Pacific area. And, the very strengthening of such regional deterrent will not only have very significant implications vis - a - vis the security of both Japan and the U.S., but can also make considerable contributions to the security of the nations of the East Asia - Pacific region, and as a result that of the West European countries.

However, the ebbing of the U.S. economic strength and the emergence of Japan as a significant economic power, together with the fact that the Japanese economic activities have assumed global proportions, are making it progressively more difficult for Japan to contain even its military role within this narrow geographical area. Such forms of cooperation of the Japanese Self Defense Forces with the U.N. Peace Keeping Operations and the international efforts for assuring safe navigation through Persian Gulf have already become the subjects of realistic policy debate. Japan will sooner or later be forced into making not only economic, but also military contributions to the international efforts of resolving regional disputes ( so - called Low Intensity Warfare ) as they continue to erupt in different parts of the world. The future Japan - U.S. cooperative relationship with respect to national security problems is therefore bound to inch toward a global scale, and it is for this reason that a closer consultation and confederation are deemed essential for both nations.

## ***V. Objectives of Economic Cooperation***

While it is possible to use an outside force to disrupt a country's political life, it is almost nearly impossible to rely on external force to achieve its political stability. The task of achieving political stability and maturity must be addressed fundamentally by the leaders and the people of the country involved. However, in the East Asia - Pacific region, the dominance of the non - communist nations has been achieved mainly by their economic growth and the development of their interdependence among them resulting from economic growth itself. While it cannot be said that economic development automatically produces political stability and maturity, it nevertheless has a favorable long - term effect on the process toward such goals. Among this region's NICs and developing nations, there are not a few countries which are coming to a dangerous stage of transition for their authoritarian leaders who have long stayed in power. However, in any one of these countries economic growth of the recent years has substantially lessened the possibility of a revolutionary change as witnessed in the final years of the Marcos government. In contrast to this, as clearly indicated by the situation in the Philippines, a prolonged economic difficulties can certainly bring about political chaos and weaken the country's resilience, ultimately providing a certain and fertile ground for the incursion of external influence such as that of the Soviet Union. Therefore, the most important task to be undertaken by Japan and the U.S. to enhance the resilience of the NICs and developing nations of this region, and to improve the region's international environment to make it more conducive to economic development.

Of course, the task of the joint U.S. - Japan economic cooperation is not limited to the econo-

mic development of this region alone. The responsibility of the two nations, which are the first and the second largest economies of the world, is by nature global. Indeed, unless the U.S. which possess the world's axis currency and Japan which is the world's largest creditor nation work together, the maintenance and reform of the international economic regime will be unthinkable. Since World War II, the burden of maintaining the international economic regime has been mainly on the U.S., but such hegemonic system is no longer able to survive the changing times now that America's economic strength has suffered a relative decline. The construction of " Cooperative Leadership System " ( Yasutaka Murakami ) by the principal nations including Japan and the U.S. will be indispensable for the stabilization and expansion of the world economy, and the very joint efforts of Japan and the U.S. in this direction will also help reinforce the economic and political resilience of the nations of this region.

The first task to be mentioned along this line will be the adjustment and maintenance of the rules of free trade. Insofar as the U.S. is concerned, it is important to cease insisting upon the principle of reciprocity. The so - called principle of reciprocity is nothing but an American unilateralism demanding the opposite party to adopt the interpretation and method of approach which are particularly " American. " The trading rules in the era of cooperative leadership should respect the different in corporate behavior patterns in each country. Japan will be responsible to open its market beyond what is commonly expected by the international standards, and ought to become broad - minded enough to tolerate certain protectionist moves by debtridden nations if it is meant to be a temporary haven.

Unless the world's largest creditor nations with the world's largest trade surplus is prepared to take on such burden willingly, it will become difficult to maintain the system of free trade itself.

The second task Japan and the U.S. must collaborate to achieve is the improvement and stabilization of the international monetary system based on the international coordination of macro - economic policies. It has become evident that the colossal trade deficit of the U.S. and the gigantic trade surplus of Japan cannot be corrected by exchange rate manipulation alone under the present flexible exchange rate system. Also, total dependence on the speculative exchange market results in too much sacrifice, and runs the highly probable risk of being caught up in a vicious upward spiral of enmities and protectionist reactions. In order to achieve the stability of the international monetary system, the principal nations must first cooperate more closely in implementing coordinated macro economic policies. In the long run, they must somehow work together to build a more stable international monetary system to replace the present flexible exchange rate system. For the immediate macro economic policy approach, the U.S. must especially be required to overcome its fiscal deficit problem while Japan is urgently required to implement certain institutional reforms ( especially further deregulation and tax reform )

and adopt an expansive fiscal policy with an aim to creating an expanding domestic market demand. At a time when the U.S. market has to remain constrained by stringent fiscal policy, if the Japanese market did not pitch in to take up the slack, the world economy is bound to become depressed, and especially the East Asian countries who depend heavily on the U.S. market will be hit by a serious depression.

The third task will be the expansion of aids to the developing nations. This is a responsibility that should be principally born by Japan which is the largest creditor nation in the world and enjoys a relatively light arms burden owing to the geostrategic factors and historical reasons peculiar to Japan. The United States after World War II launched the Marshall Plan which took up more than 1% of the then U.S. GNP, making a substantial contribution to the reconstruction and revitalization of the world's economy. At the present time, it is necessary that Japan commit itself to a comparable foreign aid program. In designing such program, it appears especially important that Japan develop a new policy framework for the mobilization of large private capital, and at the same time devise an appropriate method of using international agencies for aids administration so that the problem of channeling too much aids through its own government can be avoided which is bound to create the impression of Japan's over presence.

*Candidly stated, the above tasks, both for Japan and the U.S., do not seem to have a good chance for a prompt action because of the expected difficulties in procuring public support. It must be admitted with regret that Japan and the U.S. will have to continue the painful process for some more time of living with confrontations, which can very well be avoided if they were wiser, to bleed for mistakes which do not have to be made, and in the process gradually learn how better they can do things in the future. However, since Japan and the U.S. are now so inseparably linked together economically, politically and militarily, it can be assumed that they will somehow stay together and muddle through this period of great difficulties. While it is not easy to be an optimist from a short - term standpoint, I think it will be more difficult to remain a real pessimist for long.*