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**DOMESTIC FACTORS DETERMINING  
FUTURE DECISIONS**

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Future Japanese assessments and decisions regarding ballistic missile defense will be heavily influenced by the interests, calculations, and relationships existing among a wide variety of domestic actors. In considering whether and how to proceed with BMD development, procurement, and deployment, these actors will most likely focus on several key issues. This chapter identifies and discusses these actors and issues.

**THE MAJOR PLAYERS**

Eight major domestic entities influence Japanese decisions concerning ballistic missile defense:

- The prime minister and the cabinet
- The JDA and the Self-Defense Forces
- The Ministry of Foreign Affairs
- The Ministry of Finance
- The Diet
- The political parties
- The Ministry of Economy, Trade, and Industry and private business
- The public and the media.

### **The Prime Minister and the Cabinet**

The prime minister, as the head of government, his senior subordinates within the cabinet, and their relevant offices hold ultimate executive responsibility within the Japanese parliamentary system for decisions regarding ballistic missile defense. These individuals and agencies guide and shape the major contours of the deliberative process and can exert a decisive influence over the general pace, scope, and content of BMD decisions. Naturally, given the pluralistic nature of Japanese politics, they cannot dictate decisions *per se*. They must coordinate, encourage, and shape the more detailed activities relating to BMD undertaken by the JDA, the Ministry of Foreign Affairs, the Ministry of Finance, the Diet, and those politicians and others who take a strong interest in the issue. However, provided that domestic and international opinion is not in opposition, a politically strong and skillful prime minister can mold the decisionmaking process to reflect his views and interests.

In general, any prime minister has an interest in promoting policies that strengthen the unity and resolve of his political supporters in the Diet. This has been particularly true in recent years, when relatively unstable coalition governments have been the rule. Moreover, on sensitive issues like defense, prime ministers tend to tread lightly so as not to get too far ahead of domestic public opinion or prompt a negative backlash from Japan's neighbors. Almost without exception, postwar prime ministers have also placed high priority on maintaining good relations with the United States. On BMD, there is some tension among these political imperatives. Therefore, given the controversial nature of the BMD issue, the consensus-oriented nature of Japanese decisionmaking, and the recent history of prime ministers with neither strong convictions on defense issues nor solid political bases, it is expected that whoever is prime minister will continue to adopt a relatively cautious stance on BMD, absent an immediate threat to Japan's security. One knowledgeable observer commented succinctly on the choices facing prime ministers with regard to Japan's further participation in BMD, "Depending upon the prime minister, he could see it as a vehicle for demonstrating his own

political leadership, or he could see it as a source of instability and avoid it.”<sup>1</sup>

Beginning with Ryutaro Hashimoto and continuing through the signing of the MOU in 1999 under Keizo Obuchi, the prime minister’s office managed the campaign for agreement on joint research with the United States on TMD. It orchestrated the pace and timing, decided how quickly to push forward, and worked closely with the Diet and the Ministry of Foreign Affairs on how to handle the issue domestically and internationally and how to explain the decision to those at home and abroad who expressed opposition. During his tenure, Prime Minister Hashimoto was credited with taking an active interest in the initial preparations for the inclusion of funding for joint research on BMD in the JDA’s budget. Support for BMD continued under the next prime minister, Keizo Obuchi. Hiromu Nonaka, Obuchi’s chief cabinet secretary and his chief liaison to the Diet, was credited with shepherding funding for Japan’s contribution to the joint research through the potential political minefields in the Diet.

Despite their successes with maneuvering funding for the program through the bureaucracy and the Diet respectively, neither Hashimoto nor Obuchi is viewed as having articulated a long-range strategic view on BMD.<sup>2</sup> Rather than exerting leadership, Obuchi relied heavily on Chief Cabinet Secretary Nonaka and was content to let the Diet and the LDP take the political initiative. Nonaka and the government were assisted in achieving their objective by what some have ironically referred to as the fortuitous timing of the North Korean missile launch, which created an environment conducive to discussion of a general strengthening of Japan’s air defenses—including acquisition of surveillance satellites and a BMD system.<sup>3</sup>

Leadership on the part of the prime minister is seen by some as particularly crucial given the likelihood that China will continue to express opposition to Japan’s acquisition of BMD. It is also critical because the prime minister and his cabinet hold the power to interpret

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<sup>1</sup>Interview with official in the Prime Minister’s office, Tokyo, June 1999.

<sup>2</sup>Interview with Senior Foreign Ministry Official, Tokyo, June 1999.

<sup>3</sup>*Yomiuri Shimbun*, September 2, 1998.

the Constitution to decide what does and does not fit under the rubric of so-called “defensive-oriented defense.” The government will also most likely have to rule on the issue of the constitutionality of collective defense and may have to decide on additional exceptions to Japan’s Three Principles on Arms Exports (discussed below under “Legal Considerations”).

In the summer of 1999, one senior LDP politician called for such a political commitment from then–Prime Minister Obuchi but acknowledged that it was unlikely to be forthcoming given the divisions in the coalition cabinet at that time.<sup>4</sup> A further instance of Obuchi’s hands-off approach occurred in June 1999 when he received a report from Fukushima Nukaga, an LDP Diet member and former director general of the JDA, that called for a change in the Diet resolution on peaceful use of space to allow for BMD introduction. Obuchi reportedly expressed his appreciation to the LDP for “moving one half step ahead of the government” on this issue.<sup>5</sup>

Since the initial decision to participate in joint research was taken, there have been two prime ministers, one acting, and five changes in government. Former Prime Minister Yoshiro Mori was viewed as lacking both the political base and the necessary stature with regard to foreign and defense policy to take a definitive stance on such a complicated and divisive issue. In fact, Mori was challenged by opposition leader Yukio Hatoyama of the Democratic Party on the floor of the Diet in July 2000 for failure to raise the issue of TMD’s potential impact on Taiwan and China at the Okinawa Summit in June 2000. This omission was seen as a failure to assert a leadership position for Japan at the Summit.

The new prime minister, Junichiro Koizumi, was propelled into the leadership position on the strength of his popular appeal as an iconoclastic reformer. He is most widely known for his proposal to privatize the vast national postal savings system. But his willingness to confront taboos head-on extends beyond finance and the economy. In his first press conference as prime minister, he stated that he is in favor of a revision of the Constitution to make it easier for Japan to

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<sup>4</sup>Interview, Tokyo, June 1999.

<sup>5</sup>Interview with official in Prime Minister’s office, Tokyo, June 1999.

support the United States militarily under certain circumstances and to clarify the position of the Self-Defense Forces. He admitted, however, that any change to Article 9 was too politically sensitive to tackle at the moment. Negative reaction to these statements from inside and outside his party, as well as concern about his hawkish stance by the Komeito, a key partner in his ruling coalition, makes it unlikely that Koizumi will be able to act on any of these ideas in his first year in office.

To date, no member of the successive cabinets that have held power since the 1998 decision to move forward on joint research has publicly expressed an opinion—either for or against BMD—that differs from the government’s line. This line is that Japan has made a very narrow decision to proceed with joint technical research with the United States. It includes the caveat that, although no decision has yet been made to produce or deploy such a system, a ballistic missile defense system is by definition a defensive system and therefore does not pose a threat to any of Japan’s neighbors. As such, it is also in full compliance with Japan’s Constitution.

### **The Japan Defense Agency and the Self-Defense Forces**

As the primary government agency responsible for the security of Japan, the Japan Defense Agency is most directly engaged in evaluating and assessing the pros and cons of ballistic missile defense from a military perspective. Within the JDA, the Defense Policy Bureau (*Boei Seisaku Kyoku*) is the office formally in charge of BMD because of its overall responsibility for budget issues and defense policy. However, the Technology Research and Development Institute, (TRDI—*Gijutsu Kenkyu Hombu*), the JDA’s research and development arm, handles joint research within the JDA and is thus currently the JDA office most involved in the details of TMD-related activities, given Japan’s existing focus on a limited program of collaborative research.

Three basic attitudes or interests toward ballistic missile defense apparently exist within the JDA at present, each reflecting different types of functionaries:

- Operational officers, who focus on budgetary issues. These individuals reportedly believe that the development and procure-

ment of BMD systems will require significant cuts in all other weapon systems and that Japan could end up significantly underwriting the costs of an extremely expensive but ultimately ineffective U.S. system. Hence, they adopt a cautious approach to BMD.

- Technology officers, who focus on R&D for future weapons systems. Their influence within the JDA is now reportedly at a plateau, and they are looking for a breakthrough to achieve new increases in funding; hence, they generally support BMD.
- JDA officials directly involved in security relations with the United States. These individuals assess BMD issues largely on the basis of the influence such issues exert upon the Japan-U.S. alliance. Hence, given Washington's long-term encouragement of Japanese participation in the TMD program, these officials strongly support a level of Japanese involvement in BMD sufficient to sustain and strengthen the alliance.

In the late 1980s and early 1990s, the mainstream of the JDA was reportedly against BMD, largely because of cost and feasibility concerns. Some JDA officials (and military officers) also opposed BMD because of a fear that a Japanese BMD system would convey the signal to the Japanese public and others that Japan does not have confidence in the U.S. commitment to defend it against a major attack. To this day, skepticism persists in the military regarding the potential effectiveness of a BMD system given the failure rate of the Patriot to which it is frequently compared and the perceived extraordinary cost associated with fielding even a marginally effective system.<sup>6</sup>

In recent years, however, many JDA senior officials and military strategists have become increasingly supportive of the need for Japan to acquire some type of capable BMD system in collaboration with

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<sup>6</sup>Former Joint Chief of Staff Tetsuji Nishimoto is quoted in the *Yomiuri Shimbun*, September 7, 1998, as saying, "Right now there's no way of countering ballistic missiles. All you can do is give early warning and evacuate. Patriots hit less than one in a million." An unnamed JASDF official is quoted in an article by a *Tokyo Shimbun* reporter in December 1999 as having said that to intercept ballistic missiles Japan would have to become like a hedgehog bristling with Patriot batteries scattered up and down the country. The cost, he asserted, would be 5 trillion yen or roughly equivalent to the entire defense budget. "Muda na Heiki," *Gunshuku Mondai Shiryo*, December 1999.

the United States. Although some JDA officials cite the growing ballistic missile threat (including the threat from China) as a reason for such increased support, most reportedly favor BMD as a means of maintaining and strengthening the security alliance with the United States. In other words, alliance maintenance considerations tend in general to explain the bulk of the JDA's increasing support for BMD. On balance, JDA supporters of BMD reportedly favor the acquisition of a combination of land-based LT and naval-based UT TMD systems, i.e., the PAC-3 and the NTW systems. However, the JDA does not vigorously promote such a specific configuration, much less define its size and scope and the timeline under which it should be acquired, because of persistent differences over BMD and BMD architecture among Japan's three armed services.

**The JGSDF.** The Japan Ground Self-Defense Force (JGSDF) is by far the least enthusiastic of the three services about ballistic missile defense because it has the least to gain through the acquisition of such a system. None of the key components of a BMD system (e.g., interceptors, radars, BM/C3 platforms, and early warning, cueing, and tracking facilities) would be under the direct control of the JGSDF, and yet the JGSDF might have to contribute a portion of its budget to cover the cost of those components. However, since the JGSDF is the most politically powerful service, it is unlikely to permit significant cuts in its budget relative to the other services.<sup>7</sup> At the same time, the JGSDF is the oldest service, and the JGSDF chief is expected to evaluate Japan's defense requirements on the basis of the overall national interest. Moreover, the JGSDF might become more supportive of BMD if it chooses to replace its aging Hawk air defense batteries with an indigenous equivalent to lower-tier BMD, or if it is able to take the opportunity afforded by the acquisition of a BMD C4I (command, control, communications, computers, and intelligence) infrastructure to modernize its own command and control systems. As a result of such considerations, some influential senior JGSDF officers believe that the JGSDF might support BMD, especially if the political and strategic reasoning is also convincing.<sup>8</sup>

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<sup>7</sup>Stimson Report, p. 69.

<sup>8</sup>At least one senior JGSDF officer with expert knowledge on BMD issues favors the construction of a limited BMD system in order to suppress missile proliferation within the Asia-Pacific region.

At present, however, the JGSDF remains an unenthusiastic supporter of ballistic missile defense.

**The JASDF.** The Japan Air Self-Defense Force (JASDF) is moderately supportive of BMD because it has operational control over the Patriot air and missile defense systems. In addition, the JASDF might further increase its interest in BMD if it plays a lead role in the development of an integrated C4I infrastructure for a future BMD system, as might be possible. The JASDF plans to replace its BADGE air defense system within three to four years, and any replacement system will likely require the capability to counter missiles. Because of this consideration, the JASDF might take the lead in developing the C4I infrastructure for Japan's BMD system. This is especially likely since the JMSDF does not appear to be interested in taking on this responsibility (it has already modernized its C4I system).

On the other hand, there is also a possibility that the JASDF could become reluctant to engage in meaningful discussions or planning regarding C4I systems for missile defense because such potentially politically controversial discussions could cause a delay in the deployment of any C4I system, or because a future BMD C4I system might be developed and operated as a joint command under the Joint Staff. On balance, however, knowledgeable observers believe that the exclusion of missile defense from any future JASDF system would be difficult, and so the JASDF, along with those private corporations involved in manufacturing a C4I system (such as Mitsubishi, Hitachi, Toshiba, NEC, and Fujitsu) will probably want to move forward with the effort.

There are those, however, who will oppose BMD because of the impact it will likely have on other medium- and long-term projects currently planned. Given stable or falling defense budgets, full-fledged acquisition of a BMD system would likely mean the JASDF would face severe cuts in its plans for a new-generation fighter.<sup>9</sup>

**The JMSDF.** The Japan Maritime Self-Defense Force (JMSDF) is by all accounts the most enthusiastic supporter of BMD among the three services. This is largely because the JDA is leaning toward the

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<sup>9</sup>Professor Satoshi Morimoto of Takushoku University and others express this opinion.

development of naval-based BMD systems for UT BMD, which would require the acquisition of additional Kongo-class AEGIS destroyers. Moreover, a UT NTW system would also significantly augment MSDF capabilities in other areas such as personnel training and C4I, and could even become “. . .the most important element of the Japanese military” in the view of some observers.<sup>10</sup> In addition, the funding for such an enormously expensive acquisition would likely be provided in part by the other services and the central government.

### **The Ministry of Foreign Affairs**

The Japanese Ministry of Foreign Affairs (MoFA) is a central player in the deliberations over BMD, largely because of BMD’s direct relevance to the U.S.-Japan alliance and to Japan’s relations with important neighbors such as North Korea, China, and Russia. The central importance of the U.S.-Japan alliance in MoFA’s calculations regarding BMD is suggested by the fact that the North American Affairs Bureau and the United States–Japan Security Treaty Office reportedly hold primary responsibility for BMD-related issues within the ministry. The Disarmament Section has apparently expressed opposition to Japan’s participation in a BMD system, but its voice is not viewed as decisive or even particularly influential.<sup>11</sup>

In the past, the MoFA’s evaluations of BMD were also significantly influenced by the views of officials within the China and Mongolian Affairs Bureau. These individuals often stressed the need to maintain good relations with Beijing by adopting a generally conciliatory stance toward China. Hence, they generally did not support the notion of BMD, which was viewed as unnecessarily provocative. However, in recent years, views toward China have toughened within the ministry and among the general public in Japan, driven by a sense that trying to buy China’s goodwill through developmental assistance and conciliatory gestures was not resulting in better relations with China or a China that took Japan seriously.

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<sup>10</sup>Stimson Report, p. 67.

<sup>11</sup>Interviews, Tokyo, June 1999.

President Jiang Zemin's official visit to Japan in September 1998 was a low point in relations. Jiang's insistence that Japan issue China a formal written apology for the war, similar to the one issued to South Korean President Kim Dae-jung but without a reciprocal promise on China's part to close the book on the past, was viewed as unstatesmanlike conduct. This, combined with continued evidence of China's proliferation of weapons, nuclear testing, belligerent attitude toward Taiwan, and buildup of ballistic missiles along its coast, have all served to bolster those in Japan who demand a tougher stance toward China.

This is not to say that the MoFA has totally disregarded China's reaction in its decisionmaking process on joint research on BMD or that it turns a deaf ear to Chinese objections now. In fact, as we discuss below, the disclosure of the decision to include funding for joint research with the United States in the fiscal year 1999 budget was timed, in part, to avoid provoking the Chinese immediately prior to Jiang's official visit. Even today, the MoFA continues to dispatch experienced China hands in official and unofficial capacities in an effort to obtain Chinese understanding that Japan's intentions with regard to BMD are benign.

One result of this toughening stance toward China within the MoFA is that, particularly on issues related to security, the influence of those responsible for managing the alliance with the United States has increased. It is thus no surprise that the MoFA tends to assess BMD primarily on the basis of its implications for the alliance. To a significant degree, this makes the MoFA an ally of the JDA in supporting BMD, primarily as a means of maintaining and strengthening the security alliance with the United States. Unlike the JDA, however, the MoFA's support is not closely linked to the feasibility of the system, because the defense implications are less salient in the eyes of MoFA officials than is the symbolic value of the system for the U.S.-Japan alliance. In the view of one senior MoFA official, the ultimate success or failure of the system itself is secondary because even if the system fails in the development phase, "the fact that Japan contributed will remain."<sup>12</sup>

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<sup>12</sup>Quoted in *Yomiuri Shimbun*, February 21, 1999.

The MoFA worked closely with the prime minister's office on the pace and timing of including funds for joint research in the JDA's budget. According to a senior official involved, in February 1998 the Japanese government began studying how to bring about joint research without creating an international furor or a domestic political backlash. Their two chief concerns were to ascertain the extent of Chinese opposition and to understand Japanese public sentiment. Timing was key and directly related to the Japanese budget cycle.

Draft budgets for the following fiscal year from each ministry and agency must be submitted to the Ministry of Finance each year on August 31. Because of political sensitivity over potential Chinese reaction, the decision had been made to camouflage funding for BMD research under the rubric "Other Items" in the JDA's draft budget, thus postponing a public announcement of the government's intention to move forward until after Jiang Zemin's visit to Japan in September 1998. Agreement had been reached within the government that in December 1998, when the Ministry of Finance issued its version of the budget, the project would be formally reinstated as a line item clearly labeled "Joint Research on BMD."<sup>13</sup>

The North Korean missile firing on August 30, 1998, came too close to the budget submission deadline to result in any immediate change in the draft budget, but it did ignite an outcry from LDP politicians to reinstate BMD clearly in the budget sooner rather than later.

China's initial reaction to these calls was muted and reportedly led MoFA officials and others to conclude that the Chinese cared less about BMD in Japan than they did about acquisition of NMD by the United States and the sharing of this technology with Taiwan. During Jiang's visit to Japan, the issue of Japan's participation in BMD was never brought up, though the visit was deemed a failure for other reasons noted above. Since that time, the foreign ministry has been focusing its efforts on convincing the Chinese that Japan has no offensive intent.

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<sup>13</sup>Interviews, Tokyo, June 1999.

### **The Ministry of Finance**

Though the Ministry of Finance (MoF) will almost certainly not take a political stance on the issue of BMD, it will play a determining role in deciding whether or not to move forward beyond mere technical research. The MoF is almost exclusively concerned with the effect that the research, development, procurement, and deployment of a BMD system will have on the finances of the Japanese government. Given the potentially huge cost of developing an upper-tier BMD system, its unproven feasibility (both discussed in greater detail below), the current financial and economic difficulties confronting Japan, and the warming trend on the Korean peninsula (which calls into question what specific threat the system would be designed to counter), the MoF understandably has adopted an extremely cautious stance toward this issue. It is highly unlikely that the MoF will support a major increase in the Japanese defense budget or special off-budget allocations to cover the costs of a BMD system, especially since the ministry recently decided to limit defense spending increases for the foreseeable future.<sup>14</sup> Hence, some observers believe that the MoF will likely oppose the development and acquisition of a BMD system if such actions require significant annual aggregate increases in government spending.<sup>15</sup>

Absent renewed economic growth and strong political leadership from the prime minister based on a clearly demonstrated need for such a system, the MoF's tight hold on Japan's purse strings is likely to guarantee a fierce political debate down the road should the United States press the Japanese to agree to support the next, more costly, phases of system development. For instance, if the MoF holds the line on increases in defense spending it could spawn internecine fights within the JSDF over which service's weapons programs will suffer the deepest cuts. To the extent that BMD is viewed by some politicians and influential bureaucrats as a subsidy for a U.S. weapons system primarily designed to provide protection for U.S. troops in Japan, it could also generate calls for a reduction in Japan's

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<sup>14</sup>Cronin et al., p. 177.

<sup>15</sup>The JDA and the services have yet to determine where the funding might come from for BMD development and acquisition, or which major defense programs, if any, would be cut. See Cronin et al., p. 177.

host-nation support. Although in large part the decisionmaking process will take place as behind-the-scenes negotiations among various interests within the Japanese bureaucracy, the public debate over these issues is most likely to occur in the Diet through the medium of the budget process. In some sense, that is where it has already begun.

### The Diet

Though often viewed as a relatively weak and compliant deliberative body, Japan's parliament holds two of the key cards that will determine the future course of BMD in Japan. The first card is that it must ultimately vote, through the budget approval process, to approve any special funding allocations or increases required for the development, procurement, and deployment of a BMD system. The second, and equally critical, card relates to its ability to overrule or reinterpret its own long-standing resolution on the peaceful use of space. It is believed by some observers that this resolution stands in the way of deployment of any highly sophisticated BMD system. Hence, the emergence of clear Diet support for or opposition to ballistic missile defense could decisively affect the prospects for future development and deployment of a BMD system.

In September 1998, in the immediate aftermath of the launch of the North Korean Taepodong missile, there was a vigorous airing of views by the members of various political parties. While statements on the floor of the Upper and Lower Houses were generally supportive of some sort of action in response, differences between and within the parties began to emerge.

Diet members belonging to the ruling LDP and the Liberal Party generally expressed their support for Japan's acquisition of surveillance satellites and a BMD system. LDP Diet member Katsuhito Asano was typical of those who spoke in favor of BMD: "Protecting yourself against incoming missiles is the epitome of a purely defensive system."<sup>16</sup> The Communist Party and the Social Democrats pointed out that a move by Japan to acquire BMD and satellites could spur a cycle of rising military tensions in the region and urged a more cau-

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<sup>16</sup>Reported in the *Yomiuri Shimbun*, September 4, 1998.

tious response. Members of the Democratic Party, an uneasy alliance between conservative politicians and former Socialists, also expressed initial support with second-term Democrat Seiji Maehara and went on record in favor of the acquisition of reconnaissance satellites, but there were signs of dissention within the party over this new policy. Finally, while in the Lower House the Komeito-affiliated Diet members did no more than press the government on the facts associated with the North Korean missile launch, in the Upper House the Komeito expressed strong anxiety that this incident would lead to a rise in nationalism and a general move toward the right.<sup>17</sup> In the end, the Diet passed a unanimous resolution in both houses condemning the North Koreans.

The start of the budget deliberations in February 1999 provided the first serious opportunity for Diet members to question the government on its decision to include funding for joint research on BMD in its draft of the fiscal 1999 JDA budget. This questioning took place in the budget committees of the Upper and Lower Houses of the Diet. It was at these sessions that concerns about BMD were raised and the government was given an opportunity to explain its policy.

In the time allotted him in the Lower House Budget Committee, the representative of the Komeito touched on many of the concerns shared by others. He raised questions about whether or not even LT systems would contravene the Diet resolution on peaceful use of space. He asked whether a deployed system could by its nature constitute collective defense since the United States viewed it as an aid to the U.S. Navy. And he expressed concerns about the cost-effectiveness of the system and questioned whether or not it constituted aid for the U.S. defense industry. Finally, citing concerns about the possibility that deployment would lead to an increase in tensions in Asia, he called on the government to take a cautious attitude on joint research. In response, the government emphasized that its current decision was limited to going forward on joint technical research. The government position was that the issues raised by the Komeito Diet member were political questions pertaining to deployment and, as such, premature.

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<sup>17</sup>*Yomiuri Shimbun*, September 4, 1998.

Similar issues were raised in the Upper House Budget Committee in March 1999. Here, the representative of the Social Democrats also questioned both the prime minister and the foreign minister about how they planned to mollify the Chinese given that Premier Zhu Rongji had expressed his adamant opposition.

The Diet discussion on BMD is an ongoing process.<sup>18</sup> To date, these discussions can be characterized more as an airing of concerns rather than real debate leading to a policy decision. In particular, the questioning of government officials that occurs in the budget committee is often thought of more as political theater. It is an effort by opposition parties to elicit information from the bureaucracy to which they otherwise would not be privy and, since the debates in the budget committees are televised live on NHK (the government television network) and excerpted on the evening news, to show the public that they are taking firm stands on controversial issues.

During 1998, the focus of debate was on (1) relations with China; (2) cost; (3) budget; and (4) future policy. By 1999, the focus had widened and deepened. Many Diet members are particularly concerned about the implications of BMD for existing Japanese proscriptions against the military use of space, involvement in collective defense, and the export of defense-related materials (all discussed in greater detail in the next section, "Major Issue Areas"). Diet members are also very concerned about the potential cost of a full-blown UT and LT BMD system, especially as measured against its uncertain effectiveness. Beyond these legal and financial concerns, other Diet members question the basic need for a BMD system and point to the danger of provoking China and North Korea.<sup>19</sup> In short, a wide variety of views exist among Diet members regarding the pros and cons of a BMD system. The opposition in particular has focused on how

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<sup>18</sup>U.S. TMD in Japan and BMD have come up for discussion frequently—for instance in the Lower House Special Committee on Defense (April 1999); the Upper House Special Committee on U.S.-Japan Defense Guidelines (May 1999); the Lower House Security Committee (November 1999); the Lower House Foreign Affairs Committee (March 2000); and the Upper House Foreign Policy and Defense Committee (April 2000).

<sup>19</sup>For more on this point, see the discussion below of the position of the political parties.

cost-effective the BMD system is and how such a system would fit with Japan's future foreign and security policies.

Thus far, although there has been a significant amount of time spent talking about this issue in the Diet, all that has been accomplished is a general stating of positions. No meaningful debate has occurred because of the lack of detailed knowledge of what type of system, if any, might be favored or ultimately decided upon. Compounding the problem, few Diet members are familiar with the technical, political, strategic, and financial details of the BMD issue. Debate has also been hindered by the successful argument by the government that absent a decision on the system to be deployed, it is premature to address any of the other concerns.

When it does occur, the Diet debate over BMD is likely to be more vigorous than would have been expected in the past. The political upheaval of the past decade has splintered the LDP and resulted in a more even distribution of power within Japan's political elite. Former LDP politicians who are now part of the Liberal and Democratic parties brought with them their knowledge of LDP policymaking practices and their own connections to the bureaucracy and its vast source of information and expertise.<sup>20</sup> Although such obstacles are not insurmountable, detailed deliberations on each subject will presumably be required before a specific decision to acquire and deploy any UT BMD system can be made. Much of this debate will occur first within the political parties themselves.

### **The Political Parties**

Since the summer of 1993 when the LDP lost control of the government to a seven-party coalition, Japan's political world has been in a state of extreme flux. Fluidity in the system has resulted in less party loyalty. Increasing opportunism by parties desirous of obtaining power has made it even more difficult to predict what stance a particular party will take on an issue, even one as divisive and emotion-laden as national security. Contrary to the hopes and expectations of many of those who championed electoral reform in the 1990s as a

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<sup>20</sup>For a more detailed discussion of this point see Gerald Curtis, *The Logic of Japanese Politics*, New York: Columbia University Press, 1999, pp. 228–234.

way to move Japan toward a two-party political system, the most recent trend has been in the opposite direction. Instead of coalescing around clear-cut policy objectives, parties have emulated the LDP by blurring policy lines that divide their members—becoming “catchall parties”—a trend identified by Gerald Curtis.<sup>21</sup> Although Japan’s political parties will exert a great influence over any decisions taken on the BMD issue, it is too early to tell what the impact of that influence will be on the final decision when it occurs. What follows is a description of the current state of debate in each of the major parties.

**The LDP.** The LDP is generally supportive of acquiring some level of BMD but is divided over how much and at what expense. While the majority of LDP members reportedly support BMD in order to avoid a possible disruption in the U.S.-Japan alliance, others are concerned about its cost and feasibility, the adverse impact it might have on relations with other Asian countries (especially China), and possible constraints on the autonomy of Japan’s national security decision-making process that might result from an excessive reliance on a U.S.-centered BMD system. In short, although the LDP Policy Affairs Research Council has supported the continuation of joint studies with the United States (as indicated above) and some limited discussion of BMD likely occurs in the LDP’s National Defense Subcommittee (*Kokubo Bukai*) and Foreign Affairs Subcommittee (*Gaiko Bukai*), the LDP as a body has yet to examine the BMD issue comprehensively, much less reach any agreement over it. In public, however, LDP members of government have uniformly backed the official government position.

**The Liberal Party.** The Liberal Party (LP) has not expressed a clear view on the subject of BMD either. LP leader Ozawa Ichiro has indicated his tacit approval by supporting the budget allocations provided for BMD research so far, but he has not made any statement explicitly supporting TMD. In the September 3, 1998, debate that preceded the unanimous resolution by both houses condemning North Korea for its missile launch, LP member Tetsuichi Nakamura took a position even stronger than the LDP, asserting that money for TMD research “must be included in the budget.”

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<sup>21</sup>Curtis, p. 164.

**The Komeito.** This party, which emerged as the New Komeito in November 1998, controls the swing vote in the current governing coalition. Given its Buddhist origins, it has traditionally been a strong proponent of building peaceful ties with Japan's neighbors. Over the years, the Komeito position on security and defense has evolved. It is now more moderate and realistic and accepting of the status quo with regard to the U.S.-Japan Security Treaty. However, it was the first party to adopt the so-called Peace Constitution as part of its platform, and there continues to be strong elements of pacifism in its policies. As such, the party has expressed strong reservations about the wisdom of moving forward with BMD.

Komeito Party members support peaceful use of space and question the motivations of the United States in asking for Japanese assistance. They believe Japan's participation in BMD may constitute collective self-defense—particularly if Korea is involved along with Japan in the U.S. system—and fear the breakdown of the ABM treaty and China's opposition. They are also concerned that U.S. NMD is provoking China's increase in missiles, thereby further destabilizing Northeast Asia, and they cite technical problems as a reason for taking a cautious attitude. Their position in the coalition government gives them both a reason to compromise and an ability to influence policy. They have shown themselves quite willing to exercise this clout to slow down or stymie LDP-supported military acquisitions.

In December 2000, the Komeito forced the LDP to drop an appropriation for aerial refueling tankers from the FY01 budget. The National Security Council had approved the inclusion of funds for four tankers in the 2001–2005 defense plan and the JDA had requested 11 million yen in FY01. But with the Komeito fiercely opposed to this acquisition on the grounds that it would provide Japan with aggressive warfighting capabilities, the LDP removed the FY01 funding request, although the item remains in the five-year defense plan.

**The Democratic Party.** The Democratic Party (DP), an amalgamation of conservatives and former Socialists that has been referred to

by its former leader Naoto Kan as the “Party of Thatcher and Blair,”<sup>22</sup> has not yet been able to form a consensus on the issue of BMD. The DP leadership is reportedly trying to develop a consensus view of the U.S.–Japan Security Treaty and will likely have to deal with the BMD issue as part of this process. The party’s Policy Affairs Council is handling this subject, but no conclusions had been reached as of late 2000. Former members of Ozawa’s Shinshinto, who hold sway in the Policy Affairs Council and the Security and Foreign Affairs Committee of the DP, pushed for approval of both joint research and acquisition of satellites, but others in the leadership wavered, preferring to err on the side of caution. Though the leadership reportedly recognized the necessity of acquiring surveillance satellites, segments within the party expressed reservations about a decision to support joint research on ballistic missile defense.

Though generally thought to be supportive of BMD given his initial position in favor of joint research, DP President Yukio Hatoyama tried to draw a line between his position and that of the “United States–compliant LDP” as part of his strategy prior to the Upper House election in July 2000. He expressed concern that Japan could end up with more burden than benefit—providing technology and money to the United States but gaining nothing worthwhile in return. However, following the election, he has gone on record saying he could support Japan’s participation in collective defense. Acknowledgment of the right of collective defense is perceived by many experts as a necessary condition to allow for the eventual deployment of an effective BMD system jointly administered by the United States and Japan.

On the other hand, one outspoken representative of the former Socialist branch of the DP, Yoshito Sengoku, states quite bluntly that he has yet to hear a convincing argument for why Japan needs BMD. He dismisses the idea that either North Korea or China poses a threat to Japan in the foreseeable future and argues that not only can Japan not afford to provide a subsidy for an expensive weapons system to the United States, it ought to be considering cutting host-nation support to U.S. troops in Japan by half.<sup>23</sup> Another member of the

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<sup>22</sup>Quoted in Curtis, p. 194.

<sup>23</sup>Interviews, June 1999, Tokyo.

party, Yutaka Kuwabara, has raised concerns regarding the true nature of the threat from North Korea and whether or not movement by the United States and Japan to acquire missile defense would spawn an arms race with China. He has called for prudence.

**The Social Democrats and the Communists.** Both parties are generally opposed to BMD. Some of their members, pacifists who automatically resist BMD on ideological grounds, criticize any military buildup. Others say they would support BMD only if it could provide a 100 percent “leak-proof” shield against all types of ballistic missile attack—an impossible prospect. Still others in these parties oppose BMD because they believe that Japan does not face a credible threat of ballistic missile attack from North Korea, China, or terrorist groups. However, the influence of such viewpoints is declining—both within these parties and among the general public—and Japan’s approach to the military and security affairs is thus gradually shifting in a more pragmatic direction.<sup>24</sup>

### **The Ministry of Economy, Trade, and Industry (METI) and Private Business**

Japanese participation in BMD could provide enormous potential benefits to Japan’s defense industry and technology base in several ways: by generally strengthening Japan’s ailing defense industry sector; by improving the R&D and technology acquisition capabilities of specific corporations; and by providing possible spin-off benefits to the commercial sector.<sup>25</sup> METI is interested in the BMD program but only if it can provide net benefits to Japanese industry, and there are skeptics who continue to question whether or not there will be any technological spin-off effect from the BMD plan.<sup>26</sup> In this sense, BMD is looked upon as very different than the FSX, where Japan was in a position to develop its own indigenous technology. Except in such areas as sensors and radar, Japan is not thought to be in a similar position with regard to BMD development.

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<sup>24</sup>Stimson Report, p. 69.

<sup>25</sup>Stimson Report, p. 67.

<sup>26</sup>*Yomiuri Shimbun*, March 8, 1999.

Several specific Japanese industrial sectors have the capability to contribute the most to the development of a BMD system and hence would stand to gain the most from such participation, given their experience, production prowess, and technological expertise. These sectors include shipbuilding, communications electronics, systems integration, sensors and radar, and some aspects of missile design. In virtually all other areas, U.S. defense corporations possess a decisive competitive advantage over their Japanese counterparts, according to interviewees. Six Japanese contractors have been selected to participate in the collaborative NTW program: Mitsubishi Heavy Industries (MHI);<sup>27</sup> Kawasaki Heavy Industries (KHI); Ishikawajima-Harima Heavy Industries; Fujitsu; Toshiba; and Nissan Motors. They will reportedly be working on the sea-launched UT defense system (NTW Block 2).

At present, however, many interested Japanese corporations are reportedly taking a very cautious stance toward BMD given its uncertain feasibility, the absence of a clear decision by the Japanese government to move from the current, small-scale collaborative research effort to a more robust research and development effort, and the existence of a range of unresolved economic concerns, all discussed in some detail below. Their approach has been characterized as a combination of “expectation and fear.”<sup>28</sup> Supporters and detractors of BMD within Japanese industry are divided not by company but by divisions within a company, since it is believed that, for example, the missile, electronics, and radar divisions of a defense company will benefit, whereas other defense divisions will be crowded out.

### **The Public and the Media**

Despite the fact that North Korea has been able to strike Western Japan with the Nodong missile since the early 1990s, the Japanese public did not express much interest in BMD issues until August

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<sup>27</sup>MHI is the prime contractor for the existing program of collaborative research on the NTW missile, although KHI and other companies are also involved in that effort. Some other corporation might serve as the prime contractor for the future production of the missile prototype components, however.

<sup>28</sup>Interviews, June 1999, Tokyo.

1998, when North Korea fired a Taepodong-1 missile over the Japanese home islands. Since that time, public attention has focused on the need to acquire capabilities to protect against North Korean missiles and to conduct independent surveillance of North Korean behavior.<sup>29</sup> In general, however, Japan has not engaged in a broad public debate or discussion of BMD. The vast majority of the public remains largely uninformed about such critical issues as the technical capability, cost, feasibility, and possible international implications of various possible Japanese BMD systems. Hence, many ordinary citizens hold unrealistic expectations regarding BMD—demanding, for instance, that any BMD system Japan deploys must provide virtually leak-proof protection against all conceivable types of missile attacks.<sup>30</sup>

Media coverage of the BMD issue is highly sporadic and largely precipitated by related events such as the North Korean missile launch, U.S. decisions on NMD, U.S. test results, or (more recently) the release of reports by Japanese research institutes and study groups. As with the public, few journalists possess a detailed knowledge of BMD issues, and many Japanese editorials promote positions on BMD that merely reflect—in knee-jerk fashion—their general editorial stance.

In the immediate aftermath of the North Korean missile launch, nearly all media groups came out in favor of government action to protect Japan by augmenting air defenses, acquiring satellites, and even studying BMD jointly with the United States. Since that time, the newspapers in particular have begun to develop differentiated stances. From May 1999, *Asahi Shimbun* has begun to criticize any form of theater missile defense; *Mainichi Shimbun* and *Tokyo Shimbun* are generally very cautious about BMD but have not openly opposed it; *Yomiuri Shimbun* and *Nikkei Shimbun* have striven to

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<sup>29</sup>The public desire for an independent satellite-based surveillance system ostensibly emerged as a result of a common perception among many ordinary citizens and some politicians that the government of Japan had been caught “flat-footed” by the North Korean missile launch of August 1998 and was not quickly informed of the launch by U.S.-controlled surveillance assets. However, knowledgeable interviewees in Japan insist that neither perception is accurate. Moreover, as indicated above, the surveillance satellites that Japan intends to deploy reportedly will not possess an infrared detection capability, thus precluding their use as TMD early warning platforms (but not as military surveillance platforms).

<sup>30</sup>Interviews, Tokyo, June 1999.

maintain a consistently balanced, middle-of-the-road stance; and *Sankei Shimbun* is pro-defense, pro-Taiwan, anti-China and hence pro-BMD. Television has paid very little attention to the BMD issue, focusing instead on the larger implications for Japan of the revised United States–Japan Guidelines for Defense Cooperation. In short, the public and the media are not well informed on the subject of ballistic missile defense.

### MAJOR ISSUE AREAS

The interactions of the above actors in the decisionmaking process will largely center on six key issue areas:

- Alliance maintenance
- Financial constraints
- Legal considerations
- Technical feasibility and architecture issues
- Industrial/commercial considerations
- The China factor.

### U.S.-Japan Alliance Maintenance

As we suggested above, BMD has the potential to either strengthen or weaken the U.S.-Japan alliance by affecting bilateral trust and cooperation concerning such issues as the reliability of the U.S. deterrence; technology-, cost-, and intelligence-sharing; and the interoperability of U.S. and Japanese forces. Because Japan is the junior partner in the alliance with a high level of dependence on the U.S. security umbrella, and given the United States' desire to increase Japanese participation in the BMD program, many Japanese decisionmakers are acutely aware of the potential dangers and opportunities the BMD program presents vis-à-vis the alliance.<sup>31</sup> For some, Japanese participation in BMD is an opportunity to show

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<sup>31</sup>This is particularly the case for officials within the JDA and MoFA. As indicated above, such individuals are inclined to view BMD primarily in terms of its effect on the alliance.

the overall workability of the U.S.-Japan alliance and Japan's confidence in the U.S. deterrent. Even further, joint BMD work could strengthen the alliance by enhancing U.S.-Japan political and military cooperation and advancing integration in a variety of areas.<sup>32</sup> For such individuals, it is critical for Japan to at the very least avoid the appearance of any "free rider" behavior that could damage relations.

For others, however, Japanese involvement in BMD is more likely to create frictions and disputes in the bilateral relationship, and, even more important, could undermine or distort Japanese interests. These observers cite the danger that Japan could become dragged into conflicts in Asia through involvement in a U.S.-led BMD system or become highly dependent on U.S. military systems, thus limiting Japan's military and political flexibility. Conversely, other Japanese officials argue that, on balance, joint involvement with the United States in a BMD system would potentially provide Japan with useful leverage over Washington: If the United States actually needed Japan's help in the future, Tokyo would likely be less passive and potentially more influential if it had a major role in missile defense.<sup>33</sup>

Japanese observers point to a wide range of issues connected to BMD development that could significantly affect U.S.-Japan relations:

**Cost Sharing.** Some observers continue to suspect that the United States is urging Japan to participate in the BMD program primarily to reduce its own research and development costs, and not necessarily because ballistic missile defense will strengthen Japanese security. Hence, these individuals are strongly opposed to the commitment of large sums of money for BMD systems, at least in the near term. This belief is reportedly held by some METI and MoF officials, as well as a few in the MoFA and the JDA. Although such individuals constitute a minority at present, their viewpoint is persuasive, given the unproven feasibility of BMD, Japan's current economic problems, and the past emphasis placed by some U.S. officials on the burden-sharing aspect of collaborative development.

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<sup>32</sup>Stimson Report, p. 66.

<sup>33</sup>Stimson Report, p. 66.

**Technology Sharing and Transfer.** METI, in particular, is concerned that Japan will gain few technological benefits from cooperation with the United States in a BMD development program. As in the case of the development of the FSX (F-2) fighter, differences over technology control, technology sharing, and technology transfer could precipitate significant friction between the two sides. In particular, Japanese limits on the export of military-related equipment could complicate the management of technology issues, including the sale or transfer of BMD-related systems to third countries. Such concerns prompt some officials to press for a greater reliance on the indigenous development of key BMD technologies.

**Integration of Air Defense Systems.** The expansion of BMD to include UT systems will require effective bilateral integration in air defense sensors, systems, doctrine, and command, control, communication, intelligence, surveillance, and reconnaissance (C3ISR) capabilities. Hence, it will likely require high levels of systemic bilateral coordination and the rationalization of design, development, procurement, fielding, doctrine, and operations.<sup>34</sup> Some in the JDA and beyond are concerned that such extensive integration might generate significant friction between the two countries and create excessive Japanese dependence on U.S. systems. Some experts have even gone so far as to call for Japan to quickly develop the technology to field its own early warning satellites in order to avoid excessive dependence on the United States for this vital component of a TMD system. Finally, common use of U.S. systems would solve many interoperability problems but would likely require U.S. contractors, not Japanese,<sup>35</sup> and thus perhaps generate significant resistance among Japanese corporations.

**Intelligence Sharing.** In a future BMD system, Japan will likely remain dependent on U.S. space-based early warning assets. As indicated in the above discussion of the August 1998 North Korean missile launch, some Japanese military observers, politicians, and ordinary citizens fear that such dependence could severely limit Japan's freedom of action in a crisis. Hence, some of these individuals favor

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<sup>34</sup>Cronin, pp. 178–179. This source identified the C3 area as one of the most fundamental obstacles to successful joint BMD development.

<sup>35</sup>Stimson Report, pp. 70–71.

the development of independent early warning capabilities, despite the legal obstacles to such an action. Some U.S. observers reportedly oppose the emergence of independent Japanese capabilities in this area because of a desire to maintain some level of U.S. control over Japanese BMD-related decisions in a crisis.

**Utilization.** Some Japanese are concerned that a Japan-based, U.S.-controlled, mobile TMD system such as the NTW system could be used in a regional crisis against the wishes of the Japanese government, thus highlighting or exacerbating differences in national interest between the two countries.<sup>36</sup>

**Evaluations of Feasibility.** Finally, there are indications that many Japanese citizens resist the notion of deploying a BMD system unless it can be shown to provide a very high level of protection. U.S. citizens might not apply the same standard for measuring the utility of a BMD system, and hence differences could appear over whether (and when) a particular BMD system should be adopted by Japan.

### **Financial Constraints**

Cost-related issues currently play a very important role in Japan's consideration of ballistic missile defense. Three aspects are of particular importance: (1) the overall affordability to the Japanese government of a fully deployed BMD system; (2) the potential financial impact that deployment of a BMD system will have on other existing military programs; and (3) the potential impact that deployment of a BMD system will have on the budgets of the individual armed services.

**Overall Costs.** The overall estimated high cost of a fully operational BMD system constitutes a major consideration for the Japanese government. This is especially the case given the intense financial pressures created by Japan's current economic problems—which have resulted in high government debt and recent defense cuts—and the additional burdens on future government finances associated with

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<sup>36</sup>Stimson Report, pp. 70–71.

increasing social welfare costs arising from Japan's aging population.<sup>37</sup>

The funds allocated to date in support of BMD efforts constitute a minor fraction of the overall estimated cost of fielding an entire BMD system. Specifically, only approximately \$30 million has been allocated thus far over a two-year period, as part of a six-year commitment totaling \$200–\$300 million. Moreover, these funds have been obtained through special supplemental budget allocations. In the future, the JDA and the services will likely be required to provide the bulk of the much larger sum of money needed if a decision is made to develop and deploy a BMD system. As indicated above, these agencies have reportedly yet to determine where such funds will come from.

The specific cost involved in developing and deploying a BMD system depends greatly on one's assumptions regarding the overall size of the system required and the extent to which such a system will be fielded independently by Japan. Total cost estimates presented by the Japanese government vary from \$10 billion to \$50 billion, with estimates of up to \$30 billion for research and development alone.<sup>38</sup> The upper range of these estimates equals or exceeds Japan's current total annual defense budget. Moreover, these estimates apparently assume at most a limited BMD system with upper- and lower-tier capabilities designed to intercept a small number of missiles fired from North Korea.<sup>39</sup> However, many observers believe that such a system, and certainly a more robust BMD system, will actually cost considerably more. This is suggested by the fact that the cost of certain key components of a future limited BMD system has probably been underestimated. For example, some observers believe that the estimated cost of an integrated command and control and satellite

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<sup>37</sup>As Green and Dalton state (p. 19): "With close to zero growth for most of the 1990s, a rapidly aging society, nearly \$1 trillion in non-performing and underperforming loans, and debt at 130 percent of GDP, Japan's capacity to fund TMD cannot be taken for granted."

<sup>38</sup>Interviews, Tokyo, June 1999.

<sup>39</sup>For example, the above-mentioned internal JDA Report estimated that a very limited system—designed to intercept only a few North Korean missiles—would cost approximately \$20 billion.

surveillance system for ballistic missile defense—currently ranging from \$1.5 billion to \$2 billion—is probably too low.

Moreover, the estimated cost of adding a sufficient number of PAC-3 missiles to each of Japan's existing 24 Patriot fire units and making requisite changes to fire control hardware and software is \$1.7–\$2.3 billion.<sup>40</sup> And some knowledgeable sources estimate that it would cost at least \$11–\$12 billion merely to acquire the eight new AEGIS naval systems and related IRST systems for Japan's E-767 Airborne Warning and Control System (AWACS) aircraft that are deemed necessary to provide full coverage of the Japanese archipelago by a limited NTW system, and to permit rotation of ships for maintenance. This is roughly equivalent to half of the current Japanese five-year defense equipment acquisition budget and does not include the large cost involved in training the nearly 2,500 additional personnel who would be required to operate the AEGIS ships.<sup>41</sup>

Finally, the ultimate total cost of a Japanese BMD system will be greatly affected by the amount and timing of any U.S. involvement in its development and operation. For example, a Japanese-produced, independently operated EW/C3 system would probably prove to be very expensive and perhaps not terribly effective, at least against a potential Chinese missile threat. U.S. participation in the design, development, deployment, and operation of such a system early on (including operational integration with U.S. systems) would likely result in a more cost-effective product.<sup>42</sup>

The previous discussion raises a very critical question: To what extent does Japan have the option to choose between a cooperative BMD system and an independent one? Cost considerations alone argue for some type of collaborative development. In fact, joint development is increasingly the trend for such large-scale high-tech projects as satellites and weapons systems. The degree of integration between the United States and Japan that would be required for the deployment of a BMD system will be contingent to some degree on the type of system ultimately deployed. However, there is nearly

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<sup>40</sup>Stimson Report, p. 5.

<sup>41</sup>Vogt, p. 4.

<sup>42</sup>We are indebted to Michael Green for bringing this point to our attention.

unanimous agreement that while Japan would own and operate its own missiles, at least in the initial years, it would have to rely heavily on the United States for early warning and perhaps even command and control. To some expert observers, even those supportive of joint development and deployment, it is this certain initial dependence upon the United States and the resultant questions of national sovereignty that are likely to become the most thorny issues for negotiation between the United States and Japan should Japan decide to procure and deploy a TMD system.<sup>43</sup>

**Effect on Other Programs.** Even if the central government decides to allocate the defense funds necessary to deploy a sufficient and workable BMD system, many knowledgeable observers believe that such an allocation will likely necessitate severe reductions in the funds available to other important defense programs, such as aerial refueling, the acquisition of the new F-2 fighter aircraft and four intelligence satellites, and even the level of host-nation support for the United States. As indicated above, any trade-off between BMD and host-nation support would probably affect U.S.-Japan relations significantly. If the Japanese government decides that it cannot reduce funding for other military programs and does not undertake any special allocations outside the existing defense budget to acquire a BMD system, then Japan will probably not possess the funds needed to begin acquiring a BMD system until 2011 at the earliest, according to several interviewees. The alternative to such a scenario would be to increase annual defense spending levels as a percentage of Japan's gross domestic product (GDP). However, this is a highly unlikely option, given Japan's economic problems, rising social welfare costs, and the likely existence of strong domestic political opposition to such a move, including the opposition of the Ministry of Finance noted above.

**Effect on the Individual Services.** Any decision to allocate funds for the development and deployment of a BMD system could exert a significant impact on the respective budgets of Japan's three major armed services. All three services are concerned that the large costs associated with a BMD system will inevitably reduce funds available for existing programs. The JGSDF is most concerned that it could

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<sup>43</sup>Interview, March 2001.

suffer a significant reduction in funds available for infantry, armor, and artillery modernization, with little apparent gain. Although the JMSDF arguably stands to gain the most from the acquisition of an NTW BMD system, it recognizes the huge additional acquisition, training, and maintenance costs that it would incur to deploy additional AEGIS systems. Because of this likelihood, the JMSDF would want the Japanese government to heavily subsidize the funding required for such acquisitions.

One significant caveat should be made regarding the above observations, however. Some observers believe that these financial considerations, along with the MoF's general resistance to any significant increases in the Japanese budget for BMD, could be overcome if the Japanese government were to formally decide to develop and deploy a full-fledged LT and UT BMD system. Such a decision might occur if, for example: (a) the ballistic missile threat to Japan increases significantly in the future (for example, as a result of further incidents such as North Korea's 1998 missile launch); (b) the United States greatly increases pressure on Japan to adopt a UT BMD system; or (c) the deployment by the United States of a TMD system in Japan generates enormous public pressure on the Japanese government to acquire such a system.<sup>44</sup>

Moreover, even in the absence of a formal decision, the Japanese government might choose to fund significant elements of a future BMD system (e.g., EW, BM/C3I, or LT platforms and interceptors) largely outside the defense budget via supplemental or off-line allocations to existing programs or through indirect—and largely undisclosed—subsidies to key Japanese defense manufacturers. Such financing might resolve or bypass many of the objections of the MoF and the armed services.<sup>45</sup> Hence, although financial issues currently constitute a major concern for the Japanese government, they are probably not insurmountable under certain circumstances.<sup>46</sup>

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<sup>44</sup>Interviews, Tokyo, June 1999.

<sup>45</sup>We are indebted to Richard Samuels of MIT for raising this possibility, which derives from his own earlier research on other defense areas.

<sup>46</sup>Chapter Four contains more on this point.

## Legal Considerations

As indicated above, four legal concerns influence Japanese decisionmaking regarding BMD: (1) constitutional prohibitions against participation in collective self-defense efforts; (2) legislative resolutions prohibiting the military use of outer space; (3) laws against the export of weapons and military-related technologies; and (4) the provisions of the ABM Treaty.

**Constitutional Prohibitions.** Article Nine of Japan's Constitution renounces war and the threat or use of force as a means of settling international disputes. This has been interpreted as a prohibition against the acquisition of offensive weapons; the deployment of armed forces overseas; and Japanese participation in collective self-defense activities, including security relationships with its Asian neighbors. For many Japanese observers, deployment by Tokyo of a BMD system, especially in collaboration with the United States, would violate this prohibition by involving Japan in a form of collective self-defense associated with Washington's global and regional security strategy, and possibly involving offensive weapons. Because of such concerns, Japan is reluctant to deploy a BMD system that could contribute to another country's defense or intrude into the territorial waters or airspace of another state.<sup>47</sup> However, other observers believe that such concerns will ultimately be allayed or bypassed if a combination of U.S. pressure, a rising threat, and the demonstrated feasibility of ballistic missile defense all lead to a consensus on the need to acquire a BMD system. Movement in this direction is already indicated, according to some observers, by legislation under consideration that would allow Japan to undertake preemptive strikes against another country when the threat of attack is imminent.<sup>48</sup>

**Legislative Resolutions.** A Diet resolution passed in 1969 called for the peaceful use of space. This resolution has been interpreted by many as prohibiting Japan from using outer space for military purposes, even though the resolution does not have the binding power of a law. A BMD system employing a space-based laser to intercept

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<sup>47</sup>CRS Report, p. 18.

<sup>48</sup>Interviews, Tokyo, June 1999.

attacking ballistic missiles would probably constitute a violation of such a prohibition. It is unlikely that Japan will develop and deploy such a weapon, however, given its huge costs, unproven feasibility, and obvious military use. A less clear case would be presented by a BMD system with a space-based early warning capability; observers differ over whether or not such a system would violate the above prohibition. In any event, many observers believe that those land- and sea-based BMD systems most likely to be acquired by Japan would not include a Japanese-deployed space-based early warning capability. Instead, Japan would likely rely on a proposed U.S. space-based infrared system (SBIRS). Moreover, Japan's preference for NTW over THAAD is partly based on its policy against the military use of space, and the mistaken belief that the latter system would employ space-based sensors while the former would not.<sup>49</sup>

Politicians have long relied on public reinterpretations of Diet resolutions as a way to square current imperatives with past commitments. This is the likely reason for a statement by the cabinet spokesman in December 1998 that a NTW BMD system would not violate the Diet resolution.<sup>50</sup> In any event, as with the above-mentioned constitutional prohibition, many observers believe that Japan's existing prohibition against the military use of space will be overcome if a clear consensus emerges behind the acquisition of a BMD system. The ease with which the acquisition of a dual-use reconnaissance satellite was approved by the Diet following the North Korean missile launch is viewed by some knowledgeable observers as evidence that the prohibition on the military use of space can be easily redefined if necessary.<sup>51</sup>

**Laws.** Japan's Three Principles on Arms Exports and related Guidelines prohibit the export or third-country transfer of Japanese-made weapons or components, unless explicit exceptions are granted by the Japanese cabinet and approved by the Diet. They especially

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<sup>49</sup>CRS Report, p. 18.

<sup>50</sup>Moreover, according to Japanese interviewees, a crisis management team led by LDP Diet member Fukushima Nukaga recently issued a report calling for a revision in the 1969 Diet Resolution on Peaceful Use of Space in order to permit the introduction of ballistic missile defense. The report argued that early introduction of BMD is necessary and useful as a means of suppressing missile proliferation.

<sup>51</sup>Interview, March 2001.

prohibit arms exports to communist states, to states under UN embargo, and to states involved in or likely to become involved in conflict. At present, exceptions have been granted for the export of some types of military technology to the United States. However, this reportedly does not include coproduction for military use.<sup>52</sup> The current agreement with Washington to conduct research and manufacture prototypes for four components for the proposed NTW missile does not involve exports or transfers outside Japan. However, a decision to expand the level of research, to convey the results of such research to the United States, or to embark on genuinely collaborative development of BMD systems could each violate the Three Principles. Yet many observers believe that exceptions will likely be granted if Japanese involvement expands to such levels.

**ABM Treaty Provisions.** Although not a participant in the ABM Treaty process, Japan is a strong proponent of the general arms control objectives that underlie the treaty. Hence, the Japanese government would not wish to be seen as a participant in an arrangement that threatens such objectives.<sup>53</sup> On the other hand, many observers of the ABM process in the JDA are concerned that the failure to reach agreement between Washington and Moscow on a modification of the ABM Treaty could prevent the development or utilization by Japan of the advanced elements of a more robust and efficient BMD system (e.g., elements such as SBIRS-Low or systems capable of intercepting missiles flying at speeds equivalent to ICBMs).<sup>54</sup> However, some Japanese observers believe that the ABM Treaty ultimately will not pose a major obstacle to a Japanese decision on BMD since it is likely that the United States will either reach agreement with Russia on revision of the ABM Treaty or opt out of the treaty entirely. Either outcome would likely serve to remove most of the obstacles presented by the treaty in Japan.

The above overview suggests that legal considerations do not constitute a major obstacle to Japan's adoption of a BMD system, despite

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<sup>52</sup>CRS Report, p. 18.

<sup>53</sup>Cronin et al., p. 178.

<sup>54</sup>Cambone, p. 78. Upper-tier TMD systems such as the NTW system might violate the ABM Treaty, whereas lower-tier systems such as PAC-3 might be permissible. See Urayama, p. 599, footnote 1.

the fact that such concerns are often stressed by both Japanese and foreign observers.

### **Technical/Military Feasibility and Architecture Issues**

The technical feasibility of BMD systems and the type of BMD architecture required to adequately meet the conceivable ballistic missiles threats confronting Japan remain a subject of considerable debate. Many Japanese observers are highly skeptical about the basic concept of ballistic missile defense; in particular, some doubt that those types of systems and architectures under consideration by Tokyo could provide an adequate defense against the full range of threats confronting Japan.

Japan is currently either deploying or considering only those types of BMD systems that can be classified as TMD systems, as opposed to the potentially more sophisticated NMD systems under development in the United States. TMD systems are primarily designed to counter conventionally armed ballistic missiles with ranges below 3,500 kilometers and reentry speeds below 5 kilometers per second (i.e., most categories of standard MRBMs). Thus, it would be extremely difficult—if not impossible—for missiles in the TMD systems most likely to be deployed by Japan, even if they performed within their design parameters, to intercept the several types of 3,500 km+ longer-range missiles possessed by China and Russia.<sup>55</sup> This is especially the case if such missiles employ countermeasures such as penetration aids or decoys, or are modified to follow either flat or arched trajectories. Such modifications and countermeasures would also make shorter-range ballistic missiles (i.e., those below 3,500 km) much more difficult to intercept.

Existing studies—such as the above-mentioned 1999 DoD report to Congress on U.S. TMD systems that could protect Japan, South Ko-

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<sup>55</sup>According to some specialists, certain types of TMD systems, such as the NTW system, might prove effective against longer-range, faster ballistic missiles, if they were to employ highly sophisticated, air- or space-based EW and cueing sensors or some elements of the proposed U.S. NMD system, such as the Airborne Laser. But this argument is by no means accepted by all experts. Some critics believe that both THAAD and NTW systems would likely prove unable to intercept even the Taepodong-1, because that missile might reach reentry speeds as high as 7–8 kilometers/second.

rea, and Taiwan, as well as the above-summarized internal JDA report—do not provide anything approaching a comprehensive assessment of the challenges involved in the deployment of a BMD system by Japan. For example, the DoD study provides only an illustrative estimate of the minimum type and number of lower- and upper-tier TMD systems theoretically required to provide coverage of the main Japanese islands against a small number (less than five) of less sophisticated North Korean BMDs, in particular the Nodong and the Taepodong-1. The study does not consider defense against more advanced Chinese or Russian ballistic missiles. It also does not assess what would be required to protect against the kinds of countermeasures mentioned above or a saturation attack by large numbers of missiles. Hence, the study should not be taken as a basis for assessing the adequacy or feasibility of all possible BMD systems for Japan.<sup>56</sup>

At the very least, given the higher numbers, wider possible geographical launch area, and faster speeds of Chinese and Russian ballistic missiles, Japan would need to acquire and deploy a significantly higher number of NTW ships or land-based firing units and radars than the DoD study proposes in order to handle the potential threat posed by such missiles. However, even if much larger numbers of firing units were deployed, many observers believe this would by no means guarantee a high level of protection against Chinese and Russian IRBMs, given the basic limitations of such TMD systems and the ability of China and Russia to deploy the types of countermeasures indicated above. And an exclusive Japanese reliance on lower-tier PAC-3 systems would prove especially risky, since such systems are designed to intercept only ballistic missiles with ranges below 1,500 kilometers.

Finally, a major variable affecting the ability of any particular BMD technology or architecture to defend Japan is the type of C3 sensors and systems deployed. Many knowledgeable observers deem Japan's current air and naval C3 systems (centered on BADGE and AEGIS) inadequate to support a full-fledged BMD system.<sup>57</sup> The Patriot and NTW systems could possibly establish a wide-area defense against

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<sup>56</sup>CRS Report.

<sup>57</sup>For examples, see Vogt and Matsumura.

attack by strategic missiles if coupled with space-based infrared sensors now under development and a more integrated C3 system.<sup>58</sup> Yet as indicated above, the creation of a more capable EW/C3 system will likely constitute a major challenge, both technically and to the U.S.-Japan relationship. It remains unclear what type of EW/C3 system would best maximize the capabilities of a particular BMD architecture and how such a system might be created, either with or without close U.S. collaboration. These issues have yet to be thoroughly examined by Japanese and U.S. officials, according to interviewees.

### **Industrial and Commercial Considerations**

Japanese participation in BMD would provide enormous potential benefits to Japan's defense industry and technology base in three basic ways: first, by generally strengthening Japan's ailing defense industry sector; second, by improving the R&D and technology acquisition capabilities of specific corporations; and third, by providing possible spin-off benefits to the commercial sector.<sup>59</sup> These possibilities create a potential convergence of interests between JDA industrial offices, the divisions of certain defense contractors, and METI.<sup>60</sup> However, according to knowledgeable Japanese observers, unlike the case with the joint U.S.-Japan development of the FSX (F-2) fighter and the effort to build Japanese surveillance satellites, no strong coalition of pro-BMD "techno-nationalists" exists within the Japanese government at present. Overall, BMD is simply not viewed as an area that will generate major benefits in technology development for both military- and non-military-related industry and commerce.<sup>61</sup>

Moreover, most interested Japanese corporations remain very cautious toward BMD, primarily because of the feasibility problem and the existence of a range of unresolved concerns. The latter include the following:

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<sup>58</sup>O'Hanlon, pp. 183-184.

<sup>59</sup>Stimson Report, p. 67.

<sup>60</sup>Stimson Report, p. 67.

<sup>61</sup>Interviews, Tokyo, June 1999.

**Excessive Up-Front Costs.** Huge initial investments in research and development would likely be required for those sectors involved in creating new materials and technologies for a BMD system. Such investments would in many cases exceed the capacities of private corporations and thus would require significant public funding. However, according to knowledgeable Japanese business experts, no such government funding will be provided as long as Tokyo limits Japan's participation in the BMD program to the current small research endeavor. In other words, essential public support will not be provided to the private sector in the absence of a formal government decision to participate in joint development and deployment. Without such support, Japanese companies will reportedly remain reluctant to undertake significant levels of research and technology development. Moreover, although a significant level of technology spin-off to the commercial sector would arguably lower the costs involved in BMD investments, such spin-off effects would likely require the development of higher levels of technology, extensive involvement of the private sector, and hence higher risks. This fact reinforces the existing cautious attitude reportedly held by many corporations.

**Legal Barriers.** As indicated in the previous section, more extensive collaboration with the United States would likely lead to the export of BMD-related components or the transfer of BMD systems or subsystems to which Japan has made significant contributions. Such activities would likely violate existing regulations against the export of military-related equipment. Japanese industry supports the relaxation of such regulations, but such an action is strongly opposed by the political left in Japan.<sup>62</sup> Presently, Japanese companies cannot develop subcomponents for U.S. weapons systems or conduct joint development projects. On balance, however, existing legal considerations are reportedly not considered a major barrier to commercial involvement in BMD development.

**Net Technology Drain.** Many Japanese observers believe that the United States enjoys a major lead over Japan in most BMD-related technologies and would likely dominate any genuinely collaborative research and development effort. As a result, they fear that the

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<sup>62</sup>Cronin et al., p. 178.

United States will limit or prevent the transfer of those technologies of greatest interest to Japan and generally relegate Japan to licensed production or off-the-shelf agreements.<sup>63</sup> METI is reportedly also concerned about the flow back of advanced technology from Japan to the United States and does not want the United States to exert strong controls over BMD technology development through a reliance on licensing.

**Loss of Funding for Existing Defense Work.** Given current severe limitations on aggregate defense spending, those Japanese companies or divisions currently engaged in non-BMD-related defense work fear that a BMD program would siphon off essential funds. This concern has produced a situation in which some major corporations are internally divided over the pros and cons of BMD development, and many corporate heads fear being placed in a situation where they are forced to choose between existing profitable defense-related ventures and potentially rewarding yet unrealized BMD-related ventures. This issue is reportedly of great concern to many potential industry participants.

Despite such fundamental concerns and resulting caution on the part of Japanese industry, one should not automatically assume that corporate efforts to develop indigenous technologies—or even largely indigenous systems—could not emerge in the future. Some Japanese companies might already be prepared to move forward quickly in certain areas if the government decides to move from research to development. In general, those industrial sectors that stand to benefit most from BMD development include shipbuilding; electronics producers in the areas of telecommunications, sensors, and radars; satellite producers; and communications software developers.<sup>64</sup> However, the above concerns at the very least suggest that, on balance, Japanese industry is not pushing hard for the development of a Japanese BMD system.

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<sup>63</sup>Cronin et al., p. 178.

<sup>64</sup>These areas are largely related to NTW systems technologies, not THAAD or PAC systems. On balance, there is little commercial interest in PAC-3 or THAAD, according to many interviewees.

## The China Factor

Chinese observers have stated, publicly or privately, several reasons for China's opposition to the deployment of a BMD system by Japan:<sup>65</sup>

- BMD, in the form of a Japanese-controlled mobile NTW system, will provide Japan with the ability to protect Taiwan against Chinese ballistic missiles in a possible future military conflict, thereby reinforcing U.S. military intervention, facilitating Japan's independent efforts to establish predominant influence over Taiwan, and more generally furthering Japan's military and political power in the Asia Pacific.
- BMD will encourage Japan to acquire offensive weapons systems (including possibly WMD capabilities) and in general fuel Japanese remilitarization by both stimulating the development of an offensive missile capability and providing a shield against China's nuclear deterrent. This might encourage Japan to develop the "sword" of nuclear weapons.
- BMD will reduce China's ability to exert psychological leverage on Japan in a crisis by providing a plausible defense against the threat of a limited ballistic missile attack or other possible coercive threats contemplated by China.
- BMD will increase Asian fears of Japanese remilitarization and thereby stimulate a general arms race in the region, thus destabilizing Asia and diverting countries, including China, from concentrating on peaceful, cooperative economic development.
- BMD, in tandem with the strengthening of the United States-Japan security guidelines, will greatly deepen Japan's integration into a U.S.-based regional military C3I structure, encourage Japan's overall dependence upon the U.S. military system, and thereby facilitate the emergence of a joint U.S.-Japan-led "mini-NATO" in Asia intended to contain China.

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<sup>65</sup>The following points are drawn from private discussions with Chinese observers and a variety of secondary sources, including Orayama, Christensen, Gu Guoliang, Hong Yuan, Ogawa, the Stimson Report, and O'Donogue. We are also indebted to Iain Johnston and Mike McDevitt for providing their views on this issue in private correspondence.

- BMD could force China to greatly increase the size and sophistication of its IRBM missile arsenal, to deploy MIRVed or MARVed warheads<sup>66</sup> and various countermeasures, to accelerate its cruise missile and anti-satellite programs, and to adopt a more robust nuclear deterrence doctrine oriented toward WMD warfighting. Such an outcome would become even more likely if Japan were integrated into an East Asian BMD system that included Taiwan, South Korea, and the United States.
- BMD would undermine regional and global arms control efforts by weakening the ABM Treaty,<sup>67</sup> retarding further nuclear arms control initiatives, reversing the process of reducing the number of MIRVed warheads in nuclear stockpiles, and generally weakening China's support for the Comprehensive Test Ban Treaty, the Missile Technology Control Regime (MTCR), and the Fissile Material Cutoff Treaty (FMCT) negotiations. Also, the transfer of missile-related technologies between Tokyo and Washington would violate the MTCR, thus constituting a double standard in U.S. policy.

Significant controversy exists within Japan over how much consideration should be given to these Chinese objections and to the overall ballistic missile threat posed by China, and over the preferred Japanese response to such factors. Japan's political community in particular is highly divided over the nature and significance of the China factor in Japanese policy toward BMD. Even the mainstream LDP is reportedly divided between those who emphasize the need to avoid antagonizing China by developing and deploying a BMD sys-

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<sup>66</sup>MIRV is an acronym for "multiple, independently targeted reentry vehicle," and MARV is an acronym for "maneuverable reentry vehicle." Both capabilities could reduce the effectiveness of a BMD system and increase significantly the dangers posed by China's nuclear arsenal.

<sup>67</sup>As Urayama points out (p. 606), the Chinese have three basic concerns about Japan and TMD systems that relate to the ABM Treaty. "First, there is the fear that the U.S. will develop NMD technology in the name of TMD; a Japanese TMD system would therefore be regarded as being at the 'forefront' of the U.S. NMD. Second, any transfer of ABM technology to other countries (e.g., from the U.S. to Japan) would violate the treaty. Finally, abrogating the treaty could spur Russia to develop countermeasures, which in turn could offset regional stability by causing a regional arms race in which China would be compelled to participate."

tem and those who generally support BMD for alliance maintenance reasons and to reduce potential Chinese leverage in a crisis.<sup>68</sup>

On the whole, most ordinary Japanese citizens are more concerned about the ballistic missile threat posed by North Korea and are largely unaware of or unconcerned about the potential Chinese ballistic missile threat or adverse Chinese reactions to any BMD deployment by Japan. However, within the Japanese security community, both inside and outside the government, many observers cite China's missile threat as the major factor compelling Japan to acquire a robust BMD system. These observers point to the need for Japan to remain free from potential Chinese coercion, particularly in the context of a future Taiwan crisis. Only by acquiring a BMD system capable of intercepting a significant portion of Chinese ballistic missiles, they argue, will the Japanese government and populace have the confidence to support the United States in such a crisis and thereby maintain the strength and vitality of the U.S.-Japan alliance. Without such a system, these observers fear that a serious confrontation with China could ultimately result in a break in the U.S.-Japan relationship or, perhaps worse yet, in strong public demands for the acquisition by Japan of WMD capabilities.

In contrast, other observers, including politicians and some officials, argue that Japan should avoid acquiring a BMD system capable of intercepting Chinese missiles, in order to maintain good relations with Beijing and increase the overall independence and flexibility of Japanese foreign policy. These observers believe that Japanese involvement in a U.S. BMD system could drag Japan into an unnecessary and unwanted confrontation with Beijing.<sup>69</sup> Instead, they advocate arms control and confidence-building measures with China and overall efforts to strengthen Sino-Japanese relations—both to avoid future regional instability and conflict and as a hedge against potentially adverse shifts in U.S. policy such as an unforeseen major improvement in Sino-United States relations. Thus, these observers view improved relations with China as part of an overall Japanese

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<sup>68</sup>Interviews, Tokyo, June 1999.

<sup>69</sup>This could supposedly occur as a result of a regional confrontation over Taiwan involving a joint U.S.-Japan TMD system or more indirectly because of Chinese concerns over Washington's utilization of a Japan-based NTW system to support the U.S. NMD system. For the latter point, see Green and Dalton, p. 18.

effort to exercise more independence and leverage in the foreign policy arena—especially in relations with China—while retaining positive ties to Washington. A robust BMD system is viewed as an obstacle to this objective.

A third group, presumably including strategists, officials, and politicians, assesses the value of a Japanese BMD system vis-à-vis China primarily from a narrower political perspective. These people argue that the potential deployment of such a system should be used by the Japanese government as a “card” against Beijing to increase Tokyo’s political leverage in the security realm and possibly to be traded away in return for concrete Chinese concessions on important security issues such as Korea, Taiwan, and Chinese missile deployments. Proponents of this viewpoint thus apparently believe that a deployed Japanese BMD system is not absolutely essential to Japanese security.<sup>70</sup>

Very few, if any, detailed discussions among advocates of these opposing viewpoints toward China have thus far taken place, either inside or outside the Japanese government. This is in part because of the extreme sensitivity that exists in both government and society toward discussion of China as a potential adversary. Overall, therefore, the China factor has not played a decisive role in Japanese decisions concerning BMD. Other factors such as alliance maintenance, cost and feasibility issues, and the general absence of a Japanese consensus on BMD have played a far more important role to date. But many observers believe that China considerations will probably exert a far greater influence over Japanese calculations if Tokyo begins to seriously contemplate the development and deployment of a relatively sophisticated, upper-tier BMD system. Some observers believe that disputes over the effect of such a decision on Chinese policy and behavior could become the core issue in the BMD debate in Japan at that time, and could ultimately produce sharp divisions within the LDP—even perhaps, in the words of one observer, “a revision of the political landscape in Japan.”<sup>71</sup> There is certainly no question that fear of a confrontation with China over de-

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<sup>70</sup>We are indebted to Michael Green for bringing to our attention the existence of this third viewpoint concerning China, based on his own interviews in Japan.

<sup>71</sup>Interview, Tokyo, June 1999.

fense-related issues such as BMD could have a major effect on internal Japanese decisionmaking.<sup>72</sup>

The ultimate significance of this factor will likely depend very much on the specific context confronting Japan's decisionmakers in the future—especially the level and type of pressure exerted by the United States and the presence or absence of further external catalysts, such as increased tensions over Korea or Taiwan or perceived Chinese threats to Japan.

Japanese concerns about China's reactions are not confined to its own potential deployment of BMD. Decisionmakers and other experts in Tokyo are also concerned about Beijing's response to efforts by the United States to develop and deploy an NMD system. A deterioration of U.S.-China relations, coupled with an expansion of China's nuclear and ballistic missile arsenal, would create serious concern in Tokyo. A number of prominent former Japanese officials have called for the establishment of dialogues on BMD that would include China. They believe that involving China in open and transparent discussions of these systems could mitigate the possible destabilizing effects of U.S. development and deployment of NMD as well as Japanese participation in a ballistic missile defense system.<sup>73</sup>

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<sup>72</sup>Cronin et al., p. 178. On the other hand, some observers believe that "... Beijing's criticism of BMD is having declining saliency in Tokyo's debate about the system. Indeed, China's assertion that it must retain the capability for nuclear blackmail has led to a broad recognition in Japan that Chinese missiles are aimed at it." Green and Dalton, p. 19.

<sup>73</sup>Former Foreign Ministry official Satoshi Morimoto and Ambassador Nagao Hyodo are among those who have gone on record with such proposals.