THE U.S.-JAPAN ALLIANCE IN A NEW ERA:
WILL STRATEGIC CONVERGENCE CONTINUE?

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LUNCHEON
(12:50-14:15)

Keynote Speaker: Dr. J.D. Crouch, Special Assistant to the President and Deputy National Security Advisor

DR. MICHAEL GREEN: (In progress) – discussion this morning about the dynamics of this alliance relationship and focused on the things that have made the alliance strong and that will be important in the future. Those things include the external threat, the challenges posed by North Korea's nuclear program, by China's growing influence and power, common values, common vision for the future of Asia, but alliances don't function and don't move forward without people on the inside working hard to solve problems, to meet the other side's expectations to coordinate on these challenges, and the higher up in the government that person is, the better.

The U.S.-Japan alliance has benefited enormously over the past few years by having Dr. J.C. Crouch as the deputy national security advisor in the White House. He was my boss until last December, and I remember when Dr. Crouch came around to meet us all, he made it very clear that one of his priorities in his new job as deputy national security advisor was going to be on the alliance with Japan and making sure that we worked together and that we were helping Japan so that we were ready and prepared for whatever challenges came up, and we've had some challenges indeed.

Dr. Crouch became the deputy national security advisor in January 2005. Before that he was ambassador to Romania. Dr. Crouch served as assistant secretary of Defense for International Security Policy from 2001 through 2003. Before joining the administration in 2001, he was an associate professor of defense and strategic studies at Southwest Missouri State University. He had a distinguished career even up to that point in both academia and government. He has his Ph.D. from the University of Southern California.

Let me also recognize Victor Cha, the director for Japan and Korea Affairs, who just came back with Dr. Rice, and also I can tell you from personal experience, is putting in very, very, very long hours for the U.S.-Japan alliance.

So join me please in welcoming Dr. Crouch.

DR. J.D. CROUCH: Thank you Mike. I appreciate it, it's a delight to see you, and wishing you well in your new academic environment here. I'd also like to thank the Center for Strategic and International Studies, and of course Asahi Shimbun for their support of this conference and for hosting this conversation today. I hope to learn something through our dialogue here, and hopefully to contribute something to it as well.

What I'd really like to do is talk about the alliance. And Mike's exactly right. When I came on board I was an old NATO guy, and it may seem a little odd that I took this on. But in having written a little bit about the problem of North Korea and Asia, and having spent some time thinking about it, it seemed so clear to me how central this alliance would be to developing a counter to these kinds of threats. And also it seemed to me that Japan at this moment was really in a position to play a major role not only in the region but also globally. And so it was really with Mike's guidance that I was able to spend as much time working this issue, and I have not regretted it at all. It's been very satisfying, and the progress that has been made I think has been enormous, and we can talk a little bit about that.

The U.S. alliance with Japan has strengthened the security and prosperity of both our nations. And our alliance has grown, I would argue, in strategic importance in the past several years. That alliance enjoys broad support among the American people. Democrats and Republicans differ strongly about many elements of U.S. foreign policy. And that's especially true as we get close to an election. But I think we see eye-to-eye on the strategic importance of our alliance with Japan. And you know, being quite frank as I usually am, this has not always been the case. And I think there's been a lot of progress made on that. Many people in this room have helped to build that bipartisan consensus. I know, is Kurt Campbell here today? He's coming late. I know Kurt was obviously very important in shaping U.S. policy toward Asia from his position in the Defense Department during the '90s. Mike of course did the same at the NSC more recently. And I'd like to thank everyone here who plays that role, demonstrating your support for a strong relationship between the United States and Japan.

Our dialogue today I think is also especially timely. Last month, Shinzo Abe succeeded Junichiro Koizumi as prime minister of Japan. And the United States obviously welcomes this opportunity now to work with Japan's new government. Prime Minister Abe has said, and I quote, that "the Japanese-U.S. alliance forms the bedrock of Japan's national security and diplomatic strategies" unquote. And I think the same can be said of U.S. policy in Asia. A new government of Japan gives us an opportunity to reflect on the progress our two nations have made in strengthening our alliance and to renew our commitment to build upon it in the years ahead.

It's no secret, of course, that President Bush and Prime Minister Koizumi enjoyed an especially close personal relationship. I know there's been a lot of commentary on that. The President often cites his relationship with Prime Minister Koizumi as an example for the entire world -- demonstrating that the children of former adversaries can become good friends and partners. Their relationship was so close that as you know they went to Graceland together this past summer. It was truly a memorable event, the leaders of two

great democracies paying their respects to The King. Yet people on both sides of the Pacific are now asking, was the stronger alliance between our two nations a reflection of personal friendship? Will the momentum we have built together be sustained? Or in short, as someone said, was it really all about Elvis? Well I have a clear message today: the U.S.-Japan alliance is strong. It is based on the interests and values of both our countries. Our alliance is good for America, good for Japan, good for Asia, and good for the world.

Today I'd like to share with you some reflections on how our two nations have made our alliance stronger than ever before -- and how our alliance can help our nations work together to meet global challenges in the years ahead. And then I'd be happy to take a few questions.

Who would have thought, just a few short years ago, that Japan would be playing such a leading role in Asia and the world? Japan's voice at the United Nations has helped the international community speak clearly to the regime in North Korea. Japan has placed boots on the ground to defend freedom in Iraq, and deployed naval forces to support operations in Afghanistan. And Japan has recovered from years of stagnation and rebuilt an economy that is once again a driver of economic growth throughout the region and the world.

This dramatic transformation has resulted foremost from the hard work of the Japanese people, and the vision of the Japanese government. The strength of the U.S.-Japan alliance has also played an important role in this. For decades our two nations have shared strategic interests and strategic values. We've talked about those this morning. These values include freedom, democracy, free markets, the rule of law, and human rights and dignity. By defending these values we give our own people greater security and opportunity. By promoting these values we give the people of other nations the hope of a better life, and an alternative to tyranny and terror.

Yet our alliance is not always focused on how these values can help address global challenges. For many years we devoted much of our energy to contentious bilateral issues. And you know the litany of these much better than I do. I remember recalling to Mike when I worked at the United States Senate, I worked for Senator Malcolm Wallop back in the mid-'80s, and the fight over the fighter aircraft issue that was going on at that time is an example of that. Obviously there were economic disagreements, such as beef exports from the U.S. to Japan. They included security disagreements such as concerns from Japanese communities and American military families over the deployment of our security forces in Japan.

So five years ago, our two nations agreed to strengthen the alliance, by refocusing it on regional and global challenges, and by seeking to resolve several important bilateral disputes. And I think we've made remarkable progress here. Japan and the United States have agreed to the most significant realignment of Japanese and American military forces in more than three decades. Obviously, a lot to do on the implementation side, but still a significant accomplishment. This agreement will make our forces more effective, and it will ease the burden on communities and families on both sides of the Pacific. We

negotiated an end to the dispute over beef exports, or imports, so that Japanese consumers can again enjoy the products of American farmers and ranchers. And the United States had broadly supported Japan's economic reforms, which would allow Japan's economy to return to real growth over the last five years.

A healthier bilateral relationship has in turn allowed our two nations to focus together on the big picture. President Bush has said that we are living at a moment of great promise for freedom. Yet we know that freedom also faces enormous challenges. Our alliance helps our two nations cooperate to meet these challenges, and our alliance supports Japan's global leadership role in advancing freedom's cause.

Japan's leadership role is especially vital for the future of Asia, and the current impasse over North Korea's weapons program demonstrates why. President Bush strongly believes that diplomacy is far more likely to succeed when many voices send the same message to Kim Jong Il's regime. So the United States and Japan are now sending the same message to North Korea through the six-party talks, along with South Korea, China and Russia. And our two nations are sending the same message as other members of the United Nations Security Council. Resolution 1718 unanimously imposes strong sanctions on the regime for its nuclear test, demonstrating that its claims of legitimacy as a nuclear state will not be tolerated. We have now set an important precedent for how the international community will deal with rogue nuclear states.

It's difficult to understand why North Korea believes it has something to gain by testing a nuclear weapon. Our friends in Asia know that the United States would regard any attack on an ally to be as serious as an attack on the American homeland. President Bush said it best after the North Korea announced it's nuclear test, and I quote, "The United States will meet the full range of our deterrent and security commitments," unquote. And Secretary Rice reiterated that message last week in Tokyo and Seoul, and she deepened our close cooperation with China and Russia on this issue in her stops there.

Now some suggest, and some are still suggesting, that the United States should negotiate directly with the North Koreans outside the six-party talks. The President believes that would be a mistake. We tried that approach in good faith in the 1990s, but the North Koreans betrayed and violated our agreement. But that's not the fundamental point, the fundamental point is that North Korea's nuclear program threatens not just the United States but also the entire world. Other nations with influence in the region should be at the negotiating table. This is why Secretary Rice traveled to the region this past week to consult with our partners, beginning with Japan. And the United States appreciates Japan's leadership in the six-party talks and the United Nations. Japan has a right to contribute to the diplomatic solution to this crisis. And Japan's contribution will make it more likely that a diplomatic solution will be achieved.

The United States also appreciates Japan's sensitivity to the human rights abuses of the North Korean regime. This regime brutally oppresses its own people. And it has brazenly abducted many citizens of Japan. The President met with family members of some of the abductees earlier this year, along with a couple of defectors from North Korea. Their

stories show us that the North Korean regime represents both a security threat, and a threat to human decency and dignity. We look forward to the day when the people of North Korea will live in freedom, and the people of the entire region can live in peace and security.

North Korea of course demands our urgent attention. Yet Japan and the United States are also working together in other ways to improve security and prosperity in Asia. We're working together on missile defense, a key defense against devastating attacks by rogue states using weapons of mass destruction. We are working together with Australia in a trilateral partnership to improve the coordination of intelligence and counterterrorism information. And we are working together with other members of the core group to help rebuild areas devastated by the tsunami in 2004, and limit the potential impact of future disasters through the region's tsunami early warning system.

The U.S.-Japan alliance is helping to build an Asia that is more prosperous and more secure. Yet ours is also a global alliance. We are now working together to transform our world in ways that could not have been imagined five years ago. We've created a strategic development alliance, to help lift more people out of poverty. Our two nations have long been the world's two largest donors of assistance to the developing world, that's not new. But now we are working together to ensure that that assistance is used effectively. We agree that sustainable development requires good governance, strong democratic institutions, the empowerment of individuals, entrepreneurs and local community leaders. And we are using our development assistance as an incentive for governments to undertake the reforms that will help the people of the developing world unleash their enormous potential.

We're also seeking together to unleash the potential of new technologies. As two of the founding members of the Asia-Pacific Partnership on Clean Development and Climate, Japan and the United States are supportive of cooperative efforts to develop and deploy cleaner, more efficient technologies to meet the rising demand for energy, and reduce emissions that are harmful to our environment.

Our two nations are also cooperating in the global nuclear energy partnership that we launched this year. Nuclear power is a clean and reliable energy source, and new technologies hold the promise of making this nuclear power even more sustainable and proliferation-resistant. Through this initiative, nations with advanced civil nuclear energy programs, like Japan and the United States, will pool their scientific expertise and resources to develop and provide access to this new nuclear energy technology. The objective is to increase the global use of safe, proliferation-resistant and climate-friendly nuclear energy. Japan's role in the partnership reflects its history of responsible stewardship of nuclear energy technology. Together our two nations are promoting clean and sustainable energy, while reducing the risk of proliferation.

Most importantly, the U.S.-Japan global alliance has provided the framework for Japan to become an effective ally in the war on terror. Japan made the unprecedented decision to deploy forces to Iraq, completed a successful humanitarian mission in Al-Muthannah

province that has allowed that part of the country to return to Iraqi civilian control. Japan remains engaged by deploying C-130 aircraft to support the mission in Iraq, and Japan has deployed its ships to the Indian Ocean, and it's refueled over 600 Coalition vessels supporting Operations Enduring Freedom and Iraqi Freedom. And Japan's generous support of the Afghan people includes programs that have disarmed more than 62,000 members of the militia, and a commitment to help complete the Afghan Ring Road by 2008.

These efforts, these deployments, have shown the Japanese people that their forces can help defeat freedom's enemies far from home. And these deployments have shown the American people that our alliance provides real support when our values are threatened. American troops respect the courage and professionalism of the Japanese Self Defense Forces, they see that their allies are making a real contribution to peace and stability in a volatile region of the world.

The American people have seen that our alliance with Japan grows in importance as Japan grows in strength and confidence. Sixty years ago, our alliance focused primarily on defending against Communist aggression. Over the years, as Japan established democratic institutions and built a free market economy, our alliance helped to advance Japan as a model of democratic reform and economic development for the entire region -- and to demonstrate that freedom is not only an American value and a Western value, but also an Asian value, and a universal value. Today Americans see Japan as a nation able to exercise global influence, and willing to accept global responsibilities. And our alliance has become the framework that allows our two nations to cooperate in meeting those responsibilities.

The Japanese people and the American people value our alliance. Yet we must continue to discuss openly with each other how our alliance can further evolve to meet tomorrow's challenges. And that is why I think conferences like this are as important as they are. Those inside and out of government, on both sides of the Pacific, must continue to exchange views, and ask the questions people will have to answer together. I'd like to close with a few of those questions, and then turn it over to your questions.

First: How can our global alliance train and equip the military forces and provide the security capabilities necessary to defend our interests and values in the years ahead? Japanese self-defense forces have distinguished themselves in the war on terror. Our two nations are undertaking a major realignment, as I've said, of our military forces in and around Japan, and these actions are very significant when compared to Japanese security policy for the last six decades. Yet they are still modest, when measured against Japan's global interests and potential.

Japan has the second largest economy in the world, yet its ability to export security to troubled areas is still very limited. We want to see Japan continue the process of strengthening its capabilities to deploy forces overseas so Japan can continue to act effectively where its interests are affected, as it has in Iraq. How can Japan's security capabilities better reflect Japan's growing security interests and responsibilities?

Second question: how can Japan continue to lead by example in the region in East Asia? The United States is pleased that Prime Minister Abe has chosen to make better relations with China and South Korea a priority. We believe that rapprochement between Japan and China is in the interests of all three of our countries, and we are determined to work through our alliance with South Korea to reinvigorate the U.S.-Japanese-South Korean trilateral relationship. Last week's trilateral meeting that Secretary Rice attended is an excellent example of how Prime Minister Abe's bold early moves are already bearing fruit.

This approach can and should be employed elsewhere. For example, the U.S.-Japan alliance and America's strategic partnership with India can support Japan's own efforts to reach out to the world's largest democracy. Japan and India are natural partners on a wide range of regional and global issues. By working with its neighbors to transcend bilateral disputes and build stronger partnerships, Japan will be able to point the way forward for Asia and focus attention on common challenges and opportunities.

And this leads naturally to my third and final question. How can Japan and the United States support greater multilateral cooperation in the Asia-Pacific region? There've been those who have argued that our bilateral alliances make broader multilateral cooperation more difficult. Over the last five years, Japan and the United States have demonstrated that the opposite is true. Our alliance reflects our common values, and our two nations are advancing those same values through several multilateral efforts, from the six-party talks to the tsunami core group. We welcome opportunities to strengthen multilateral organizations that can be effective in promoting the region's prosperity and security. The question is, where are those opportunities?

One answer to this question could and should, in our view, begin with APEC. APEC has proven to be the best multilateral organization to foster prosperity across the region. It's the most logical organization to adopt the smart development strategy that Japan and the United States have pioneered, a strategy promoting good governance and effective institutions. And it is likely to be the most effective to address trade-related security issues and threats, such as terrorism and disease.

Another model of multilateral cooperation could also be the six-party talks. Success at resolving the impasse over North Korea's nuclear weapons program would build greater trust among all partners. The six-party talks could be the seed that grows into a security framework for all of Northeast Asia for decades to come.

No doubt some of these thoughts, ideas, are ambitious. Yet we can be proud that our alliance has achieved ambitious goals in the past. Our two nations have worked together over the past six decades to deter and defeat the enemies of freedom, and to promote the values that all nations can claim as their own. The revitalization of Japan has enabled to take on global responsibilities and should inspire all of us to think big. The U.S.-Japan alliance is one of the most successful partnerships our world has ever known. As we

transform our alliance to meet the global challenges of our time, Japan and the United States can be confident that the best days of our partnership lie ahead of us.

Thank you very much for offering me this platform and an opportunity to speak my mind on this subject. And I would now be very happy to take some questions, at Mike Green's direction.

DR. GREEN: Thank you very much. Dr. Crouch has agreed to take some questions, and we do have some time. If you could identify yourself – and I feel I should call on my old friend Yoichi Kato first.

Q: We all know that North Korea has been developing a nuclear weapon, and we all hear that the state of the U.S.-Japan alliance is excellent. But we could not stop North Korea from testing the nuclear weapon. Why did we fail? And the next question is, how much chance do we have to really reverse this escalation and have a denuclearized Korean peninsula?

DR. CROUCH: It's a very important question that you ask, and to deal with the detonation of a nuclear weapon. But I think it's also important to not focus on that as a failure of the policy. We're not responsible—we in the U.S. and Japan alliance, or more broadly—for the decisions that are made in Pyongyang. They are. But I think how we will be measured is by how we react to that, and how we hold together, or whether we are seen as breaking apart as a result of this. That's why I think Secretary Rice was very heartened by her trip to Asia, where the impact of this weapon was felt in all the capitals of the region, as felt as it was here in Washington, and has had a galvanizing effect.

A very important resolution was passed. It's now important that we focus on the implementation of that resolution, and that means not only being in position of the sanctions and the other elements of it, but also undertaking measures through our bilateral efforts, through multilateral efforts, to see to our own security, as the President recently mentioned. We're going to be looking for ways to intensify our security relationship in the region, particularly working with Japan on missile defense activities and the like. And we have very important authorities and provisions in that resolution that deal with the question of interdicting the movement of weapons of mass destruction and nuclear materials in particular.

So I think that the future, how historians will look back on this moment, will really be determined much more on how we implement this resolution and how we stay together effectively as five parties seeking to persuade North Korea, through a combination of efforts on both sticks and carrots as you might say, to fulfill their commitment of last September, the joint statement, to denuclearize Korea, and less on the particular event of that detonation.

Q: There's been a lot of talk from our partners in the five parties that some flexibility on both sides needs to be shown, and they're saying in essence the United States not only should take another look at the bilateral question—but the other part of that, which we're

hearing from our Chinese friends, is that the sanctions in place, justified though they are, are an excuse-giving impediment to the North Koreans. Can we at this point consider a lifting of the freeze, or some partial lifting of the legitimate businesses that have been frozen, as some kind of inducement to remove this issue. I talked to Mike about that last week, that if it were possible to differentiate, that might be something to look at.

DR. CROUCH: I did comment on the bilateral issue. As you know, our negotiator Chris Hill, in the context of six-party talks, has met numerous times with his counterpart in North Korea. So I really think in some ways this has become a false choice—bilateral versus multilateral. It's very important that the multilateral framework be put in place because it's really the combination of Japan and the United States, China, Russia, and South Korea, that I think have the combination of tools, leverage, and the like to persuade North Korea. We really don't want a situation where there's venue-shopping going on. Having said that, in the context of those we're very comfortable, and have met with the North Koreans.

On the issue of so-called financial sanctions. One of the things that we've tried to be very clear about is to talk about much of our activities in this regard as defensive measures. We don't have a lot of economic interaction with North Korea directly. But North Korea has undertaken certain activities, including counterfeiting of American currency and other illicit activities, which have come to the attention of our law enforcement community, in which we have used measures through Treasury actions and the other, to seek to counter. The one I think you're referring to is the action that was taken vis-à-vis Banco Delta Asia.

It's important to recognize that the President has a responsibility to take action against any country, group, state, that is undertaking activities like counterfeiting of U.S. currency. It's not something we can sort of wave off. Obviously if there's confidence that North Korea is not involved in these kinds of illicit activities in the future, that would have to be something that would be reassessed. But I would say to you that, despite the fact that we believe that money laundering and counterfeiting and other activities are going on, the United States is prepared to return to these six-party talks, frankly because of the importance of this issue, because it needs to be resolved diplomatically.

A tougher position might have been to say, until these activities are stopped, we're not going to return to the talks. We did not link those things in any way. We are prepared to go back and sit down and discuss the nuclear issues, but at the same time we think, particularly for illicit-type activities, which we will continue to have to take defensive measures as they develop, we don't want to link those things.

Now, obviously, the Security Council resolution is slightly different. The broader sanctions there are really focused on the nuclear behavior of the North. Obviously, to the degree that we are now focused on the implementation of those sanctions, the resolution also states quite clearly that if North Korea takes steps toward resolving the concerns of the international community, that there's a mechanism for reviewing those sanctions. I

think all the countries that have imposed sanctions, including Japan, have taken that position.

Q: You mentioned interdiction. When President Kennedy had his quarantine against Cuba—Cuba is an island, Korea is a peninsula. To have an interdiction, you have the Chinese border, the Russian border, the border in the South. Given the fact that Mr. Kim Geun-tae, the chairman of the ruling party, was just in Kaesong on Friday dancing with a North Korean waitress, "dancing with wolves" I call it, how can we count on South Korea in interdiction? And the second question is . . . could we really contemplate Japanese self-defense forces approaching a Korean ship near Korean waters to interdict without considering the reaction of Seoul?

DR. CROUCH: Nothing would ever be considered without considering the reaction. But I think it's important that on your first point, I want to be very clear on this. There's been a lot of allusions that have been made on the Cuban missile crisis quarantine and what we've proposed. I don't think they're analogous. Obviously, if you look at the resolution, the purpose here is to be able to act on actionable intelligence, so one of the things that I think is foremost in the near term is the build-up in intelligence sharing environment between the parties, where we can in a timely way share information between and among one another so that we can then act in concert together.

Secondly, I think that based on Secretary Rice's meetings in the Far East recently (Victor was actually with her), I've got some optimism that we will expect cooperation and can expect cooperation between the United States, Japan, South Korea, and China on these issues. And Russia for that matter. I think when they understood that this is not in effect a quarantine of the entire peninsula, as opposed to the quarantine of the island back in 1962, they did understand that there would have to be effective mechanisms for doing this.

Third, you're quite right that there's a difference between an island and a peninsula, and that there's going to have to be actions taken across borders. And again, the purpose of this is not to stop the movement of humanitarian goods. The purpose of this is not to stop sort-of licit economic interaction. On the other hand, there are certain things that we're going to need to do in terms of developing detection capabilities, so that we can better—building on the initiatives that we have vis-à-vis megaports and the like, with the South Koreans—to be in a position to better detect these things.

In terms of the second part of your question, Japan's already part of PSI [the Proliferation Security Initiative]. We are very hopeful that South Korea will also join the PSI. And there are other countries in the region that cooperate together through PSI. We think that PSI provides a good international framework for both developing these capabilities, training these capabilities, and if necessary exercising these capabilities in defense of our interests. Obviously, any particular interdiction, the specifics will have to be looked at. And I wouldn't want to speculate as to how we would do it. But I would certainly hope that we would be able to work closely with Japan, and I think the reaction of the Japanese government has been very favorable to that.

Q: I would like to ask about your observation of some sort of sporadic statements in the American media and others about the desirability of Japan going nuclear. How would you see this kind of tendency and what sort of implication you would like to draw from this?

DR. CROUCH: Obviously we who read the Japanese press take note of that debate. But I think Prime Minister Abe made a pretty clear statement on this, and I think that's where I would start. And again, I pointed in my remarks to the responsible stewardship of Japan in the civil nuclear energy area. So I think his statement in a way was very helpful, very clarifying, very forceful. You're a better judge than I am as to what impact it would have on the debate in Japan.

I think it's important in this context, that we in the United States continue to reiterate core principles, and therefore, the President's comments that I quoted, and obviously Secretary Rice's comments in the region, I believe underscore the importance that we place on fulfilling our security commitments, including an important deterrent commitment. And again, this is really the synergistic strength of this Japan-U.S. alliance that allows us to be able to promote the positive goals of nonproliferation and security at the same time.