Final Report—Volume I

JAPANESE SECURITY POSTURE AND POLICY, 1970-1980 (U)

Prepared for:

DIRECTOR OF DOCTRINE, CONCEPTS AND OBJECTIVES
HEADQUARTERS, UNITED STATES AIR FORCE AF/XOD
THE PENTAGON
WASHINGTON, D.C. 20330

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PREFACE

Many people made important contributions to this report. Under the direction of Dr. George A. Daoust, Jr., Director, Political Policy Analysis Department, the principal authors of the report were Dr. John M. Hutzel, Project Director, and Dr. M. O. Edwards. They were responsible for organizing and directing the efforts of the large team of specialists, both within and outside SRI, who made contributions; Hutzel and Edwards also integrated the analyses, edited the preliminary drafts, and prepared the summary findings and conclusions in Volume I.

Contributors to specific appendices were:

Appendix A, Historical Review, Dr. M. O. Edwards and H. Hughes, SRI

Appendix B, Political Parties and Issues, Dr. George O. Totten III, University of Southern California

Appendix C, Future of Parliamentary Politics, Drs. Nobutaka Ike, Stanford University and J. M. Hutzel, SRI

Appendix D, Social Forces and the Stability of the Political System, Drs. George A. DeVos, University of California and J. M. Hutzel, SRI

Appendix E, Japanese-U.S. Relations, John K. Emerson, Diplomat-in-Residence, Stanford University

Appendix F, Japanese-U.S. Relations, M. O. Edwards, SRI

Appendix G, Great Power Interests in East and South Asia, M. O. Edwards, SRI

Appendix H, Internal Economic Trends, Dr. Leon Hollerman, Claremont Men's College

Appendix I, External Economic Trends, Dr. Leon Hollerman, Claremont Men's College

Appendix J, Japanese Technological Developments Between 1970 and 1980, Dr. James Hacke, SRI

Appendix K, Surprise-Free Projection of Japan's Status in 1980, M. O. Edwards and J. M. Hutzel, SRI

Appendix L, Analysis of Alternative Projections and Implications, Drs. Carl Amme and M. O. Edwards, SRI

Appendix M,* Internal Military Factors, Col. Leonard A. Humphreys, USA Ret., University of the Pacific

Appendix N, Industry-Military Relations, Dr. Leon Hollerman

Appendix O,* External Military Factors, Carl Amme, M. O. Edwards, J. M. Hutzel, William Rood, Hong Lee, Col. Philip Dolan, USA Ret., SRI, and Col. Donald Marks, USAF.

In addition, the following specialists reviewed parts of the final draft and made valuable contributions to the report.

Dr. William R. Bryant, SRI
Mr. Hugh L. Burleson, USIA
Col. Patrick Langdon, USAF
Dr. Claude Buss, Stanford University
Dr. James Crowley, Yale University
Dr. James W. Morely, Columbia University
Maj. Gen. Dolf E. Muehleisen, USAF Ret., SRI
Dr. Edwin O. Reischauer, Harvard University
Dr. Robert A. Scalapino, University of California.

The authors also wish to acknowledge the helpful comments of the many officers in the USAF who reviewed and commented on preliminary drafts and to express their special appreciation to the USAF Project Officer, LTC Wm. M. Charles, Jr., for his keen interest, highly professional guidance, and assistance throughout the course of the project.

*Appendices "M" and "O" are classified SECRET; all other appendices are Unclassified.

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ABSTRACT (U)

Objectives (U)

(U) The objectives of this study are to (1) determine the degree to which Japan will assert itself as a regional or world power by 1980, and (2) analyze the implications of the findings for U.S. national security policy and USAF strategic planning, structure, and force postures. To accomplish this, the study (1) analyzes the current internal and external political, economic, and military trends, and related causes that are likely to persist over the decade, (2) constructs a surprise-free projection to 1980 based on these trends, (3) identifies a set of alternative projections representing plausible aberrations in the surprise-free projection, and (4) outlines the implications for U.S. security and USAF strategic planning.

Methodology (U)

(U) Trend analyses included causes and cause complexes of major trends so as to identify those which were transient and those which were more permanent. Models that were developed involving gross quantification of a broad scope of factors relied to a great extent on subjective judgments of consultants and other Japanese experts. Again, in constructing the surprise-free projection and in reaching conclusions, the trade-offs were based on the summation of gross-quantification and on expert opinion.

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Procedure (U)

(U) The elements of the overall problem of projecting Japanese security posture and policy in 1970-1980 were analyzed in a series of specialized studies on relevant internal and external political, economic, and military trends impacting on the evolution of Japanese foreign and military policies. The surprise-free projection and certain contingencies were analyzed for significance to Japanese and U.S. policymakers and military planners. The conclusions were reached from the resulting envelope of U.S. security concerns, with attention given to greater-than-expected threat projections.

Conclusions (U)

(U) Post-war Japan has been on essentially straight-line projections in its basic political, economic, and military activities. While it is simple to say that these trends will continue, there are indeed no underlying issues, factions, or pressures of sufficient magnitude to substantiate any particular radical change in the next ten years. Hence the most likely course of events is a continuation of current trends, which do, however, create new situations both as surrounding nations change and as Japan's goals are reached. Also, the less likely but possible and in some cases desired actions on the part of the Japanese must be given careful consideration.

(U) In the surprise-free projection, i.e., current trends continue and no major "unlikely" event occurs, the following summarizes the expected posture of Japan in 1980. The Liberal Democratic Party (LDP) will still dominate the political scene and the ties between the LDP, the bureaucracy, and big business remain close. Despite the conservative government's attempts to alleviate serious geopolitical and internal social problems, some large-scale civil disturbances will occur, but the

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internal security forces will be capable of dealing with them handily. The parliamentary system of government will survive basically unchanged in its structure and functions.

[redacted] Long-range defense plans will be geared to a small but highly modernized defense-oriented force strong enough (about 285,000 men) to deal with conventional limited attacks on Japan, but relying on the United States to (1) deter nuclear attack, (2) deter conventional harassment and intrusion in Northeast Asia, and (3) undertake the strategic defense (nuclear and conventional) of the region (including Japan) in case of a major war. The ratio of defense spending will remain at less than one percent of the GNP. Japan will be almost independent of the United States in the production of conventional weapons and will be exporting a broad variety of conventional arms and equipment to selected non-Communist states.

[redacted] In the absence of unexpected events, and despite increasing internal and external pressures, Japan will not go nuclear, but will keep its options open, i.e., will be prepared to acquire a nuclear capability on short notice (less than two years to the initial test). There are, however, many events that could occur that would result in a nuclear Japan, although each of them is less likely than the surprise-free projection.

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TITLE PAGE

JAPANESE SECURITY POSTURE AND POLICY, 1970-1980

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TABLE

I INTRODUCTION

A. Objectives

The principal purposes of this study are to (1) determine the degree to which Japan will assert itself as a regional or world power in the political/military arenas of international relations, and (2) analyze the implications of the findings for U.S. national security policy and, in particular, for USAF strategic planning, structure, and force posture.

B. Procedure

Procedurally, the elements of the overall problem of projecting Japanese security posture and policy, 1970-1980, have been analyzed in a series of specialized studies on relevant internal and external political, economic, and military trends impacting on the evolution of Japanese foreign and military policies. These are covered in detail in the attached appendices listed in the Table of Contents. The body of this report includes a summary of the major findings with respect to trends and causes of trends evident in Japan in 1970, and a surprise-free projection of these trends in terms of Japan's political-military power, its international role and influence, and the most likely thrust of its foreign policy. Implications are subsequently derived from these projections as they relate to U.S. national security and USAF strategic planning and force posture.

Certain contingencies can be anticipated that would alter the surprise-free projection outcomes. These are identified and classified according to their significance to both Japanese and U.S. policymakers and military planners. Contrasted with the surprise-free extrapolations of Japanese

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foreign and military policies, they provide an envelope of U.S. security concerns covering most of those likely to arise and may be translated into a range of implications for USAF strategic planning with a low probability that this range would be exceeded. Projections that pose a greater-than-expected threat to U.S. interests are also examined. Their primary value is to illustrate the conjunction of plausible events and consequences that would pose the most serious dilemmas for U.S. policymakers and military planners. Early portents of these events and consequences would provide advance warning in time to adopt options in diplomatic, economic, and military spheres to effect outcomes most beneficial to U.S. interests.

C. Methodology

While the statement of work required major attention to be given to trend analysis, considerable effort was devoted to determination of causes and cause complexes of major trends in order to be able to determine which were apt to be transient and which more enduring. Thus with regard to internal trends, some effort was devoted to determining those trends which stemmed from the culture and environment, e.g., traditional attitudes, political philosophies, and basic attributes and capabilities of the Japanese people and their leadership. Some of the models developed from a previous study* were used.

Since considerable reliance was placed upon expert consultants for inputs to the trend analyses (Tasks 2 and 3 of the Statement of Work), this preliminary analysis was quite helpful both in outlining the scope of material to be included and later in determining which factors were to

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*SRI, "Methodology for Area Military Studies: Middle East," prepared for the USAF, June 1968.

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be given greater weight in constructing the surprise-free projection.

Also after the trend data were assembled, other parts of the Area Military Study methodology were helpful: (1) in assessing the interaction of the external factors--both regional and external to the region--and (2) in developing heuristic models for assessing the plausibility and impact of various future contingencies on the surprise-free projection.

The systematic techniques used to develop the alternative futures used in the forecasts perforce relied to considerable extent on informed subjective judgments. Hence the consultants were also quite helpful in reviewing and commenting on the tentative conclusions reached.

D. Definition of Terms

"Japan" includes the four main or "home" islands (Hokkaido, Honshu, Kyushu, and Shikoku) plus a number of small islands in the vicinity thereof (Figure 1). Since 1968 the Amami and the Bonin Islands have been restored to Japanese administration by the United States, and the latter has agreed to return administration of the "Ryukyu" Islands (commonly referred to in the United States as "Okinawa," after the principal island) to Japan by 1972. The Ryukyus lie between Kyushu to the northeast and Taiwan to the Southwest (Figure 2). Before World War II they made up one of the prefectures of Japan proper and had been completely controlled by Japan since the early 17th Century.

By the "northern territories" the Japanese normally refer to the Habomai Islands, Shikotan, Kunashiri, and Etorofu, the current northern irridentist territories of Japan now held by the USSR. Shikotan and the Habomais lie off the northeast tip of Hokkaido opposite the town of Nemuro. They are neither geographically nor geologically part of the Kurile Island chain and had been under continuous Japanese domain until the 1945 takeover by the USSR. Kunashiri and Etorofu are two larger

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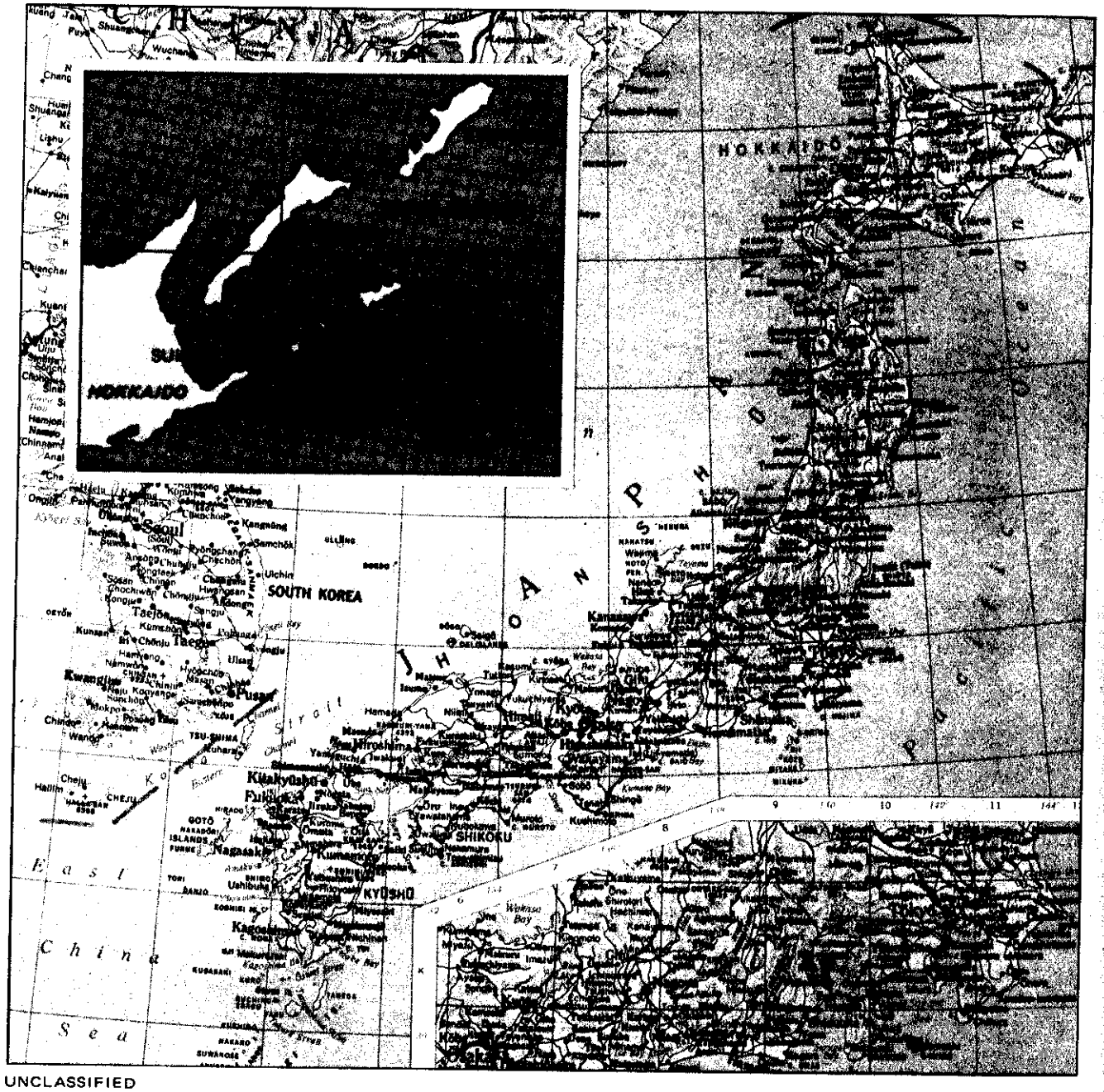

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FIGURE 1 JAPAN

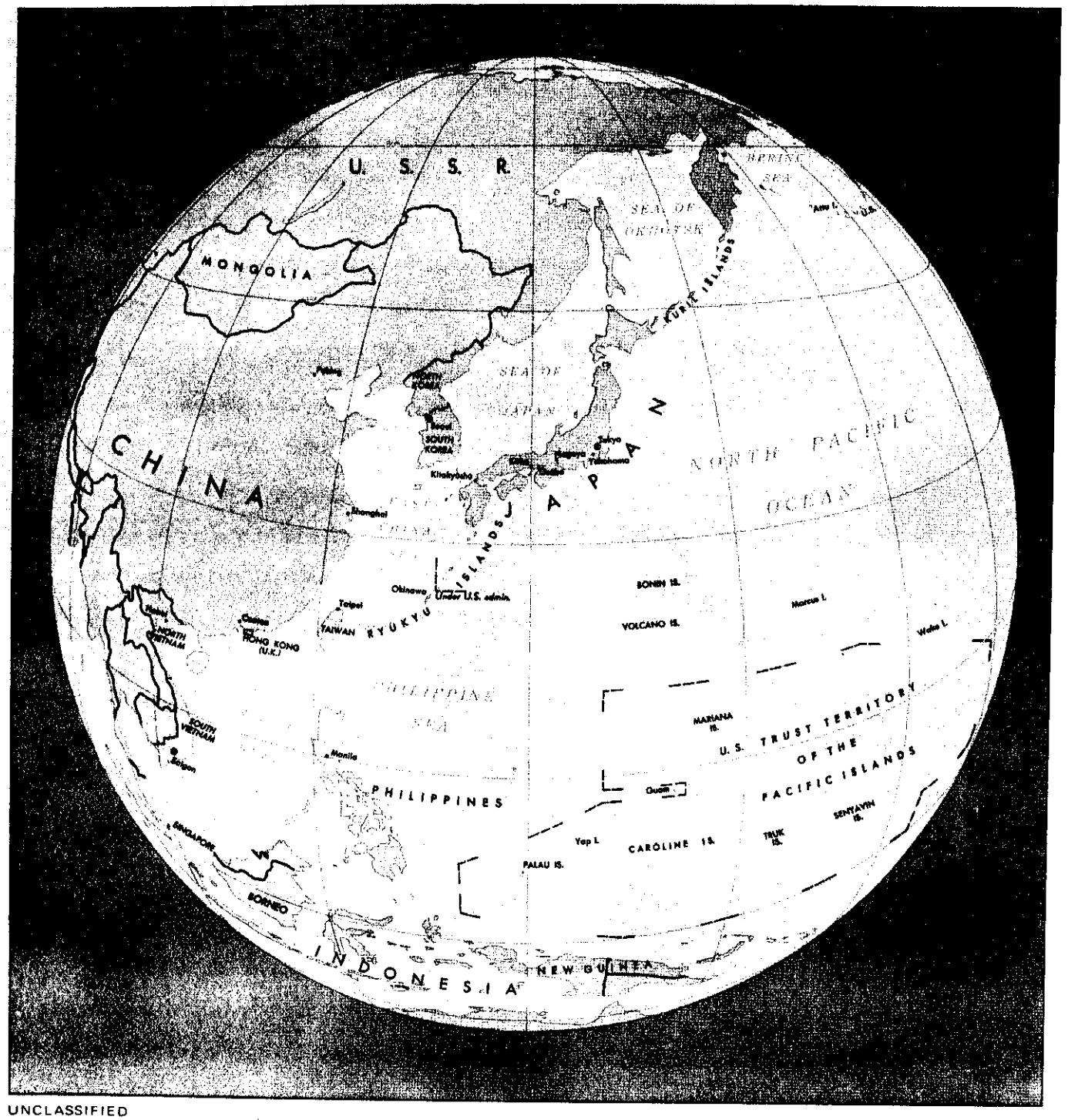

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FIGURE 2 EAST ASIA AND PACIFIC

islands also northeast of Hokkaido. They could be considered either a northward extension of Hokkaido or the southern extension of the Kuriles chain and are sometimes called the "Southern Kuriles." They had been under continuous Japanese control until the 1945 Soviet occupation. The remaining areas to the north of Hokkaido once under Japanese domination, Sakhalin and the northern Kuriles, were ceded in the 1951 Peace Treaty (which the USSR did not sign), and, at the moment, Japan is making no overt moves for their return. Reversion rights of these island territories were left unsettled by the Peace Treaty, and these rights the Japanese now wish to settle by international agreement.

"Northeast Asia" generally includes Japan, Korea, the Republic of China (ROC) or Taiwan, and the People's Republic of China (PRC). "Southeast Asia" includes the former Indochina states (Vietnam, Laos, and Cambodia), Thailand, Malaysia, Singapore, Indonesia, and the Philippines. Often Burma is included, but we have chosen to group Burma with the states of "South Asia." Australia and New Zealand (sometimes called Australasia) and occasionally "Oceania" are grouped with "Southeast Asia" for some purposes. "South Asia" includes Afghanistan, Burma, Ceylon, India, Nepal, and Pakistan. "Western Pacific" refers to Japan, ROC, the Philippines, Indonesia, Australia, and New Zealand.

The term "East Asia" usually includes "Northeast" and "Southeast" Asia (including Australasia). The somewhat more inclusive terms (usually including the islands of the Western Pacific) "East Asia and Pacific" and "the Far East" are often used interchangeably. The Department of State and some of the other government agencies, for example, group the countries of "Northeast Asia" (including the PRC) and "Southeast Asia" (including Burma and "Australasia") in a "Bureau of East Asian and Pacific Affairs."

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II SUMMARY OF CURRENT TRENDS

A. Major Internal Trends Impacting on Future Japanese Foreign and Military Policies

A "surprise-free" assessment of Japan's foreign and domestic policies over the next ten years with particular emphasis on what they may be in 1980 is best brought into focus by a brief review of the major trends elaborated in Appendices B-J and M-O.

1. Political Structures and Functions*

How Japanese leaders deal with political, economic, social, and military issues and capabilities is closely related to the political structure and functions of the political system. As a general rule, even under the impact of on-going modernization, political systems undergo change slowly, since they are the product of political, social, and cultural antecedents tracing back several centuries. Those causes impinging on political stability that derive from the nature of the political system tend to be durable, and therefore, useful in forecasting trends, events, and conditions. Their effects are likely to persist not only for the decade ahead, but across several generations. Far less predictable are the conscious decisions of a society's leaders, which may suddenly precipitate various crises and problems affecting domestic stability and foreign relations. The Japanese system of decision by consensus, however, would seem to argue against abrupt changes in policies

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*For a detailed analysis of political trends and their causes, see Appendices B, C, and D.

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and more for the perpetuation of indeterminate stands on issues of varying degree of criticality.

Japan's political system has been characterized as democratic; i.e., it carries out its political functions in many ways that parallel the functional pattern of a modern democratic society. The trends toward a democratic state predated World War II by more than 50 years, culminated in a constitution in 1889, lost ground to a military oligarchy after 1930, and were reaccentuated by U.S. occupational authorities and the new constitution that came into effect in 1947. Today, Japan's political processes are subjected to numerous stresses resulting from the interaction of traditional restraints and modernizing impulses and will continue to face pressures for change with resulting consequences through the foreseeable future.

a. Government Functions

Japan has a parliamentary form of government. The current constitution, devised during the Occupation, came into force 3 May 1947. The governing functions are clearly differentiated and performed by separate and distinct structures. Rules are made primarily by the legislative bodies, and secondarily by executives under grants of power from the legislature. The bureaucracy, however, overparticipates in political decision making. Rules are adjudicated by an independent judiciary. Rules are applied by bureaucracies serving under political executives. Each governing structure (executive, legislative, judicial) tends to perform a regulatory function for the system as a whole and check on the overconcentration of power in the others.

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b. Interest Groups and Party Functions

The government's efficacy depends in large measure on its functional interactions with the rest of society. These interactions affect both governmental and political stability. The interactions of major importance are with the leaders and members of factions composing the major political parties and interest-articulating groups.

The historical emphasis on interest group participation in Japan was conducive to rapid proliferation of groups following the end of the Occupation, both in urban and rural areas, which have become increasingly involved in exercising political pressures. The interests of these groups, however, are generally channeled via the factional affiliates of the larger political parties rather than by voting of the parties themselves on most domestic issues.

Political parties are not broadly based in the sense of attracting adherents through the appeals of party platforms. Parties tend to be broadly distinguished on ideological bases, a salient factor that has deprived those in the minority of pragmatic appeals essential to a substantial growth of their constituencies. Ideological orientation impacts heavily on the foreign policies of the minority parties. Factions within the LDP, the dominant party, provide a basis for options, but even these are more directly related to the personal following of political leaders than the attractiveness of policies espoused. Both the factions and interest groups effectually moderate the response of their members to political decisions, a process that is facilitated by the cultural preference for consensus.

c. Communications Media

The efficacy of a democracy depends to a large extent on the communication between government and the governed. In this, mass

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communications media that are relatively free of formal governmental control play an important function. In Japan, the mass media tend to be anti-Establishment but so far have not vigorously attacked the existing Japanese political system, though the need for constitutional revision is debated in the press. Not being bridled by overt censorship, the media, as a whole, reflect a plethora of views ranging from the extreme left to right. Objective reporting, however, is not a Japanese heritage, so that much news is distorted to reflect the emphasis desired by a reporter, editor, or owner. The major media, moreover, hold to the view that news should serve Japan's interests, reflecting an aura of nationalism that is conveniently exploited by the government to support its policy goals. While the government cannot, by law, infringe on the freedom of printed or broadcast news, the bureaucracy/business combine has at its disposal a panoply of mechanisms through which it can exercise restraints by threats or actions. These are less likely to be exercised in the absence of consensus among political decision makers, e.g., when factional differences exist within the ruling party.

d. Growth of Dissent

Elementary and most high school education tends still to a large degree to perpetuate concepts of family loyalty, obedience, correct social behavior, and a whole system of generally conservative values. In the colleges, universities, and in some of the high schools, problems of overcrowding, inadequate facilities, and archaic teaching methods lead to frustrations of new entrants easily exploited by Marxist-oriented faculty members and upper level students who seek release from pressures of behavioral conformance demanded by a hierarchical social system that pervades the professions and the bureaucracy. Much of this discontent in the 1960s spilled over into the streets in demonstrations against U.S. policies and actions. There is by no means accord among all studen

groups with respect to objectives. Cores of "professional" dissidents have developed that compete actively for youth leadership and thus perpetuate confrontations with authorities. Most students, once employed, lose their activist orientation as they meld into the institutionalized groups that abound in employing organizations. Some, however, remain radicalized and represent a growing number of alienated citizens who will obstruct law and order and retain their potential for disruptive activity. They may well add to the prospects of public polarization and ultimately the adoption of repressive legislation that can be applied in other ways to infringe on personal freedom. Japan's growing affluence is accelerating the rise in expectations, and where their realization is forestalled or delayed, frustrations and unrest result.

The alienation from traditional outlooks is going on in other sectors of the society, which may have adverse effects on political integration over the long run. While conservatism still predominates in rural communities, the continued migration to urban centers severs an ever growing percentage of the population from ties that reinforced traditional behavior and attitudes. The personal bonds in small rural communities that provide for individual identification and exercise conventional social pressures are weakening in metropolitan areas. The impersonalization implied in the increase of state-administered welfare programs will be paralleled by growing detachment from the more orthodox restraints and contribute to the gradual breakdown in the old styles of social integration. Particularly in urban areas, the younger generation is less wedded to the traditional father image of authority, with a resulting increase in individuation and unrest among those engaged in working out and adjusting to new life styles. While the patrimonial and group consensus systems will moderate the rate of change, the trend in a complex society competing intensely in the international community will be toward greater reliance on merit-based performance, other than implied

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by length of service, for upward social and economic mobility. This change, however, is likely to take place unevenly throughout the various sectors of the sociopolitical system.

e. Political Stability

There is not much doubt that group structuring and the decision making by group consensus exercises a substantial brake on social and political violence that could threaten the continuity of the Japanese parliamentary form of government. The Japanese appear to be future oriented. This trait, together with the anticipated persistence of group orientation and loyalty, paternalistic behavior of employers, and widespread dedication to national goals, suggests a substantial capability on the part of the Japanese to adjust to economic recessions of considerable magnitude. It would appear, too, that, were the LDP to bear the brunt of criticism for economic failure or ineptitude in meeting social welfare demands, the Japanese would find it difficult to see in any of the opposition parties a program of action more promising than that now followed. Thus, "Japan Incorporated," as the business/government combine is currently dubbed, will probably persist. Additionally, the LDP would appear to have the best prospects for retaining power as the public becomes more disenchanted with acts of violence that go counter to the strong cultural urge for conformity.

Aside from the alienated youth cadres that constitute a source of cultural friction, there are no other currently identifiable sources of cultural differences of sufficient magnitude that could spontaneously or by exploitation pose a serious threat to political stability within the predominantly homogeneous society. Certain small groups on the extreme left and right, however, possess a capability to cause public disturbances on a scale that is far out of proportion to their size.

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Their impact appears to constitute more of a threat to government stability than to the stability of the political system.

It has been said that the longer the parliamentary governmental system lasts in Japan, the greater its prospects for continued survival. Interest groups are continuing to proliferate and are in harmony with Japanese cultural traditions. The more numerous the political participating organizations, the more difficult to effect dramatic changes in the political system. Undergirding this factor is the general Japanese antipathy already deeply ingrained toward abrupt change. While the major effect of the Occupation was to alter political institutions, it appears to have had relatively little impact on traditional Japanese behavior within the framework of new or reoriented institutions. Many of the "reforms" adopted appear to have produced only minor changes in the mode and frequency of political functions discharged by various political structures.

While there may be no immediate threat of reversion to a far right political orientation, the LDP is consciously attempting to redress certain "excesses" it perceives in the formal extension of individual freedoms allowed by the constitution enacted during the Occupation. However, the retrenchments in the last 22 years, on the surface at least, appear to be minimal.

2. Military Capabilities and Developments*

a. Status of the Japan Self-Defense Forces

The Japanese armed forces are known collectively as the Japan Self-Defense Forces (JSDF). The three services are usually

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* For more detailed analysis, see Appendices M, N, and O.

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designated in English as the Ground (GSDF), Maritime (MSDF), and Air Self-Defense Forces (ASDF); their respective authorized strengths in 1970 are: GSDF, 179,000; MSDF, 38,283; and ASDF, 41,657. Actual strength has generally been somewhat less.

The Japanese have built up these forces by means of a series of defense plans. The current plan (the third) entered its fourth year (of five) on 1 April 1970--the beginning of Japan Fiscal Year (JFY) 1970. Plans for a fourth Five-Year Defense Buildup Plan to run from JFY 1972 to JFY 1976 and a fifth from JFY 1977 to JFY 1981 were recently announced.

The draft of the Fourth Defense Buildup Plan has been completed and the approved outline is available, but details may not be made public until the Spring of 1971. Japanese defense officials have announced that five basic principles will guide them in the formulation of the Plan. It is to: (1) be purely defensive within the limits of the constitution; (2) be formulated in coordination with Japanese foreign policy; (3) maintain firm civilian control; (4) include Prime Minister Sato's three nonnuclear principles of not possessing, manufacturing, or introducing nuclear weapons into Japan; and (5) provide for supplementary defense requirements through the Japan-U.S. Security Treaty. The Plan will stress sea and air power, with emphasis on defense in the waters and skies about Japan; it will include only conventional arms, relying on the United States for defense against nuclear war and for strategic operations in Far Eastern areas outside Japan.

According to the Fourth Defense Buildup Plan, the GSDF will not increase significantly, but its weapons will be modernized and it will be made more mobile. The MSDF will receive greater attention, with total ship tonnage increasing from 200,000 to 300,000 tons and yearly tonnage increase accelerated from 15,000 to 20,000 tons per year.

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Modernization and replacement of older aircraft and weapons systems will also be achieved. The ASDF will add the F-4EJ to its inventory as Japan's first-line fighter aircraft, relegating the present F-104Js to second line and retiring the F-86s. Japan's antiaircraft missiles will be changed from Nike Ajax to Nike J (a nonnuclear version of the Nike Hercules). The total cost of the Plan will reportedly be 5.5 trillion yen ($15.3 billion), or an average of 0.85 percent of the annual estimated GNP for the period. In reality then, the Plan will yield a relatively modest increase in Japanese defense capability in spite of rather sensational advance publicity to the contrary, and it will not represent any appreciable acceleration in the rate of defense spending. The Plan is the continuation of the slow, but steady, annual military buildup Japan has seen over the past 20 years. The most revolutionary feature of the Plan is the fact that it is to be coordinated with a long-term overall strategic defense plan, coupled to the nation's foreign policy. Japan is already in the process of increasing its domestic capabilities for producing weapons systems and equipment to meet SDF needs in an effort to become largely self-sufficient in this respect.

b. Professionalism of the JSDF

For the most part, the JSDF functions smoothly and effectively. It has a lower rate of AWOL or desertion than one might expect for armed forces with no military law to enforce its regulations. JSDF enlisted men are loyal, hard working, enthusiastic, and willing to endure considerable hardship under severe conditions in the performance of their duty. When one considers the terms of employment of both officers and enlisted men, the long indifference of the government to military problems and to the treatment of military personnel and their families, and the largely negative attitude of a significant segment of the Japanese people toward the JSDF over a period of many years, the

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morale of the officers and men in the armed services has been astonishingly good. An excellent military school system produces a steady stream of well-qualified officers and enlisted men for both command and technical positions in all three services.

c. Popular Attitudes Toward the Military Forces and Their Maintenance

The shock of defeat in World War II substantially reduced the traditional Japanese admiration and respect for military leadership, which had been a distinctive feature of Japanese society through much of history. This revulsion against the military was compounded by conscious U.S. efforts (1945-1947) to stress Japan's war guilt and to extirpate all remnants of its military chauvinism. It is natural that the Japanese people, disillusioned with war and militarism and steeped in their own feelings of war guilt, should react strongly to subsequent U.S. attempts to reverse the attitudes that Americans themselves had helped to foster. Resistance to rearmament has for years centered in Japanese liberal and leftist circles, and a focal point of their activity has been the protection of the U.S.-sponsored "Peace Constitution." This Constitution specifically prohibits Japan from maintaining an army, navy, or other "war potential." To the left opposition parties, never in power since 1948, Japan's rearmament, begun in 1950 and slowly growing since, is clearly illegal and in contravention to the Constitution itself. The conservative governments, continuously in power for 22 years, maintain that military forces only for defense are neither illegal nor unconstitutional. This battle over JSDF constitutionality continues unabated to this day. As a result of this impasse, the JSDF has never been accepted by a large minority of Japanese citizens and has had to fight uphill battles for recognition and tolerance, sometimes without active support from its erstwhile conservative political backers, who found the defense

problem an unpopular one at election time. Currently the LDP is uniting behind the JSDF, so this may not be an acute issue in the 1970s.

In the mid-1960s a remarkable change in Japanese defense attitudes took place, probably awakened more than any other single factor by Chinese nuclear tests and the realization that the Peoples Republic of China (PRC) was to become a military nuclear power capable of inflicting nuclear damage on Japan. Now the Japanese mass media discuss such previously taboo defense subjects as nuclear armament and the PRC as a military threat. Defense has become a topic of public discussion for the first time since World War II. Current opinion clearly favors retention of the JSDF while just as clearly rejecting constitutional revision to remove the doubt as to its legality. The idea that Japanese must defend their own country has become widely accepted, and the Japanese people realize that they are now in a position economically to contribute substantially to this end.

There is little or no tendency at present toward militarism or toward involvement in the political process among military men. All administrative planning for the JSDF takes place in the Defense Agency, which is an almost exclusively civilian institution, thus ensuring complete civilian domination of the military services. Many of Japan's governmental institutions are specifically designed to ensure that the military establishment will not intercede in politics, and this view is upheld by all political parties without exception.

d. The Special Problems of Nuclear Weapons

Nuclear weapons present a special problem for the Japanese. The nation's experience in World War II and subsequent efforts to commemorate the tragedy and prevent its repetition have opened opportunities for gross political manipulation of Japan's profound anti-nuclear

emotions. Its so-called "nuclear allergy" is real, though it may not remain a powerful "illness" throughout the 1970s. Most Japanese still recoil from the idea of nuclear weapons in Japan or for the use of the JSDF, although the Chinese development and testing of these weapons has brought discussion of the problem down to a more rational plane in recent years.

Today, there are few prominent Japanese who openly advocate nuclear weapons for defense. A larger body of informed opinion, although not advocating the adoption of nuclear arms, warns the country against closing off the avenues for their development or procurement. The vast majority of Japanese are still opposed to the introduction of nuclear arms into Japan under almost any circumstances, though there is a growing fatalism that if the government opts for nuclear weapons, the country will ultimately possess them. It would be a serious mistake to believe that Japan's present attitude toward nuclear weapons is neatly divided along political lines. When the present conservative government rejects the idea of nuclear armament, as it does, this is neither cynicism nor is it a sop to Japanese liberals, progressives, or leftists. It is a sound estimate of the temper of those Japanese who support the ruling party. In its first officially approved post-World War II white paper on defense, which was issued in October 1970, Japan stated that it will refrain from acquiring nuclear weapons, but it was careful to show that Japan's options are still open for the future.

The pressures for and against Japan going nuclear are summarized below:

(1) Pressures and Arguments for Nuclear Weapons (minority view 1970)

- Increased nationalism--international prestige, desire for demonstrable independence of any foreign power.
- Disbelief in U.S. willingness and/or capability to defend Japan from nuclear attack if its own (U.S.) destruction is threatened.
- Unpopularity of the U.S.-Japan Security Treaty.
- Some uneasiness over the PRC's nuclear capability either to destroy or to threaten Japan (nuclear coercion), resulting in a felt need to have own deterrent capability.
- Need for more effective air and anti-missile defense (could lead to an initial compromise decision to procure weapons only for air defense).
- Emergence of new members of nuclear club.
- Confidence Japan could remain neutral in event of nuclear war involving other countries and emerge as a substantially more powerful state.
- Technological momentum--As Japan develops its scientific, technological, and industrial bases for peaceful uses of atomic energy and the peaceful exploration of space, some political, economic, and possibly scientific pressures may develop for military applications. (By the latter part of the decade Japanese expenditures for its space program will be approximately equal to those now being

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channeled to Japanese industry for all forms of military production.)

(2) Pressures and Arguments against Nuclear Weapons (majority view 1970)

- Pacifistic and moral deterrent, the continuing popular revulsion against nuclear weapons generally as expressed by the Japanese people and all political parties.
- The expense and commitment of national resources involved to build up a creditable nuclear deterrent force (land, air, or sea based).
- The urgent social problems modern Japan faces that will spark political protest if needed resources are devoted to nonproductive military expenditures.
- The adverse effect on relations with neighboring nations in Asia, and on world opinion.
- The apparent inutility of the weapons themselves in defending Japan.
- That to possess them invites preemptive destruction rather than protection (aggravated by the geography of Japan, which would make dispersal of her population and industry difficult).
- Difficulties in providing effective ABM defense (especially against a first strike) in view of closeness to the PRC.
- Belief that nuclear stalemate between the United States, USSR, and PRC will deter nuclear war.

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3. Economic and Technological Developments*

a. Domestic Economic Structure

Economic strength has always been an instrument of political power. The laissez-faire doctrine of the 19th century that conceived of economics as functioning separately from the state has been discredited by repeated analyses. In Japan, governmental political functions are closely meshed with the economic structure and influences its development.

1) Economic Concentration and its Effects

Economic concentration has been traditional in Japan since early in the Meiji Restoration period. While the zaibatsu were, to some extent, broken up by Occupation authorities, an enormous effort has been made since by both government and industry to restore the conditions if not the actual structures of the prewar industrial organization. The steps already taken indicate a trend whereby large cartel-like organizations, interacting to maximize efficiency in production and services, will again characterize the Japanese economic landscape. The move in this direction is given impetus by the Japanese desire to ensure that foreign direct investment in their country permitted by liberalization does not undermine domestic industries' access to Japan's home markets, which account more for Japan's economic boom than does the international sector of its economy.

The practical result of increased economic concentration in the modern sector will be the reduction of competition in both domestic and foreign markets. The zaibatsu successor groups have already been strengthened and given overwhelming predominance in the domestic

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*For a detailed analysis of internal economic and technological trends, see Appendices H, I, and J.

economy by mergers and privileged administrative attention. From their secure domestic bases, these groups are now branching out into international activities. Their activities include the development of resources abroad and the formation of foreign manufacturing firms.

2) Structure of Industry

Since World War II, the allocation of Japan's economic resources has been governed primarily by a policy of restricting consumption and maximizing private investment. Government expenditures (although not government economic control) have also been minimized; in Japan, government expenditure amounts to approximately 10 percent of the GNP, as compared with about 20 percent in the United States. The modest level of government expenditures in Japan results partly from the fact that hitherto there have been relatively small expenditures for military purposes, relatively small social security expenditures, and relatively little foreign aid in the form of grants.

The comparative efficiency of Japan's primary, secondary, and tertiary industries may be appraised by observing the proportion of the total labor force engaged in each in relation to the proportion of the national income each produces. In 1965 primary industry (including agriculture, forestry, and fishing) employed 25 percent of the labor force but produced only 12 percent of the national income. By 1977, it is estimated that the role of primary industry will have been reduced by more than half in both dimensions. In 1965, secondary industry (mining and manufacturing) employed about one-third of the labor force and produced about one-third of the national income. These proportions will each increase to over two-fifths before the end of the 1970s. Tertiary industry (including wholesale and retail trade, banking and insurance, real estate, transportation and communication, public utilities,

individual and group services, and government service), which in 1965 was already the largest sector, will increase further by the end of the decade, at which time it will absorb about half of the labor force and produce more than half of the national income.

Other than agricultural imports, the commodities Japan chiefly requires include iron ore, coking coal, copper ore, petroleum, lumber, and bauxite. The technical and financial requirements for natural resource development activities, however, are enormously large. Consequently, Japanese enterprises attempting to develop foreign raw material sources typically do so by joint arrangements. The degree of reliance on imports of major raw materials is indicated in Table 1.

Table 1

DEGREE OF RELIANCE ON IMPORTS OF MAJOR RAW MATERIALS
(Unit: percent)

Material	1966	1967	1968
Barley	38.6	47.3	49.8
Wheat	79.3	80.6	80.1
Sugar	84.1	83.6	82.6
Coal	27.5	34.9	41.0
Crude Oil	99.1	99.3	99.4
Iron Ore	97.6	98.1	98.5
Phosphate	100.0	100.0	100.0
Bauxite	100.0	100.0	100.0
Steel Scrap	100.0	100.0	100.0
Cotton	100.0	100.0	100.0
Wool	100.0	100.0	100.0
Hides	82.7	80.5	80.2
Crude Rubber	100.0	100.0	100.0
Salt	82.0	82.0	84.6

(1970 Edition of Statistical Outline: National Diet)

[redacted]

To transport the materials listed in the table requires that a daily average of 80 ships drop anchor in Japanese ports and a daily average of 900,000 tons of materials be unloaded from these ships. In other words, overseas sources of raw materials and the maintenance of transportation routes to Japan are absolutely necessary for Japan's continued existence.

The sources of the principal raw materisl needed by Japan and the percentage supplied by each source are as follows (1967):*

Oil: The Middle East, 90.6 percent; Asia, 6.4 percent.

Iron Ore: North America, 9.3 percent; India and Malaysia, 33.3 percent; and Australia, 14.7 percent.

Coal: North America, 43.8 percent; Australia, 35.3 percent.

Bauxite: Indonesia and Malaysia, 66.1 percent; Australia, 30.9 percent.

Wheat: North America, 87.7 percent; Australia, 12.3 percent.

Soya Beans: North America, 81.6 percent; Communist China, 18.1 percent.

Phosphate: North America, 71.6 percent; Africa, 26.6 percent.

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* Minoru Genda, Japan's National Defense, Pacific Community, October 1970, p. 43.

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3) Structure of Agriculture

The structural reform of agriculture is a task for the 1970s that is both more difficult and more pressing than most of Japan's other structural problems. The difficulties in agriculture include overproduction of rice, accumulation of rice surpluses in storage, rising farm prices, and the persistence of inefficient small-scale farm operations. Despite subsidies and protection from imports, the degree of Japan's self-sufficiency in food (in terms of calories) was 70.0 percent in 1963, and the trend since then has been downward, requiring increasing food imports.

Overproduction of rice has been subsidized through the Foodstuff Control Special Account. The rice subsidy alone is already equivalent to more than one percent of the GNP, and if it increases at the present rate would exceed two percent by 1975. Needed policy measures include transferring of rice acreage to the production of other crops, denial of further increases in the official price of rice, improvements in the processing and distribution of rice, and agricultural import liberalization.

In 1968, the United States supplied foods, beverages, and agricultural raw materials* to Japan valued at $1,013 million; Japan's total agricultural imports in that year were valued at $3,389 million. Thus in 1968, the United States provided 30 percent of Japan's agricultural imports, as compared with 34 percent in 1965. This relative decline in recent years may very well be an indicator of further declines to come during the decade of the 1970s.

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* Chiefly, these included soybeans, cotton, wheat, feed grains, tobacco, cattle hides, and tallow.

From a Japanese point of view, the benefits of reducing the agricultural sector should not be overestimated. The exodus of labor from agriculture alleviates the labor shortage to a less than apparent degree, for over 80 percent of farm families already engage in sideline nonagricultural work to some extent.

4) Population and Labor Force

Historically, as an offset to its stark shortage of natural raw materials, Japan has enjoyed the benefit of unusual human resources, specifically in the form of a large, disciplined, literate, and underpaid labor force. The backward sector of Japan's dual economy has in the past been a conspicuous mechanism of exploitation. One of the chief ingredients of the postwar economic "miracle" has been the use, as well as the exploitation, of this labor force, which now reflects a shortage caused by a decline in the population growth rate.

The government has had no definite policy to bring about population control, and there is little prospect that a policy to increase the birth rate would gain wide acceptance. The conditions that have promoted family planning include the excessive crowding of both public and private space, the increasing cost and length of education of children, and a widespread desire on the part of families to enjoy a higher standard of living by limiting the number of dependents. Rising expectations and deferred entry into the work force have enhanced the liability rather than the asset characteristic of dependents. Consequently, although the working age population has continued to increase, it has done so at a declining rate in recent years. The increase in Japan's labor force in 1969 was only 0.7 percent, the smallest rate of increase in the past decade. The average annual increase in the work force exceeded one million during the period 1965-1970, but it is

expected to drop to 620,000 during 1970-75 and will become negative by the end of the century.

Labor productivity has advanced conspicuously in recent years. In terms of the base year 1965, the index of labor productivity increased from a value of 61.3 in 1959 to 150.5 in 1968. Moreover, real wages have advanced faster than consumer prices. This fact lies at the root of what some observers diagnose as a cost-push inflationary element in Japan's economy. At the same time, since up to 1968 labor productivity increased at a relatively more rapid pace than real wages, workers could argue that wages had not been increased sufficiently.

Because of the system of wage payment in Japan (payment according to length of service and experience), a large annual crop of new teenage labor is highly desired by industry; in conjunction with an early retirement age for mature workers, this system has contributed to keeping down the total wage expenses of enterprises. Now, however, the rising average age of workers tends to increase the total wage bill.

b. Technological Capabilities

In 1970, Japanese technology excelled in:

- Iron and steel
- Concrete
- Nonelectrical machinery
- Shipbuilding
- Ceramics
- Chemicals, especially polyvinyls
- Food processing
- Optics
- Textiles
- Electrical household appliances
- Electronics
- Transportation, especially automated railroading

and was relatively deficient in

Nuclear energy

Munitions

Aircraft

Space technology, especially guidance

Computer technology, especially software--but Japan is fully competitive in "minicomputers"

Scientific instruments, except optical instruments and large electron microscopes.

Japan now spends less than a tenth as much on research and development as the United States does. In 1967, however, the cost of research and development in Japan averaged $10,700 in toto per staff member, so Japan was getting perhaps three times as much professional effort per dollar as was obtainable in the United States. Japan's research and development budget in 1970 was about 1.5 percent of its GNP, and the government plans to increase this budget to about 3.0 percent of its GNP, an investment rate proportional to that of the United States.

Japan does not have any significant number of immigrant scientists and engineers; it therefore must train its own citizens or send them abroad for training. Although the number of science and engineering graduate degrees conferred annually in Japan has been growing rapidly, Japan still does not train enough to offset attrition in the professional staffs. There is a limit, furthermore, to the extent to which professional education can be accelerated. Instructors must be taken away from research and development efforts, and rapid expansion of instruction tends to degrade the quality of instruction.

To reduce its dependence on imported strategic materials, Japan requires significant technological effort to exploit tidal energy, farm and mine the continental shelf, develop synthetic materials by

using raw materials domestically available (e.g., ceramics, silicones, and organics), and exploit nuclear fusion (as well as increased reliance on liquidated natural gas) to produce electrical energy.

The labor shortage in Japan is somewhat ameliorated by technological advances in computer augmentation and automation. The trend is for more emphasis on these sciences in order to increase the productivity of the Japanese work force.

The pollution crisis and the rising Japanese demand for improving the quality of living not only require significant capital outlays for pollution control, transportation, housing, and utilities, but will place growing demands on Japanese research development effort in those areas.

B. Major External Trends Impacting on Japan's Foreign and Military Policies

1. Political Relations*

External political elements influencing Japan's foreign policies can be grouped as follows: (1) relations with the United States; (2) the interaction in East Asia of four powers (Japan, the PRC, USSR, and United States); and (3) the development of regionalism.

a. Relations with the United States

Since the end of the Occupation, the United States has guaranteed the defense of Japan. It has accounted for a third of Japan's trade and has strongly influenced the foreign policy of the Japanese government. It is perhaps inevitable that in the 1970s there should develop in Japan a desire for greater independence and escape from the

*For a detailed analysis of external political relations, see Appendices E, F, and G.

overpowering American influence. This trend, as reflected in public opinion and in government policy, is already manifest and will become stronger in such issues as the Security Treaty, the conditions of the reversion of Okinawa, and the status of American military bases in both Japan proper and Okinawa.

1) The Security Treaty

The decision to continue the Security Treaty beyond the date of optional notice of termination, 1970, was stated in the Sato-Nixon Communique of November, 1969. It is, therefore, the present policy of both the Japanese and American governments. Voices, however, have been raised in Japan, even within the ruling Liberal Democratic Party, suggesting future review and reconsideration of the Treaty.

Further reductions of American bases and forces in both Japan proper and Okinawa will be demanded and will most likely be carried out before proposals are made for Treaty revision. Moves to reduce bases and personnel will also be initiated by the United States.

The Japanese are not likely to propose termination of the Treaty unless they are prepared to assume responsibility for Japan's total defense, including nuclear defense. Today, a decision to go nuclear is politically out of the question and it will probably remain so throughout the decade. Drastic external and internal changes could conceivably combine to force a Japanese decision to build nuclear weapons. However, it is more likely that sometime during the decade Japan might suggest modification or reinterpretation of the Treaty rather than its abrogation. Such modification might emphasize Japanese self-reliance in defense up to the point of an ultimate U.S. nuclear guarantee. This would continue to make the nuclear weapons unnecessary.

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2) Okinawa

With regard to Okinawa, the Japanese expect that after 1972 the bases in Okinawa will be subject to the same restrictions as those in Japan. The United States would be obligated to the sytem of prior consultation, as is now the case for the Japanese bases. Should there be a need to effect major changes in equipment and personnel, such as using the bases for direct combat flights, or storing or transferring nuclear weapons, the Japanese response to prior consultation by the United States will depend upon the government and atmosphere at the time. Prime Minister Sato has recognized Japan's security interests in Korea, Taiwan, and the East Asian area; if, as expected, an LDP or conservative government is in power and if nationalism and the support of Japan's military establishment have grown, the response will be affirmative. The present confusion in Japan's Left suggests this as the most likely eventuality.

3) United States Policy

As indicated in President Nixon's message to Congress, "Foreign Policy for the 1970s," the United States expects Japan to assume increased responsibilities in the coming decade: "Japan, as one of the great industrial nations of the world, has a unique and essential role to play in the development of the new Asia." However, although the President calls a sound relationship with Japan "crucial," he makes it perfectly clear that "we shall not ask Japan to assume responsibilities inconsistent with the deeply felt concerns of its people." This evidently means that the United States would not now ask Japan to play a security role in Asia. Revision of the constitution and removal of the "no war clause" of Article 9, in any case, are not anticipated, nor would the United States press Japan to join security pacts or assume military

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obligations outside the home islands. The United States would, however, welcome a further buildup of the Japanese Self-Defense Forces and certainly hopes that Japan will rapidly assume a growing burden of economic cooperation in Southeast Asia. It also hopes Japan will participate in any peacekeeping arrangements that might be set up as the hostilities in Vietnam come to an end. Japan accepted the latter obligation in the joint communique signed in Washington in November 1969.

b. The Interaction in Asia of the Four Powers--Japan, People's Republic of China, Soviet Union, United States

As Henry Kissinger has said, the world today is characterized by military bipolarity and political multipolarity. In Northeast and Southeast Asia, the United States is the preeminent power, although Vietnam has demonstrated the limitations on the effective use of force by a super-power. The Soviet Union has attempted to increase its influence in Asia through help to North Vietnam, expanded naval activity in the Indian Ocean and the Pacific, and by propagating a new Asian security arrangement. However, except in North Vietnam, the USSR has not been able to achieve any marked position of power in Pacific Asia; furthermore, the conflict between the PRC and the Soviet Union to a large degree nullifies any Soviet claims to leadership. For the future, a multipolar system seems to be developing in Asia, with four power centers, the People's Republic of China, Japan, the Soviet Union, and the United States. Of the four, two are superpowers and three are nuclear powers. The PRC is economically weak, internally fragmented, and has been so isolated internationally that its political and military impact in Asia has been largely limited to peripheral southern states on the continent and will probably remain so for some time. Japan is economically powerful and militarily impotent outside the home islands. The United States is militarily dominant and is committed to the security of many of the

non-Communist nations of Asia, but fights a frustrating war in Vietnam and plans to "share" responsibilities with Asians and thus reduce the American presence in Asia. The most significant history in East Asia during the coming decade may be made by the changing relationships and positions of these four powers.

Over the long term, Japan and the non-Communist countries of Asia are wary of the eventual nuclear threat of a more powerful and aggressive Communist China. In some of the Southeast Asian countries, particularly in Indonesia and the Philippines, one finds expressed apprehensions over the possible future remilitarization of Japan and the combined threat of economic and military domination which could again become a policy of a powerful Japan.

As the only nonnuclear power among the four, Japan is beginning to experience growing pressures for full, though defensive rearmament and public debate over the issue of construction of nuclear weapons. In the 1970s this debate will become more acute and will be significantly influenced by events, actions, and policies of other nations. A decision by India or Israel to make the bomb would affect Japan as would a sudden or drastic weakening of the American military posture in the Pacific. Nuclear competition in a multipolar political system, however, would run counter to Japan's ambitions for economic expansion and so-called "peace diplomacy."

c. Japan's Attitude Toward the USSR and the PRC

Japanese attitudes toward the Soviet Union and the People's Republic of China are not easy to analyze. They change from time to time and are not always consistent. Russia is the traditional enemy; the bitter heritage of two wars in this century is still alive, particularly the "stab in the back" just before the Japanese surrender in 1945. As

one of the two superpowers, the Soviet Union is certainly in the long run considered the greater threat. Japanese feelings toward the PRC are very complex: a mixture of inferiority, superiority, admiration, arrogance, kinship, and guilt. For the immediate future, the danger of Communist Chinese aggression is greater, because of Mao's propagation of the theory of wars of liberation, the PRC's growing nuclear power, and the hard political line against Japan. However, with the improving international posture of the PRC, most Japanese believe it natural and inevitable to establish relations with their Chinese neighbors, with whom they have a historical, racial, and cultural affinity. There are no such sentimental ties with the Soviets.

d. The Development of Regionalism

It has been Japanese government policy to cooperate in regional undertakings, particularly in Asia. Japanese officials have stated repeatedly that Japan will place emphasis on regional cooperation during the decade of the 1970s. Regional cooperation thus far has been directed largely to economic development in Southeast Asia, although ASPAC (Asian and Pacific Council), to which Japan belongs, interests itself in political, cultural, and educational problems as well. Japan has resisted any attempts to form organizations or pacts for collective security. As previously stated, circumstances would have to change markedly to induce Japan to alter this policy. Through strengthening Japan's own defenses, including those of the Ryukyu Islands, and helping to create stability in Southeast Asia through trade, aid, and political influence, Japan can contribute to the security of the area in the 1970s.

Among regional political trends affecting Japan will be the shared concerns and the dangers in East and South Asia originating from PRC expansion and from local insurgent elements, aided by the PRC

or the USSR. Japan will probably respond to demands for assistance and act as a counterforce to the PRC, not by exporting troops or weapons (although the latter may develop in the coming years), but by supplying trucks, machinery, equipment, communications, and technical assistance--all of which can be important in contributing to stability, well-being, and defense in the region. Japan might cooperate with regional organizations in such activities if desired. The Japanese will have to remain sensitive to suspicions and adverse reactions against them. The fear of a resurgent, militaristic Japan could nullify some of the beneficial effects of Japanese political and economic activity in the area, especially as Japan's power, confidence, and independent intiatives increase. Such factors, including the personal behavior of Japanese living and working in the Asian countries, would be the inhibiting factors influencing Japan's role. Yet these will have little impact when Japan acts in the context of a multilateral, regional program. Unless the Japanese allow such attitudes to build up out of proportion, they should not significantly affect Japan's role.

2. External Military Factors*

One has only to review the military strengths of the Far Eastern States to conclude that Japan has little to fear from any of them except the PRC, the USSR, and possibly North Korea.

a. Japan's Perception of the Threat

Although in Japan the most likely enemies are considered to be the Soviet Union and the PRC, there is at present little sense in Japan of an immediate direct threat from either of these nations. What

*For a more detailed review of external factors impacting on Japanese foreign and military policies, see Appendix O.

serious concerns there are relate to subversion, infiltration, and insurgency instigated by North Korea, or local Communist elements, aided and abetted by both Peking and Moscow.

1) North Korea

The Korean Peninsula is viewed as the most likely source of danger. Sato's references to the essentiality of Korean security to Japan's security indicates the level of the Japanese government concern. It is, however, probably not deeply or widely shared within the Japanese body politic.

2) The PRC

Although some in Japan are quite worried about the eventual nuclear threat of a more powerful and progressive PRC, all but a small minority of the Japanese find it difficult to regard the PRC as a potential threat to the security of Japan. In fact, many Japanese military officers, Foreign Office personnel, and intellectuals concur that no military threat to Japan is generated by the PRC. There are several reasons that the Japanese feel the PRC poses no threat. Japan is an island empire and that imparts a reassuring feeling given the relative weakness of PRC seapower. Additionally, Japan has enjoyed military victories over China, and it is, for the time being at least, afforded the protection of the American presence and treaty. Thus, the PRC threat tends to be minimized in Japan although the former's growing military power and nuclear capabilities have caused the Japanese some concern.

Chinese nuclear tests have created some alarm and much discussion about Japan's future defense role. There are doubts in the minds of knowledgeable Japanese as to the ultimate intentions of a

nuclear-armed PRC--particularly in the effect PRC threats could have on restraining Japan's freedom in foreign relations. Moreover, such internal developments in the PRC as the Cultural Revolution and the pathological worship of Mao strike few sympathetic chords in Japan.

The Japanese military planners in a 1969 draft National Defense White Paper did judge certain levels of "emergencies" as applicable to their nation and they defined them as: (1) cold-war type, (2) indirect aggression, and (3) armed attacks from the outside. Armed attacks from the outside were believed to be a remote possibility but must be considered as a potential danger. These were categorized from small-scale attacks to an armed attack from a big nuclear country with Japan as the direct object. Finally, it was recognized that war could be initiated in another country and spread to Japan. The draft, as watered down and finally published in 1970, asserted that Japan's military forces are designed only for defense of domestic territory against either conventional military aggression or subversion.

3) The USSR

The Japanese perception of a threat from Soviet Russia is somewhat analogous to that of the PRC; however, there is a distinct sense of uncertainty as to the Soviet Union's future actions. The Japanese well remember the period associated with the close of World War II when Stalin had made one attempt after another to include Japan in the Soviet orbit. Also, Soviet naval capabilities, penetration of Soviet aircraft into Japan's Air Defense Identification Zone, and seizure of Japanese fishing vessels induce a suspicious attitude on the part of the Japanese. Since the reestablishment of diplomatic relations in 1956, the Japanese have gotten along reasonably well with the Soviet Union, somewhat uneasily perhaps, and even unhappily because of disputes over the northern

territories and certain fishing rights. Nevertheless, no serious altercation has surfaced, and the indications are that the Japanese generally do not regard Soviet Russia as a military menace so long as Japan remains allied with the United States.

In the disputes over fishing rights and the northern territories, Japan cannot be regarded as equal in national power to the Soviet Union, and it has a poor bargaining position. Yet, it is equally obvious that Japan will not just simply relinquish its claims to vital fishing resources nor to the islands of Habomai, Shikotan, Etorofu, and Kunashiri--which it considers as belonging rightfully to Japan.

Soviet Russia has shown no inclination to part with the northern territories, and the fishing disputes have been a constant source of trouble. With the promised reversion of Okinawa in 1972, Japan's attention will now focus on the return of these northern territories. The Soviet response could be negative; however, the present attitude toward Japan appears to be more amicable. Overly vigorous Japanese efforts could induce Soviet replies in kind, and these in turn could compel Japan to focus its concern and defensive outlook primarily on the north. For the Japanese, perception of a Soviet threat is actually being somewhat nullified by the change in United States-Soviet relations, by increasing Soviet overtures to Japan, by the demonstrable realization that the former Sino-Soviet monolith is now a facade, and by the fact that the balance of power in Asia largely revolves around the interaction of four powers: the United States, the PRC, Soviet Russia, and Japan.

It should not be overlooked that Soviet Russia has some vested interests in the Asian arena; i.e., it owns more Asian real estate than any purely Asian nation, and it is manifesting a growing presence in Asian seas for communication between the parts of its

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sovereign territory, for trading, for the development of Siberia, and for widening the contacts with Asian markets. Finally, it is recognized that as a superpower, the Soviet Union must be vigilant with respect to the influence exercised by the United States and the PRC.

b. U.S Perception of the PRC Threat

Generally the United States agrees with Japanese governmental estimates as to the threat (which as indicated above are not widely shared among the Japanese). The United States would see a greater probability of: (1) the possibility of a renewal of the war in Korea, (2) the potential MRBM/IRBM threat from the PRC, (3) the likelihood of subversion, and (4) the prospects of fall-out on Japan as a result of a Soviet-PRC nuclear exchange. Thus the United States feels more keenly the need to maintain quick-reacting forces to deter or respond to such efforts as the North Korean seizure of the USS Pueblo and the shooting down of the U.S. EC-121 reconnaissance aircraft (the victim is more perceptive to the threat). The United States feels that regardless of apparent PRC, North Korean, and USSR intentions, it must take into account their known capabilities. Therefore, it probably also feels that a higher level of both U.S. nuclear and conventional power should be maintained in and around Japan (including Okinawa) than does Japan.

The United States is also more concerned than Japan at the Communist infiltration of many labor organizations and educational and youth organizations and the support they have been able to generate among others to embarrass the Japanese government in its relations with the United States. The United States is perhaps more keenly aware that the PRC and to an extent the USSR seek the weakening and eventual termination of Japan's ties to the United States. In this light the United States is sensitive to any suspected Soviet or PRC move that would

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diminish American influence or create divisiveness to the point that friendly ties with Japan and the use of Japanese military bases were threatened.

From the U.S. perspective, the PRC threat to Japan is the more immediate, the USSR threat more camouflaged and long range, although both appear muted because of the PRC-USSR split.

3. Economic Relations*

At the outset of the 1970s, the three main problems of the world economy are those of international monetary organization, international trade policy, and promotion of economic development. Japan is fundamentally affected by all three. The international monetary system, first, is passing through a process of radical change in which the principal question concerns the future position of the dollar. Since the United States is the world's principal trader, as well as Japan's leading trade partner, and since Japan's foreign exchange reserves are held chiefly in the form of dollars, the problem of restoring equilibrium in the U.S. balance of payments is of critical concern to Japan.

Besides the impacts on Japan's trade flows, capital flows and reserves, the U.S. balance of payments problem delivers an impact to Japan in the form of a demand for cooperation. Since the dollar is the fixed reference point in terms of which the value of other currencies is defined, the dollar itself cannot practicably be devalued. Theoretically, a solution could be attained by upward revaluation of the currencies of those countries, such as Japan, which are in surplus in their balance of payments with the United States. Japan strongly resists such revaluation. Another solution would be substitution of a system of flexible exchange

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*For a detailed analysis of external economic relations, see Appendix I.

rates for the present system of fixed rates. Japan (among others) is also opposed to the introduction of more flexibility into the fixed-rate system. A third solution for the disequilibrium in the United States balance of payments would be for Japan to assume more of the burden of military defense and economic aid that the United States is providing to countries in Southeast Asia. Partly from motives of self aggrandizement as a new "major nation" and to spread supplementary roots abroad, Japan is increasing its foreign aid. Similarly, inspired by political and economic nationalism rather than in support of the United States, Japan is assuming a progressively larger share of the burden of its own defense.

Lack of progress in terms of collaboration toward restoration of U.S. balance of payments equilibrium has accelerated a trend toward protectionism on the part of the United States. This trend, combined with the increasing trend toward regionalism (including the proposed entry of the United Kingdom and other countries into the EEC), has promoted a worldwide tendency toward intervention in trade and payments, which precisely contravenes the philosophy of the current economic liberalization policies being espoused by Japan. This provides Japan with an all-too-welcome excuse for delays in the implementation of those policies.

From a Japanese point of view, trade diversion through regional arrangements, restrictionism through tariff and nontariff barriers, and discrimination in trade are factors on the international plane that may tend to restrict Japan's rate of growth during the decade of the 1970s. Because of its increasing productive capacity and the rising ratio of exports to output in key industries, Japan's dependence on external markets will be far greater during the 1970s than during the preceding decade. In its traditional light industries and to some extent even in modern industries, Japan is exposed to sharper competition from the less

developed countries (LDC) both at home and in third countries. In sophisticated modern industries, on the other hand, such as large-scale computers, supersonic aircraft, and the like, Japan's R and D expenditures are now insufficient to support the establishment of an export position. Japan's competitive power is entrenched in the standard heavy and chemical industries. Heretofore, the high rate of investment in these industries has been a substantial ingredient of Japan's "miraculous" rate of growth, but for various reasons the rate of investment is likely to decline in the future. In such industries as steel, for example, investment at the recent rate would likely result in excess capability during the middle 1970s. Increasing industrial concentration in Japan is also likely to reduce the competition for market shares, which formerly provided a key stimulus for investment. Structural factors in the economy are also likely to depress growth by stimulating inflationary forces, which will injure Japan's international competitive position.

It should also be noted that while Japan's growth rate has been high, its per capita income is low, and Japan's accumulation of wealth, including its external assets, is small compared with that of its peers among the advanced industrial nations. Consequently, Japan's economy lacks sufficient reserves to endure a prolonged period of recession without hardship.

Despite Japan's ambivalence toward increased exposure to external trends, it is clear that its economy will become increasingly internationalized in the course of the decade. For example, foreign trade dependence will deepen, both the inflow and outflow of capital will increase, and Japan's role in international organizations will expand. It is noteworthy that Japan's growing economic internationalism is accompanied by a growing political nationalism. As these trends develop, they may lead to an increasingly pronounced conflict between

economic and political policies. The principle of "separation of economics from politics" is conspicuously untenable.

The economically rational policy of emphasizing exports of products with a higher proportion of value added reinforces the trend of Japan's increasing trade with rich rather than poor countries.

III SUMMARY OF FINDINGS (U)

A. General (U)

(U) A basic part of the study consisted in analyzing the current internal and external political, economic, and military trends and related causes that are likely to persist as major forces during this decade. From an analysis of these trends and their interaction, a surprise-free projection for 1980 was made. This is set out in Appendix K and summarized below in Section B. A representative set of alternative projections was also analyzed to accommodate plausible aberrations in the surprise-free projection. A summary of the methodology and conclusions drawn from this analysis is set out in Appendix L and Section C below. Finally, the implications for U.S. national security policy and USAF strategic planning are discussed in Appendix L and summarized in Section D below.

B. Surprise-Free Projection 1980 (U)

1. Assumptions (U)

(U) The assumptions on which the projection was based are as follows: (1) no domestic developments in Japan nor regional events external to Japan will occur that will greatly change Japan's foreign policy orientation, (2) no state or combination of states other than the PRC and the USSR will gain the military power to pose a major threat to Japan, and (3) Japan's access to needed raw materials will not be

seriously curtailed. Based on these assumptions the following subsections summarize the probable status of Japan in 1980.*

2. Political Structure and Dynamics (U)

(U) Political Culture--No marked change will distinguish the political culture from early 1970.

(U) System of Government--The Japanese form of parliamentary government will still be functioning.

(U) Dominant Party--The Liberal Democratic Party (LDP) will still be the dominant political party, although less so than in 1970.

(U) Opposition--The Japanese Socialist Party (JSP) will be among the less powerful political parties.

(U) Business and Bureaucracy Influences--The ties between the LDP, the bureaucracy, and big business will remain as close as in 1970.

(U) Internal Security--The internal security forces will remain loyal to the government and be wholly capable of dealing with civil disturbances.

(U) Programs--The conservative government will continue to employ programs to lessen, by administrative measures, liberal "excesses" regarded as threatening to its tenure.

(U) Major Issues--Public welfare problems will approach crisis levels and therefore constitute major political issues. Commercial rivalry with other nations will be a critical issue and will greatly

*Contingencies based on variations in these assumptions are reviewed under alternative projections.

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influence Japanese public opinion and Japanese governmental domestic and foreign policies.

(U) Minorities--Aside from cultural frictions among age groups, the very small ethnic and caste minorities in the otherwise homogeneous population will constitute a minor source of internal unrest.

(U) Geopolitical--Geopolitical problems will remain acute.

3. Military Capabilities and Developments (U)

Mission--Defense plans will be tied into a ten-year foreign policy-related strategy and will have as its goal defense of domestic territory against either conventional military aggression or subversion, relying on the United States to deter nuclear attack and to provide strategic operations in Far Eastern areas outside Japan.

Spending--The ratio of defense spending will remain at less than one percent of the GNP.

Nuclear Weapons--Despite increasing internal and external pressures, Japan will not "go nuclear" but will keep its "options open," i.e., will be prepared to acquire such a capability on short notice. (In the event of several projections other than the surprise-free, however, Japan would develop nuclear weapons.)

Japan Self-Defense Force (JSDF)--The SDF will rely on highly modernized, mechanized, and automated conventional weapons and electronic systems rather than massive manpower. There will be less than 285,000 men authorized.

Ground Self-Defense Force (GSDF)--The GSDF will have about 185,000 men, 1,000 tanks of Japanese manufacture (including some amphibious tanks), modern short-range artillery (the HAWK will be the

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longest range weapon), a good logistical support system (for 30-60 days), and good tactical (but not strategic) mobility.

(C) Air Self-Defense Force (ASDF)--The ASDF will be primarily an air defense force. It will have a good first-line jet fighter capability, though not large enough for the complete defense of the archipelego. It will have the Nike-J missile (with conventional warhead) and the BADGE system for air defense control. It will have some close air support and some strategic airlift capability.

(C) Maritime Self-Defense Force (MSDF)--The MSDF will have a limited but effective ASW capability, a limited minesweeping, and conventional guided missile destroyers, limited troop transport, and a quite sophisticated submarine capability (though with limited range and armed with torpedoes, not missiles). It will have a limited tactical sealift capability for GSDF movement among the home islands and to Okinawa, a limited escort capability, no marine infantry, no attack aircraft, and no capital ships.

(C) Bases--Most U.S. forces will be withdrawn from Japan to Okinawa and to other Pacific bases. Bases in Okinawa will be subject to the same "prior consultation" restrictions as those in the main islands of Japan. Most U.S. forces remaining will occupy Japanese air and naval bases on a joint-use basis with the JSDF with plans made for reoccupation in case of a Japanese request to assist in the defense of Japan or adjacent areas.

(C) Military Production--Japan will be almost independent of the United States in the production of conventional weapons and will be exporting many various types of arms and equipment to selected non-Communist states if domestic objections and the fears of the recipient states can be overcome.

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(C) Public Attitudes--Public opinion will increasingly support the SDF and the concept of "autonomous defense" but will continue to oppose: revision of the no-war clause (Article 9) of the Constitution, compulsory military service, overseas deployment of forces, and acquisition or production of clearly offensive weapons (including aircraft carriers, strategic bombers, MRBMs or IRBMs, and nuclear weapons).

(C) Military Influence--Despite a growing military-industrial complex, the military as such will not be permitted to play a prominent role in governmental affairs, but will approximate their status in 1970.

4. External Military Factors Bearing on Japanese Foreign and Military Policies (U)

(C) USSR Perceived Threat--Japan will still distrust the USSR but will not fear an attack so long as Soviet foreign policy remains hostile to the PRC and Japan remains strong and allied to the United States.

(C) PRC Perceived Threat--Japan will regard the PRC as the greater threat but will consider indirect aggression more likely than direct. As the PRC acquires a visible MRBM/IRBM capability during the period, nuclear coercion will loom as a possibility. Concern over accidental fall-out from a USSR/PRC nuclear war will also affect the Japanese.

(C) U.S. Views--The United States will continue to view the PRC threat and the threat of renewed war in Korea somewhat more seriously than Japan, though Japan's concern for Korea will increase. The United States will continue to place greater emphasis on known PRC capabilities rather than presumed intentions and will feel that a higher level of both U.S. strategic and conventional power should be maintained in the Far East.

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5. Economic and Technological Structure and Development (U)

(U) Objectives--The planning objectives of Japan will be: (1) to overcome economic instability (e.g., through counterinflation programs, economic concentration, capital accumulation, and regional groupings for trade and investment), (2) balanced growth (e.g., through change in the composition of investment and consumption, liquidation of the dual economy, promotion of economic mobility, and geographic balance), and (3) countermeasures to Japan's external dependence (e.g., through diversification of import sources and export markets, aggressive policies of export promotion, strengthening of R and D, and expansion of technical education and laboratory facilities).

(U) Structure--Some key industries in the heavy and chemical category will have disseminated their products to an extent proportional to that in the United States and Europe. Domestic demand will begin to taper off for auto and steel, and the pressure to export will be intense. Resistance by industrialized states to import competition will likewise increase. Housing and electronics will achieve their mature growth, and new industries, such as air transport, information systems, urban development, space, and oceanography, will make rapid progress.

(U) Growth--An average growth rate in real terms of 10 percent per year is anticipated by the Japanese government. If this is realized it could mean a 1980 GNP of close to $500 billion 1968 dollars. At this figure, Japan could be rivaling the USSR as the second greatest economic power in 1980, and its GNP per capita could be among the top four or five in the world.

(U) Agriculture--By 1980 Japan will be self-sufficient in rice, potatoes, eggs, and vegetables but will be more dependent on imports of food, including soybeans, pulses, oilseeds, dairy products, meat, and certain fruits.

(U) Technological Development--Japan will be devoting 3 percent of its GNP to the R&D budget, which will enable it to more than double its present professional staff and at the same time increase staff salaries and services. In the technologies in which Japan now excels or on which it will place increased emphasis (e.g., pollution control, computer software, controlled nuclear fusion, deep sea mining, and petroleum extraction), its R&D capabilities will be the equal of any in the world. It will become a significant exporter of R&D, and in this respect may largely replace the United States in the Far East. It is likely that Japan will solve its energy problems through a combination of actions: by adequate assured inputs, by developing adequate domestic or offshore fuel supplies, or above all by controlled nuclear fusion. It will develop the resources for dealing with the manpower and the consumer problems facing it but is unlikely to cope effectively with all the urgent problems of environmental decay. Computer technology is likely to receive primary emphasis in solving many of Japan's manpower and other problems.

6. External Economic Development (U)

(U) Export/Import Trade--Japan's total foreign investment will amount to about $10 billion, exports will increase at about twice the annual rate that international trade will grow, and Japan's share of world trade will increase from 6 to at least 10 percent. Japan will increasingly liberalize the import of capital and products, and by 1980 almost the same degree of liberalization will prevail as that in other major industrial countries. Raw material imports will increase, paralleling the growth in industrial production. Two new areas for development will be Siberia and the resources of the oceans, especially those on the continental shelf off the China mainland. Because of the great increase in exports, Japan will accumulate a gorwing balance of

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payments surplus. As a result, Japan will increase the volume of foreign aid and long-term capital exports and will accelerate the pace of economic liberalization.

(U) Trade with the United States--This will grow and, despite Japan's attempts to reduce its economic dependence, the United States will remain Japan's most important trading partner. Both the United States and Japan will put pressures on one another, competing in each other's domestic markets, as well as in third markets, but both will see the advantages of keeping competition within limits.

(U) Production Base for Exports--World enterprises will regard Japan as an important production base for Asian and Pacific markets.

(U) Trade with Communist Countries--Japan will attempt to diversify geographically its foreign trade by intensifying its trade with the Communist countries without materially decreasing its trade with the free world. For good economic as well as political reasons it will favor the USSR over the PRC. By far the greatest increase will come in trade with the USSR. Because of the increased technical and economic interchange, Japan will experience pressures to supply the USSR with U.S. technology received by Japan through licensing and joint venture agreements.

(U) Trade with Southeast Asia--Political instability in Southeast Asia will continue to impede growth of trade with Japan. The region's rate of industrial growth will probably not improve much during the period, and Japan will continue to export more than it imports. However, Japan's imports from non-Communist Asian states, particularly of foodstuffs other than rice, will be at a much higher level, and Japan will continue as the first or second most important trading partner of most of the Southeast Asian states.

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(U) Foreign Aid--During the period Japan will achieve the announced objective of devoting one percent of its GNP to foreign economic assistance, and by 1980 (assuming a $500 billion GNP) its foreign aid will reach $5 billion annually. Southeast Asia and the ROK will continue to rank high as recipients. Much of the aid will continue to be in the form of private loans, but more official aid will take the form of softer loans and untied grants--much of it in multilateral forms.

7. External Political Relations (U)

(C) Relations with the United States--Japan will continue to be viewed by the United States as key to its continued political and to some extent military position in the Far East, but at the same time Japan will seek greater independence in these areas. There will be less ready acceptance of U.S. positions, more questioning of cooperation with the United States, and more emphasis on Japanese national interests. Thus a number of factors may lead to a renegotiation of the Security Treaty, which will loosen the alliance and weaken the U.S. strategic posture in the area. Should renegotiation be politically hazardous or unpredictable in outcome, Japan may instead opt for considerable reinterpretation of the content of the treaty. Japan will still rely on the United States for strategic defense but will seek to provide its own conventional defense for all contingencies except large-scale attack.

(C) Relations with the Communist Governments--Both the USSR and the PRC will woo Japan during the decade, but the former will be more successful. Toward the end of the period the Soviets will agree to return the islands of the Habomais and Shikotan (but not Kunashiri and Etorufu), and Japan will assist the USSR in the development of Siberia. These agreements will lead to a USSR-Japan peace treaty. However, differences over implementation of the agreements, over Japan's

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continued ties with the United States and the PRC, and continued Japanese resentment of the USSR retention of the southern Kurile Islands will pose difficulties. Japan's relations with the PRC will fluctuate, and in the post-Mao period the two nations will probably resume formal diplomatic relations. However, in view of all of the historical and current obstacles, a close relationship is unlikely.

Relations with Region Non-Communist Powers--Japan's efforts to improve relations with the PRC and at the same time maintain its diplomatic relations with the ROC will cause annoyance to both countries. Relations with the ROC will fluctuate, but formal ties will be maintained as trade with the ROC continues to expand. Diplomatic recognition of both the ROC and PRC will conform to the world standards, reflecting the PRC's status in the U.N. Japan-ROK relations will continue unchanged as the United States withdraws most of its forces from the ROK and assists the latter to modernize its forces (possibly assisted also by Japan). Japan's trade with North Korea will continue to cause irritation to the ROK. The USSR and the PRC will continue to support North Korea, but neither will encourage an attack on the ROK.

Relations with Southeast Asia--It is assumed that the Vietnam war will gradually revert to a low-intensity, guerilla-type war, and with the withdrawal of all U.S. ground forces, only some U.S. air, naval, and logistic forces will remain. In this event, the Communist powers would still support insurgency operations but would achieve only limited gains in the area. In response to Japan's increased emphasis on regional cooperation and the increasing interest of most of the Southeast Asian states, the Asian and Pacific Council's (ASPAC) scope will be broadened to include more emphasis on political, educational, and cultural as well as economic development. Because of its preeminant trade position, Japan will exercise a much greater degree of political

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influence. Japan will respond to requests for assistance not by exporting troops but by supplying trucks, equipment, communications, technical assistance, and possibly some weapons.

(S) Relations with South Asian States--These will remain largely unchanged.

(S) Interrelation United States-USSR-PRC--Despite some limited strategic agreements between each pair of states, major antagonisms will still continue based on conflicting national interests, objectives, policies, and commitments. The United States will oppose USSR (as well as PRC) dominance over Asia and particularly South and East Asia (including Japan); the USSR and the PRC will exert pressures to extend their influence in Asia and oppose the United States, each other's, or Japan's hegemony in Asia. The two Communist countries will co-exist without a large-scale war, but fundamental political and ideological differences will continue to exacerbate relations. Each Communist power will take advantage of the other's activities in unstable areas; however, the two powers will occasionally cooperate, as they did in Vietnam, without relaxing competition with each other. Each side will attempt to benefit from gambits of the other so long as the enemies of Communism are weakened. The PRC, as the weaker of the two, will attempt to make use of the strength of the Soviet Union against the non-Communist powers in those situations where the latter can be weakened without necessarily increasing the power and influence of the Soviet Union.

C. Alternative Projections (U)

1. Methodology (U)

(U) Based upon an analysis of trends and the surprise-free projection, a number of external contingencies were selected for examination. Each event was roughly classified on a three-point scale

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(high, medium, and low) for importance to Japan and effect on U.S. security interests. The 11 events representing major changes in the strategic environment beyond the scope projected by the surprise-free projection and having the most important impact on U.S. security interests are: a Sino-Soviet rapprochment, Korean War, Sino-Soviet War, widened or long inconclusive war in Indochina, Communist domination in Southern Asia, renewal of the ROC-PRC war over Taiwan, PRC nuclear power coercion, Japan-USSR alignment, Japan-PRC alignment, U.S. disengagement from Asia, and serious deterioration in the economic environment.

(U) It was recognized that up to a point internal events will shape the composition of the Japanese government and hence its foreign policy orientation but that, on balance, external events will be far more important. Also, important internal decisions that could vitally affect U.S.-Japan relations will also be most heavily influenced by external events (e.g., the decision on nuclear weapons, revision of the Security Treaty, and the direction of military and economic as well as foreign policy). Hence, a matrix was prepared assessing the relative plausibility of three hypothetical foreign policy orientations (moderate, neutralist, and rightist-assertive) against the 11 external events mentioned above. The use of the alternative foreign policy orientation (FPO) is merely a heuristic device for a systematic and orderly examination of the various policy options that the Japanese government might elect under impact of changes in the strategic environment. The FPOs themselves are not forecasts; they are only designed to highlight the kinds of foreign policy changes the government might take under various circumstances.

(U) This analysis yielded eight "most plausible," six "plausible," and three "barely plausible" projections. Obviously, all the "most plausible" cannot be given equal weight. The judgments were arrived

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at considering each major external change independently. Each of the three FPOs was judged "most plausible" under the impact of major external change, and no orientation can be judged to hold constant without some modification. Five external changes would call for major modifications of the FPOs as described. The 17 projections were listed on a table, and the changes in key Japanese foreign, economic, and military surprise-free policies likely to occur under each projection were assessed for compatibility.

2. Outcome of the Analysis (U)

a. Most Plausible and Plausible Projections (U)

The following are the results of the "most plausible" and "plausible" projections:

- General Posture--In nine out of 14 projections, Japan would be able to maintain its even policy of friendly relations with its neighbors.

- U.S. Relations--In 11 out of 14 projections, the U.S.-Japan Security Treaty in some form or other would remain in force; in nine projections it would be strengthened and in two would remain the same. Only in three projections would it be weakened or abrogated.

- Economic Relations--Economic relations would be the least changed of the policies examined. In all projections except one (serious deterioration in the economic environment) they would remain unchanged or possibly expanded in absolute terms, though they

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might be weakened in relative terms because of Japan's strengthened relations with the USSR, EEC, or other regions, and economic groupings.

- Military Policy--In 13 out of 14 projections the SDF would be strengthened to a greater or lesser degree.

- Nuclear Capability--In 7 out of 14 projections the prospects of Japan's opting for the development of nuclear weapons would be strengthened. In 5 projections the issue is in doubt. Only in 2 projections would Japan decline to develop its own deterrent.

- Relations with the USSR--In 11 out of 14 projections Japanese relations with the USSR would remain largely unchanged; in 2 they would be strengthened and in 1 they would be weakened.

- Relations with the PRC--In 9 out of 14 projections, Japanese relations with the PRC would be relatively unchanged; in 4 they would be weakened.

- Relations with the ROC and the ROK--In 9 out of 14 projections Japanese relations with the ROC and the ROK would be strengthened. In 5 they would be relatively unchanged.

- Relations with Southeast Asia--In 5 out of 14 projections Japanese relations with Southeast Asia would be strengthened, and in 7 projections relations would be relatively unchanged. Only in 2 would relations be weaker.

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- Relations with Others--In 6 out of 14 projections relations with other nations of the world would be strengthened. In 8 they would be relatively unchanged.

- Relations with the UN--In 5 out of 14 projections Japan would become more active in the UN and in 9 relations would be relatively unchanged.

b. Barely Plausible Projections (U)

[redacted] The following are the results of the "barely plausible" projections:

- General Posture--In only one out of three projections would Japan be able to maintain its even policy of "friendship for all" countries.

- U.S. Relations--In all three projections the Security Treaty would be greatly weakened or allowed to lapse.

- Economic Relations--In only one of the projections would relations remain the same; in the other two they would suffer.

- Military Policy--In two out of the three projections the SDF would be strengthened.

- Nuclear Capability--In one projection the prospects of Japan opting for nuclear weapons would be strengthened, and in the other two they would not.

- USSR Relations--In one projection Japan's relations would be strengthened. In one they would be weakened and in one remain unchanged.

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- PRC Relations--In two projections Japan's relations would be strengthened, and in one they would be weakened.

- Relations with the ROC and the ROK--In two projections relations would be weakened and in one remain unchanged.

- Relations with Southeast Asia--In all three projections relations would be strengthened.

- Relations with Others--In two projections relations would be strengthened, and in one they would be weakened.

- Relations with the UN--In one projection relations would be strengthened and in the other two they would remain about the same.

(U) Unfortunately, one is not able to judge the probability of occurrence among the 17 projections, nor can one judge whether external events would occur simultaneously. If it were known, for example, that the (surprise-free) projection had a 50-percent probability of occurrence and the remaining chances of occurrence could be largely covered by, say, two alternatives, then the range of choices could be narrowed and more firm projections could be made. Nevertheless, the systematic analysis of foreign policy choices does indicate that one cannot rely completely on the surprise-free projection of internal and external trends. The analysis also indicates that there might be circumstances in which Japan would seek either a more neutralist or a more assertive international role. Furthermore, it appears reasonable to assume that there might be circumstances other than the ones we have postulated in which Japan might decide to develop its own nuclear forces. Other analyses clearly show that Japan has the capability to do so in fairly short order.

(S) Of the 11 foreign and military policies examined, economic relations and relations with the USSR would undergo the least change, i.e., tend to be the most constant. Next come relations with Southeast Asia, the government policy of "friendship for all" and relations with the U.N.

(S) Relations with the United States and Japan's military and nuclear policies are those seemingly affected most by the various alternative projections. Two of the three "barely plausible" contingencies (alignment with the USSR and the PRC) would require the greatest number of changes in foreign and military policies, i.e, they indicate the greatest number of deviations from the surprise-free projection. The least number of changes from the surprise-free projection would be required in a wider or long-inconclusive war in Southeast Asia and renewal of the PRC-ROC war over Taiwan.

D. Implications of the Study Findings for U.S. National Security Policy and USAF Strategic Planning (U)

1. Methodology (U)

(S) First the implications of the surprise-free projections were listed. Next the implications of each of the alternative projections for U.S. security policy and USAF strategy were set out. Then the implications of the alternative projections were compared with those of the surprise-free projection. The results are set out under the conclusions below. Five of the alternatives would have negative implications for U.S.-Japan security ties: U.S. military disengagement; Japan-USSR alignment; Japan-PRC alignment; wider or long-inconclusive war in Southeast Asia; and Communist domination in Southeast Asia. Of these five, the first three would have the most serious implications, but as noted earlier, all of these are barely plausible contingencies.

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2. Conclusions (U)

(U) The chief implications of the study findings are summarized first for U.S. national security policy and then for the USAF strategic planning. In each instance where there is a difference the surprise-free implications are given first, followed by a paragraph setting out the changes suggested by the alternative projections. Where the implications are essentially the same, a note to this effect is placed immediately after the paragraph heading. Implications are expressed in terms of desirable U.S. policy initiatives and responses, and analyses and actions to be undertaken by the USAF within the context of currently expressed policy to maintain friendly relations with Japan and carry out the intent of the Nixon Doctrine while maintaining U.S. military capabilities in the Asian theater that may be rapidly expanded to offset threats to U.S. security interests.

a. U.S. National Security Policy (U)

(U) General (Surprise-Free)--U.S. long-term interests will best be served by continuing to foster Japan's security and independence within the general framework of an alignment with the United States and the free world. Many of Japan's long-term interests and objectives will parallel those of the United States, but they will not be identical. Moreover, Japan as an independent and increasingly powerful Asian state will have special interests and objectives that will be different from those of the United States. Thus, the United States should (1) avoid jeopardizing long-term interests for the sake of short-term advantages, (2) make all possible efforts to coordinate United States and Japanese long-term interests (e.g., encourage Japanese investment in the United States), and (3) classify unmistakably both contracted and moral commitments.

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(U) General Alternatives--From a security point of view, three key areas are of primary interest to the United States and the USAF: (1) the status, strength, and capability of the SDF, (2) U.S.-Japanese relations, especially the Security Treaty with its impact on the U.S. position in the Far East, and (3) the question of nuclear weapons. These decisions are vital because they have a direct bearing on fundamental U.S. policy in the Far East, affecting as they do both U.S. and Japanese decisions on other matters.

(S) The alternative projections emphasize even more strongly the expected changes in Japanese-U.S. relations as Japan's interests and objectives diverge from those of the United States. In view of the importance of Japanese-U.S. relations, the United States should: (1) maintain a certain level of commitments, military presence, and prestige in the Far East (including Korea and Southeast Asia); (2) seek to reduce Japanese irritations over operation of U.S. bases in Japan and Okinawa; (3) insofar as is possible, inform Japan of sudden changes in U.S.-Far East policies; (4) avoid U.S. pressures on Japan regarding its relations with the PRC; (5) invite Japan to share U.S. military burdens in the Far East; and (6) continue to seek solutions at the governmental level to problems in trade policies and practices with Japan. Dominant and vital U.S. security interests must be upheld through pragmatic bargaining, taking maximum advantage of mutual interests.

(S) Reappraisal of Security Needs (Surprise-Free)--Obviously, since Japan rates as the number one priority of the United States in the Far East, policies tending to strengthen U.S.-Japan relations need to be emphasized, possibly at the expense of other commitments, policies, or deployments in the event that resources available are curtailed. Japan, too, will continue throughout the decade to place a high value on its ties with the United States.

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(S) Reappraisal of Security Needs (Alternatives)--The extremely serious effect on U.S.-Japanese ties of a U.S. military disengagement from the Far East suggests that in any reappraisal the U.S. commitments to Japan would undoubtedly continue to rank number one on the U.S. list of priorities. While this comes as no surprise it may need to be reiterated in the light of some hard choices that the United States may be forced to make during the next few years as pressures increase for economizing on military expenditures and withdrawal of forces stationed abroad. For example, abrogation of the Security Treaty would raise serious questions as to the U.S. capability to honor its commitment for the defense of the ROK--unless Japan at least provided bases therefor. What may not be well understood is the importance to U.S.-Japanese relations of developments in Southeast Asia. This is discussed as an additional item below. Before any U.S. military reduction in the Far East beyond that now planned is decided upon, careful plans should be made to reduce insofar as feasible the possible negative effects of such actions on U.S.-Japanese relations.

(C) Security Treaty (Surprise-Free)--The United States should review the 1960 Treaty of Mutual Cooperation and Security with a view to its early renegotiation, taking into account Japanese desires for somewhat looser security ties and for being treated as an independent and equal partner of the United States. In this regard it should be remembered that attitude and manner of treatment may be almost as important as substance in dealings with the Japanese. Thus, if the initiative for the review (as well as for some other steps indicated below, e.g., on Japanese base rights) is taken by the United States, taking due note of Japan's growing ability to defend itself, it will ease some of the political problems of the Japanese government in undertaking to foster public opinion in support of a desirable security relationship. The

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economic advantage to the United States of shared responsibility for defense makes this action even more attractive.

(C) Security Treaty (Alternatives)--Since one of the possibilities highlighted by the analysis of the alternative projections is the abrogation or serious weakening of the Security Treaty, an obvious suggestion would be to prepare a fall-back position in case this eventuality becomes inevitable. If the decision is made to cut Japan's security ties to the United States, coordinated U.S. political, economic, and military planning from the present can accomplish the withdrawal of American forces from Japan and Okinawa so as to retain a close alignment between the two nations, with possible reentry rights in cases of mutual concern.

(C) Nuclear Weapons (Surprise-Free)--The United States should continue to provide Japan with a nuclear deterrent and should continue to urge Japan not to develop a nuclear capability.

(C) Nuclear Weapons (Alternatives)--The United States should recognize that events may cause Japan to "go nuclear" on fairly short notice and thus should consider the effect of such a decision on other U.S. policies and interests, such as continuing to provide Japan with the protection of U.S. nuclear deterrence during Japan's weapons buildup program and with technological information after Japan has demonstrated "substantial progress" according to U.S. law. At the same time the attitude of the United States can be very influential. Thus the United States should be alert, for example, to take whatever measures are necessary to provide assurance to Japan that the United States possesses the capability and the will to defend Japan against all types of nuclear threats--either express or implied. Encouragement of a better informed and more sophisticated attitude by the Japanese public with regard to the

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possible political-psychological use of the PRC nuclear capability could help to nullify one reason for Japan's interest in acquiring a nuclear capability. The United States should also continue to exert its influence on other nuclear-potential states against taking such a step since this is also bound to have a profound effect on Japan's decision. A shared nuclear defense (two key) would be a possible consideration should Japan show signs of moving toward a nuclear posture because of dissatisfaction with reliance on U.S. deterrence.

(U) Japanese Bases (Both Surprise-Free and Alternatives)--To deflect Japanese nationalism from becoming anti-American, consideration should be given to reaching a well-publicized agreement, not only on a phased withdrawal of U.S. forces, but a date in the next few years set beyond which most, if not all, U.S. military installations in Japan (including Okainawa after 1972) would be used jointly with or transferred to the JSDF.

(U) Okinawa (Both Surprise-Free and Alternatives)--To capitalize on the good will created by its decision to return administrative control of Okinawa to Japan in 1972, the United States should take Japan's internal political problems into account by treating Japan as an equal and sovereign partner, and by seeking a mature response on the part of the Japanese to such issues as the emergency storage of nuclear weapons, which is of mutual benefit. It is impractical at this time to set a date for the withdrawal of all U.S. forces from Japan (including Okinawa); this should be dependent on the strategic developments in the area, mutual U.S.-Japanese interests, and political developments in Japan. However, U.S. planners should consider that after 1980 Okinawa may well be a waning asset.

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([redacted]) Military Role Outside Japan (Both Surprise-Free and Alternatives)--The United States should encourage Japan not to acquire a nuclear weapon capability or any greater military buildup than indicated by trends evinced by the Fourth Defense and vaguely defined Fifth Defense Plans. Likewise the United States should not press for a revision of the "no war" (Article 9) clause of the Constitution, nor urge Japan to join any security pacts or assume any military obligations outside the home islands (including Okinawa). It should seek Japan's help in meeting development costs in Asia now borne by the United States to offset U.S. military costs.

(U) Emphasis on Regional Economic Cooperation (Both Surprise-Free and Alternatives)--The United States should continue to urge Japan to increase the level and quality of its economic cooperation, e.g., in addition to exercising leadership in regional economic and political organizations such as the Asian Pacific Council (ASPAC), the Asian Development Bank (ADB) in Southeast Asia, to participate in the economic rehabilitation of Indochina when hostilities have terminated.

(U) Economic Planning (Both Surprise-Free and Alternatives)--The United States should prepare for increased competition with Japan both in each other's and in third markets and be alert to the mutually depressing effects of an economic recession in either country. It should also analyze the effect on U.S. interests of increased Japanese trade (including the export by Japan of research and development) with the USSR (which may have an important political impact), the PRC, Southeast Asia, Australia, Latin America, and other areas of the world. It would also be useful to consider fully the role of both the United States and Japan in combatting the protectionist policies of regional economic blocs such as the EEC, considering the serious implications for the United States and the free world if Japan feels again economically isolated from the West. Finally, strenuous efforts should

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be made to resolve the current economic differences with Japan in order to prevent them from adversely affecting the broad area of political and security relations. Here again, Japan should be reminded of the mutual advantage this resolution will bring to both nations.

(U) Improvement of Japanese Relations with the USSR and the PRC (Surprise-Free)--The United States should accept the development of Japan of compatible relations with the USSR (including a peace treaty and closer economic relations) as well as with the PRC to the extent possible while maintaining relations with the Republic of China, provided these Communist ties are not stimulated by anti-American sentiments. If any substantial improvement in U.S. relationships with the PRC should appear possible in the coming decade as a result of changing leadership in Taiwan and Peking, the United States should consider the practicality of Japan's willingness to act as a mediator to promote political and economic accommodations advantageous to U.S. foreign policy objectives.

(U) Improvement of Japanese Relations with the USSR and the PRC (Alternatives)--Analysis of the possible alternatives emphasizes, in addition to the policies outlined, that the United States needs to work with Japan and others on the one hand (1) to avoid situations that would tend to force the USSR and the PRC to patch up their differences and to close ranks against a presumed non-Communist threat, and on the other hand, (2) to use their influence to discourage by political and economic actions a possible Sino-Soviet war with disastrous consequences in other world areas (and should it occur to attempt to keep it from escalating). Such a war might not only escalate geographically and/or in intensity, it quite possible would subject Japan to dangerous nuclear fall-out.

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(C) Relations with the ROK (Both Surprise-Free and Alternatives)--The United States needs: (1) to continue its efforts to prevent a renewal of the Korean War through assistance to the ROK, (2) to insure that if war does start it will quite clearly be as a result of unprovoked aggression by North Korea, (3) to encourage the maintenance of close U.S.-Japanese-ROK relations to avoid even minor misunderstandings (especially between Japan and the ROK) being blown up out of all proportion, and (4) encourage Japanese manifestations of greater concern for the security of the ROK.

(C) Relations with the ROC (Both Surprise-Free and Alternatives)--As with the ROK, the United States should (1) strive to prevent the outbreak of such a war by careful relations with the ROC and the PRC, (2) urge the ROC to avoid even appearing to provoke the PRC so that if war occurs it will be quite clear that the onus is on the PRC and not on the ROC or the United States, and (3) keep Japan generally informed as to U.S. plans with respect to the PRC and the ROC.

(U) U.N. Security Council (Both Surprise-Free and Alternative)--The United States should support Japan for a seat as a permanent member of the U.N. Security Council.

(U) Relations with Southeast Asia (Both Surprise-Free and Alternatives)--As indicated earlier, how the United States leaves Southeast Asia can have important effects upon U.S.-Japanese relations. The United States obviously faces a dilemma: on the one hand, it must avoid a prolonged war, and on the other it must foster sufficient strength and stability in the area so that after U.S. forces are withdrawn the area will not fall to the Communists. If some continued U.S. military involvement in Indochina appears to be necessary, the United States should (1) minimize the use of Japan's or Okinawa's support facilities,

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and (2) see to it that the onus for failure to achieve a reasonable peace in the area is placed squarely on Communist (and not U.S.) intransigence.

(S) Early Warning and Other Electronic Surveillance Systems Including Satellite Platforms (Both Surprise-Free and Alternatives)--The United States should continue to provide Japan with advanced technology on early warning and other electronic surveillance and on nuclear and missile test monitoring systems for Japan's defense in exchange for intermeshing with U.S. worldwide electronic surveillance networks in support of intelligence and defense.

(S) Intelligence (Both Surprise-Free and Alternatives)--Closer Japanese-PRC and Japanese-USSR political and economic ties promise increased avenues of access to information in denied areas that can be obtained by fostering close relations with the Japanese intelligence community, which has an enviable record for gathering information through its expatriates and nationals who travel abroad.

b. USAF Strategic Planning (U)

(S) Base Restructuring (Surprise-Free)--In general, the USAF should be prepared to see less emphasis placed on conventional military preparedness to cope with internal conflicts and international rivalries in the Asian theater, although it must retain a high level of strategic nuclear deterrence. The main pressures that dictate this posture arise from political resistance in the United States, reluctance of free world powers to join in peacekeeping efforts, and limited resources to initiate unilateral actions. A restructuring of the entire Pacific deployment may be in order, reappraising the need for forces and bases on Japan's main islands, and the prospects of phasing down and eliminating U.S. control of the base structure on Okinawa. Given the

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probability that U.S. commitments in the Far East will be reduced on a very gradual basis, the feasibility and advisability of relocating U.S. air forces to an alternative base or bases in the Pacific should be investigated. As U.S. forces are withdrawn from Japan and Korea, and U.S. forces are reduced in Okinawa and possibly the Philippines, where agitation for their removal is increasing, a number of alternative sites in the U.S. Trust Territories of the Pacific Islands have been suggested: The Marianas (including Guam and Saipan), the Marshalls (including Kwajalein, Bikini, and Eniwetok), and the Carolines (including Palau and Truk). Guam belongs to the United States and might most readily be expanded.* (If plans are made early enough, some of the equipment and possibly some of the logistical support groups engaged in Southeast Asia can be redeployed directly to the new base or bases selected.) Some consideration should be given to substantial increments of military aid to Australia and New Zealand if, in response, these nations would be willing to augment their regional security roles. Japan could be encouraged to finance additional military assistance in lieu of manpower commitments.

[redacted] Base Restructuring (Alternatives)--In addition to the steps set out under the headings in the surprise-free projection, the alternatives point up the fact that the USAF would have to prepare for a sharp change of mission if Japan should abrogate the Security Treaty and ally itself with one or both of the Communist powers. These developments would lead to the relief of SAC and other U.S. forces from a retaliatory mission and necessitate the withdrawal of all USAF forces from Japan and Okinawa. Such a realignment would emphasize the requirement for retaining other bases in the Pacific and would reinforce the need for existing bases,

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*Subject to careful review in the light of the clearly growing tide in the Congress of Micronesia this summer in favor of independence.

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e.g., on Guam, Hawaii, and Alaska. It would also emphasize the need for reliance on satellites and other sophisticated alternatives for strategic intelligence, early warning, reconnaissance, communication, and navigation. It would require an increased air transport capacity and possibly an increased capacity for TAC to ensure its capability to operate on a bare-base logistic support concept to support U.S. allies in the Pacific. Substantial U.S. conventional intervention on behalf of the ROK and ROC would not be feasible. Arrangements would have to be made for the storage of war readiness material for use in an emergency and possibly even for the shifting of a major part of the burden of responding to sudden or drastic enemy moves in the Far East to the U.S. Navy.

(C) If abrogation of the treaty led to a neutralist Japan neither unfriendly to the United States, nor allied with Communist powers, it would be possible for the United States to intervene on a conventional basis in the ROK and ROC provided Japan found this to be in its own security interests.

(U) Weapon Systems Planning (Both Surprise-Free and Alternatives)--The possible gradual withdrawal from the outermost defense boundaries in the Far East will require reordering of emphasis among weapons systems, military transport equipment, and refueling facilities to compensate for greater distances to be covered between U.S. manned bases and prospective staging areas and targets. Analysis of force restructuring needs should be accompanied by an assessment of R and D requirements to meet new weapons, weapons delivery systems, and maintenance needs to fill gaps evident in the repositioning of existing and planned military forces, including manpower with specialized technical skills.

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(U) Joint Base Planning (Both Surprise-Free and Alternatives)--U.S.-Japanese redeployment planning and the phased shifting of responsibility for the control of residual bases and installations to the JSDF should be continued in accordance with the political agreements mentioned earlier. The USAF should designate in terms of joint requirements essential communication, electronics, navigation, and logistical support facilities needed in the post-redeployment period. Planning for emergency use or reoccupation of Japanese bases should be only for defense of the Japan-ROK (and possibly Taiwan) area, but on a basis that would allow Japanese governments to act without endangering their public support.

(U) Air Defense (Both Surprise-Free and Alternatives)--The USAF should continue to assign teams to air defense control and direction centers to monitor all air defense operations and crosstell to adjacent air defense systems as long as requested by the JASDF. Joint efforts to raise Japanese teams to comparable levels of competence should result in early Japanese manned operations.

(C) Nuclear Contingency Planning (Surprise-Free)--The USAF should be aware of the policy dilemmas and security problems involved for the United States, its Asian allies, and other nonnuclear powers if Japan should decide to acquire a nuclear capability, including the possible intensified defense problem for Japan during the interim period after the Japanese decision became known and before a deterrent capability was acquired. The USAF would also have to participate in U.S. continuing effort to assure Japan of the credibility of its deterrent force and in working out an alternative shared nuclear response in case Japan showed signs of moving toward a nuclear posture.

(C) ABM Studies (Surprise-Free)--The USAF should initiate or review feasibility studies of all of the possible ways (including

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seagoing, airborne, satellite, or island-based ABM platforms) in which the United States might assist Japan to develop a defense against a possible MRBM or IRBM attack from the PRC. If none is found to be feasible, this would reinforce the case for U.S. counterforce and ABM systems for their deterrent effect on the PRC and may also assure Japan of the credibility of U.S. nuclear deterrence in Japan's defense.

(S) ABM Studies (Alternatives)--In addition to the steps mentioned above, one or more of the alternatives projected would require the USAF to: (1) assist Japan in its planning for defense against nuclear fall-out; (2) demonstrate to appropriate Japanese officials the extent of its preparedness to deter the PRC nuclear threat (this may require a strengthened U.S. ABM system as well as demonstrations of the USAF's airborne command and alert systems and other aspects of its assured retaliatory capability); and (3) if necessary, initiate a research and development requirement for built-in sophisticated tamper-proof physical controls on nuclear weapons in case the United States decides to assist Japan in acquiring an interim nuclear capability, e.g., for air defense alone.

(U) Renewed War(s) in Northeast Asia (Both Surprise-Free and Alternatives)--Despite possible redeployments (above), the USAF needs to maintain its planning and capability to assist in deterring wars in the ROK and in the Formosan Straits and to support either the ROK or the ROC in case of war. Through 1980, however, it may be strategically unsound to intervene on behalf of the ROK if access were denied to Japan (including Okinawa's) bases and other support facilities.

(U) War in Indochina (Both Surprise-Free and Alternatives)--The USAF also needs to be prepared, together with the U.S. Navy, to carry the bulk of the U.S. combat support effort in Indochina for a fairly long

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time both with and without the use of facilities on Japan (including Okinawa after 1972).

(S) Military Technology (Both Surprise-Free and Alternatives)--The USAF should be aware of the security problems involved in Japan undertaking close economic relations with the USSR and/or the PRC, e.g., the possibility of Japan passing on U.S. advanced military technology which it has or acquires under license agreements with U.S. firms. Any U.S. cooperation in a nuclear weapon program would be particularly sensitive, and may be opposed in the United States on this basis.

(U) Japanese Military Export Program (Both Surprise-Free and Alternatives)--A substantial Japanese military export program both to non-Communist countries and to Communist countries may be undertaken by Japan as objections within Japan and recipient nations are overcome. The USAF can encourage this effort in the case of the non-Communist countries and use it in offshore procurement, both for its forces and those of our allies.

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13. ABSTRACT

The objectives of the study were to determine the degree to which Japan will assert itself as a regional or world power by 1980, and to analyze the implications of the findings for U.S. national security policy and USAF strategic planning, structure, and force postures. The study analyzes the current internal and external political, economic, and military trends, and related causes that are likely to persist over the decade; constructs a "surprise-free" projection to 1980 based on these trends; identifies a set of alternative projections representing plausible aberrations in the surprise-free projection; and outlines the implications for U.S. security and USAF strategic planning.

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