

Chapter 9

Defense Policy of Japan: The New Mid-Term Defense Program

On December 15, 2000, the Security Council of Japan and the Cabinet adopted a Mid-Term Defense Program (FY2001-2005) (the New MTDP). It is designed to build more streamlined, effective and compact defense forces on a continuing basis. It will create special operation units within the Ground Self-Defense Force to improve its response capability to deal with guerrilla/commando attacks, and strengthen its disaster relief operations. In addition, the program aims to improve preparedness to cope with contingencies such as attacks with nuclear, biological and chemical (NBC) weapons, and with the progress of information technology and other developments that may arise in the future. The main equipment to be procured under the program includes four tanker/transport aircraft (aircraft with air-to-air refuel and transport capability which can be used for international cooperation activities), new helicopter destroyers and attack helicopter with night operation capability.

The end of the Cold War has relieved the world of the terrors of an all-out nuclear war between East and West. Relations among major countries have basically become stable, and the possibility of armed conflict occurring on a global scale has diminished. However, regional conflicts have increased, not decreased, and weapons of mass destruction and ballistic missiles have been proliferating after the Cold War. The international situation remains unpredictable and uncertain, and causes of conflict are yet to be resolved, particularly in East Asia. In this sense, we need to build the capability to deal with a variety of situations. After the Cold War, there has developed a tendency among the military of different countries to broaden the range of their activities, in addition to their traditional role of preventing aggression, to include such operations as military intervention on humanitarian grounds, or operations in nonmilitary area, such as the prevention of crimes and the protection of ocean environment. During the Cold War era, Japan was able to contribute to the stability of the world simply by defending the peace and independence of Japan. In the post-Cold

War world where such a security environment has disappeared and major countries are endeavoring to cooperate to stabilize the international community, calls for contributions from Japan, the second-largest economy in the world, over and above economic assistance have become increasingly vocal. In such circumstances, the defense posture of Japan had necessarily to change.

The New MTDP drawn up with these developments on mind is the second program of the kind formulated under the National Defense Program Outline in and after FY1996 (the current NDPO) that was adopted by the Cabinet in November 1995. One major objective of the new MTDP is to achieve the smooth transition to the new force levels set forth in the NDPO.

1. Aim of the New Mid-Term Defense Program: Transition to NDPO Force Level and Response to Various Situations

(1) The Thinking Underlying the New Mid-Term Defense Program

The current NDPO takes the position that with the end of the Cold War, which led to the demise of the structure of military confrontation between East and West, the possibility of a global armed conflict has become remote in today's international community. On the other hand, it takes the view that various types of territorial disputes persist, that religious and ethnic conflicts have emerged more prominently. It observes that with new types of dangers (proliferation of nuclear weapons and other types of weapons of mass destruction) on the rise, the international situation is fraught with unpredictable and uncertain factors. The New MTDP is based on the perception that although there have emerged developments that have positive effect on overall security — such as the inter-Korean summit — the basic framework of the international situation as defined by the current NDPO has not changed.

The basic policy of the New MTDP is to develop appropriate de-

fense capability while ensuring the smooth transition to the new force levels set forth in the NDPO. The program will promote continuously the rationalization, effectiveness and compactness of the defense forces. After the Cold War, major countries have reorganized their armed forces that had been geared to meeting a large-scale invasion of their territories. They have promoted international cooperation through the United Nations while maintaining their capability to respond to unpredictable situations. The current NDPO, while recognizing the importance of the Japan-U.S. security arrangements after the Cold War, states that Japan will continue to reorganize its defense forces by taking into consideration new developments that have taken place in recent years: Some of the countries neighboring Japan have cut their troop strength, or have changed their defense posture; diverse types of dangers have arisen, science and technology have advanced; the youth population has been decreasing consistently; and public finances have deteriorated. In other words, Japan will scale down its defense forces and maintain its overall defense capability in an appropriate form by modernizing military equipment and by improving the mobility and firepower of its troops.

The New MTDP is keyed to the following objectives: (1) to keep up with the information technology (IT) revolution, (2) to improve the capability to cope with attacks waged in various forms such as guerrilla/commando or nuclear, biological or chemical (NBC) attack, (3) to strengthen the disaster relief capability and (4) to secure and train highly competent personnel, to strictly enforce service regulations, including observation of secrecy of classified information, and to improve quality of life of personnel including welfare programs.

The new five-year program has been influenced by recent changes in areas surrounding Japan that occurred after the previous MTDP. For instance, the launching of a *Taepo Dong* missile by North Korea in August 1998 exposed the limitation of the Self-Defense Forces' (SDF) early detection and tracking capability. The

suspicious ships that had penetrated the territorial waters of Japan in March 1999 also brought to light Japan's limited capability for maritime security. What is more, the existing equipment for making international contributions and evacuating Japanese nationals and others at the time of emergency has turned out to be inadequate. A case in point was the Japanese operation to evacuate Japanese from Indonesia in May 1998: the SDF's C-130 transport planes with a cruising range of only about 4,000 km had to stop over in the Philippines for refueling.

IT, which has made dramatic advances in recent years, attracts worldwide attention as the technology that would significantly improve the efficiency of employing defense capability through upgraded command, control and communications functions. The use of such technology for defense purposes takes on a critical importance, especially for Japan, a country which maintains armed forces exclusively for defense and thus adopts passive defense strategy. Japan's passive defense strategy makes it essential to have an early warning capability that enables an effective response at the earliest possible moment; thus, the use of IT is of crucial importance. Conversely, the heavy reliance on IT will expose the communications systems to the greater risk of cyber attacks. Indeed, ensuring information security against cyber attacks is an urgent task.

(2) Reorganization of Major Units under the New MTDP

Under the New MTDP, the Defense Agency will continuously reorganize major units with a view to making the defense forces more compact and efficient by modernizing main equipment. For instance, the current NDPO prescribes reorganization of peacetime deployment of units of the Ground Self-Defense Force (GSDF), from the existing system of 12 divisions and two combined brigades established under the previous NDPO to one consisting of eight divisions and six brigades. The reorganization will create diverse units reflecting the characteristics of the district where they will be

stationed. Under the new MTDP, the GSDF will reorganize five more divisions and one more combined brigade, and has started procuring equipment, with their reorganization taken into consideration, for three of the divisions. When such equipment is put in place, transition of the



Vessels participating in the Naval Review of MSDF (October 2000)

GSDF prescribed in the current NDPO will be completed for all practical purposes, while the Maritime and Air Self-Defense Force will complete full transition under the current mid-term program.

Where the reorganization of its major units are concerned, the GSDF reorganized five divisions, two of which into brigades under the previous MTDP, and reorganization of the remaining divisions into brigades will be carried out continuously.

Specifically, the following GSDF units will be reorganized under the new MTDP: 5th Division (eastern Hokkaido) and 2nd Combined Brigade (Shikoku), which will become brigades; divisions located in political and economic center (1st Division in southern Kanto and 3rd Division in Kinki); and divisions located in areas from where reinforcements are sent rapidly to key areas defensive operations (8th Division in southern Kyushu and 10th division in the Tokai-Hokuriku district). In carrying out the reorganization, emphasis is given also to the improvement of a capability to better cope with attacks from guerrilla/commando and with disasters.

The Maritime Self-Defense Force (MSDF) will abolish one destroyer unit of the Maizuru Regional District Unit, in addition to the Yokosuka and Kure Regional District Units that had been abolished under the previous MTDP, bringing thereby the total number of regional district units down to seven to achieve the level pre-

**Table 9-1. The Composition of the Self-Defense Forces
Envisaged under the New MTDP**

	Classification	Previous NDPO	Previous MTDP (Revised)	New MTDP	Current NDPO
GSDF	Self-Defense personnel	180,000	about 172,000	about 166,000	160,000
	Regular personnel		about 167,000	about 156,000	145,000
	Ready reserve personnel		about 5,000	about 10,000	15,000
	Major units	12 divisions	10 divisions	9 divisions	8 divisions
		2 combined brigades	2 brigades 2 combined brigades	4 brigades 1 combined brigade	6 brigades
	Mobile operation units	1 armored division	1 armored division	1 armored division	1 armored division
		1 airborne division	1 airborne division	1 airborne division	1 airborne division
	Ground-to-air missile units	1 helicopter squadron	1 helicopter squadron	1 helicopter squadron	1 helicopter squadron
		8 antiaircraft artillery groups	8 antiaircraft artillery groups	8 antiaircraft artillery groups	8 antiaircraft artillery groups
	Main equipment				
MSDF	Battle Tanks	about 1,200	about 1,040	about 930	about 900
	Artillery	about 1,000	about 970	about 910	about 900
	Major units	Destroyer units (Mobile operation)	4 flotillas	4 flotillas	4 flotillas
		Destroyer units (Regional district units)	10 divisions	8 divisions	7 divisions
		Submarine units	6 divisions	6 divisions	6 divisions
		Minesweeping units	2 flotillas	1 flotilla	1 flotilla
		Land-based patrol aircraft units	16 squadrons	13 squadrons	13 squadrons
	Main equipment	Destroyers	about 60	53	about 50
		Submarines	16	16	16
		Combat aircraft	about 220	about 170	about 170
	ASDF	Aircraft control and warning units	28 groups	(Part of the groups was reorganized to squadrons)	8 groups 20 squadrons
		1 squadron	1 squadron	1 squadron	1 squadron
		Interceptor units	10 squadrons	9 squadrons	9 squadrons
		Fighter support units	3 squadrons	3 squadrons	3 squadrons
		Air reconnaissance units	1 squadron	1 squadron	1 squadron
		Air transport aircraft units	3 squadrons	3 squadrons	3 squadrons
		Surface-to-air missile units	6 anti-aircraft groups	6 anti-aircraft groups	6 anti-aircraft groups
ASDF	Main equipment	Combat aircraft	about 430	about 390	about 400
		Fighters (included among combat aircraft)	about 350	about 290	about 300

scribed in the current NDPO. The MSDF has taken steps to develop a replacement for the existing fixed-wing maritime patrol aircraft (P-3C) and is planning to press ahead with various programs, including reorganization of its units with a view to strengthening

the command, control, communications, computers and intelligence systems (C4I).

The Air Self-Defense Force (ASDF) will reorganize the Western Air Defense Force and the Southwestern Composite Air Division pursuant to the plan laid down by the new MTDP following the reorganization of the Northern and the Central Air Defense Forces carried out under the previous program. With this reorganization, transition to a system consisting of eight early-warning groups and 20 early-warning squadrons will be completed. The ASDF will replace the existing F-1s with F-2s and step up the training of F-2 pilots to maintain the fighter-support units. In addition, with the existing transportation aircraft (C-1s) expected to be phased out starting in or about 2013, the ASDF will undertake the development of its successor. A successor to P-3C of the MSDF and one to C-1 of the ASDF share the common parts and components in some sections.

Under the previous MTDP, two divisions of the GSDF were scaled down to brigades, one of which was reorganized into a brigade with airborne mobility. As a way to better utilize human resources, GSDF ready reserve personnel system was introduced to cope with changing situations. The MSDF has disbanded two destroyer units and one land-based patrol aircraft squadron, and has made minesweeping flotillas more compact. At the same time, with a view to ensuring flexible defense capability, the MSDF has established an educational unit for submariners and has changed the duty of one of fixed and rotary wing patrol aircraft units to one for training. The ASDF has disbanded some of its interceptor squadrons for reorganization into training units. In addition, part of aircraft control and warning units were scaled down.

2. Major Projects of the New MTDP

(1) Major Projects Geared to Meet New Situations

The area to which the New MTDP attaches particular importance is the information technology (IT) revolution. Rapid advances in IT can bring about an expanded battlefield and higher operational tempo as well as dramatic improvement in weapon systems. These prospects promote such measures as building an information and communications system that is highly secure against unauthorized access to the computer systems of the Self-Defense Forces (SDF) or against full-fledged cyber terrorism. In response, the SDF will (1) create a highly sophisticated network environment, (2) upgrade the command and communications system, and (3) take measures to ensure information security. More specifically, the information and communications networks of the entire Defense Agency will be integrated and centrally managed by building Defense Information Infrastructure (DII) and Common Operating Environment (COE). In an effort to streamline various command and communications systems, the Defense Agency has been developing a system designed to share information among the New Central Command System (NCCS) and three command systems of the Ground Self-Defense network (G-NET), the Maritime Operations Force (MOF) System, and the Air Defense Command System (ADCS).

In modern combat situations, operations must be conducted by two or three services — the ground force and the air force, or the navy and the air force — simultaneously working in concert with one another, rather than independently from one another. Therefore, it is imperative for different services to increase the efficiency of joint operations by linking their operational command systems. The establishment of such a system would make it easier to process information and communicate ideas between the central command and field units, which enables rapid and effective operations.

In the area of ensuring information security, plans to create an organization to deal with cyber attacks may be considered. The JDA is exploring much closer coordination with the United States through Japan-U.S. IT forum to enhance the credibility of the bilateral security arrangements, and is promoting exchanges with the United Kingdom, France and other countries as well.

Under the New MTDP, the SDF will improve its capability to deal with various types of attacks — those mounted by guerrilla/commando or those mounted with nuclear, biological or chemical weapons (NBC attacks). These forces will deal with new types of threats such as those posed by armed guerrillas who have received special training. In addition, an initial response unit deployable with high mobility will be created in a garrison stationed in Ainoura, Sasebo City, to strengthen the capability to defend remote islands. To improve defense capability against NBC attacks, the SDF will reinforce both personnel and equipment, and as for attacks of biological weapons, in particular, it has organized study meetings of the experts for advice on the best possible form of response. For the time being, the SDF will acquire detectors of biological agents (such as anthrax) as well as vaccines against such agents, in order to improve its research and education and training in this area.

With a view to improving its disaster relief capability in a diverse range of situations, such as disasters in cities, mountainous areas, remote islands and special crises, the SDF plans to ready units composed of about 2,700 personnel as a permanent, round-the-clock, quick-response force for disaster-relief operations. A posture will be established under which all vessels lying at anchor at a port can be rapidly dispatched within four hours. Disaster relief of remote islands or coastal areas access to which was blocked will be strengthened by establishing an MSDF mobile engineering unit in Hachinohe, Aomori Prefecture. Meanwhile, the ASDF will establish mobile medical units consisting of doctors, nurses and paramedics at five locations across the country. In case a large number

of people suffer serious injuries in a large-scale disaster, the ASDF will dispatch transportation helicopters and aircraft to evacuate the injured.

Considering the importance of human resource as the basis of our defense, broad range of personnel management policies are carried out.

Planned in this area are the consolidation of the counterintelligence unit (that had been implicated in a spy case in September 2000) with the military police, tightening of the service regulations, including those relating to the security of classified information, and improved compensation for service personnel (such as payment of rewards). The Defense Agency has revamped the reserve personnel system (that had recruited them exclusively from ex-SDF personnel) and introduce public application system for SDF reservist in order to obtain personnel stably and utilize expertise of private sector. Civilians who are thus recruited will be appointed as reservists after training for a certain period.

Under the New MTDP, the Defense Agency will seek to further step up international peace cooperation assignments of the SDF. The MSDF plans to replace its 5,000-ton-class supply ship the *Sagami* with a 13,500-ton-class one. This will increase the number of 13,500-ton-class supply ships to two, in addition to the three existing 8,100-ton-class ones. Of these, three will stand ready round-the-clock to go into action. Two of them will be in a quick-response posture and the remaining one may be used for international disaster relief operations. Of other acquisitions, four aircraft with air-to-air refuel and transport capability can serve in cooperative interna-



SDF personnel participating in a "Big Rescue" being transported by subway (September 3, 2000)

tional activities as they can speedily haul a large number of people and small-size cargoes.

With a view to further promoting security dialogue and defense exchanges, the National Institute for Defense Studies will host a meeting of heads of defense universities, colleges and institutions to be held under the auspices of the ASEAN Regional Forum (ARF) in fiscal 2001. In addition, the MSDF plans the first reciprocal port calls with Chinese Navy, with Chinese naval vessels scheduled to visit Japan sometime in fiscal 2001, whose visit to be returned by the MSDF in fiscal 2002.

(2) Main Equipment Procurement Program

To start with, helicopter destroyers will be modernized. The outdated 5,000-ton-class helicopter destroyers *Haruna* and *Hiei* will be replaced by 13,500-ton-class destroyers. The new destroyer will have facilities for transporting personnel in addition to its crew over a long period and have support functions for onboard helicopter operations. In addition, the MSDF plans to procure two *Aegis* destroyers to strengthen its anti-missile capability, and supply ships.

The two 13,500-ton-class helicopter destroyers, planned to replace as many soon-to-be retired helicopter destroyers, are designed to meet a new demand: Operation in an expanded battlefield for a longer period than before. Such a demand has been brought about by advanced technologies of maritime weapons, such as submarines and surface-to-surface missiles. The former helicopter destroyers had the hangar for three maritime patrol helicopters, but their deck space was so limited that only one helicopter could take off from, and land on, the destroyer at one time. Their helicopter hangar is also narrow and support function during the nighttime was lacking. Furthermore, it was difficult for MH-53E-class helicopters that transport personnel and materials from a land base to land on these destroyers. By contrast, the new heli-

copter destroyers have larger hangar and maintenance space, and a broader deck, making it possible to operate helicopters continuously. In addition, steps will be taken to improve the command, control, communication and intelligence functions, and the capacity for accommodating the command staff of these destroyers as the flagship. These improved functions will enable them to participate in disaster relief activities in remote areas. These destroyers will serve a useful purpose in carrying out peacekeeping operations, in evacuating Japanese nationals and others at the time of emergency, and in disaster relief operations.

The ASDF will introduce aircraft with air-to-air refueling and transport capabilities, and modernize F-15 aircraft and the organization of the Base Air Defense Ground Environment (BADGE) system. The Defense Agency had studied the advisability of acquiring tanker aircraft through the three mid-term defense programs spanning a period of 15 years. At a meeting held on December 17, 1999, the Security Council has decided that "Provision will be made in the next Mid-Term Defense Program for early development of aircraft with in-flight refueling functions and transport capabilities that can be utilized in international cooperation activities."

The New MTDp provides that the ASDF "requires aircraft with air-to-air refueling functions and transport capability that can be used for cooperative international activities in order to contribute to effective combat training, prevention of accidents, noise reduction in areas surrounding bases, speedy implementation of international cooperative activities, such as humanitarian assistance, and various transportation purposes, as well as improve the air defense capability."

As areas for combat training of fighter pilots are removed far from their bases, they have to spend long time to make a round trip between training areas and their bases, and it entails an increase in the number of takeoffs and landings. Therefore, the introduction of tanker/transport aircraft would in peacetime enhance the efficiency of fighter pilot training and reduce the noise generated in

areas surrounding bases. At other times, the aircraft will enable the SDF more effectively participate in international cooperative activities.

To deal with the recent development of military aviation technology such as development of stealth aircraft and extension of range of airborne missiles, Combat Air Patrol (CAP) system is indispensable to ensure the air defense of Japan under the exclusive defense-oriented policy or passive defense strategy. To maintain combat air patrol, the ASDF needs aircraft with the capability of refueling interceptors in flight to extend the duration of their flight.

The tanker/transport aircraft the Defense Agency plans to procure is a converted passenger aircraft. Its upper compartment accommodating passengers will be left unchanged, and its lower compartment will be converted into a fuel tank for refueling. Its upper compartment will have the capacity of about 200 passengers or their weight equivalent cargo or small trucks, and it will be used as a transport to carry out missions related to international cooperation activities.

Some observers have expressed concerns that the introduction of refuel taker/transport aircraft may disturb Japan's relations with neighboring countries. Such concerns are unwarranted, however. Given the commitment to the exclusively defense-oriented policy of the Japanese government, the primary mission of ASDF F-15s and F-2s is to defend the airspace of Japan. Their capability to strike ground targets is limited, and in no way compares with fighters in possession of other countries. Such being the case, Japanese fight-



A missile launching from the destroyer *Kurama*.

Table 9-2. Air-to-Air Refueling Aircraft Possessed by Other Countries

Country	No. of Units Held	Types and No.
U.S.A.	367 (97) ^a [219] ^b	KC-130F/R/TX50 (28), KC-135X258 (69) [219], KC-10AX59
France	28	C-160NGX14, C-135FRX11, KC-135X3
U.K.	27	Tristar (K-1X2, KC-1x4), VC-10 (C-1KX12, K3X4, K4X5)
Russia	20	IL-78X20
Saudi Arabia	16	KC-130HX8, KE-3AX8
Spain	9	KC-130HX5, B-707X4
Turkey	7	KC-135RX7
China	6	HY-6X6
Israel	6	KC-130HX3, B-707X3
Brazil	6	KC-137X4, KC-130HX2
Singapore	6	KC-130BX4, KC-130HX1, KC-135X1
Canada	5	KCC-130X5
South Africa	5	B-707-320X5
Iran	4	B707X3, B-747X1
Australia	4	B-707X4
Italy	4	B-707-320X4
Morocco	3	KC-130HX2, B-707X1
Argentina	2	KC-130HX2
Malaysia	2	KC-130HX2
Venezuela	2	B-707X2
Indonesia	2	KC-130BX2
Iraq	2	IL-76X2
The Netherlands	2	KDC-10X2
Chile	1	B-707X1
Peru	1	KC-707-323CX1

Source: The International Institute for Strategic Studies, *The Military Balance 2000/2001*, etc.

^aNo. of aircraft in reserve, not included in numbers possessed

^bNo. of aircraft held by Air National Guard, not included in numbers possessed

ers pose no threat to neighboring countries even if their cruising range is extended with the help of tanker aircraft. What is more, no less than 25 countries have tanker/transport aircraft. In the East Asian region, alone, four countries — China, Singapore, Indonesia and Malaysia — have such aircraft. The United States, in particular, maintains about 370 tanker/transport aircraft. It is to be noted that the advancement of military technology and equipment shows

that the air-to-air refueling function has become essential for air defense for all countries.

Likely candidates for acquisition are medium-sized tanker/transport aircraft of a flying boom type. The choice will be narrowed down to a specific model before the end of fiscal 2001 after careful study by the Security Council.

Other categories of main equipment the SDF plans to procure include combat helicopters with night operations capability, new types of medium-range surface-to-air guided missiles and light-wheeled armored personnel carriers designed to improve infantry mobility. In addition, the Defense Agency plans to procure high-speed missile boats that are capable of cruising long hours and dealing with suspicious ships penetrating Japan's territorial waters, and modified *Patriot* surface-to-air missiles to improve the capability to intercept high-speed flying targets.

3. Toward the Future

At the 35th annual Meeting of Senior SDF Officials held in June 1999, then Prime Minister Keizo Obuchi expressed the view that "at this very moment, the Self-Defense Forces of Japan are in transition from an era during which they merely had to procure and maintain naval vessels and aircraft to one in which they have to operate the defense capability to protect the lives and property of the people, and contribute to the world peace, that is to say, from 'an era of building' to 'an era of action.'" Indeed, the New MTDP was formulated with the demands of "an era of action" in mind, under considerable financial restraint.

In building the defense capability of Japan in coming years, policy-makers will have to bear in mind a number of factors. One is the growing necessity to enhance joint operation capability of the SDF. During the years of the previous MTDP, importance was attached to joint operation of the three services, and the SDF have sought to improve the function of the Joint Staff Council. To align the insti-

tutional framework with this policy, the power of the chairman of the Joint Staff Council was strengthened by amending the Law on the Self-Defense Forces. In the area of operation of units, large-scale disaster relief training exercises were held under a joint command. In a Japan-U.S. joint exercise, also, units of the three services were organized into an integrated one, and they participated in a landing exercise on Iwo Jima Island planned and conducted by the Joint Staff Council. Under the New MTDP, also, it will be necessary for the SDF to further the operation of the three services under a joint command.

Second, the Defense Agency has to pay much attention to developments toward a revolution in military affairs (RMA). A fresh approach to the RMA and a dramatic improvement in the C4ISR can bring about a totally new force structure and operational mechanism. A case in point is the real time sharing of information between soldiers on the frontline and the commander at the central command. Such a system is expected to simplify the chain of command within the SDF, making it possible for field units to make speedy and timely actions. Moreover, to maintain the interoperability between the SDF and U.S. forces in coming years, it is particularly important to follow the United States in exploring the RMA. As SDF units and their equipment have become increasingly sophisticated in recent years thanks to the emerging RMA and information technology (IT), care must be exercised to train personnel to prepare them for such advances. And as the chain of command will be simplified, individual servicemen will come under increasing pressure to improve their ability to make correct judgments of the situation they are in and positive actions they should take in such a situation.

Third, resources should be allocated more effectively. Given the fiscal constraints, modernization of defense equipment has become increasingly difficult. Defense-related expenditure that can be spent under the New MTDP over a period of five fiscal years is limited to about ¥25.16 trillion in prices of the year 2000 (\$209.6 bil-

lion at the rate of an increase of ¥120 to the dollar), a mere 0.7 percent increase over the amount earmarked for the previous five years. For comparison, a 0.9 percent increase was authorized under the previous MTDP. Included in the ¥25.16 trillion is a fund of about ¥150 billion (\$1.25 billion) readied for unforeseen developments, contributions to the construction of more stable security environment and other items that can be appropriated upon authorization by the Security Council.

As the security environment has become increasingly unpredictable after the Cold War, it has become all the more important to provide against unconventional warfare such as guerrilla attacks. While equipment designed to deal with large-scale conventional warfare is essential to maintain the basic defense capability or functions, it is becoming no less important to build the capability to deal promptly with small-scale conflicts.

It may be necessary to study various options for allocating defense resources from a long-term standpoint. For instance, recent advances in missile technology have created the necessity to diversify and upgrade means for coping with threats posed by cruise missiles and long-range ballistic missiles. In East Asia, security of ships against piracy attack in the South China Sea has aroused growing concern. And Japan has to enhance the intelligence gathering activities of its three services, and strengthen their capability to deal with such pirate activities.

Last, it is necessary for Japan to make positive efforts to win its neighboring countries' understanding about the defense posture it is seeking to achieve. With memories of actions taken by the Japanese Army during World War II lingering, and conscious of the economic strength of Japan that far outweighs theirs, peoples of Southeast Asian countries are seriously concerned over the defense policy of Japan.

The defense policy of Japan is far more transparent than those of its neighboring countries. As is the case with other policies of Japan, its defense policy is publicly debated from various angles

through the democratic process, and issues and substances of its defense policy, including those debated at the Diet, are reported widely through the mass media. In addition, the Defense Agency has been publishing *Defense White Paper* each year that provides various data. At a recent meeting of the ARF, Japan made a proposal urging the countries of the region to publish a defense white paper each as a means to build confidence among them. Japan's *Defense White Paper* can serve as a model. What is more, Japan has been actively seeking to encourage bilateral and multilateral defense exchanges and security dialogues in an effort to build confidence not only between Japan and other countries of the region but among the countries of the region. The Defense Agency has accommodated requests of defense officials of other countries visiting Japan to tour SDF bases and units. It is expected that by offering foreign defense specialists an opportunity to see for themselves the equipment and training of SDF units, they will become more convinced that the basic thrust of Japan's defense policy is directed exclusively toward self-defense.

— Supplement —

A Brief History of Japan's Defense Program

Leading up to the Current National Defense Program Outline of 1995

The history of defense program of Japan may be largely divided into two periods: The period that preceded the National Defense Program Outline for the years in and after FY1977 (the former NDPO) adopted by the Cabinet in October 1976, and the period that followed the adoption of the former NDPO. Prior to its adoption, major thrusts of Japan's defense policy had been directed toward achieving given quantitative goals, and it had not exactly spelled out the philosophy underlying it or the idea as to what it should do. To clarify Japan's basic stance on defense, the former NDPO announced "the concept of a basic and standard defense capability" Japan should maintain in peacetime. Thanks to the balance of power that had existed in the 1970s among big powers of the world and to the Japan-U.S. security arrangements, the probability of other countries posing a real threat to the security of Japan had dwindled, the Japanese government had adopted as a goal of its defense program a posture designed to deal with limited and small-scale aggression against Japan.

Today, 20 years after the adop-

tion of the former NDPO, the international situation has undergone a sea change largely due to the end of the Cold War. Meanwhile, uncertain and unpredictable factors persist in parts of East Asia including Korean Peninsula. To fine-tune the former NDPO, it was revised in November 1995. While reaffirming the major role that the Japan-U.S. security arrangements have continuously played in stabilizing international relations in this region, the new NDPO points to additional objectives that the Self-Defense Forces are to be encouraged to pursue. They will have the SDF participate in international peace cooperation with the aim of contributing to world peace, and actively respond to large-scale disasters and various other situations. In addition, it laid down new policies — rationalizing, streamlining and compacting major units and main equipment; developing necessary functions and qualitatively improving the defense capability. The New Mid-Term Defense Program was formulated in accordance with these policies laid down in the current NDPO.

1. Japan's Defense Program before the Former NDPO

The period from August 1950 (when the National Police Reserve was created) through July 1954 (when the Defense Agency and the Self-Defense Forces were established) to May 1957 (when the Cabinet adopted the Basic Policy for National Defense) may be termed "the initial stage" of Japan's defense. Subsequently, in fiscal 1958, the government formulated the First Defense Buildup Plan pursuant to the Basic Policy for National Defense, and this marked the beginning of full-fledged long- and mid-term programs.

The Basic Policy of 1957 established the overall direction of Japan's postwar defense policy. To deter direct or indirect foreign aggression against Japan, and to repel it once invaded, the Basic Policy states (1) that Japan will build an effective defense capability incrementally to the extent necessary for preserving the independence and peace of Japan, and compatible with the nation's resources, and (2) that it will deal with external aggression primarily on the basis of the Japan-U.S. security arrangements, pending effective functioning of the United Nations in the future in deterring and repelling such aggression. The general direction of Japan's defense

policy — that Japan will develop its defense capability incrementally on the basis of the Japan-U.S. security arrangements — has thus been established. And the present defense policy of Japan is based on the Basic Policy for National Defense.

The First Defense Buildup Plan (FY1958-FY1960) which was adopted in June 1957 was directed primarily toward building a fundamental defense capability as the minimum defense capability necessary and compatible with the nation's resources. This plan was primarily designed to build the ground defense capability while devoting certain efforts to building the maritime and air defense capability. The Second Defense Buildup Plan (FY1962-FY1966) which was adopted in July 1961 with an interval of one year defined "external aggression mounted with conventional arms but less serious than a local war" as situation to be dealt with by Japan's defense forces under the Japan-U.S. security arrangements, and set the goal of establishing a basis of defense arrangements that are capable of effectively dealing with external aggression. Major thrusts of the Third Defense Buildup Plan (FY1967-FY1971) were directed primarily

toward achieving this goal incrementally by taking into account the conditions of the nation's economy and public finances. Japan had pursued this goal continuously until the government adopted "the concept of a basic and standard defense capability" (see below), and during this interim, today's basic structure of the Ground, Maritime and Air Self-Defense Forces has been built. The Fourth Defense Buildup Plan (FY1972-FY1976) adopted in February 1972 was formulated in line with the thinking behind the Third Defense Buildup Plan. However, due to an economic slowdown after the first oil crisis of 1973, procurement of the main equipment included in the plan was either delayed or has not been made. A statement issued together with this plan revealed an idea of role sharing under Japan-U.S. security arrangements, namely, that Japan will deal on its own with indirect aggression and small-scale direct aggression, that Japan will also repel an armed invasion of a scale larger than such direct or indirect aggression with the help of the United States, and that Japan will rely on the nuclear umbrella of the United States in dealing with nuclear threats.

Japan's first four defense buildup plans were aimed to de-

velop a capability that would be capable of most effectively dealing with "external aggression mounted with conventional arms but less serious than a local war." And in order to achieve the goal incrementally, the Cabinet adopted a long- and mid-term plan covering three to five years, and decided on a year-to-year plan on the basis of such plans that is of a scale consistent with the prevailing economic conditions and public finances. However, it became evident that the government had failed to achieve the goal. As funds were used mostly to procure front-line equipment at the expense of logistical systems, the structure of the defense capability lacked balance. What is more, a number of domestic situations threatened to impose constraints on buildup plans — public opinion demanding a limit on the Japan's defense capability during the peacetime, the tight economic and fiscal constraints, the difficulty of acquiring suitable sites for defense facilities, and the scarcity of personnel applying for defense. As a result, the government had no choice but to spell out a policy for building its defense capability by the fifth and subsequent buildup plans by clearly defining the specific scope of defense responsibilities and postures of the SDF in the foreseeable future.

2. Formulation of the Former NDPO

In October 1976, the Cabinet adopted the National Defense Program Outline for the years in and after FY1977 (the former NDPO) as guidelines after the Fourth Defense Buildup Plan. With respect to the international situation on the basis of which it was formulated, the former NDPO assumed (1) that thanks to the efforts major countries have made to maintain a military balance, including mutual nuclear deterrence, and stabilize the international situation, dangers of an all-out military clash between East and West or a large-scale armed conflict that could trigger such an all-out East-West military clash have diminished, and that stable international relations have been maintained; and (2) that the military balance among the world's major powers and the Japan-U.S. security arrangements will continuously play a big role in maintaining stable international relations, and in deterring full-blown aggression against Japan. The characteristic of this estimate was that while factors of uncertainty existed in different regions, it attached importance to

the overall balance of power between East and West, and the role played by the Japan-U.S. security arrangements in deterring aggression and in bringing about stability in this part of the world.

On the assumption that the international situation would not change much for the time being, the former NDPO laid forth the following guidelines for building defense capability of Japan in peacetime: (1) Major efforts should be directed toward building a system that is equipped with all functions necessary for national defense and maintains the balance among the three services in terms of organization (including logistical systems) and equipment; (2) such a defense posture should be adequate in peacetime and is most suitable for effectively dealing with limited and small-scale external aggression; and (3) when an important change occurs in the international situation and a new defense posture becomes necessary, the national defense program should be adapted to such a changed situation to enable the SDF to alter its defense posture smoothly.

3. Defense Programs during the Former NDPO Period

The former NDPO set forth in an annexed table a defense posture and the scale the Self-Defense Forces should pursue, a posture aimed not at achieving quantitative expansion but qualitative improvement. The former NDPO had served as guidelines for defense buildup for about 20 years until it was replaced by the current NDPO in 1995. Initially, the former NDPO followed a single-year formula, a formula under which the government makes an appropriation necessary for the year by taking into account the prevailing economic conditions, instead of formulating a long- and mid-term defense buildup program for a certain fixed period. However, as defense capability has to be built systematically on a continuing basis in accordance with a specific mid-term forecast, the Defense Agency has been drawing up once every three years a mid-term defense program estimate covering a period of five years to serve as an intra-agency reference document.

The first Mid-Term Defense Program Estimate (FY1980-FY1984) which was drawn up in July 1979 was designed to strengthen various defense functions — an early development of major units and qualitative improvement of equipment to keep up with advances in science and technology — and upgrading logistical support and education/training. The second

Mid-Term Defense Program Estimate (FY1983-FY1987) which was drawn up in July 1982 was designed, in principle, to achieve the level of defense capability prescribed in the annexed table of the NDPO.

The third Mid-Term Defense Program Estimate (FY1986-FY1990) was elevated from the status of an intra-agency document to that of a government program. This was done in the belief that to ensure appropriate civilian control over the nation's defense program, the government should show the direction of mid-term defense program in terms of its substance and cost. And in September 1985, the Cabinet adopted a Mid-Term Defense Buildup Program covering the period from fiscal 1986 to 1990. Since then, mid-term defense buildup programs have been formulated as a government plan to achieve the goal set forth in the NDPO, and this formula has since been followed to this day.

The level of defense capability set forth in the former NDPO has been achieved for all practical purposes by the first Mid-Term Defense Program. In December 1990, the Cabinet adopted the second Mid-Term Defense Program (FY1991-FY1995) formulated on the basis of the former NDPO. It was designed primarily to build and maintain a balanced defense capability as a whole by replacing and modern-

izing main equipment, and at the same time by further strengthening logistical systems. The Defense Agency attached importance to smooth employment of its defense capability while endeavoring to further enhance the efficiency of organization and equipment in wide-ranging areas.

However, since around the time the second Mid-Term Defense Program was formulated, internal and external environment surrounding defense program has begun to change significantly. At a summit held in December 1989, the leaders of the United States and the Soviet Union declared the end of the Cold War, and it triggered a profound change in the international situation that had existed at the time the former NDPO had been formulated. While the international situation has begun to show signs of stabilizing since the end of the Cold War, factors of uncertainty — frequent occurrence of regional conflicts — have

surfaced. Meanwhile, the public finances have become increasingly tight. Concerned about such situations, here and abroad, the second Mid-Term Defense Program was scaled down and its major costs were reduced in its revisions made in December 1993. Although the former NDPO was left intact, the then chief Cabinet secretary suggested that the NDPO too might be revised when he spoke on the revision of the second Mid-Term Defense Program. He said that in view of the changes in the international situation and the growing scarcity of human resources expected to develop in coming years, the government will review its basic stance on defense program with a view to reaching a conclusion before the end of fiscal 1995, or the last target year of the second Mid-Term Defense Program.

The Cabinet adopted the current NDPO in November 1995 replacing the former NDPO six years after the end of the Cold War.

4. Defense Capability Envisioned by the Current NDPO

The current NDPO basically follows the concept of a basic and standard defense posture in building the defense capability Japan ought to have. The idea is to possess the minimum necessary basic defense capability as an independent nation so as not to become a factor of uncertainty by creating a power vacuum in

this region, rather than building a capability directly linked to a military threat to Japan.

This concept was spelled out in the former NDPO adopted by the government in October 1976. Affirming the importance of efforts to stabilize overall international relations, and assuming that international relations will

not significantly change for the worse for the time being, the former NDPO had adopted the concept of a basic and standard defense capability as guidelines for building Japan's defense capability.

The current NDPO basically follows this concept in the belief that as the experience the international community has had after the Cold War has confirmed the importance of efforts made by major powers to stabilize international relations, and the role played by the Japan-U.S. security arrangements, no significant change in the assumptions underlying the concept has been recognized. Where the Japan-U.S. security arrangements are concerned, importance is attached to various measures designed to enhance their credibility and the effectiveness of their implementation. And the current NDPO stresses the importance of preparing the SDF to deal with large-scale disasters and appropriately sharing the international responsibilities for building a more stable security environment.

In line with this thinking, the current NDPO aims at streamlining the defense capability of Japan and making it more efficient and compact. In other words, it seeks to improve the mobility of Self-Defense Force units and increase their firepower by modernizing them while reducing the overall scale of the SDF. This suggests that the SDF

want to re-examine the scale and the functions of the defense capability as a whole by utilizing advanced science and technology, and by taking into account changes in the military situation of neighboring countries, the decreasing population of young people and the increasing tightness of public finances. The current NDPO is aimed at building defense capability to effectively respond to a variety of situations, a concept that has emerged after the Cold War. To accomplish this, Japan has to take steps to strengthen the functions and improve the quality of its defense capability. The part reading in the former NDPO as "Japan will repel limited and small-scale aggression, in principle, without external assistance" is missing in the current NDPO. This may be due, in part, to the diversity of situations that could conceivably occur in step with the development of Japan-U.S. defense cooperation. In addition, the current NDPO is designed primarily to ensure appropriate flexibility of operation of the SDF so that they can effectively respond to changes in the international situation. In other words, the current NDPO seeks to build a system designed to expand, when needed, the defense capability of the SDF as a whole within the framework of peacetime defense capability. As dangers to be dealt with have become more diverse and unpredictable than was the case with the Cold War era, the

current NDPO underscores the importance of equipping SDF units for training purposes with similar weapons to those used in operations and creating a self-defense reservist system capable of providing quick response to dangers.

The first Mid-Term Defense Buildup Program (the previous one) under the current NDPO was adopted by the Cabinet in December 1995. This program (FY1996-FY2000) set forth the following six policies in accordance with the guidelines set in the NDPO. The Defense Agency will (1) promote the rationalization, effectiveness and compactness of SDF units while paying attention to smooth transition to the new force levels set forth in new NDPO, (2) make efforts to enhance necessary functions and qualitative improvement of the defense capability — replace and modernize equipment, strengthen the information, command and communications functions, and develop military technology — so that the SDF can effectively respond to acts of aggression against Japan and to various other situations such as large-scale disasters, (3) take steps to ensure appropriate flexibility of operation so as to enable SDF units to effectively respond to changes in situations by maintaining an adequate number of personnel and equipment for education and training that require a long period and securing SDF Ready Reserve personnel, (4)

take steps to build an effective cooperation system and ensure the efficiency and effectiveness of the U.S. forces stationed in Japan to enhance the credibility of the Japan-U.S. security arrangements, (5) promote various measures — international peace cooperation, security dialogue, defense exchanges, arms control and disarmament — to contribute to building a stable security environment and (6) make efforts to upgrade and maintain a moderate defense capability that is consistent with the increasingly tight public finances and in harmony with various other government policies.

The previous Mid-Term Defense Buildup Program reviewed the organization of major units, the first ever, and devoted major efforts to implementing their reorganization. Meanwhile, a framework for operating SDF units under the Japan-U.S. security arrangements has been created by formulating new Guidelines for Japan-U.S. Defense Cooperation (the Guidelines) pursuant to the Japan-U.S. Joint Declaration on Security, and by enacting the Law on Situations in Areas Surrounding Japan. The program is expected to accomplish its goal by the time the five-year period of the program ends. In fiscal 2000, the last program year, the Defense Agency has taken steps to improve the equipment of the SDF (for instance, an increase in the cruising speed of

missile boats of the MSDF), training and research and development so that its units can effectively deal with suspicious vessels penetrating the territori-

al waters of Japan, guerrilla attacks and weapons of mass destruction (nuclear, biological and chemical weapons) and large-scale natural disasters.

