Updating US-Japan Defense Cooperation

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- David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs

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- Satoshi Morimoto, Former Japanese Minister of Defense

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TRANSCRIPT

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H.R. MCMASTER: Good afternoon, everyone. Konnichiwa. I wonder what we're going to talk about today. There's nothing going on, really. But what a privilege it is for me to be here as a Japan chair with my tremendous colleague Patrick Cronin, to be able to welcome our distinguished speakers up front today. And we have a program that I think everyone will really enjoy and learn a lot from. We have two wonderful keynote speakers, and then we'll have a panel discussion afterwards. And I recommend what we talk about is really the importance of our collective security and defense. It's really more important than ever that we integrate our strategies and we integrate implementation of those strategies because we face, I think, what we can all recognize are increasing threats to our security and prosperity. Those include, of course, China's very sophisticated campaign of co-option, coercion and concealment, the state - the threat that is very difficult, I think, to overstate, which is the threat from North Korea's missile and nuclear programs. And what we see is many of these problems just don't stay in their separate categories.

So even as we see increasing tensions and events in the Middle East, you see, for example, a joint naval patrol between China, Russia and Iran. And, of course, as Japan knows well and our Japanese officials and scholars here today know well, Japan has come under increasing pressure from joint China and Russian coercion - military coercion as well. So as we all know, the best way to preserve peace is to have a strong defense. And so a lot of what we'll talk about today is that theme - how to maintain our collective defense, and in particular to achieve what we all want to achieve, which is deterrence by denial, convincing adversaries that they're unable to accomplish their objectives through the use of force. We have two wonderful keynote speakers who are going to help us begin this afternoon's session.

First, I want to introduce David Helvey. And then I'll come back up and introduce Satoshi Morimoto.

First, David Helvey - we are so fortunate to have him in our government. He is maybe our foremost long-serving civil servant expert on Asia and Pacific security affairs. He's the acting assistant secretary of defense for Asian and Pacific security affairs. He's responsible for developing and overseeing the execution of the United States' defense and security policy across the Indo-Pacific region. He has served throughout numerous administrations, steering U.S. policy in Asia and the Indo-Pacific. For instance, he has played a leading role in formulating regional strategy reports, as well as the annual report to Congress on the Chinese People's Liberation Army. Please welcome - please join me in giving him a round of applause and a warm welcome.

(APPLAUSE)

DAVID HELVEY: Well, good afternoon, everyone. And thank you very much, General McMaster, for your kind introduction. It's good to see so many friends. And thank you very much, also, for providing me an opportunity to offer a few thoughts on the evolution of the U.S.-Japan alliance. This is an important topic, and it's one that I'm very pleased to see the Hudson Institute tackling. And I'm very much looking forward to being able to engage in a little bit of a Q&A and the dialogue about this topic this afternoon. This year, we're celebrating the 60th anniversary of the signing of the mutual defense - mutual security treaty. We have reason to look back with pride with how this alliance has evolved as the cornerstone of peace and prosperity in the Indo-Pacific and that it's stronger and more relevant today than it's ever been before. The first guidelines for U.S.-Japan defense cooperation were published in 1979. They permitted for the first time a formal defense planning between the United States and Japan. The guidelines then restricted bilateral cooperation to the defense of Japan. And it was understood in those days of the Cold War as to be defense of Japan against attack specifically by the Soviet Union. Our
bilateral exercise program then reflected that focus, and it was limited to discussions and activities for the defense of the seas, the skies and the territory of Japan itself.

The defense guidelines were then revised again in 1997 after the end of the Cold War, envisioned a significant Japan Self-Defense Forces support to U.S. military forces that were - that would be engaged in conflict in the region or in this new term that we described - situations and areas surrounding Japan. The Self-Defense Forces continue to improve its - their defensive capabilities while maintaining that they would not - indeed, could not - acquire offensive capabilities. In 2015, the government of Japan under Prime Minister Abe revised its interpretation of Article IX of the constitution to allow for itself a limited right of collective self-defense. Based on this interpretation, new legislation was adopted later that year to address what we called scenes (ph) in various security situations such as gray zones, peacekeeping operations and the defense of an ally that was operating in defense of Japan. Also in 2015, the alliance again revised the defense guidelines. An increasingly complex and unpredictable security environment in the Indo-Pacific region, in our view, called for a more flexible operating model for the U.S.-Japan alliance. Bilateral cooperation was not only expanding geographically and operationally, but it was also expanding into new domains, like space and cyberspace. And I’m very encouraged to note that today, our bilateral exercise program is taking up the challenge that we articulated together in our new revised defense guidelines.

Now, fast forward to today. We have our own National Defense Strategy, and Japan has published National Defense Program Guidelines, both in 2018. These two strategic documents reflect a profound alignment across a number of important policy areas. We’ve got common values and a future vision for a free and open Indo-Pacific. The Indo-Pacific is the priority region for us, and we’re committed to a robust presence and partnerships across the region. We’ve got shared concerns between the United States and Japan about the erosion of the rules-based order, an order that’s enabled the relative peace and growing prosperity across the Indo-Pacific region. And it’s one that certainly has benefited all parties, including China. An acknowledgement of the return of great power competition, and especially the challenge posed to everyone by the rise of China; embracing new domains and new technologies, such as space and cyber, electronic warfare and artificial intelligence - all of these that are going to be critical to operating in the future battlespace; standing firmly together to achieve the final, fully verified denuclearization of North Korea and the abandonment of its - all of its weapons of mass destruction programs and missile programs; and a commitment to resolve the issue of abducted Japanese citizens; opposition to the militarization of the South China Sea and the threat to freedom of navigation and access - these are things that we share with our Japanese allies.

But there are a number of critical tasks before us that we need - that we have to be focused on in order to fully implement the new guidelines in our respective strategic documents that General McMaster raised before. We need a thorough review of the roles and missions of each partner in the alliance across any number of scenarios. We have to make sure that we’re making the operations of the alliance more efficient. For the past several years, Japan has been acquiring significant new military capabilities, such as the F-35, Aegis Ashore, NV22 aircraft, the E-2D Hawkeye, in addition to modifying its own Izumo-class destroyers, in order to accommodate vertical takeoff and landing aircraft. These and other new capabilities that Japan and the United States will have in the Indo-Pacific region need to be accounted for by our alliance planners and by our future efforts. Resources for both countries are not unlimited. We must look for opportunities to co-develop new technologies that enhance the alliance's overall
capabilities with an eye towards interoperability. And I think our shared experience with the SM-3 IIA interceptor is a prime example of this type of cooperation.

We need to continue the long-term effort to increase the shared use of our military facilities in Japan and the region. Not only does increasing focus on shared use promote efficiency and interoperability, but it can do a lot to assure the sustainability of our presence in Japan. And we have to consider how we'll adapt the alliance to a post-IMF environment. Now, at some point in the future, once we develop this capability, the United States will look to deploy these assets in the Indo-Pacific region, and we'll need the support of our allies in order to realize this. Sharing the costs of the stationing of U.S. forces in Japan also is also fundamental to ensuring that our presence in the region is sustainable and effective. We look forward to a positive negotiation with our strong ally in Tokyo to determine what the fair share of those costs will be. They're certainly not easy tasks that we have before us, but they're ones that we must address moving forward to execute our shared vision in light of a constantly evolving and highly dynamic security environment. Indeed, as we look across the Indo-Pacific region, we can see that although China has certainly benefited from the free and open order, the leaders of the Chinese Communist Party are seeking to reshape the rules of that order in order to support China's rise and claim to great power status. We're confronted with an increasingly assertive and confident China - one that's willing to accept friction in the pursuit of its own interests. We see this manifested in a range of behaviors and activities throughout the Indo-Pacific region to include deploying advanced weapons systems to militarize disputed areas and erode the freedom of the seas. And here I do want to affirm the U.S. position that we would be opposed to any efforts to unilaterally undermine Japan's administration of the Senkaku Islands. These are consistent with our obligations under Article V of our mutual security treaty.

We also see China using economic coercion in an attempt to interfere in the domestic affairs of other nations. You see China promoting state-sponsored theft of other nations' military and civilian technology. And we see China extending its military presence overseas and expanding the One Belt, One Road initiative to include military ties. Plainly - pardon me - China, of course, is not the only challenge that we face in the Indo-Pacific region. We also see Russia's actions that seek to undermine the international rules-based order. We see a deepening of Sino-Russian ties with the recent joint bomber mission, demonstrating the increase in opportunistic military cooperation between Beijing and Moscow. We see escalating tensions between our two allies in Northeast Asia, both the ROK and Japan. We see dangerous behavior continuing from North Korea. We see backsliding towards illiberal governance in countries such as Burma and Cambodia, which challenges the norms related to human rights, religious freedom and the dignity of every individual. We see persistent and evolving threats by nonstate actors and terrorist organizations and other transnational threats, such as natural disasters and the impact of climate change.

These are not challenges that can be easily addressed by any one nation, but instead required a clear-eyed approach by a group of like-minded partners that share common goals. The United States-Japan alliance is the epitome of that type of partnership and shared common goals. It's a strong partnership that's required to maintain the free and open Indo-Pacific, and it continues to serve as the cornerstone of our shared efforts throughout the Indo-Pacific region. Founded upon our shared vision for the region and energized by the strategic alignment of our defense strategies, we're pushing forward with transforming the U.S.-Japan alliance in a way that will position us to succeed in long-term strategic competition. Some of the deliberate actions that we're taking include expanding our training and
exercise program to ensure that we're prepared. We're enhancing our bilateral planning to consider high-end contingency scenarios. We're deepening our interoperability to ensure that we can act quickly and effectively when needed. We're helping Japan to strengthen its capabilities via foreign military sales and other types of transfers of some of our most advanced technologies. We're expanding alliance cooperation into new domains such as space and cyber and artificial intelligence. And with Japan already being our premier missile defense partner, we're continuing our partnership on initiatives that enhances both of our ballistic missile defense capabilities. The realignment of U.S. forces in Japan is also a critical component of our effort to ensure that our forces are geographically distributed, operationally resilient and politically sustainable.

All of these efforts combined are not intended to maintain the status quo, but rather they're intended to expand the roles and the missions and the capabilities of the U.S.-Japan alliance in a way that strengthens our capacity and our flexibility to respond together to regional contingencies. Now, promoting a networked region that's founded upon shared values and security interests is also a top priority of both of our nations. These relationships stand as a key asymmetric advantage that both the United States and Japan have, which is critical to our ability to project power worldwide and maintain a free and open international order. The relationships that we're continuing to strengthen, in many cases alongside Japan, include our efforts to deepen our relationship with Vietnam, our relationship with Indonesia and the Philippines and the Pacific Islands, through our capacity-building efforts and enhancing maritime domain awareness capabilities, our ongoing trilateral cooperation between the United States, Japan and Australia, or the United States, Japan and Korea as well as our annual U.S.-Japan-India Malabar exercises.

Multilaterally, we've also been working closely with allies and partners on the enforcement of U.N. Security Council resolutions aimed at disrupting North Korea's illicit activities. And here, Japan has played a leading role in this effort by hosting the enforcement coordination cell at Yokosuka, allowing partner nations from around the world to operate out of Japan to support this effort. And this is an important example of the transparent collaboration between our allies and our partners, both at the sea and in the air, and which has allowed the president and U.S. diplomats to negotiate from a position of strength to achieve our objectives with respect to North Korea's nuclear programs. These are just a few of the relationships and efforts that highlight the priority that the United States is placing on bringing together like-minded partners that are committed to advancing a common cause and the role that the U.S.-Japan alliance can play in that. And there's certainly more work that can be done.

So in conclusion, the unfolding long-term strategic competition with China is going to prove to be the most defining challenge of our generation and will likely remain so beyond this generation. We remain committed to our vision for a free and open Indo-Pacific, which is an affirmative and inclusive vision that factors in all countries, including China, that support common and enduring principles. The United States will remain fully engaged in the Indo-Pacific, prioritizing our partnerships and promoting a networked region there, to ensure that a rules-based international order, not the use of force or coercion, dictates the future of the Indo-Pacific. And I'm confident that, as we move forward, the United States-Japan alliance will play a central role, ensuring that the Indo-Pacific remains a region that's free and open for all. So again, thank you very much for your time, and I'd be happy to answer a couple of questions before we get the next speaker.
MCMASTER: And please send your questions to events@hudson.org. Is that right?

MCMASTER: Or just raise your hand now. I'm supposed to say that up front. So, David, are you OK with just calling on people? Is that all right?

HELVEY: Yes, sir. I'm fine with that.

MCMASTER: OK.

HELVEY: Please, I saw you first.

AUDIENCE MEMBER: Thank you, sir. One of the key concerns on this is the increase of North Koreans' record, against that new strategic weapon. And, well, last year, when Mr. Onodera, former Ministry of Defense, visited Washington, D.C., he had concern that if, well, if it's not a long-term missile - a long-range missile, it's OK, it is a very serious problem to the Japanese security, and he wished that U.S. addressed this problem. And my question is, how is U.S. and Japan addressing this issue, regardless of it being a long-range ballistic missile of North Korea this year?

HELVEY: Well, thank you very much for that question. I think, you know, we're working together with our Japanese allies and others to address the full range of the types of challenges that North Korea continues to present. I mean, this is something that we addressed most recently in our Missile Defense Review, where we identified North Korea's continuing to present a significant security challenge based on its missile programs and other capabilities that North Korea is developing. With specific request to North Korea's missile capabilities, we continue to work with Japan to improve our and our shared missile defense capabilities. I'd mentioned that Japan is acquiring Aegis Ashore as a capability to help augment its missile defense capabilities. Japan also has Patriot missile defense capabilities. It's something that we continue to work with our Japanese allies to improve their capacity, even as we continue our intense discussions within the context of our alliance to understand the nature of the evolving threats to the alliance and making sure that the United States is bringing the right capabilities to bear and our allies are investing in the right capabilities to provide for their own defense. In addition to the things that we're doing bilaterally with the Japanese, we also continue to work within the context of our trilateral defense relationship with our South Korean allies, who are also investing in improved capabilities for missile defense so that we have the ability to identify, track and, ultimately, defend against any missile threat to any defended area. Thank you. Let's see. We'll go in the back, please.

AUDIENCE MEMBER: Thank you, Assistant Secretary. I would like to hear from you how the U.S. and Japan can work together to support the capability of ASEAN in defense against China, especially in cybersecurity and trade, Japan and the U.S. - especially Japan is leading the CPTPP. And we - you said we have expanded to cybersecurity and space. Now, ASEAN now, most of them, under the cautions of China, they use Huawei. Only Vietnam is trying to abstain from it and trying to go to the U.S. for Huawei. How do you think the U.S. can help ASEAN to switch from their current system with Huawei to our U.S. 5G and AI and moving forward?

HELVEY: Well, thank you for that question. I mean, obviously, these are decisions that countries need to be able to make on their own. They're sovereign decisions. But one of the things that I think we're trying to do is highlight the concerns that we have about certain technologies or certain vendors, where we just see, quite frankly, the risk as being too high. And I think, you know, we've had statements from our department of leadership very clearly saying that we think companies like Huawei and ZTE, you know,
their relationship with the Chinese government is too close. Their association with the Chinese PLA is too close. And the legal and regulatory infrastructure in China is such that, you know, they can be compelled, you know, if they wouldn't do so voluntarily, to cooperate with sharing data that's on their networks with the government and from our perspective, we just see the risks - that obtaining that as being too high in terms of our confidence in network security and the security of our data and the security of our communications.

So obviously, these are decisions that countries have to make based on their own sovereign, you know, determinations. But what we're trying to do, obviously, is make sure that we're protecting our own networks, and then we're sharing some of the lessons learned that we have about how to ensure that our networks are appropriately protected, where if we identify threats or risks with our partners, that they understand those risks before they make their decisions. From a DOD perspective, you know, we are keenly concerned about the security of our allied and partner networks because those are the networks over which we'd have to share information which would be necessary to either our operations or our operations in support of our allies and partners. So this is something we do take very seriously. Thank you. I think maybe two more questions. So I'll go with Russell and then this lady here.

AUDIENCE MEMBER: Mr. Secretary, thank you very much for your excellent remarks. In your speech, you spoke about the need of the U.S.-Japan alliance to respond to various contingencies. And one of the - in very general terms. And I think one specific contingency, of course, is in the Taiwan Strait. And so my question is, you know, with the upcoming elections and the likelihood that the incumbent president may be reelected and the even more likelihood that Beijing will likely ratchet up pressure against Taiwan, both militarily, politically, diplomatically, to what extent is the U.S.-Japan defense cooperation planning for, preparing and possibly responding to this type of contingency? Thank you.

HELVEY: Well, thank you for that question. You know, I don't want to get into details of, you know, internal planning that we do within the context of our alliance or specific scenarios that we might be looking at. But it is clear that that the U.S.-Japan alliance has identified peace and security in the Taiwan Strait as one of our common strategic objectives. This is not a new development; this is something that's been consistent for well over a decade. So it's something that we do view within the context of our alliance. But I'll just kind of leave it at that in terms of what we're specifically looking at or how we might be using the different planning tools against in specific scenario question. Thank you. Next question. Yeah.

AUDIENCE MEMBER: Russell just asked my question. But I want to follow up (laughter), if I can follow up. With the election interfering, Taiwan is saying that China is interfering in the election, I wonder if U.S. is working with Japan to make sure that Taiwan can have a fair election. Thank you.

HELVEY: I mean, I think, you know, we talk about within the context of our alliance, a number of shared interests and concerns around the region, and I'll just kind of leave it at that. I mean, we've been on the record in, you know, certainly wanting to see a free and fair election in Taiwan, and you would have deep concerns about any effort to do anything other than that. And so I'll just kind of let the other statements of senior leaders of my government kind of stand with respect to that issue. Thank you very much.

MCMASTER: Thanks. Please join me for a round of applause. Thank you so much.
HELVEY: Appreciate it. Thank you.

(APPLAUSE)

MCMASTER: Well, it's a real honor for me to have the opportunity to introduce Satoshi Morimoto, who now is the chancellor of Takushoku University. He was the special advisor to the minister of defense and, of course, as we all know, the 11th minister of defense of Japan. Before that, he held several positions in the Japanese Ministry of Foreign Affairs, including director of the security policy division in the Bureau of Information Analysis Research and Planning. He served as counselor at the Japanese embassy in Nigeria and is first secretary at the Japanese embassy in the United States. Before he joined the Ministry of Foreign Affairs, he served as the JASDF. But what is, I think, most important is that he has an extremely important legacy of all - across all of his years in service. And importantly, as many of you know, under Prime Minister Noda, he ushered in Japan's strategic shift to the Southwest Island chain. He is a wise public servant and a scholar, and it's a real privilege for me to welcome him to Hudson. Please join me in giving him a round of applause.

SATOSHI MORIMOTO: (Through interpreter) Thank you very much for the kind introduction. It is my honor to be able to make a speech, although quite short, at this prominent institute, Hudson Institute, today. I worked in Embassy of Japan in Washington in 1980 for a few years, and it has been 40 years since then. And I come back to Washington every year, but every time I come, I remember those days I was working in Washington like yesterday. So in that sense, Washington is my second home. So moving into my speech itself, since we don't have a lot of time. My speech title is "Japan-U.S. Defense Cooperation and Japan-U.S. Alliance." It goes without saying that Japan-U.S. defense cooperation is the linchpin that supports the backbone of Japan-U.S. alliance. On the other hand, as pointed out frequently by President Trump, there has been a long-standing frustration since the Cold War period in the United States that Japan-U.S. security arrangement is unfair. U.S.-Japan security treaty, our Article 5 provides for the bilateral actions in response to an armed attack against territories under administration of Japan. It therefore gives an impression that the United States is responsible for defending Japan while Japan, as an ally, is not obligated to defend the United States should the U.S. be attacked.

However, the treaty also stipulates in its Article 6 that Japan provides space and facilities to the U.S. military to support the U.S. contribution to the security of Japan, as well as the peace and stability of Far East. Since the Cold War period, up to today, how much benefit this brought to the national interest of the United States is rather clear. I think you can see that as well. Nonetheless, there has always been this perception that the pact is one-sided. So in the effort to dispel this perception of the unfair arrangement or Japan's freeloading off the treaty and to further strengthen the mutual support, Japan has since, during the Cold War and after, made a great deal of contribution politically, economically, diplomatically to ensure stable stationing of the U.S. forces in Japan. Japan has made effort for the U.S. military to be able to stay stationed stably in Japan. Japan has also paid a significant amount of - in the host nation support, which is now called the model case in the world. Japan has also purchased various weapons through FMS.

My country has also participated actively in joint exercises and initiatives in Asia Pacific region and defense cooperation based on the guidelines for U.S. and Japan defense cooperation. And based on the U.S. recommendation, Japan has also provided strategic support to developing countries. Furthermore, limited exercise of the right of collective self-defense based on the military legislation has surely played an important role in the effort to resolve such dissatisfaction. I have been working with the U.S.-Japan
security treaty for a very long time. And for the last 50 years, I've been working and tried to dispel this perception of unfairness regarding this treaty, and indeed, alliance managers also have been working very hard to do away with this perception as well.

Today, I do not think there is any element in the arrangement that indicates unfairness. Nevertheless, we might be requested to shoulder a significant portion of cost in the host nation support discussions for the next fiscal year. I would like to come back to this topic later. On the other hand, the changes in the security environment in northeast Asia surrounding Japan is now posing greater challenges to these two allied countries. Among others, maritime advancement by China based on their ambition for hegemony, A2/AD, as well as provocative actions by North Korea, including nuclear and missile development and enhancement of defense in the area surrounding Russian territories, are direct threats to Japan and the U.S., and these threats are growing year by year. If these situations escalate further, they might eventually evolve into gray zone situations and into hybrid conflicts. Japan-U.S. alliance will, in order to be ready to respond to such situations, review their respective RMC and pursue them.

I say this because in order to respond to possible incidents in the future, we need to identify the insufficiencies in the current RMC and work on them so that we can further strengthen the alliance. Xi Jinping, who assumed position in 2012, shifted gear to active diplomacy and security policy. Under Xi, China ventured out to South China Sea and East China Sea and built islands. And now their aircraft carriers and bombers go outside of the first island chain. China is pursuing its One Belt, One Road initiative, building infrastructures in the territories along the Silk Road all the way to Europe, and is trying to protect its core interests by projecting its maritime and military power to the open ocean. Domestically, China is driving innovation in telecommunication technologies by utilizing the most advanced technology and the military-civil fusion with an objective to rule the digital economy of the world. Up to today, many experts have promoted the policy of engagement with China under the misconception that as China develops economically, free and democratic society will gradually take hold in the country.

To the contrary, once it became rich, China invested in military capability, pursued hegemonism (ph) and became aware that U.S. superiority in military and technology might be fading. To this, the U.S. - United States responded by establishing a strategy two years ago in December 2017 and recognized that China was the strategic competitor. I believe this is the right direction as a policy. On the economic front, the United States and China are involved in issues such as trade deficit and investment in the U.S. and the protection of American IP. But since two economies are already quite interdependent, neither country is likely to make a unilateral move. On the other hand, on the security front, China's OBOR initiative, maritime advancement and military modernization are grave concerns, and there is no room for concession between China and the U.S.

In the interest of time, I will not go into what kind of policies were taken by China towards the U.S., but I would like to now talk about what kind of alliance that we should go towards between Japan and the U.S. In one word, RMC is the most important issue that we need to work on between the two countries. But among the elements within our role's (ph) mission and capability, the most urgent in strengthening is to Japan's response capability. Japan should further increase the number of midsized destroyers and submarines to enhance maritime defense capability in the area centering on East China Sea. And furthermore, right now, there is a plan to upgrade DDH to become a platform for stowable aircrafts. But in the future, I do believe that we will need Wasp-class amphibious assault shipping. This is because very
soon, Chinese aircraft carriers will be deployed in Pacific Ocean at all time. Japan has already announced its plan to acquire 147 F-35 fighters. But for the future, we will also need to work together to jointly develop the sixth-generation fighters and replace F-2s by mid-2030s and on. It is also indispensable to develop and improve a missile defense system that includes long-range missiles that would enable responding to missiles launched from ships and aircrafts as well as missiles and rockets with nonconventional trajectories, such as hypersonic glide vehicles.

Also worth reviewing - our missile defense at an early stage of the launch, such as anti-missile defense at the booster phase. And the use of space might enable this as well. Another urgent issue is the - among the multi-domain capabilities, space and cyber capability must be enhanced quickly through cooperation between Japan and the U.S. Japanese government has emphasized the multi-domain element in a defense budget for next fiscal year. It is necessary to push forward the cooperation between the two countries in the space domain and go forward with a constellation comprising of multiple small satellites for the airspace above Pacific Ocean. Hosted payload on Quasi-Zenith Satellite System is an important element, but this alone is not adequate. Japan, U.S. and Australia must work together in the Indo-Pacific Ocean (ph) - Indo-Pacific to create a network of surveillance for both space and maritime. And for roles and mission parts of the RMC, the role of Japan-U.S. security arrangements should be enhanced. Of the bases in Japan, SDF’s facilities and U.S. military facilities located in the southwestern region should be completely joint use facilities between Japan and the U.S. And in key bases, such as SDF bases in western and central regions, as well as missile base, the joint use should be expanded. It would also be desirable to jointly use the Guam base among three countries - Japan, U.S. and Australia - so the multilateral joint exercise can be carried out at any time.

Although missile defense is a future issue and requires further discussions, it is necessary for the U.S. to deploy a capability in Asia to respond to numbers of missiles in inland of China and ballistic missiles. It is also significant for the U.S., Japan and Australia to provide equipment to the ASEAN countries, and also Japan, U.S. and India to provide the same type of equipment to southwest Asian countries. And in order to drive such enhancement of RMC, Japan will need to increase its defense budget up to 1.2% of its GDP.

As to host nation support, that is still to be discussed in the next fiscal year. In addition to the contribution that is set in the Status of Forces Agreement, we might also need to consider bearing strategic cost for advancing Japan-U.S. cooperation, such as cost associated with Japan-U.S. cooperation in space and cyber, cost of activities by strategic unit and also by Indo-Pacific unit, and also cost for expanding the joint use of U.S. bases in Japan. So I talked about many different topics, but what I want to emphasize at this point again is that going forward, the basis for the Japan-U.S. alliance will be the expansion and enhancement of RMC between the two countries. And in that sense, Japan-U.S. defense cooperation will continue to be very important, and it needs to be enhanced. Thank you.

(APPLAUSE)

MCMASTER: OK. Want to put me on the far side, I think?

SHEILA SMITH: Thank you.

MCMASTER: The last one - latest one.

SMITH: Thank you.
MCMASTER: Well, we have two - we had two great keynotes. Thank you so much, Minister, and for - to acting Secretary of Defense Helvey. And now we're just going to have something even better, I think, which is a panel that will give, I think, each of our panel members an opportunity to make some initial remarks and then hear what's on your minds. And this is when you can send your questions to events@hudson.org. So we have an extremely talented panel today, really, that brings complementary perspectives to the importance of our collective defense cooperation.

First, Lieutenant General Koichiro Bansho - he's a retired lieutenant general - fellow retired lieutenant general (laughter). And he's a senior adviser to the Marubeni Corporation. In 2004, he commanded the first Japanese contingent to Iraq. He deployed to al-Samawah And I'll just tell you, having visited there many times, it was just a wonderful operation that made such an important difference to the Iraqi people in the area. And it was under your leadership role that it got started. It's great to be on this panel with you. In 2011, after the Great East Japan Earthquake and nuclear disaster in Fukushima, he was assigned chief of the Japan-U.S. bilateral coordination center for Operation Tomodachi, the first Japan-U.S. bilateral disaster relief operation. In 2012, he became vice chief of staff JGSDF and commander of the Western Army of Japan from 2013 to 2015. Welcome, General. Real privilege to have you.

Sugio Takahashi is the chief of policy simulation office at the National Institute for Defense Studies in Tokyo. Extremely important mission - to identify and clarify those seams potentially in our defense that David Helvey talked about, and then what kind of capabilities we as an alliance can develop to cover those seams. He was a deputy director of the Office of Strategic Planning of Ministry of Defense from 2008 to 2016. In that capacity, he was in a drafting team of the National Defense Program Guidelines. And you heard David Helvey talk about the alignment, the tremendous alignment in our strategies as a result of Takahashi-san's efforts.

Patrick Cronin is the Asia-Pacific security chair at Hudson Institute. And Patrick's research program analyzes the challenges and opportunities confronting the United States in the Indo-Pacific region, including China's total competition campaign. What I referred to in the introduction is this campaign of co-option, coercion and concealment. He also works on the future of the Korean Peninsula and strengthening U.S. alliances and partnerships. And I know of no scholar who has worked harder and longer and official at strengthening the U.S.-Japan alliance.

Sheila Smith is a senior fellow for Japan studies at the Council on Foreign Relations. She's an expert in Japanese politics and foreign policy. She's the author of several books on the subject, including a book I'm reading right now, "Japan Rearmed: The Politics Of Military Power." She also teaches as an adjunct professor at the Asian Studies Department at Georgetown University and serves on the board of its Journal of Asian Affairs. So what I'd like to do is just suggest maybe we go in that order and - I'm sorry. Oh, sorry.

UNIDENTIFIED PERSON: Another lieutenant.

MCMASTER: Separate page. Another lieutenant general.

UNIDENTIFIED PERSON: There's too many lieutenant generals.

(LAUGHTER)
MCMASTER: And then, of course, we have Lieutenant General Chip Gregson, Marine Corps retired. He most recently served as the assistant secretary of defense for Asian and Pacific security affairs from 2009 to 2011. He has a tremendous reputation across - not just in the Marine Corps, but across all of our defense community and all of our services. And he's mentored a lot of my fellow Army officers who think the world of him as well. In the Marine Corps, he served as a commander of the U.S. Marine Forces, Pacific, commanding general Fleet Marine Force, Pacific, and commander of U.S. Marine Corps Bases, Pacific, headquartered at Camp H.M. Smith in Hawaii. So it's a tremendous panel. I recommend we just go in that order. General Gregson, if you're OK to do - to back clean up there - all right? - and we'll begin first with General Bansho.

KOICHIRO BANSHO: Thank you very much, General McMaster and distinguished ladies and gentlemen. It is a great honor for me to be here. And this is a privilege for me. As a soldier, I like to do my presentation by using the PowerPoint slide.

(LAUGHTER)

BANSHO: So I'd like to introduce these three points. One is the (unintelligible) Japanese strategic environment and strategic characteristic. No. 2 is a Japanese effort specially to cope with China. Third is how to strengthen our alliance. So this is a globe. Where is Japan? Japan is here, from our northern territories, Hokkaido, Honshu, Kyushu and the Ryukyu Islands - southwestern islands. So the distance itself is 3,500 kilometers from north to south and located at - between the European continent and the Pacific Ocean. And especially this Japan archipelago is located between those important areas to control the pathways and use it from a continent. So Sea of Okhotsk, Sea of Japan, East China Sea, South China Sea. And this yellow belt is Japan archipelago. I think Japan's archipelago - it's very important location and plays a very important role in taking power balance in Indo-Pacific region. According to the U.S. National Security Strategy - so, as you know very well, China and Russia is a strong competitor. And North Korea and Iran is the threat to United States and our rights. But the three of force - China, Russia and North Korea - is located here. And Japan is the only country to face directly those three powers.

And I think - I always think about the deja vu from a 19th century. As you know, Sino-Japanese War happened in 1894 and the Russo-Japanese War - 1904. Almost 120 years ago, we spent almost the same strategic environment. I'd like to touch upon the one example of Chinese provocative actions. Up on chart (ph) is a violation of the Japanese territorial water by the Chinese diesel (ph). Until the - after 2012, Japanese government decided to nationalization of the Senkaku Islands. The violation was increased. And still, a couple of days ago, China's diesel (ph) invaded our territorial water. And latter (ph) bars indicate the number of the scrambles by the Air Self-Defense Force. Since in 1958, almost 60 years ago, this was studied (ph). And the highest mountain is 944 times a year. That is in 1984 during the Cold War, mainly to the Soviet aircraft. But after the collapse of the - after the end of the Cold War, the numbers decreased. And again, since the last 10 years, there is increase again. And three years ago recorded the highest number - 1,168 times. And almost 1,000 times a year, the - our scrambles by our jet is conducting. But the program itself is a content (ph). Almost 60% to 70% of the air interception scrambles towards the Chinese aircraft.

So how do we do? We have to do many things, but I pointed out five things. One is how capability must be strengthened, and our Japan-U.S. security alliance is critically important. And especially, we have to promote FOIP - Free and Open Indo-Pacific strategy. And we have to consider the counterbalancing. And as Mr. Morimoto said, we need more money and resources to defend and to conduct such things. And
especially, I'd like to emphasize on the Archipelagic Defense. As I explained, Japanese archipelago is located at a very important strategic location and a geopolitical location. That's why we have to conduct many things. But I pointed out the four things. One is we have to establish the strategic superiority along First and Second Island Chain. We have to do all effort to deter and contain from Eurasian power. And we have to control the geopolitical exits. Second is our Japanese own effort. We have to deploy more - and the modernization of the weapons. Especially long-range capabilities might be very important. And sustainability and resiliency is also very important things to conduct such capabilities. Third is we have to accelerate the cost-imposing strategy by the asymmetrical ways. That is not only for the military, but also a political, diplomatic, economic ways. And we have to seek superiority in the cyberspace and electromagnetic field.

And I would like to say one more thing - that is the amphibious capabilities. General Gregson did a great support for us, and we recently established the ARDB - stand for the Amphibious Rapid Deployment Brigade. That is the naval type 406. We need to strengthen the quality and the quantity. And we have to solve - so proceed the joint capabilities in Japan-U.S. cooperation. And one of the - so important things that, as I mentioned, as Archipelagic Defense, but especially certain areas is critically important. This is Honshu. From Kyushu to Okinawa areas, it's almost the same size of the Honshu. And the distance is 1,600 kilometers - almost a thousand miles from north to south. But there are the many remote islands, and they face to the East China Sea and the Korean Peninsula. So that's why we have to strengthen the defense posture along the areas. Three majors - one is we need location. Second is rapid deployment capabilities must be strengthened - and amphibious capabilities, also. In our headquarters, we called southwestern war strategy in those days. It means those islands must be secured because we have to secure our people, our land, our bases. Land itself must be kept. And second is asymmetrical coastal defense by using the sum of weapons.

And the third is for the defense. So this is a kind of the Japanese type A2/AD. This is the - our new unit location. In 2016, we established a new camp in Yonaguni. That is very close to Taiwan - only 110 kilometers' distance from Taiwan. This is a border island. And last year, we established the Miyako and Amami here and here. That line is a candidate of the Chinese exit line, so we have to control those areas. And maybe in the near future, Ishigaki will be completed to the new camps. I think there is no choke point without land, and so land - island is very important. This is the air defense capabilities - Japanese-made surface-to-air missile and the Patriot. And this is very similar, but this is a surface-to-surface missile - Type 12. And also, as you know, China conducts three warfares, such as media warfare, psychological warfare and the legal warfare.

But I think we have three more warfares. Fourth is a legitimacy based on the international law or rules-based orders. That's kind of the legitimacy - very important. And fifth warfare is high proficiency or high capabilities of the armed forces, military forces. And the sixth is the friend - U.S.-Japan relationship, QUAD, India, Australia, Asian countries, European countries. Such kind of the multilateral cooperation must be very important. This year is the 60-years anniversary of the U.S.-Japan Security Treaty (ph). Prime Minister Kishi is the grandfather of the Prime Minister Abe, and President Eisenhower signed 60 years ago in Washington, D.C. So we have to strengthen our bond of the U.S.-Japan alliance. As Mr. Morimoto said, RMC is very important. And based on the - before that, strategy goals, strategy objectives might be aligned. And we have to create and conduct the cost-imposing strategy to compete to China and strengthen the joint use of bases and facilities. And we have to demonstrate many activities such as exercises or trainings and promote joint technology development. This is overview of
this region. Counterbalancing conducted by Japan and the U.S. to continental powers, especially China, and the QUAD cooperation - Japan, U.S., and Australia and India. And the soft balancing is Asian countries mainly and also multilateral cooperation with European countries also. This is the last slide. This picture was taken on last October in Kyushu. This is a very important asset. This is the HIMARS of the U.S. Army, and this the Type 12 surface-to-surface Missile of the Japan Self-Defense Force. Both soldiers stood. But this is a very important struck (ph) message. HIMARS is a rocket system capable for the long-range missile. (Unintelligible) is also to control the freight along the coastal line. So we need wisdom, and we need all measures to cope with security situation. Thank you.

(APPLAUSE)

MCMASTER: (Unintelligible).

SUGIO TAKAHASHI: OK. Thank you. First thing I want to say, great thanks to Hudson Institute to hold this event, and they invite me to here because I’m a nuclear strategy specialist, and I’m very, very (unintelligible). So Hudson Institute, as well the RAND Corporation - Hudson Institute is a very special organization for myself. And what I want to say here is actually almost - has been already covered by General Bansho and Morimoto. No, to say a long story short, I want to say we need to, meaning the U.S. and Japan, should start another round of real-world mission capability talks as soon as possible because now, you know - as you noted, there are so many security challenges in the region - North Korea, China, one of new domains or Middle East, (unintelligible) a part of the region. And also, we have some significant challenge in alliance management, like host-nation support or post-INF issues or new fighter development. So these things, these specific alliance management issues, should be - they should be treated with linking - with strongly linking with strategic concept.

So what we need to do now is to develop the common strategic concept which can address these specific alliance issues. You know, in case of host-nation support, needless to say about host-nation support. But, you know, fighter or post-INF issue could be - could come to be a deficit in alliance management if they - if alliance manager treat them as without any strategic foundation. You know, HNS is money issues, so money issue always can harm your preservation (ph). So this is very serious. But, you know, at the same time, under the current security environment, we need to modernize or update our middle infrastructure in Northeast Asia because, you know, we have - we are facing serious threat, serious challenge from Chinese anti-access/area-denial capabilities. So reinforcing, strengthening the base resiliency is a top priority agenda, actually. So - and strengthening base resiliency requires huge money. So in a sense, we know one of the, how to say, creative idea, potential creative idea, is to develop new underground missiles range inside some area, some bases in U.S. by Japanese fan. Of course, that is a very, very expensive because this is underground. But because this is underground, this is resilient. And so that kind of, how to say, fund for strategic purpose would be justifiable in how to use the Japanese taxpayer's money.

So that kind of link between strategic, how to say, concept, a strategic story, with each HNS issue is really important. And fighter - well, post-INF as well - fighter issue and post-INF I think this is a - this is a kind of - not the same coin, but the issue is based on the same foundation. I mean, now the missile technology has developed. Now, you know, precision-strike regime is not only employed by the United States. China also can employ the precision. And so now, you know, they are always going to be changed. Since World War I, you cannot - it is very difficult to destroy the aircraft on the field. So it's more easier to - it's easier to shoot down the air. And now the long-range - even the long-range missile
can shoot - can destroy aircraft on the ground. So this is a big change. And so in this sense, you know, the - and combining with unmanned technology, that air war itself can - is going to be changed. So if you're at war, the characteristics of air war is changed.

Why do we need a manned air - manned fighter? Well, you know, the requirement for manned fighter might be different from the previous era. So these kinds of issues - how to win the - how to fight a war, how to win the war - will determine the direction of the requirement of the fighter and the requirement for the post on the ground-based strike system. So in this way, we need to discard that kind of upstream strategic issues to address downstream alliance-specific issues of the alliance management. So U.S.-Japan alliance, as Dave explained - we need several - how to say? - defense strategy/operational documents that could - you - like U.S.-Japan defensive guidelines. The latest one was signed in 2015. That was very big achievement. But five years is going to be passed, so we should start another round. And a defense guideline is actually to link strategy with operation planning. And now I think we need to link strategy with capabilities. So in this context, I say this is not - the new round should not be reviewing another defensive guidelines but to formulate new notion of roles, mission and capabilities. And in all this five years, much of the main issue is more serious. That was serious in 2015 as well, but now it's more serious.

And Chinese (unintelligible) capabilities - of course, that is also serious. And now we are facing the era of the great competition, which you are not recognizing that 2015. So these things - thinking to consider these things. We need to start that kind of strategic - how to say? - consultation for to develop the strategic concept. We thought that we may face very serious alliance management friction. To avoid that, we need to start. And then, finally, I want to comment in the context of North Korea. In the - you know, North Korea is changing the game. Actually, it has been changed - the game - because in the anterior (ph) - maybe early 2000s, Korean Peninsula and the Japanese islands - actually, the different theater - combat was supposed to happen only within the Korean Peninsula, and Japan was considered as a safe staging area. And the - however, with the North Korean ballistic missiles, now Japan can be the combat area as well. So now, you know, Korean Peninsula and Japanese theater is integrated in one theater. And it - however, the other structure of this region is after the legacy of 1950 Korean War. You know, after the 1950 Korean War, U.S.-ROK alliance is signed, and they use Japan - reason that U.S.-Japan security treaty was signed in 1950 before U.S.-Japan - U.S.-ROK security treaty to support U.S. operation in Korean Peninsula. And U.S.-Japan security treaty was revised in 1960s. And this means U.S.-Japan security treaty, or U.S.-Japan alliance, is supposed to support U.S.-ROK alliance, or U.S. (unintelligible).

And so the current region's command and control structure is based on this structure and based on the assumption that we have two different theaters. However, now we have one theater, so we need to fundamentally reconsider command and control arrangement in this theater. In other words, now Japan needs to have - face some cost, some risk, if Japan supports U.S. operation in Korean Peninsula by North Korean missiles. And so this is - this situation is something like taxation without representation. So now we want to have the representation in Korean Peninsula situation. So we should - I'm asking for you aside to review the command and control structure for truly trilateral work. Thank you.

MCMASTER: Thank you so much. Patrick.

PATRICK CRONIN: H.R., thank you very much. If there's one word that summarizes what we need to do to update U.S. defense cooperation, for me, the word is information. And I expand what that
information definition is in three points here. First, I do want to emphasize as an American that the U.S.-Japan alliance is and remains and will remain the cornerstone of the Free and Open Indo-Pacific. It goes without saying with most of the folks in this room, but it's important to be said publicly. Our goal is not to remain satisfied, though, with the status quo because the environment is constantly changing. And that's why the U.S. and Japan must push ourselves, must push our governments and our societies to keep up with these vital changes.

So point two - when I think about the most vital challenge, it was echoed by acting Assistant Secretary David Helvey. He said the defining challenge was the China challenge for the century. I think he's right. This is our biggest national security challenge. It's shared by the United States and Japan. And it will be the defining challenge in the coming decades. As we look at what China's doing, it's not just defense. It's not even mostly defense. And that's why we're going to have to expand the definition of what - so I'm going to break the crockery here of what it means to have defense cooperation. We can't just do defense cooperation. We need national security cooperation. We need it writ large because China is using all instruments of power to gain primacy. This has been described as political warfare ever since George Kennan defined the term after World War II. But others, including many Japanese, talk about the gray zone operations, which China is using to alter the status quo without overt military escalation.

I've written with my colleague Ryan Neuhard in a report that will be released on Thursday online called "Total Competition" that emphasizes China's peaceful but comprehensive policy for gaining, first and foremost, economic preeminence. That's their main goal. Read Jonathan Ward's book about this. Their goal is economic preeminence. But to get there, they want to change the rules to make them favorable to Beijing. They want to chiefly do this through technological prowess. And the technologies that get them to that economic preeminence, unfortunately, are dual-use, and they lead to military preeminence. So these are all connected. That's why that civil-military fusion concept of China is something we need to learn from - because this is what is the key to the future security. So my third point is, therefore, the U.S.-Japan alliance must step up to the challenge of China's total competition. And that means not just more and smarter defense cooperation, but strategic cooperation across the dimensions of Beijing's approach - the economic, legal, psychological, military and informational. The economic power needs to be countered with strong, growing economies, but also by things that are now being done by the U.S., Japan and other allies, like the Blue Dot Network to provide, essentially, a grade, a good housekeeping seal of approval or disapproval, on China's infrastructure financing for its Belt and Road Initiative that we've heard about. It's also proceeding with an effective, robust, bilateral trade agreement. It means dealing with development in southeast Asia and providing them alternatives to the Belt and Road Initiative. All of those and more need to be done on the economic side.

The lawfare side is very important because the legal arguments that China makes are about adopting the rule of law as it suits Beijing's interests. So they're happy to embrace international law or local regional norms when it suits their interests, and they're happy to violate them when it doesn't. You could say this is classic major power behavior to some extent. Yes, there's some truth there. But we live in the 21st century, when we're hoping to agree on a rules-based system - one that Japan and the United States has built up so assiduously, especially since the end of World War II - that we're trying to enforce. So when China notes that it has ratified the U.N. Convention on the Law of the Sea but then it completely ignores the 2016 arbitral tribunal ruling on the South China Sea, are they supporting international law? No, they're not supporting international law, but they'll take America to task for not ratifying UNCLOS even though we're actually supporting it, and so on. They're trying to do the same
thing with a one-sided code of conduct in the South China Sea, where they’re trying to sort of co-opt those norms - you mentioned the word co-option - while they conceal their real intent about exploiting resources and denying military exercises and, therefore, defense of those southeast Asian countries through a code of conduct, through a legal means.

A third dimension - psychological operations - is more than what the military usually refers to. I'm using this very broadly in terms of how Chinese has adopted it. Yes, General Bansho mentioned the three warfares. That's a PLA concept of their military concept. I'm losing it in the round here - the larger concept of psychological operations - because they are constantly messaging in ways that are not just propagandistic but are meant to literally change the ideas of thinkers, of leaders, of officials, of the press, of the media, of academe in ways that are truly strategic. So the idea right now for China - the big meme (ph) is that it’s the United States that’s the rule breaker. China's making - you know, keeping up the rules. China’s supporting the global economy. The United States is tearing apart the global economy. The United States is the biggest destabilizing force in the region. China’s the biggest stabilizing force in the region. These are all psychological warfare, and not just propagandistic dimensions. I could go on, and we do in the report.

The military dimension - and it's especially maritime in East Asia, in East China Sea and the South China Sea - absolutely vital to China's approach. Beijing wants to create a defense force that's capable of nullifying America's power projection capabilities, separating Japan from the United States because if they can do that, dealing with Japan becomes a lot easier. Dealing with South Korea becomes a lot easier. Dealing with the Philippines, Vietnam, Indonesia become a lot easier. And they want to do that. They want to be able to - that's where the A2 - the anti-access/area denial kinds of capabilities come in that we have to counter. This - a big dimension of this is happening under the sea. And this is when you think about the dual use. So you think about the artificial intelligence colony that China is building with unmanned undersea vehicles. With - and you think about what they're systematically mapping the seabeds and thinking about where the cyber cables are going, you start to see a much murkier picture about what is China really doing here? Is this for the benefit of all humankind? Or is this about China's hegemony? Is this about severing the military alliance system? Is this about changing the rule of law? Is this about advancing Chinese power?

And unfortunately, it comes down to this fifth dimension, information - information power. Information is the one word that permeates everything that China is doing, I would submit. Now, there are many things we have to do. It’s been said. I'm not saying this is the only thing we have to do, but it’s the one that has to be elevated, I believe, in the security and defense cooperation. From the battle of narratives, from dealing with cyberattacks, from dealing with China’s big data AI space exploration information hardpoints that they're building in the South China Sea, China’s strategic defense about exploiting information. This is what it’s centered on. And the U.S. and Japan must counter this. They must - we must leverage our advantages in these areas - because we have many - and we must leverage them against China’s long-term weaknesses when it comes to the free flow of information - to transparency, to cutting-edge technologies, to undersea warfare, to space systems.

So, for instance, a joint U.S. code development initiative centered on C4ISR would help to counter this massive challenge. That would be one specific kind of initiative that could be launched where the major defense component - but it’s a national security widely conceived. So in short, to succeed in updating U.S.-Japan defense cooperation, I believe we must expand our operations of our cooperation or the
aperture of our cooperation into not only the new domains but also throughout all policy instruments. And information is the one that permeates all of them. So thank you.

**MCMASTER:** Patrick. Sheila?

**SMITH:** Thank you, general. So I'm here not as an operator or a planner but rather as somebody who looks at the politics of the decision-making. And I think the - I think all of us up here are talking about not only how - trying to sustain current levels of alliance cooperation but how to make the alliance stronger. And I'm going to focus my remarks a little bit on the politics. Everybody here has acknowledged that the rapid changes afoot in the geopolitics of Asia are accelerating, and we have to be responsive to that acceleration, which for me is not just a question of hard-power capabilities, which are very important, but also in our ability to make decisions together and make decisions quickly together. And so I think that's important in the context today when we see North Korea challenging - right? - the nuclear balance specifically. You see China challenging all of the kinds of international law, the maritime balance - all of the ways in which other speakers have outlined here. But we also see a debate in the United States that's re-examining the value of our alliances to us, right? And that makes many of our partners across the region quite nervous about our long-term sustainability in the region but also our willingness to move forward with allies to make sure the region is strong. The military-to-military cooperation in the U.S.-Japan alliance is extraordinary, and it's been extraordinary for generations.

And the U.S. military and the Japanese military have deep, deep ties. And a lot of the evolution and the progress that we see here is due to the learning and the expansion of that learning over the decades - in particular, in the wake of the Cold War. We now have regular exercises in all kinds of dimensions that were unimaginable even five years ago. We do things together. We have planning coordination that spans from our regular long-term defense planning to our nuclear posture review discussions - right? - to our extended deterrence dialogue. So we have integrated considerably the way in which we think about the region, and then we plan together. There's been considerable security reforms, and this is an audience that knows them well. But the reforms in Tokyo make it much easier and much more rewarding to talk about what we need to do in the future. And the 2018 National Defense Program guideline has also put some money on the table, has made the resources available for the next five years - in Tokyo, at least - for an expanded investment in capabilities there. But I think what we need to do - and I think we've watched it happen, largely instigated by Tokyo and by the Abe cabinet - is we need to move the military coordination outside of the narrow framing.

And again, everybody is talking about this in different ways, but outside the narrow framing of a defense of Japan scenario but into how do we build networks across the region where we continue to maintain open maritime sea lanes, but we also build on the kinds of collaborations that Patrick and others here have referenced, whether it's international - application of international law, or whether it's things like ISR, coordination with Australia and other partners, whether it's the capacity building that we see ongoing by the Japanese and by - has been to some extent by us in the Asia-Pacific. I think it's to be welcomed that there's a greater peacetime presence of the Japanese self-defense force across the region. I think we've seen some resistance in the past. But today, there's a larger welcome for the Maritime Self-Defense Forces, for the Air Self-Defense Forces and Ground Self-Defense Force, dialogue across the region including India but also across - into the Persian Gulf and beyond.

So what am I focused on? What am I worried about in terms of decision-making, or how do we look a little bit ahead? I think one of the key areas of reform or at least building that I see the potential for is
how we imagine conflict in the region. We have largely talked about deterrence, and I think that is the primary objective of this alliance - is to prevent war. But I think we also need to make sure that we're prepared for it. And I think a lot of the ideas that we heard on this panel already have talked about specific ideas. I don't know that we completely understand each other when it comes to understanding how we see risk, how we assess risk, what instruments we can bring to bear and how. I think, as I pointed out in my book "Japan Rearmed," the Japanese are much - Japanese government is much more comfortable today with the military as an instrument of national strategy than they have been in the past - not as an aggressive use of force, but as one that sustains the peace more actively. I also think we could benefit from a conversation about how we see each other. What are the expectations of each other? And Minister Morimoto raised this when he was discussing the host-nation support debate.

But we can talk about Article 5 and how we operationalize it, which, again, is a defense of Japan and a regional kind of way of talking about our military cooperation. To date, we have done it mission by mission - ballistic missile defenses, island defenses, broader sea lanes missions. But I think it might be time to talk about it a little bit more broadly in terms of the great power competition that we've all been referencing. We don't have that strategic conversation in how we imagine - how we might best compete as an alliance in that major power competition in Asia. The Korean Peninsula, of course, has long been the focal point of military planning. This is where we thought the use of force in Asia, or at least in Northeast Asia, was going to be most likely. But we've - today in our conversation about it, even as we talk about diplomacy and denuclearization, we still don't talk openly about how much the - our ability to operate on the Korean peninsula in the case of war depends on Japanese cooperation. And I think that's something I believe needs to be brought a little bit closer to the surface so that we can get to the conversation with South Korea about if not shared command and control because I - while I'd love to see it, I think it's a little bit of a reach at the moment. But we do need to talk more openly about the value of both of those alliances together in how we manage the north.

China's strategic challenges have been talked about quite openly here, and I don't think I need to go any further than what we've talked about already. I do think, though, that there's two pieces of the puzzle. One is making sure that our self-defense force operators are sure of and can count on our ability to respond should they need us, and that's a Senkaku contingency or other kind of contingency. I think we also need to be sure that our forward-deployed bases in Japan can operate effectively, and that means making sure not just that the political environment is comfortable, but that also we have a serious conversation with the Japanese government about the operational requirements should we need to have a joint basing and joint use. I think the broader stability of Asia one (ph) has been talked about quite a bit here, but I do think there's a lot of complementarity in the way in which we use instruments other than the military. And I'd like to see us - while we talk about Indo-Pacific, I'd like to see us get a lot more granular about economic resources, about soft power resources and about how we can, as the United States, be much more forward-leaning across the region.

So in conclusion, I think we just need to remember that our job here in the alliance is to make sure that we continue to prevent war. And therefore, we make sure the alliance is strong. We reassure each other. Here, I would go a little further than Takahashi-san. I don't think it's solely a roles, missions and capabilities conversation, although I think that's very important. I think we need a higher-level strategic dialogue. I think we need it at the higher level of decision-making about the application of various instruments in our strategic development going forward, especially as we deal with China. And again, we need to prepare to act. I think resilience, strength is not just a military challenge, but I think it's an
alliance challenge. And I think things can change - as we've seen in the last couple of weeks, things on the ground in the region could change quickly. It's not how we're used to thinking about the region. We're used to thinking about long-term planning processes. But I think we've learned our lesson in the last decade. Things can move very fast. And so I think we should talk very carefully about whether or not we are actually prepared to act together. And I think that's one of the concerns I have about where we are and how we talk about our alliance. But I look forward to hearing General Gregson's thoughts (laughter).

WALLACE GREGSON: Thanks, Sheila.

CRONIN: General.

GREGSON: Thank you very much. And thanks to the Hudson Institute for putting together this, essentially, family reunion amongst those of us Americans who've been privileged to work with Japan and some of our good Japanese friends that flew in here for the discussions. The question that was posed to us that led to vigorous analysis over the last two days was roles, missions and something called multi-domain capabilities. Let me suggest that multi-domain has achieved official, solid Washington buzzword status.

(LAUGHTER)

GREGSON: In that, I mean that it's very much more often discussed than it is understood.

CRONIN: (Laughter).

GREGSON: So let me try and start with a definition, a simple working definition of what multi-domain might mean, and then how we might institute something practical very quickly to get the things that Sheila mentioned and the other speakers mentioned about actually making some progress on enhancing the security of Japan and the United States. Let me suggest we can understand multi-domain as that forces operating in each domain - air, land, sea, space, cyberspace, information, et cetera - must provide direct support, fires, effects (ph) and maneuver to all forces in every other domain at a pace much faster than any enemy can match. This is not optional for the alliance. We're fighting outnumbered, and fighting outnumbered requires integration across all these domains and integration again at a higher operational tempo than any enemy can match. This is not optional for the alliance. We're fighting outnumbered, and fighting outnumbered requires integration across all these domains and integration again at a higher operational tempo than any enemy can match.

And this is not simple stuff. It's got to be done at the speed of electrons. Coordination is not fast enough. Voice radio is totally obsolete. It's got to be much more sophisticated than that, and it's got to be ingrained up here in the software, not just the hardware we use to communicate. This is tough stuff, both politically and practically. Politically, each nation must maintain solid sovereignty over its own forces. And the political imperatives of each nation must be respected throughout alliance operations. Northeast Asia presents a curious position for us now. Our regional force structure is much like it was at the beginning of the Cold War. We brought our forces back to Asia in response to the Soviet-sponsored invasion of South Korea. North Korea and China, in those days, had no ability to project forces to seaward. And therefore, Korea became the battlefield, and Japan remained the sanctuary. Chinese were involved. Massive Chinese ground forces were involved in the active phase of the war in Korea, but the conflict stayed on the Korea.
The Korean War, as you all know, is in an uneasy armistice. It's never really ended. Therefore, our forces in Korea, both U.S. and Korean, are prepared to fight tonight. They maintain that high a level of readiness. And more important to what we're talking about here, they will be fighting within and with an exquisite combined U.S.-Korean command and control network across the alliance that's capable of integrating firesome maneuver in real time across all those domains. China and North Korea can now project power seaward. China is present in Japanese airspace and territorial waters frequently. North Korea frequently fires missiles provocatively into the sea of China and, as far back as 1998, actually fired a missile over Japan. So Japan is no longer an unthreatened sanctuary. Deterrence, in turn, requires an undoubted ability to prevail. And deterrence, in its turn, requires that we enhance our capacity to integrate all of our forces across the alliance, across all these domains. This will require significant work. It must be done quickly. And we have to get it out of the conferences and get it into the forces, where the younger generations can start working out all the details and solve problems for us. To do this, I propose that the U.S. has to provide an operationally capable joint U.S. command element in Japan that is charged with working daily, continuously, with Japanese counterparts to jointly develop plans, the organizations, the doctrine and the skills needed to ensure alliance forces are ready to fight tonight for Japan as well as for Korea, joint and combined.

Further, U.S. and Japanese forces should create a standing combined maritime joint task force. And maritime, as General Bansho mentioned, also includes the land. This isn't just strictly an Air Force-Navy thing. A joint maritime standing task force is a platform and a laboratory for rapid development of capabilities and capacity. Other nations, but not limited - including but not limited to Australia, India, Singapore and Taiwan, should join this standing combined task force as appropriate for various missions. Humanitarian assistance disaster response is hardly a - it's considered an adjunct to what the military does, but let me propose that it's a hugely valuable characteristic. No. 1 - every disaster response operation exercises every military muscle move - muscle group you have except for pulling a trigger, and that's conceptually the easiest. In the wake of Typhoon Haiyan in the Philippines, the Japanese were the second contingent to arrive to provide aid to the Philippines. The U.S. was first. We cheated. We flew down from Okinawa. Japanese brought down one of their great helicopter destroyer ships with not only soldiers on it, but with professional nongovernmental organizations that specialize in disaster response. Three months later, I listened to the Philippine Ambassador to Japan addressing a public conference openly depart from his talking points and say that we consider Japan an ally. We're the Philippines. We know there was a war here 70 years ago. We had a part in it. But we now consider Japan an ally. So that's the type of thing that can change with one of these. Our friends in Taiwan can join this task force for humanitarian - for disaster response operations. And, therefore, we help to eliminate a bit of the isolation of Taiwan.

Looking beyond the immediate area of Japan, we can use this combined maritime joint task force organization to take advantage of the expansion of our alliance presence to Guam. Besides moving American forces to Guam, there is a subsequent agreement that talks about Guam and all that that says the United States will provide for the continuous presence in the Japanese forces in Guam, and by extension, the Commonwealth of the Northern Marianas, and by extension, to the three compact states - the Federated States of Micronesia, the Republic of Palau and the Republic of the Marshalls - that are in a Compact of Free Association with the United States. The advantage to that is they are obliged to meet our needs for defense. They have vast sea and air training areas in this area of the Pacific. It's relatively unencumbered by commercial traffic, relatively unencumbered with frequency usage. There's
no better way to learn how to fight a combined fight to defend an archipelago of 6,852 islands, which, according to National Geographic, is what Japan has, than in an archipelagic area where it's friendly. And, oh, by the way, the Belt and Road Initiative, which Patrick mentioned, moves east as well as other directions.

Our occasional but frequent presence in these island countries there helps to maintain our influence in the face of the Chinese onslaught with their monetarily grounded diplomacy in these islands. There's two initiatives that were announced by PACOM that fit within this, and I submit this will fit the other way. Admiral Davidson's most recent posture statement called on everybody to, quote, "operationalize" - there's another Washington buzzword for you - "operationalize multi-domain and distributed operations concepts." OK. You take this wide area of all these islands here. We can practice distributed aviation operations so logisticians can figure out how to disaggregate logistics to get fuel and spare parts to different isolated places. And if this is our objective for the first island chain, like I said, we need to train in this type of archipelago. Admiral Davidson also launched something called his Pacific Multi-Domain Training and Experimentation Capability Initiative. What this means is he's advocating connecting all the different training areas we already use in a live, virtual, constructive, artificial intelligence, computer-enhanced reality, which saves money. It's a way to train without burning gasoline or ammunition or flight hours, steaming hours (ph). It's also a way where we can test without hazard to troops or to civilians some of the different concepts we're talking about here.

I fear that remaining in a status quo - and with some justification, talking about the alliance - it's never been in better shape. The alliance has never been in better condition, et cetera, et cetera. But the rest of the world's not waiting for our self-congratulation. The rest of the world is moving on. Threats are developing. North Korea may be - by virtue of some of the trajectories that have been detected by Japan on their most recent missile launches, may be developing hypersonic capability. We can't stand still, and we can't just continue to talk about things at the theoretical level, at the academic level. We've got to drive this down to the practical level and get something. Last point on this standing - on this command element in Japan. A reaction that you get from inside the U.S. military and the bureaucracy (ph) is - all the time is, oh, God, the system can't absorb another four-star subunified command. That's another buzzword. By all means, do not make the commander of this thing a four-star. Leave it at the three-star level. Believe me. And a three-star will know he's working for PACOM, so that takes care of PACOM'S objections to this.

Secondly, you already have at least two three-star commands in Japan that are certified by the Indo-Pacific Command as being, quote, "joint task force nucleus-capable," which means that you fly in an augmentation cell from PACOM to fill in the skills they don't have. For example, you - well, I'm not going to go to an example on this, but cyber would be one, I guess. You fly in the augmentation cell, you got a fully qualified joint headquarters. And you got it for no special additional expenses otherwise. The advantage of doing this training mission with a headquarters that's already in Japan is that despite all the wonders of email, despite all the wonders of video teleconferencing and everything, nothing beats eyeball-to-eyeball contact, handshake contact on a daily basis to build the trust that is really the foundation of powerful alliance combined action. Because without the person-to-person trust, you've got theory. You need to have that person-to-person understanding so when things don't go according to plan, things can work. It was mentioned before by our moderator that General Bansho was key in the response to the 3/11 disaster. We put - U.S. and Japan put together two ad hoc headquarters very quickly, and it only worked because everybody knew each other. You can't do it otherwise. Now we
need to drive that everybody knows each other down to a lower level, and particularly down to where you're talking about the defense of the southwest islands, which include the Senkakus, so that you have the U.S. and Japanese fighting in a - the same fight in a collective defense, rather than just fighting the same way the same day. Thank you.

MCMASTER: Great. Please join me in giving the whole panel a round of applause.

(APPLAUSE)

MCMASTER: And thanks to all you for your great questions. We only have about 15 minutes, so we'll probably get to two of these. I'll try to link a couple of them together. First of all, there are several questions on - given the common and serious threat that many of you described, a threat that transcends defense-only considerations and demands an integration of all elements of national power and multinational cooperation across political action and financial and law enforcement and informationals, as Patrick emphasized. What other types of security consultations, diplomatic consultations would help achieve a better integrated approach to this broad range of challenges? General Gregson already gave us a tremendous recommendation, a very concrete recommendation for how to integrate military-to-military efforts, which, of course, will be placed in this broader context. But a related question, then, as well is that - how do we organize? How do we organize so we can operate more effectively across all domains? And I'm not using that in the context of multi-domain warfare, but really across all of the informational, diplomatic, law enforcement, military, cyber and so forth domains. So I'd like to just open it up to the panel, see who'd like to take on that question.

CRONIN: Well, H.R., I mean, two things that the United States should do would be to run the NSC the way you ran it in the Scowcroft model...

(LAUGHTER)

CRONIN: ...Working with Yachi-san at the time in terms of a national security dialogue and then to - and to mobilize all of our sort of departments and ministries around the common purpose that you would set out. And once you set the parameters - the requirements, if you will - you know, then you'd make sure they're all working on this. And that's - so rather than tell them how to do it, you tell them the common objective, and then you constantly monitor them to try to push them for results and see whether we can't come up with lots of specific ideas from the bureaucracies of the two countries.

MCMASTER: Thank you. Sheila.

SMITH: Just a footnote - I think that's a great idea. I think the NSS, NSC knew conversation at that level is really critical. And the point is, can we institutionalize it going forward? And that - you know, that will depend largely on the Japanese side and on us. But at the personal level, I think that's one channel. But I agree. I think what we want is a short-term, high-level strategic focus on what is our strategy, right? What kind of Asia do we want to see? And I would like to see this outside the two-plus-two. I think the two-plus-two is a great mechanism. And I don't - I'm not here to denigrate it. In 2005, they identified common strategic objectives for the alliance.

MCMASTER: And this is the minister of defense, minister of foreign affairs with our secretary of state and secretary of defense.

SMITH: Right.
MCMASTER: The periodic meetings happen quite frequently, actually.

SMITH: Right. And those are regularized, and they're much more frequent now than they were in the past, and I think that's excellent. But I'm thinking of a short-term political focus on what should our strategy be, what are our objectives. And then, again, as Patrick suggested, then let the principles implement going forward.

MCMASTER: Great. Thank you. Yes?

TAKAHASHI: I have two comments. One thing is I totally agree with General Gregson's emphasis on the personal relations. And even with personal relations, mutual understanding is not easy things. When I was in sense commenting to sort of 10 (unintelligible) crisis and 12 (unintelligible) crisis, we was surprised that the basic - how to say? - our basic thought is not necessarily shared with the DoD. So to share that, we need to - how to say? - talk and talk and talk and talk again. And so this is one thing. The other thing is maybe the coming great - well, coming or ongoing great competition (ph) is very wide-ranging. And my thought is that there are four power resources. That is technology, capital and their resource and their location. And the military advances have to depend upon for these power resources. So in a sense - how to say? - I think we should be humbled that the coordination with these comprehensive power resources related - each country's activity is very difficult to - how to say? - manage. So I think we should abandon some kind of illusion that we can grasp everything. So we want to - we need to share the - how to say? - a kind of basic design or the basic direction for the competition. But we cannot, I think - I don't think we can manage these, for example, resource or capital-related competition.

MCMASTER: Thank you. General Bansho?

BANSHO: I would like to clarify the three parts. One is the strategic goals or common strategic concept so that the purpose or goal should be divided, should be so understood together. That is the - maybe most important thing. Second is the daily basis situation of JANIS (ph), such as the common operational picture or so - so we understand together what is happened, what is the situation. Such kind of the scheme might be very important. Third is structure. So General Gregson said joint and bilateral permanent headquarter or organization must be very, very important and a necessity, especially when I was commanding of the western areas, there is the automatically need jointness because remote island and wide areas. So information should be so collected and shared by all services and U.S. together. So a permanent such kind of - is this the word? - commanding or command structure might be useful, I think.

MCMASTER: Thank you, general. General Gregson?

GREGSON: I don't have anything to add to that.

MCMASTER: OK, great. So the other questions had to do with the problems sort of associated with North Korea. You know, one of the questions alludes to this (laughter) - the idea that, you know, we have to at least be open to the possibility that Kim Jong Un wants to keep them. And so if that is really what he wants to do, any recommendations from the panel on how we can give our best shot, really, at the implementation of this strategy of maximum pressure, this idea of at least testing the thesis - right? - that Kim Jong Un could be convinced, perhaps, that he is safer without them than he is with them, any ideas on how to integrate efforts across - you know, across political, diplomatic, military, informational and so forth on North Korea. And then there's also a question about a potential contingency in the
Senkakus, should China become very aggressive there and, in fact, try to make a land grab of some kind in the Senkakus, which is what some people - some - one of the questioners says kind of a worst-case scenario. How well is Japan and how well is our alliance prepared to deal with that contingency. So two bad scenarios - any comments on either of those?

**GREGSON:** Yeah. Let me jump on this one from the freedom of somebody who used to be in the government, now has his First Amendment rights back. And if the - if North Korea did not have nuclear weapons, nobody would pay any attention to them. North Korea did not stumble into this accidentally. This has been an ongoing program since AQ Khan was stealing British secrets and giving it to the Pakistanis and then took this entrepreneurial and was sharing nuclear material, nuclear technology and nuclear knowledge to North Korea, Iran and - there was somebody - Pakistan, of course. This has been going on - he - and he openly confessed to this in 1974, and he'd been doing it for decades prior to that.

Secondly, it's hard to think of anything that Kim Jong Un is going to believe that we tell him is stronger - is a stronger security guarantee than his possession of nuclear weapons. He was in school in Switzerland when Gaddafi was - met his end in a ditch in Libya. He internalized that both at the personal level and both at the maintaining-his-position-and-leadership-within-North-Korea level. He's not going to give these up. We need to redefine our objective, nationally, as working harder to secure the lives, the territory and the interests of our two primary allies, Japan and South Korea, in the face of a nuclear North Korea than we do in trying to go all in on personal diplomacy, one v. one, to find some miraculous benefit that Kim is going to accept for giving up his nuclear weapons. North Korea is a nuclear armed state. Like every other nuclear armed state, he can be deterred and contained. And that's what we have to work on.

Technology can work in our favor in this. There's things under development that will greatly enhance our ability to defeat any North Korean attack on Japan. Former Defense Minister Morimoto, I believe, was the first one in this session to mention boost-phase intercept. This is entirely possible. It's entirely possible. In the relatively short term, it means that we're able to defeat a North Korean missile in its most vulnerable phase when it can’t maneuver, when it's struggling to get out of the atmosphere. And oh, by the way, we're destroying it over North Korea, which is really a wonderful thought. If Kim can no longer have confidence that he can strike Japan successfully, then it takes his massive investment and his grandfather's investment, et cetera - massive investment in these missiles and nuclear weapons and reduces it nearly to zero.

No defense is perfect, but this really lowers his potential to threaten Japan and, oh, by the way, to threaten South Korea, too. So that's - I think we're - it doesn't mean we have to accept the moral right of North Korea to have nuclear weapons. It doesn't mean we have to sanction their ownership of these things. It does mean that somewhere in the inner sanctums of our policymaking, we need to realize that our real objective here is not denuclearization of North Korea. It's to enhance the security of Japan and South Korea, which, oh, by the way, also enhances our security.

**MCMASTER:** Thank you.

**SMITH:** I would say, first and foremost, we never acknowledged North Korea as a nuclear power, and that's implicitly what you said. But I'll...

**CRONIN:** A nuclear weapons state.
SMITH: A nuclear weapons state. Thank you. I think...

GREGSON: I'm not saying we have to agree with it. We just got to...

SMITH: But I don't - yeah, I think we want to be...

GREGSON: ...Act in favor of objective reality.

SMITH: We want to be clear about our declaratory side of things. And I think the second is United States should stop distinguishing between the missile threat to our allies and the missile threat to the United States.

GREGSON: Yes.

SMITH: I understand it. I understand the political reasons for it, and I understand that it's seen as a tool towards keeping the negotiation door open. But I think probably given the latest test and the frequency of testing, I think it's time to stop. Like, any missile testing by North Korea should be condemned by us. I think the other - the harder point - and General McMaster referred to this - is, how do we keep the international coalition together on the sanctions side of things? Japan has been very insistent. China and Russia are pushing back hard. President Moon is also considering, you know, how to manage the sanctions issue. I think we want to be very clear about maximum pressure and sanctions unless we see North Korea coming to us with very specific itineraries, inventories of its capabilities. I think we need to be much harder on this and not so flexible. So those are my three diplomatic or statements.

MCMASTER: Thank you. Thanks, Sheila. Yes.

TAKAHASHI: You know, back to the early 2017, when - no, '18 - when the diplomacy - I mean, back to the table. At that time still, there was some skepticism that North Korea is North Korea. It just has various past behaviors. North Koreans just want to buy time. And this observation was, no, no. North Korea made such a tradition. Now they are ready to start denuclearization. And three years has passed. The - how to say? - which observation was correct was, I think, obvious. Now, it's very fair to see North Korea in two years, strategy is just to buy the time. And there - so even that is - maybe that's true opportunity. Then what do we need to do is to - we need to - we don't need to - sorry. We should not waste the time which is bought by North Korea. We need to utilize these times to reinforce or to establish our - to strengthen our deterrence or damage limitation postures. So - and they - you know, last years, North Korean missile launch is a - basically is a test for (unintelligible) warhead, which is - which can penetrate the first-generation missile defense system.

So now we need to update our missile defense system - maybe 1.5 generation or 2.2 - to second generation. So, of course, the software should be updated, but not just that. Directed energy or boost phase defense should be seriously studied. You know, the current first-generation missile defense system's basic architecture were formed in late 1990, at the time of the Clinton administration. And 15 years were required to develop the - how to say? - a kind of reliable defense posture. So maybe the second initial require the same time. So we should start these efforts to develop the second-generation missile defense as soon as possible so as not to waste that time which is bought by North Korea.

MCMASTER: Thank you. General.
**BANSHO:** I look at the Korean situation, I remember the 1950. What was the similarity, and what is the difference? Similarity is still with Japanese territory or Japan is a very important areas. Between Busan and Tsushima island, northern island of the Kyushu, was only 49 kilometers - very good close. There is a line of communication between two connected - is Korean peninsula and Japan. So if the situation with - happened in North Korea, Japan have to assume the very important role to support operation. So there is a similarity. But the difference, as - Sugio-san said, based on the North Korean missile capabilities and the nuclear capabilities, there is a tremendous very different. And their special forces capabilities or cyber capabilities, such kind of the new capabilities, is a new slate and new - so a challenge for us. So that's why we have to do both in order to cope with. And at the time, Japan, U.S. and South Korean cooperation is essential. So at this moment, the Japan and South Korean nation is very naive. But we have to improve immediately. And such kind of as a trilateral consultation framework or close coordination, close cooperation must be needed. And also, the Senkaku issues - there is a - so to avoid the Chinese trick, we do not so escalate the situation. So we need a very important effort, and we have to keep the law enforcement activities and supported by a military. And, of course, U.S. support.

**MCMASTER:** Thank you.

**CRONIN:** Well, H.R., when you think about the threats and adversaries you identified in the national security strategy, it's Russia and Iran who, over the last decade, have practiced more than political warfare - that is, with lethal results - using covert war, paramilitary means, cyber war and so on. China, North Korea - and North Korea, since the end of 2010, is not - they've not used lethal force. Now they've used cyberattacks. They've - political warfare. So our main mission with North Korea and with China is to make sure that we deter those two adversaries potentially from escalating from political warfare to hybrid warfare to actual kinetic uses of force that kill people. We can do that. We've done it, but we can't do it standing still. But we also don't want to spend all of our budget on North Korea. We want to deal with the long-term challenges that I talked about in total competition. So we need - while keeping the door open for diplomacy, we have to admit that a two-year arc of experimental diplomacy, of keeping the door open and achieving what little we've achieved or even backward progress, in some cases, means that North Korea is not eager to take meaningful steps toward denuclearization. So OK. We'll keep that door open for the future. Meanwhile, we need to dial back some of that pressure. Some of the means that we can do this were identified recently by a great report by David Maxwell and others at FDD, where you are also associated. And while we're doing...

**MCMASTER:** Dial it up.

**CRONIN:** Dial - I'm sorry - dial up.

**MCMASTER:** Dial up.

**CRONIN:** Dial back up the pressure. Yes. I'm sorry. Yes.

**MCMASTER:** We were going soft on you.

**SMITH:** (Laughter).

**CRONIN:** No. No, no, no.

**MCMASTER:** (Laughter).
CRONIN: Dial down the diplomacy. Dial up the pressure. I apologize. It's late. I'm affected by the snow in Washington.

GREGSON: You and the government.

CRONIN: Yes. So we can do this. It's a serious issue for the U.S. and Japan. It's also especially difficult - and this is the difficult part - for three democracies in Seoul, Tokyo and Washington to stay on the same page. So, you know, Sheila's rightly employing us to stay on the same, you know, strategic message - you know, Japan and U.S.

SMITH: Yeah.

CRONIN: Now introduce the Korean dimension of that - South Korean dimension - and that's the real challenge for us because North Korea will be looking for the seams in that, and they may miscalculate. They may attack Japan thinking, ah, they're the odd man out. They can't go offensive. America may not quickly rush in. Where will South Korea be? So we have to make sure that they never see that opportunity.

MCMASTER: Absolutely. Absolutely. Well, I get to - get a chance to wrap up tonight. And to say on behalf of Ken Weinstein, thanks to all of you for coming. Thanks for this amazing panel. I'd like to offer just a couple of points, if I could - I know we're just two minutes over - on North Korea. I just think that it's important for us to consider, first of all, what is motivating Kim Jong Un and the Kim regime across multiple generations to pursue this capability? General Gregson mentioned one of these. But I think it may also be why they say that they want it, which is to have this treasured sword as a way of cleaving the alliance between South Korea and the United States as the first step in isolating Japan. And so we have the danger of a North Korea with nuclear weapon because they might use it with a missile, but it also means that they could use it for extortion or nuclear blackmail.

The other aspect of this is what General Gregson mentioned with the A.Q. Khan network, is the potential of proliferation. I think North Korea would be much more dangerous than A.Q. Khan because they - they've never met a weapon they didn't try to sell to somebody, they have an organized crime network which is their main way to generate hard currency that globally already, and, by the way, they were building a weapons facility - weapons-grade nuclear facility - in Syria for the Assad regime financed by the Iranians. So I think that proliferation is a real danger as well as, you know, there could be a cataclysmic event associated. What if they decide to sell it to a terrorist organization, right? So I think it is in our interest to ratchet up the pressure because maximum pressure has never really ever happened, right? The U.N. Security Council resolutions have an unprecedented degree of sanctions in place, but they're not enforced. So North Korean slave laborers, so-called guest workers, have not yet been expelled from China and Russia, for example. The ship-to-ship transfers continue. Why can't we work hard to get the legal authority, or just do it under Article 2, to interdict those ship-to-ship transfers? There are many more things we can do.

I think one of the things we can do is to strengthen our alliance and also to strengthen our alliance with South Korea and also to mend the relationship between South Korea and Japan. I - my counterparts, my Japanese and South Korean counterparts, we took a pledge with each other. We said, we want China to see that every provocation is driving us closer together and that - as a way to incentivize China, who has not a North Korean strategy, but a U.S. strategy, again, to get us off the peninsula, to isolate Japan. So I
think we ought to prioritize, really, our defense capabilities, as we've been talking about today, but really diplomatically to send that strong message that Patrick mentioned. I just - I can't tell you how much I learned today from this panel. I just wanted to share with you the construct I will take away from this from my own notes. I think what we heard today is that we need to do four really key tasks together as an alliance. We need to think, learn, analyze and implement. We have to think clearly about the problem of future armed conflict, and we have to think clearly so that we can, you know, we can develop. We can develop a conceptual foundation, which all of our speakers mentioned, for - you know, for maturing our alliance and the capabilities associated with our alliance. We have to learn. We have to learn in a collaborative, sustained and cumulative, rather than, you know, repetitive manner. And so teams that can do that, such as the headquarters that General Gregson mentioned and other organizations we can come up with, because as we learned through the situational awareness that we can have together, we can then, I think, identify - we can identify the gaps in our capabilities and the opportunities to improve our capabilities.

And then, of course, we have to analyze what we learn. We have to analyze so we can develop integrated solutions that are not just military, joint, you know, multi-domain military solutions but also political and informational and law enforcement and cyber and so forth solutions to these gaps and to these opportunities. And then we have to get it done as all of our speakers, I think - which was really refreshing. You know, this is a think tank here at Hudson that does tremendous work, I think, because for years as a military officer and in my job as the national security adviser, I could take any Hudson product, and I would know what to do with it because there was a bridge into implementation, you know? So - and so I think we owe our panelists a great debt of gratitude and to Hudson for putting this together. And please join me in a round of applause.

(APPLAUSE)

MCMASTER: Thanks.