

## Japan and India: Democracies Joining Hands for Security and Stability in Asia and the Pacific

Ms. Yoshiko Sakurai: Good afternoon, ladies and gentlemen, this afternoon we are having this symposium under the theme “ Japan and India: Democracies Joining Hands for Security and Stability in Asia and the Pacific. “ I’d like to welcome you all to this very important seminar. This seminar has been prepared for two years between VIF Vivekananda International Foundation and Japan Institute for the National Fundamentals. The VIF is a research institution dedicated to a topic of security and defense and this is a very well-established, well-known institute and with this collaboration we would come up with a proposal to the authorities around the world one year from now.

We have delegates from the VIF, but I will be introducing them afterwards. In connection with this collaborative research between India and Japan, we have been receiving the consultancy from a gentleman who has been the bridge between India and Japan. He is the former Prime Minister, Mr. Shinzo Abe. I’d like to have you join us to welcome the former Prime Minister of Japan. Mr. Abe, Please take the podium.

Mr. Shinzo Abe: Thank you for your kind introduction, Ms. Sakurai. I’m a member of the House of Representatives. I’d like to welcome the delegation from Vivekananda International Foundation. This conference between VIF and JINF, I hope... will come up with a very good... great achievements. And having such a collaborative research and joint studies should pave the way for the mutual peace and security and re-enforcement of ties and further enhance the status of both the two great nations. I would like to express my deep sense of respect to the experts from VIF and JINF.

Sixty-seven years have passed since the end of the last Pacific War and Japan restored its national sovereignty 60 years ago. April 28th, that is exactly 60 years ago. After seven years of occupation by the occupation authorities following the end of the World War II, Japan restored its independence. Back then, 60 years ago, we should have celebrated the restoration of sovereignty so that we can depart from the occupation era that persisted as long as seven years. Fifty-five years ago, my grandfather... late grandfather, Mr. Nobusuke Kishi, when he was the prime minister, he visited India and had summit talks with the then prime minister of India, Mr. Jawaharlal Nehru. And Mr. Nehru took Mr. Kishi out before a large crowd of people outside the prime minister’s residence. And he introduced the Japanese prime minister to the crowds of people as follows: Mr. Kishi comes from the great nation Japan and now he’s on an official visit to India. Japan was the nation that was capable of winning against the great powers of the West, which means that the Asian power has the capability to become independent. So that was the way Mr. Nehru introduced Mr. Kishi.

Japan was defeated in World War II. Back then Japan lost its self-confidence. However, Mr. Nehru pointed to the role played by Japan, that Japan fought at par

with Western great powers. And in 2007, I myself as a prime minister visited India. At the Indian parliament, I had the great honor to deliver speech. I talked about intersection of two great oceans. That is the Pacific and Indian oceans, two great nations intersecting. The significance and the meaning of the two great oceans intersecting. Ever since the end of World War II, India has stayed very close to Japan. India remained very pro-Japan. And India and Japan could have had much deeper, closer relationship. However, after the Pacific War, for many decades, Japan dedicated only for the economic growth and economic development.

Vast energy resources Japan is importing are predominantly from Middle East. The energy resources come through Arabic Sea via Indian Ocean to Japan. So India plays geographically a critical role in assuring sea lanes of communication for Japan. Two great democratic nations, India and Japan should have had much closer relationship. It is very important that these two nations should be re-appreciating the value of the partner.

So that is the gist of the speech I delivered back in 2007. And in September last year, I visited your country with the president of JINF, Ms. Sakurai, and delivered a speech in India. Afterwards a reporter of the Chinese newspaper People's Daily came to me for an interview and asked about what I meant in the speech. I was answering when I was talking about Japan-India relationship, I had the presence of China in my consciousness. So this is a nation people paying attention to what is important in this particular context is that two major democratic nations, for the stability and the peace in the region, those two major democracies should join hands and this value of the collaboration should be re-appreciated. When the then Prime Minister Yoshiro Mori visited India back in the year 2000, a global partnership agreement was signed between the two nations in that year. And in 2006 when Prime Minister Manmohan Singh visited us, this global partnership was upgraded to a strategic global partnership. So the word, strategic was added to the India-Japan partnership. Therefore the partnership is not only be restricted to economic partnership, but also covers energy security and national security. By working together in those important areas, the two nations are to contribute for the peace and stability of the entire region

China had been increasing its military expenditure by more than 10 percent for the past twenty years. And so that is distorting the power balance in Asian region. It will be very precarious... uh... risky for the whole region if the balance of power is... uh... goes out of balance. So how to maintain and restore the balance? This is the vital role to be played by the India-Japanese collaboration and including the U.S. This collaboration among the U.S., Japan and India will play a vital role in restoring the balance. And the Indian navy and the self defense forces of Japan are having joint exercises and also those two nations are reinforcing the collaboration in anti-piracy operations. This role should be upgraded to virtually the alliance relationships. So the Air Force should be rendered so that these two nations' relationship will be further upgraded to a form of alliance relationship between India and Japan.

As I mentioned in the beginning, the post war regime for Japan should be reviewed. There is the mood that favors the possible amendment of the Japanese Constitution. Although there was a setback of such mood some time ago. Article 96 of the Japanese Constitution needs to be revised first, because with only one third of the parliamentarians opposing, the amendment of the constitution is hindered. This is considered to be quite strange. According to Fuji Sankei's opinion poll and other polls, a majority of the respondents are for amending the constitution. Parliamentarians who stick to the status quo may no longer be able to hold their parliamentary seats in a legitimate manner I believe. On the economic front. The Japan-India trade volume was not so significant 20 years ago. But talking about the Japan-China trade few people expected that it would exceed Japan-U.S. trade volume. So I think it'll be quite possible that Japan-India trade volume would someday exceed Japan-U.S. or Japan-China trade volume. And since we share the fundamental values such as freedom and human rights, this bilateral relationship has a very strong foundation. I'd like to spare no efforts in promoting various forms of exchanges between the two nations.

Ms. Sakurai: Thank you very very much. I would now like to take this opportunity to introduce to you the panelists at the head table. First of all, the director of VIF. the Vivekananda International Foundation, which has its headquarters in New Delhi. It is a think-tank and it is made up by persons who are experts in their fields. In regards to this name Vivekananda, this is actually the name of a person. HeeHE is a leader in India who came to visit Japan in the late 19th century. He was quite impressed with what he saw in Japan. He visited Kyoto and other cities in Japan and came with the impression that Japan was a quite wonderful nation. There are some records of his impressions there. He basically introduced Indian philosophy to many countries in the world such as the United States. He is a highly respected individual. So this foundation basically takes the lessons of this outstanding individual and continues research activities in the spirit of Mr. Vivekananda. The director is Mr. Ajit Doval. He worked for many years in the intelligence field.

And next to Mr. Doval is former ambassador, Mr. Prabhat P. Shukla. He basically has a background in diplomatic affairs. He served as the former ambassador to Russia. He has a great understanding of diplomatic affairs including the diplomatic situation for Japan as well. He is the joint director of VIF.

And next to him is General(retired) N.C.Vij. He has a very distinguished career in the Indian Army. He is an expert in military activities. And next to General Vij, representing the Indian Navy who also served as the head of an aircraft carrier I just heard in the room back behind this stage of us, Vice-Admiral (retired)Raman Puri.

And on the Japanese side I think most of you already know the faces here. The vice president of JNIF, Dr.Tadae Takubo.

And next to Dr. Takubo, a former famous diplomat in Japan also serving formally as the ambassador to India and France, he is now head of the Japan-India Association, Mr. Hiroshi Hirabayashi.

And next to him is Mr. Sumihiko Kawamura. He worked at as actually a pilot of patrol boat that focused on anti-submarine activities, Rear Admiral (retired)Kawamura. He's a visiting fellow of JINF.

And Mr. Shimada, Yoichi Shimada, he is a an analyst... a research fellow at JINF. He's also a professor of Fukui Prefectural University.

So from Mr. Abe, former Prime Minister Abe, we received many, many interesting words. When we consider the relationship between India and Japan, these are two nations that naturally should come together. They have all of these ties that should be realized. I believe that the reason that these countries are now being brought together even more is that so much in the world is changing now. The international situation has altered in a way that has prompted leaders of both countries to seek each other out. That's one of the reasons we're holding this seminar today. It regard to this seminar, we already spent the entire day yesterday from ten o'clock to six o'clock and then also the morning hours today as well, having frank discussions among ourselves to see how these two nations might be able to cooperate even better than ever before. What are the problems? What are the possibilities? These are the kinds of discussions that we've already had. So, we're going to be talking to all of you today about some of the results of our discussions in a way that is more understandable because we understand that some may not have the expert background. So we hope that you will be able to learn more about the general situation surrounding the two nations and what kind of possibilities lie for us in terms of joint cooperation.

And before this, I would like to introduce some of the politicians that are here with us today. Mr. Hakubun Shimomura, who is a Liberal-Democratic Party member of the Diet. And also Mr. Seiichi Eto from the Liberal Democratic Party - the opposition party who is also a member of the House of Representatives. He's someone you can really rely on. Also, Mr. Shu Watanabe, vice-minister of the Defense Ministry, is scheduled to join us later today.

So, we'd now like to ask Mr. Doval to speak for about 15 minutes about the state of Indian affairs and the possible cooperation with Japan.

I would like to remind everyone again that we have simultaneous translation services, so please put on your headphones if you had not yet done already. Channel 1 is Japanese, channel 2 is English.

Mr.Ajit Doval: Thank you very much, Madam Sakurai. I and my delegation here are most grateful to the Japan Institute for National Fundamentals for a very warm welcome and a very fruitful professional interaction that we had here during the last

two days. But we are particularly grateful to former Prime Minister of Japan, Mr. Abe. And all along I thought that well in India, he's got as many admirers as he's got in Japan, if not more. He's very, very widely acclaimed and is considered as one of the important preachers who can bring the Indo-Japanese relation to an area where we can contribute together to the values that we share, the concerns we are confronted with, and the future that we look forward to share together.

Last two days had been extremely fruitful, but the particular formulation which moved us most came from the vice- president of the Japan Institute for National Fundamentals, Dr. Takubo. He came with a very interesting formulation of democracies. Concert is a very interesting formulation.. It signifies a complete harmony. You can't have a concert unless many instruments are being played together and there is coordination. But behind that is also a lot of pain staking effort. But the most important part of a concert is that at the end of it, it's a symphony that pleases all the audience... the people in general. And that is the spirit in which Vivekananda International Foundation, and Japan Institute for National Fundamentals would like to work together.

Now this idea of democracies was something that we thought, not after we gained independence. You were surprised to know that Nehru, even before India became independent in 1947, but three years before we became a republic and had a constitution, thought of it. And we had in 1947 a first meeting of the ASEAN relations conference in Delhi. India was still not independent, it was held in April and then became independent in August. Even going back, the Japanese scholar Okakura Tenshin, and Tagore in 1920 had thought of it. That there are the common values that we share. That the common future that we have to make together. Probably the cold war era, the development which took place, the things got drifted. You couldn't reach where you wanted to reach.

There are some disconcerting factors as well. There are serious flashpoints of instability in the region. The most of the conflict that we've seen whether it was in Afghanistan, whether it was in Iraq or it's in now in Iran and North Korea. All these regions are in Asia. Also Asia is seeing international terrorism, which has affected the global security in a very massive way. But most importantly, we are also seeing the rise of autocratic regimes. Regimes which are so self centric about their national interests, they would like to change the world order to meet their requirement and they like to look at the entire world from that perspective with their self interest at the center point. That by itself is a mindset which is a cause of serious concern. It becomes a matter of greater concern when they have got, they achieved the comprehensive national power, which can chance and seriously effect the global established order. They decide to change the things unilaterally without being sensitive to the needs and security concerns of the other countries of the world. I think the rise of such autocratic regimes; regimes which are not answerable even to their own people. The challenge is not how we respond to it, that of course is a very serious challenge, the bigger challenge is that in case no single democracy of the region is in the position to find the right response. Is there a possibility of a

collective consulted action by which we could maintain an order? Not necessarily a confrontationist posture, but a posture by which we can ensure that the legitimate, rightful, judicial arrangement is acceptable and is made the viable option. Asia is in the cusp of fundamental power transition. And we have to accept the reality as it exists and not as we wish it to be. And this transformation is going to affect all of us, you and me and our people and our common generations. We cannot wish that away. But we can give it a direction that is constructive and creative.

How do we manage this transformation? We know that there are certain events which have taken place in the recent past that are cause of concern. In our neighborhood and also your neighborhood, it is the rise of China. What had happened is this that this economic power is being kind of vaulted into a strategic and military power at an unprecedented rate. In a period of about a decade, the defense "expenditure" has gone about four times bigger, and that is what we know about it. There is a lot which probably is not very much known about it. The convertibility of one form of power into another in totalitarian regimes is much faster and much decisive because the accountabilities are relatively less, both domestically and outside. It is not only the rise in the defensive expenditure, but what we saw that some of the satellites and some of the states with which it had been having a special relationship where proliferation has taken, whether it was North Korea's October 2006 test, or whether it is the plutonium weapons which have been developed as tactical weapons by Pakistan. They have been supported by the country which should not have been indulging in the proliferation of the nuclear and the missile technology. We saw the anti-satellite weapon that was tested in January 2007. And the capabilities that are being developed in the Indian Ocean which are completely disproportionate to the legitimate defense needs of China.

Now, what can the democracies of the region do? They definitely want the order... the international order... even if it has to change, its change should be in an evolutionary manner, through a peaceful manner, in a legitimate manner, in a value-based manner. In a manner which brings maximum good to maximum people. But the people who'd like to make the changes using the instrumentalities of caution, intimidation or power protection; they probably could seriously undermine the stability and the peace of the region.

The problem becomes isometric, because one single power has got the capability not only to affect the region, but even having the global consequences of its actions. That makes it necessary for the other democracies of the world also to join hands in this consort of democracy. And this consort of democracy should not be taken as something which is an alignment or a conspiracy or something. It is something we should have a positive, benign impact on the global situation and the situation in the region. There has got to be constructive engagement. There has got to be constructive engagement to affectively convey the message that there is a certain level of discomfort amongst the people, amongst the countries, amongst the democracies of the region who feel that conduct of international relations can not be carried out unilaterally by the terms which have been dictated.

There has also got to be a containment of any of the things which are considered to be harmful. The voice of the people is very, very powerful instrument of changing the mindsets. And if it is the collective voice, it has got a tremendous impact. And this constructive engagement and effective containment is like the pair of scissors. One doesn't work without the second, without second. Both have to work together. It is not an animosity that one would like to have.

At the same time, we should be sufficiently effected to show that the majority of the people and the countries and the common people are not only concerned about their own countries, but more than that, the future of the coming generations. And for that, I think as... I think very affectively we are very grateful to former Prime Minister Abe and for the very, very affective way he had mentioned that how democracies can work together. And he said about his grandfather; right from that time he had been visualizing that the Asian powers can come together to the common destiny and give a better future to its coming generations. Japan has got a very, very important role to play. It's a preeminent power. It has got economic strength. It has got the technological edge. It has got the reach. Probably it has got status slightly short of what we can say having complete decisive autonomy. We do hope and pray that they will have decisive autonomy by which they would be able to take the best decision what they think is best for their own country and the region and Asian continent.

India also brings certain complementarities to the table. It has got a very unique geostrategic position. It has got a huge population. It has got a standing army of 1.3 million. And it is also not a stagnant economy. It will not be as vast of the Chinese economy, but it is the second largest emerging economy. Probably in the years ahead, we do look forward that Indian economy will become a very, very important global power deterrent. But more importantly, India, unlike many other countries of the world, has got the youngest population. It has almost 70 percent of the people as being below the age of 35 years. And it will have a youthful population that can contribute to all areas where there are intensive manpower requirements. It has got the indigenous capabilities of technology where it has been able to develop intermediate missiles, intercontinental missile systems, space programs, and others.

So it has got the technology to cover. It is the leader in information technology. So I think that together Japan and India bring a lot of potentialities and which are complimented by the fact that there was no clash of interest in the long historical contact that we had. And we do not see any potential area of a irritant or conflict in future. So together I think joining hand to hand, we can strengthen the forces of democracy, liberty, freedom, and the values that you all cherish. Thank you very much.

[Audience applauds]

Ms. Sakurai: Thank you very much indeed. The international order is bound to change, but that change should be natural, natural evolution. But the changes which are not natural are occurring right now. And that point is a very important point. Japan and India, how we have complimentary relationship and how we can cooperate is an important point and I was very impressed by this speech. Thank you very much.

Now representing the Japanese side, I would like to invite Dr. Takubo, Vice President of JNIF, to give some remarks.

Mr. Tadae Takubo: Thank you very much. Thank you very much Mr. Doval for citing my name. And thank you very much for the wonderful presentation. I was very impressed from yesterday. We have been having discussion, active discussion. There are perspectives, Tokyo's perspective and New Delhi's perspective. In the international situation today, why Japan and India, have become so close. So I'm going to speak about how we have become so close in a round about manner. This is my view on international situation as has been said from two to three years ago. The focus of the globe has changed. The Atlantic Ocean and Mediterranean Ocean have become calm. Instead, Indian Ocean and Pacific Ocean became ocean with high tide. The situation became much more volatile. U.S. forces are moving away from Iraq and in 2014 most of the forces will be withdrawing from Afghanistan. What will happen in the United States. In this context, what should Japan do? I have been thinking about this all these years. A big shift in balance is occurring. Which means that we are in the era of the Indian Ocean and the Pacific Ocean. And these oceans became risky ocean.

In Eurasia, there's China and surrounding China. It seems troubles are occurring in areas around China. I have distributed to you the materials. The third page... if you look at page three... Indian Ocean, South China Sea and the East China Sea. What I'd like to say is that this map has great significance. In Eurasia continent, big China seems to be a trouble maker. That is shown in this map. Between China and Japan, there are issues of Senkaku Island, poisoned dumplings, and Yasukuni Shrine and others. But looking only at Beijing and Tokyo, this is a microscopic view. If you just look at the ocean, Korea has trouble with China in Yellow Sea and in the east of China Sea, Japan and China have trouble as the Philippines and ASEAN countries have trouble with China in South China Sea. And then we look India. There are Pakistan, Chittagong in Bangladesh, Sittwe in Myanmar, and Hambantota in Sri Lanka where China is engaged in what's called reconstruction work,

All these dots are to be connected with one line. This is a string of pearls... necklace of pearls... string of pearls. As if it is trying the neck of India, this is the tie of string and it is China which has come up with the strings. And between China and India, there are circles A and B. A is Aksai Chin... Aksai Chin... This is in Kashmir in an Aksai Chin. There is territorial issue between India and China. B is Arunachal Pradesh, twice as large as Taiwan. Of all the territorial rights in this area, there is trouble between China and India. If that is the case, then we have only Senkaku

between China and Japan. But in India, both in land and in ocean, it is faced with China. Confronted with China, so the sense of crisis or sense of urgency is greater for India than Japan. And I think you can understand this well from this map. Now China, the problem with regards to China is that it is different from Russia at the time of Cold War. During the Cold War, it was USSR and Soviet Union back then, it was a planned economy and single party economy and it was a closed economy, but China is socialist market economy. And although it is one party politics, but economy is mixed as well. And there's a flow of people, money and goods. And the dependency of the neighboring countries upon China is getting higher, not less. Economic relationship is deepening by these countries with China where political and security area, China will have greater influence. Therefore, how to handle China is a very difficult issue for that countries surrounding China.

Now China, all of a sudden became a military power. The difference with the United States is still large, but China is now the second largest military power. Economically also China exceeded Japan and it is second largest economy in terms of the size of GDP. Therefore, economic issue, you can utilize it any way... either way. It can exert its influence against the background of a military power. You can exert your influence if you have tattoo. At the exit, the young man... young man say "lend me ten thousand yen," I would say no. But if tattooed man which is belonging to Yamaguchi-Gumi organized crime, then I won't be able to say no. China is showing its tattoo, all the military might. And economy, it is single party ruling, so it could be that China can utilize economic power to intimidate other countries.

Then what about the United States? What is the U.S. going to do about China? In November last year, Prim Minister Yoshihiko Noda, at long last, made it in time. In TPP, he has made it just in time in APEC meeting in Hawaii. He declared he did have discussion whether or not Japanese participating in the negotiation of the TPP. Unless Japan says yes, Japan is going to be in a dire situation I would say. But putting that aside, President Obama at the Australian parliament has given a speech. And before that is Secretary of the State Ms Hilary Clinton.

She is a superb politician. During the tenure of President Clinton, Hilary was not politically elected, but she's first lady and using big office next to white house, she has done a lot of thing. I thought that she was somewhat going beyond her position, but in the Foreign Policy journal in November last year, she said the U.S. is going to focus on Asia. Based upon that, President Obama went to Australia. In the Australian parliament, he gave a speech. Darwin is going to be used as base for marines, he said. In the west coast of Australia, there's Perth. There is a place called Sterling, which is a base of Indian fleet. And both countries are discussing the ways that the base can be utilized. And then in Java in Indonesia, about 1,500 miles off of Java, there's an island called Cocos Island which belongs to Australia. U.S. is going to use this as a naval base. Why? If you look at this, in south of India is Diego Garcia. The U.S. Navy is using this as a base, borrowing the land from U.K. But as they are expanding the base, the space is not sufficient. And U.S. Air Force is utilizing this base as well. However, in 2016 the lease will expire. After that we don't know

what's going to happen, but already the United States is looking squarely at the Indian Ocean, South China Sea, and the East China Sea.

So, it seems like they have come back to Asia. At an Asia security conference in Singapore. Defense Secretary Panetta of the United States expressed the US is focusing upon Asia. Sixty percent of the navy will be coming to Asia and forty percent Atlantic, he disclosed. So shift is taking place from Atlantic to Pacific and Indian Ocean.

It looks like five fingers of hand. U.S. had alliance with South Korea, Japan, the Philippines, Thailand and Australia. And then, further, although not an ally yet, it has relationships with other countries. For example, Singapore, five of the battle ships... one, one battle ship will be placed in Singapore for eight month and it will be rotated in the connecting South China Sea and Indonesia, and Indian Ocean. There will be four or five battleships of the United States Navy to be based in Singapore. What does it mean?

The Philippines... from 10th of April, the Chinese battleship and U.S. are confronting with one another. And the Philippines which is not militarily strong and has not been focusing about security, but the Philippines is becoming more aggressive because of the U.S. change of focus on Asia. And that is the background of the Philippines becoming aggressive. We have two plus two meeting, of the defense minister and foreign minister in Japan and U.S. The Philippines held the first two plus two meeting in Washington D.C. in May with the United States. And then with Ms. Sakurai, our institute has sent a mission to Vietnam in May. We learned Vietnam is afraid of China, but they are confronting each other in the South China Sea. Vietnam quietly became a member to be participating in negotiation for TPP at an early stage. What does it mean?

So in this way we have talked about different countries. India and Japan, what is going to be. Many people talked about the relationship between India and Japan. We have values, India is the largest democracy in the world as former Prime Minister Abe said. Japan is also a democracy. We have shared value here. Over Tibetan cases, India and Japan were able to express their stances very clearly and loudly. That's the first point. Secondly, regarding history of the previous war, all of you have different views each other. But when it comes to white people and yellow people at that time of imperialism, Japan stood up against Russia and it is people in India who highly appreciated this. So we have considerable part of the view on history which is shared between India and Japan.

Regarding China's expansion, India and Japan share the sense of threat. It is India which shares the same sense of threat as Japan. That's the third point. Fourthly, this is conclusion, but from nuclear power to military industry and economy, aren't there any areas where we can compliment one another? There are many such areas. Cyber space... cyber... also there are there's a country which is at next door and is attacking on the cyber space. India and Japan know of this threat. So, I am not just talking about security, but economy and other areas in all aspects. We have commonalities between India and Japan. And I don't know whether Japan is a major power or not, but as former Prime Minister Abe said, we have to change our

constitution and become a new country and when we do that, we'll become closer to becoming a major player.

So for today I think we are able to have very meaningful discussion with Indian friends. With this I would like to conclude my presentation. I thank you very much for your kind attention

Ms. Sakurai: Thank you Dr. Takubo. So we have heard keynote speeches from Dr. Doval and Dr. Takubo. What we have learned from these two keynotes there are quite a few we have learned from these two gentlemen. Two nations are faced with the greatest problem that is Chinese issues.

Vice Minister of Defense Shu Watanabe has just arrived. Please welcome Mr. Watanabe. He'll be sharing with us his comment on behalf of the defense ministry later.

In between India and Japan, there are common threats that are China. First to maintain better relations with China, what should be done? So that we'll not be scorned by China, this is very important. We should not be looked up...nor looked down upon by China. So we should be on equal footing with China. What is needed? Economy is important to be sure, but the fundamental for the nation is the military capability, defense capability. We need to have a great backbone, a full-fledged military capability to be able to defend ourselves. Ultimately that is the decisive factor. To have ourselves not be scorned by China. economy alone cannot defend a nation, so the defense capability should be there to be able to protect the nation.

Now from perspective of the military might of China, how this should be assessed and how the Chinese intent behind the military buildup should be interpreted. What should be the mutual complimentary relationship between India and Japan in terms of military defense?

Mr. Prabhat Shukla: I shall also request my two colleagues from the military side to address this question. Now as far the Chinese military buildup itself is concerned, we are careful... we need to be careful to distinguish between what they are doing in the maritime and what they are doing on land. We have spent a lot of time talking about what is going on at sea. And I think as we are moving forward, we are noticing that more and more subjects are being defined as core interests by the Chinese. It used to be Taiwan, now South China Sea has been added. And more recently, there was a very significant addition which was the internal political system has also been added to this list of core interests which means these interests will be defended by all means possible. And it's here that you understand why China is perhaps the only major country in the world that spends more on internal security, at least as far as its official budgets are concerned, more on internal security than external security. And I think it is important to keep in mind that there is a structure facing the Chinese social political economic order. And I think it

is in preparation for all of this that we are seeing the kind of postures which the Chinese government is adopting.

Now at sea of course, we have seen the kind of difficulties that Japan is facing. We know very well the kind of problems which the Philippines has had very recently over the Scarborough Shoal. And of course we know the problems which the Vietnamese have over the Paracel and Spratly islands.

I don't know how... how well known this is, but one of our major hydrocarbon companies is exploring for oil and gas in the region. They have two projects going on. One has been going on for more than ten years and they have found oil and that project is going well. They have a second one in which they have two blocks which they are exploring at the moment. One block has proved to be dry. But that itself has been enough to provoke a response from the Chinese side. And there was an incident some months ago and again reiterated their position that this is sovereign Chinese territorial waters. And we have continued our exploration activated and made it clear that our understanding is with the Vietnamese and that the deal that the project is legal in international law.

Now I think the question of the protection of the sea lines is probably that concerns all of us. And Japan imports a lot of its oil and liquefied natural gas from the Persian Gulf. We have an enormous amount of trade with the Eastern sector now. Eastern half, eastern hemisphere. In fact, you might be interested to know that from 2005 onwards, our trade with the East has exceeded our trade with the West. This is the first time in over 150 years that this shift in the balance has taken place. And last year, close to 60 percent of our trade went east and only 40 percent went west. And given the kind of economic situation we see in Europe in particular to a lesser extent in the United States, I think it's safe to conclude that this trend will only continue.

The Indian Navy is of course ready and has already played a role in certain... certain of these sectors and certain issues including in the Straits of Malacca. And these are areas that we are quite focused on. Now, apart from the maritime dimension, there is a very important dimension on land. And here we are actually concerned with the danger of a nexus between Pakistan and China. And it is very important for our Japanese friends to understand this. If you look at this map, apart from the points marked A and B, there is actually an unsettled border further to the west also. And what we are seeing is that the Chinese army has taken up positions within some of these territories which lie to the west and which are under Pakistan's illegal occupation. In other words, what we are seeing on land is firstly, a situation where we have a nexus between two countries which have not played by the international rules historically. We also have a situation where in fact there has been a lot of proliferation activities. Not only of weapons of mass destruction, but also of the means of delivering. So you had missile technology being supplied illegally. Whole missile systems being supplied illegally to Pakistan. And of course we know the extent of the nuclear collaboration between the two countries.

So we have and of course there's... when you look at Tibet, again you see the kind of extensive military preparations that are going on. Firstly the infrastructure has been built up. A number of airfields have been built and upgraded. And there are further plans to extend the communication lines right up to the border with India. At the moment, the railway line ends in Lhasa, which is the capital of Tibet. But there are plans to extend those railway connections all the way to the border of India and that border has not yet been settled. In fact, we are the only country in the world with whom China has not settled frontiers. There is a small stretch of about 600 or six... yeah... 600 kilometers with Tajikistan that has not been settled. Otherwise all the land frontiers have been settled except with India. And we have a situation where actually they're not even willing to tell us where they think the border should be or even tell us their perception of the current deployment which we call the line of actual control.

All of this suggests that we have to be... we are to maintain the highest level of alert for any kind of trouble that we might have to face either on land or at sea. There will be some other points that I wish to make, but I'll pass the floor to my colleagues for now and then pick up on some of the other issues that I think deserve attention. Thank you.

Ms. Sakurai: Thank you very much. The military threats are posed by China, in East China Sea and Senkaku Islands for Japanese people or the straits of Taiwan... Taiwan straits. So those are the immediate names that come to Japanese people. South China Sea is also familiar issue. Ambassador Shukla reported the threats are not only at the sea, but also on land and at shore side. Vice Minister Watanabe has just come back from Shangri-la dialog where security talks were going on. Now the new US policy is 60 percent of the U.S. military capability to be Asia Pacific and 40 percent remaining balance for the Atlantic Ocean. So this was expressed also by the U.S. Defense Secretary Leon Panetta. And with nations having great difficulties with China, what should be done? Mr. Watanabe, would you please stand up to speak?

Watanabe: The last couple of days, I was in Singapore at the Shangri-la Hotel. That was the venue for Asia security conference. I was taking part in the Shangri-la security conference. During the keynote session, what I talked during the keynote was the freedom of navigation must be assured. As you know, in South China Sea, the Philippines and Vietnam are facing China. China is having a very hard line position. calling it as a core interest. The 90 percent of the South China Sea was encircled by the dotted line, that is the EEZ, exclusive economic zone that was claimed by China to be their EEZ. An exploration of mineral resources that is considered to have the havin exercises? Would EEZ exclude the possibility of freedom navigation or the military exercise? The interpretation of the United Nations law of the sea differs between the U.S. and China. However, the U.S. is not the party to the U.N. law of the sea. So this the major problem that U.S. has not ratified to the U.N. law of the sea. The U.N. claims that the freedom of navigation

should be ensured. The U.S. will not be persuasive unless it is the ratifying nation to this U.N. convention. So we are paying close attention to the development.

The Chinese communist party will celebrate its 100 year anniversary in 2021. With the centennial of the communist party in China, it will be at par with the U.S. And China will proclaim that China is almost at par with the United States. China has to keep the energy going on. It has to ensure the sea lane, the territorial waters, and oceanic resources. And it is preparing itself to establish the vested interests, so it is more likely for clashes taking place. There will be more tension between China and neighboring countries. Although they are interdependent in terms of the economic relations, when it comes to territorial waters, they are having tension with China. So we have to utilize the stick and carrots at the same time. Maybe we should engage ourselves in the multilateral dialog with ASEAN member states. Japan and the U.S. should take part in ASEAN dialog in order to secure the South China Sea.

Among the U.S., Japan and Australia, a trilateral discussion was held a couple of days ago to share the views about security in the region. Australia is the part of the nations that share the western sense of values, so we have to ensure that we can protect the rights and interests of the region. And in South Asia, India is the major power. Among Japan, the U.S. ASEAN member states, Australia, India, we should join hands. Maritime self defense force's joint exercises are expected to take place very shortly. So we should work together. In the Philippines and Vietnam area, the maritime self defense forces vessel Oosumi will be dispatched for the military assistance. So this is a very active operation. Talking about the medical services, a Japanese hospital ship together with the US ship will be dispatched. The Japanese presence will be imprinted in the minds of the ASEAN people. This kind of linkage among concerned countries should be established.

In terms of economy, all the countries in the region are closely related to China. But in terms of the territorial waters, ASEAN countries have their own assertions. When it comes to territorial waters, we have to be assertive. I hope this conference will be helpful. We have to make our relations with India even closer, even deeper. Thank you very much.

Ms. Sakurai: Thank you very, very much. If you look again at the map, it shows you how Taiwan is in a terribly important place. In other words, without Taiwan, the South China Sea would basically be the inner sea for China. This means that the Malacca Straits would be very difficult for other countries to use whether it's Japan, the United States or anyone else. If China were to control the South China Sea, Vietnam, Malaysia, Singapore, Indonesia, the Philippines, they all would find very difficult to stand up, speak up against China because they would not be able to depend on the backup support of the United States. And again if you look at this map more carefully, you see that Myanmar is in a very important geographical location. It is connected by land to China. It goes all the way straight to the Bay of Bengal. In Myanmar, as Mr. Takubo mentioned earlier, there is a port which China considers to be one of its base of operations. It's a way for them to be influential in

areas around India. Given the present circumstances in which we have many restrictions we would not be able to cooperate with India in its land based boundary problems. But in regard to maritime I think that there are ways that we can cooperate. Between Japan and India, we already have many cooperative activities that are being implemented. Right now India's four war ships, I think they're destroyers, are coming into Japan... Japanese waters. I think they're coming near Yokosuka. We would like to welcome them very much. I think we should have bigger applause for that.

Mr.Sumihiko Kawamura: Yesterday, for the entire day, we actually... the panels here had an opportunity to talk about many cooperative relationships that we could have between Japan and India in terms of maritime affairs. And we had a basic discussion first of all trying to understand the situation on why began discussion or asking ourselves; is China trying to expand outward into the Oceans? And the conclusion was very clear to see, they've already expanded as much as they could possibly in terms of land. The only place they could expand it to go outside. And with their growing economic might, they were now able to find the ability to go outside into the Pacific and Indian Oceans.

We also have to consider the fact that they have their own political situation. The communist party rules China and the justification for their ruling the country is they can promise the people economic growth. And obviously being able to expand to the ocean encourages... allows them to be able to have more economic potential growth. Taiwan also is a very part of this concept. The fact that for defense purposes they want to be able to keep anyone that would support Taiwan as far away as possible. As you know, China has been putting forth these concepts of the first island chain, the second island chain. In looking at the first island chain, I think Mr. Takubo's maps covered this. They... China has put together these lines that the first island chain, the second island chain and they have first of all declared that they will not let anyone come into the first island chain... within the first island chain. In regards to the second island chain, the Chinese have declared they will try very hard to keep foreign war ships from coming into this area as well. And it is actually one of the justifications for the Chinese navy to be building up. They might be able to have the ability eventually to keep other countries from entering into these waters.

Something that has not been mentioned however, is actually something that we talked about yesterday in these meetings. This has to do with nuclear strategy. China, as was mentioned earlier, There's perhaps even some question whether China truly is a great nation yet. We know that they're an economic power, but militarily how strong are they compared for example to the United States. I cannot necessarily say they are a great military nation yet. Their nuclear capabilities are still not that great. Their nuclear capabilities are basically submarine based. Their missiles on land... even if they had good missiles on land, they are subjected, they will probably be destroyed in the first strike. They must be able to have the second strike or return strike capability and that's for them going to be a submarine based system.

So China, in order for them to stand shoulder to shoulder with the United States, similar military capabilities is something that they strongly desire to achieve. If we look at China and see what kind of military strategy that they have in place... If China basically has this idea, they will not strike first, but if they are attacked, they will strike back. When we consider that China has many, many difficult issues that are now very much in the news, whether it's fishing rights, whether it's natural recourses, competition, etcetera, etcetera. The fundamental basis for all of this is that China wants to build up its nuclear capabilities. They have recently created two submarines and right now three are being built. They want to build up their submarine base nuclear technology.

In southern Hainan Island, they have a huge submarine base. They have some underground facilities as well. They already have deployed two submarines there in the South China Sea. And another thing to point out to you is, in regard to the South China Sea, there are many shallow parts, but some of this sea beds are very, very deep, 4,000, 5,000 meters. But at the East China Sea and at the Yellow Sea area too, waters are quite shallow, so it's not appropriate for submarines. Some average water depth is about twenty meters. So for the Chinese to be able to have good submarine activities, they need to be able to control the South China Seas. That's why they deployed submarines there already.

And in regard to the missiles in the China Seas, they have twelve missiles they can deploy on a submarine. They are called the Jin class of submarines. They have a range of 8,000 kilometers, they can go as far as Alaska, Hawaii, Guam – no problem what so ever. They're trying to increase the range of these missiles so that they would be able to attack the United States mainland as well. Only by securing such long range missiles. China feel assured they will be able to have this second strike capability. In regard to the capabilities they have now, they are not able to deal with the aircraft carrier capabilities of the United States. Right now they do have an aircraft carrier, but it's not adequate enough to deal with the carriers of the United States. Any fighting would have to be done from aircraft sent from the Chinese mainland. So what we see here is that in regard to the carrier that they have, basically they can use it to intimidate other countries during peaceful time. But in terms of military uses, its fundamental function will be to protect the submarines. In other words, when submarines are being deployed, other submarines will try to come closer. So this aircraft carrier that they have now is really basically designed simply to protect the Chinese submarines. In order for them to be able to effectively use these submarines Chinese must be able to control the South China Seas. They want to create a kind of sacred areas in the South China Seas where no other powers can enter. So, I believe that at present the nations in this area are able to use nuclear umbrella deterrence of the United States to say even if you try to intimidate us, we will be protected. However, if the South China Seas is controlled by China and they do develop this second strike capability, then the nations in the region, whether it Japan or the other ASEAN nations or India, I think we'll all find this to be a very problematic situation.

So China, we must prevent them from making the South China Seas an inland sea for them. We must work in a concerted way to prevent this and I think this is a very clear area where India and Japan share common interests, common concerns. So in other words, we are asking is that India take a more active role in the South China Sea area. That's what I would like to say.

Mr.Raman Puri: You know, in my opinion and my view, the Chinese capabilities have to be seen in the context of the changing strategy from a coastal strategy to what they call near sea active defense. And now the strategy has changed to far sea operations. What does this mean? Why is this strategy changing? And I, we believe that near sea active defense was necessary for them to control the first island chain. But far sea operations is now required for them to become a regional and global power. But, with far sea operations, now it includes up to the second island chain and beyond the second island chain, the east Indian Ocean and right up to the African coast. So in the long term perspective and I think Chinese think in long term perspective, their vision is that in next 20 to 30 years and in their official documents, they say by 2050 they will be a global power. They are today making the building blocks for them to reach that position.

So in our opinion, when we look at the maritime balance, the Indo-Pacific - or we'll call the Pacific, and the Indian Ocean region are emerging as China's greatest security challenge today. Because it is in this area that in the future their interest will clash with that of India, the countries in the South Pacific that is those bordering the Maritime Pacific, which is Japan, Korea, all ASEAN countries which are all bordering the Maritime Pacific.

On South China Sea, much has been said. I totally agree with the perception here that they need the South China Sea to make a safe haven for their submarines to be able to operate, to launch their nuclear deterrent, for purposes of a nuclear deterrent. But in our perception, South China Sea has got a great meaning also. It connects... the South China Sea connects the Indian Ocean to the Pacific. If you can get hold if you can control the South China Sea, you control the entrance from the Indian Ocean to the Pacific. One through the Luzon Strait between the Philippines and the Taiwan. And control of the Luzon Strait, you can see the impact it will have on Japan. For instance, control of all the sea traffic of Japan to the Indian Ocean could be blocked not just at Malacca Strait, it could be blocked at Luzon Strait. And with the large number of submarines they have, I don't think it would be tolerable either for India or for Japan or for countries in this region to have these straits controlled by a power whose intentions we are not very clear about.

While in plans definition, the far sea stretches from the Northwest Pacific to the east Indian Ocean and more recently encompasses the east coast of Africa. It is patently clear that peoples the Chinese navy interested in acquiring regional blue water capabilities that allows it to operate in the far seas and project power beyond

1,000 nautical miles from its coast into the South China Sea and the Indian Ocean regions.

This logically also requires base capability away from the second island chain which has if you see the second island chain is well into the Pacific. For them to be able to operate in the Indian Ocean region, in the future they will require lot of base support in the Indian Ocean region. So when we look at the string of pearls, today they are just commercial entities. But in the long we believe this is part of a long-term strategy of the Chinese. That in the long term, they would develop them into bases. Something like Diego Garcia or the other Cocos base with the U.S. is now planning to develop in this region to be able to deal with the expansionist China. They would need to develop these bases to be able to operate on a sustained basis in the Indian Ocean region and to have East African Coast in their lens.

So it is the long-term strategy and the rapidity with which the navy is moving towards securing this goal demonstrates in our view both its political intent and capability to absorb new technology, backed by financial support to make it happen in the near time frame.

In a recent exercise on Chinese naval power, based on its likely production capabilities that we try to analyze, what is the type of ship building capability to have? What type of submarine capability building it has got? We feel that by 2025, China would be in a position to field three to four carrier groups. Now there are difficulties in the type of aircraft that they want to put on this carrier. But I think in another ten years time they may resolve these difficulties. They would be in a capable position to have three to four carrier battle groups, seven to eight nuclear ballistic missile carrying submarines, and nuclear powered attack submarines supported by some 60 to 70 diesel electric submarines.

Now this is a large force which is edging toward matching the American forces that are deployable in this area. If you say 60 percent of American forces will be deployed, it amounts to about six to seven carrier battle groups at the point in time. And they're deploying across such great distances. So this we believe that by 2025, they could be in a position from our point of view to be able to deploy at least one carrier battle group in the Indian Ocean region backed by one or two surface action groups and their ballistic missile submarines could also deploy... sorry... attack submarines could also be deployed in the Indian Ocean region. Ballistic missile submarines with the type of ranges that they have. They can well deploy them in the South China sea and be a threat to India.

Further and important factor of of China's development is the very nice, very good, very effective surveillance and targeting capability that it is developing. It is the only country apart from Australia which has invested heavily in over the horizon radars. It has invested very heavily in their space reconnaissance systems, which can detect moving platform at sea and target from shore based missiles. These missiles have been developed. The system has been developed which is called the

anti shipping ballistic missile system. Basically to keep the American carriers away from assisting nations. But although these missiles have been developed for that purpose, they are effective in large parts of the Indian Ocean also. So the capabilities that the Chinese are developing in our view are ominous and require countries like in the South China Sea, in the East China Sea, Japan, Korea to come together to form what has been rightly said the concert of democracies or what I would like to call countries on the rim land to face mainland China with this active support of the United States. Thank you very much.

Mr.N.C.Vij: I'd like to make two points because most of the points have already been covered. I think the way the Chinese are preparing themselves would be directed towards the command and control organization of the forces both on the land and at the sea. And for that, they are preparing in a big way. What are activated going on in that direction is not very clear. It is not known much. But they are already carrying on a lot of activities in this space and the Americans have been reporting about Chinese interference in this space. Communication and the other things are indicative of that. The entire idea would be to paralyze the response systems of the opposing forces. And that is a very important part because in case your command and control center is destroyed and your ability to communicate your orders through your subordinate forces handicapped, that will make a lot of difference and incapacitate the outside, this is number one. Number two, yesterday we discussed the capabilities with this cyber warfare. That is another very, very important aspect, critical areas of infrastructure and with the military capabilities.

Coming to the land warfare, Ambassador Shukla made mention of it. In the land warfare, the Chinese have gone a big way to build trains in the entire plateau of Tibet. They have built up a very efficient railway line there. The road infrastructure has been built up in a big way. And up to the capital and now they're carrying the roads forward to the border post. And they have deployed very large amount of forces there and forces which have been specifically trained for the mountains. They have a big task on their hands, but then we have also forces deployed there very well and very well trained. I think we should be able to take care of them. I am very glad that the former prime minister made mention that Indian Ocean and the South China Sea should be looked at as one identity because that's from where the entire supply line will originate. We'll have to be taken care of and for that I am so happy there is a realization on all sides here that all the countries around this are must cooperate with each other and look at each other's interest as their own interest.

So it's on the sea side and on the ocean side that jointly all of us must get together so that both in the Indian Ocean and the South China Sea, the Chinese don't have their way, the way they want to go ahead. Thank you.

Ms. Sakurai: Thank you very much. India faces with China along side very long border. In the last year alone, hundreds of times of skirmishes had there been

between India and China. And string of pearls is a good expression of the Chinese military threat. Our Indian colleagues have reported to us the Chinese expansionism is the imminent threat. Are there any effective means to block, or counter such excessive buildup by China? I have the pleasure of calling upon MSDF General (ret.) Mr. Kaneda to share with us his perception of the current situation.

Mr. Hideaki Kaneda: Thank you very much. I am a visiting fellow of the JINF. How should we perceive the maritime strategy of China? My perception of the first island chain is that from Chinese perspective this is the absolute line of defense and that they have to defend at all might. So within this line, any antagonistic military vessels are not allowed to penetrate. South China Sea as well as East China Sea are encircled by the first chain of defense line. So if something goes wrong with Taiwan, China will do everything to take it or take it back. Japanese defense forces or the U.S. forces or U.S. Navy would be sure to interfere if something goes wrong with Taiwan, but China's determined never to allow any antagonistic vessels inside this first chain of island. Why is it they have established the secondary line of the island defense to fight against the Japanese maritime self defense forces or assistance by the U.S. navy? At first the second island chain is the forefront of the relative defense line, not the absolute necessity. This is the near sea defense strategy as explained by Vice Admiral Puri in the 1980's. This was the strategies defined by the Chinese navy. This is a differentiation between the first line and the second line island chain.

Now coast line as was explained by Vice Admiral Puri, this coast line operation is beyond the second line of island chain. The Indian Ocean operation strategically China indicates, maybe, for instance, a deployment of long-range bombing aircraft as well as the nuclear power submarines. They may be launching those vessels or aircraft into the India Ocean, but they have not reached that status yet. They are yet to launch nuclear submarines beyond that into the India Ocean. However, there are such straits as Luzon Strait and Lombok Strait to approach the Indian Ocean. So this is the route through which the Chinese naval capability try to penetrate to the Indian Ocean. Guam and Palau, those are the second line of island defense chains. Going up to the north, In the Sea of Japan there is no territorial waters of China. However there is Rajin port in northeast of North Korea, DPRK. This is the kind of open military port. This is very close to the Chinese territory. If something goes wrong, China would have an easy access and readily lease this military port. So in between ourselves and China, there are the maritime defense and the maritime policing activities. We have to be very serious because China is so prepared. And as for India, India may not be faced with such an imminent threat at sea because they are not part of the first line of island defense, but India has already made specific preparation to prepare for such contingency should that develop into the future.

And Japan is slow in perceiving the kind of threats that Japan is exposed to. And serious consideration is not rendered by Japan. In Japan the defense budget is declining year after year. Japan is the only country in which the defense budget is declining, although by a small margin. This is a voluntary disarmament by Japan. But the double digit increase of defense spending is taking place in China, DPRK and the

Republic of Korea. They are more outward oriented when it comes to the defense buildup. This is in sharp contrast to Japan. The Japanese people should be aware of these developments among the neighboring countries.

Ms. Sakurai: I think part of this Rajin area was already leased to China by North Korea. It is obviously a foothold for China. This report was not confirmed, but the Asahi newspaper, with a left-wing basis, reported this so it seems to actually be true.

So in regard to China's ground strategy, at first, what Japan can do with India in terms of cooperative activities? A technology transfer is one possibility. Of course we need to certainly increase our budgets and strengthen our own military capabilities. But, in regard to various technologies that Japan has, we should transfer them to India, I would like to ask and see what the Indian side thinks about this idea.

Mr. Vij: I think this is a very vital question and the whole purpose of all discussion here is, can we identify the ideas where we can mutually compliment each other's stance. To analyze this we'll have to see what is that India brings on the table and what is that Japan has got on the table. Japan has got a powerful economy. It has got capability for heavy investments. It has got the technology. It has also capabilities of designing, conceptualizing, designing and executing some of the projects which are we can say high in technology.

What does India bring on the table? India today has sizable industrial surplus and is deeply concerned about its security preparation. In next ten years time, we are going to spend hundred billion dollars towards acquisition of equipment and others for defense forces.

It has the second largest pool of people who are technically and scientifically well trained. We are leaders in information technology and what is often forgotten is that India has a long tradition of defense industry and its buildup. We also have a substantial research and development program. Because of certain sanctions, because of certain global situations, we probably could not grow the way that we are capable and competent of. But despite that, we join areas we have decided to advance whether it was oceanography, whether it was space sciences, whether it was other areas. We have become internationally competitive.

India also has got a huge population, I mentioned about that. We are aware that there are certain legal hassles and problems which we do hope and pray that they are removed at some point of time which makes it difficult for instantly going for more ambitious programs. But even as the situation exists today, there are many areas where they can be the collaboration in joint production. There can be technology transfer in areas which are not necessarily for direct defense but are required for various other types of things.

Now there are lot of institutional changes that have come in India which probably the Japanese business men have not taken note of which others have done. For example the private sector has been opened up. Even foreign direct investment up to 26 percent had been allowed in defense related industries. We have also got the Indian private sector which has been allowed to go for the collaborations. We also have got and that is what I think is an area that we should work on. Which sort of programs are that you would like to do. It may be something about the cyber. That is one major area in which I think we require both in the defensive and offensive capabilities.

And in cyber, now let us look at the cyber sector. Japan has got the advantage of designing the chips, of manufacturing the chips, even the nano chips. Indian has go a huge software manpower which can do and compliment it to the various types of new threat and the latest types of the new viruses that keep on coming or the threats that we start finding out so they can work on it instantaneously. And together we are able to build up the system which not only protect the Japanese system or the Indian system, but also the other democracies in the region.

I think the other area where we have to cooperate are the rim countries and the democracies, they are very important. They may be not very big in size, their armies may not be very big, but together they constitute a very, very important area. The interactions and the engagement by the scholars, by the intellectuals, by the thinkers, by the scientists, by the cultural group is extremely important and I think we should make a beginning with the country which is in the immediate neighborhood of India like Myanmar, where the changes are coming. The new regime is providing the space for decreasing the Chinese influence there.

I also like to add Japan's technologies in precision targeting, in the mission area of information superiority and in the mission area of space-based... space-based systems for surveillance and targeting. There is a large Indian program also, but I think together we can make much greater financial building. Those are areas we would like to cooperate.

Ms. Sakurai: Thank you very much. When it comes to technology transfer, I think Mr. Shimada is very, very informed in this area. So this is perhaps a little embarrassing to say, but our self-defenses law and our constitution has many, many restrictions in this regard. So in regard to how much Japan can actually do in terms of cooperation, Mr. Shima, would you like to make a comment?

Mr. Yoichi Shimada: In listening to what my Indian colleagues mentioned in regard to military and other areas that we can collaborate on, and also in regard to dual technologies as well, what can Japan do offer the technologies to India. Certainly we can understand the Indian point of view. At the end of last year, Prime Minister Noda visited India and strategic partnership was announced by the two prime ministers. And the day before that on December 27th, the Noda administration announced a relaxation of the three export restrictions for weapons. I think this is

the only achievement that Mr. Noda has had made since he became prime minister. He of course should continue along in this vein and show the difference between himself and other politicians such as Mr. Ichiro Ozawa.

The three laws... principals governing the export of weapons was created during the tenure of former Prime Minister Eisaku Sato. There were specific restrictions. For example, we could not export to communist nations, etc. But even Mr. Sato said at that time there is no reason for all weapons to be restricted in terms of exports. After he stepped down as prime minister, he was succeeded by Prime Minister Takeo Miki, who took one step further saying that all weapons should basically be prevented from being exported. And there have been some relaxation of the rules since then, but it is not only the weapons that can not be exported, but also the Japanese government has for many years taken the position that even related weapons also not be exported.

So the most important point is that in this regard to this new relaxation is that for countries for whom we have cooperative relationship in terms of security issues, we will be able to have a relaxation of these rules and also take part in cooperative research and development projects as well. So the wording is very, very important. In other words, would India be recognized as country with which Japan has a cooperative security relationship. This is something that when we look at the media reports, the government seems to be having the NATO and related countries or United States or Australia with which the United States has alliance relationships. So in other words, India might not be included. South Korea for example, is included as an alliance country of the United States, but there seems to be some movement within Japan to consider South Korea to be dropped from this list because they are a country that can be viewed some kind of potential conflict on its borders.

So again there is some lack of clarity about these matters. The idea, however, of eliminating South Korea from the list of countries that we can now have cooperative relationships with in terms of defense related technologies or weapons is nonsensical. They should not be regarded as such a nation.

So this brings us again back to the question of India. Why are some people saying that India might not be included in the list of countries with which we could share these technologies? One justification that is given is that India is developing its nuclear weapons although it's not a signatory to the NPT, but that again is quite a nonsensical approach. The NPT, basically, allows only the countries that possessed nuclear weapons or had nuclear experiments before the signing of this treaty in 1968. China began its nuclear tests before that so they're allowed to have nuclear capabilities. Whereas in 1984, India began a nuclear development, so they were too late and they were not allowed to possess nuclear technology. The stipulation within the NPT is that if you were a later participant, then you could only...you could not develop nuclear technologies that might...could lead to the development of nuclear weapons. In 2008 the decision was made, based on proposal by the US government that to treat India separately from other nations that have not signed the NPT

because even though NPT membership was a requirement for a nation to receive nuclear related equipment from the NSG, the nuclear supply group of countries...it was decided that India would be treated separately and of course this concerns the IAEA as well, but the NSG decided that even all of these countries that supply nuclear equipment to different nations, both the IAEA and the NSG decided that India would be approved of separately. They would be able to have access to civil nuclear technology and the IAEA would go and do inspections, but in regard to military or defense related nuclear development, the IAEA would not conduct inspections and this is agreed upon. In other words, what I'm saying is the world has basically decided that...India should be able to have nuclear weapon technology and Japan has approved this, and Japan is a signatory to this agreement and the Japanese people should be better aware of this situation. In other words, India is a very large country, great economic nation, it is a peaceful nation and as a result, it is decided that India should be treated specially...of course part of the reason that Japan...some people said that Japan agreed to this simply because the United States said it should, but having approved of this...it seems that the...Japan has made it's position clear. In spite of this however, the Japanese government has taken a very strange policy of taking every opportunity it can to encourage India to join the NPT, it makes no sense. The possibility that India would join the NPT right now, in the future, is almost zero, there's no need for them, they've been given a special status, they have received special conditions under the IAEA and the NSG, there's no reason for them to want to join the NPT. So Japanese companies...if they follow in the footsteps of the Japanese government, they would find themselves being prevented from entering the very attractive Indian market.

India is not signing a Comprehensive Nuclear Test Ban Treaty( CTBT) and that is also one of the reasons why Japan is not providing newer technology to India. However, U.S. has not ratified yet either .So Japan has stopped transfer of technology. With regards to CTBT, India and the United States,neither have ratified the treaty. We should be treating India and the United States in the same manner. That is a reasonable position of Japan, and we have to make that clear, and the government of Japan should be making this clear.

Ms. Sakurai: Thank you very much. Mr. Shimada has pointed out an important point. Which is...Japan is giving consideration to China, and also afraid of certain public opinion. Once Japan has decided is not implemented, this weakness of Japan is revealed by this fact. And at the same time, it needs to be regulated and punished, but Japan is not doing anything. One of the examples is nuclear proliferation by China. Amongst experts, this is already pointed out, whether it be Pakistan, nuclear....it was China, which has provided nuclear capability to Pakistan. This is already pointed right out by experts in the Western countries.

We'd like to further deepen the discussion about cyber from India and cyber is a very important area. So we'd like to spend fifteen minutes to discuss the issue on cyber space and we'd like to entertain questions from the floor. So I'd like to ask you to be brief, maybe limit your intervention to three minutes from now on. First about Cyber space. from Japanese side, Mr.Hiroshi Ito who is here, who used to be with

Grand Self-Defense Forces(GSDF), he's an expert in Cyber security and he's in the research institute.

Mr.Hiroshi Ito: Thank you. As I was noted, I used to be with GSDF. I am Colonel Ito. Cyber security is much talked about, I'm sure you're all interested in this. For example, in September last year, Yomiuri newspaper....came up with an article, about the attack by the Mitsubishi Heavy Industries server, At that time, I was asked by Asahi Shimbun, "Why did that happen this year?" So I said that question is completely wrong, it's not that this happened this year, but this has been repeated that, but it so happened that it is covered by newspaper this time. Japan, is attacked...cyber attack on Japan not only Mitsubishi Heavy Industries, but IHI and other companies or even your companies. There is a great possibility that your cyber is attacked in the network and lots of data has been stolen. And also, I'm talking about stealing information, but more recently amongst the experts, there is something that is strange that we are discussing. That...The system incident, system error whose reason is not identified is there for example, JR Tokai came up with a failure all of a sudden, and the communication trouble which result in the inability of the telephone communication or air traffic control problem. If you look at newspaper, it is said that it is due to the hard disk problems, but the critical system cannot be destroyed by one hard disk. So I'd like you to remember, there was an incident of Tokyo Express. The Soviet Union's aircraft either came to Tokyo on a regular basis and returned, what do they come, it's not for sightseeing...they come to Japan and face scramble of the Air Self- Defense Forces (ASDF) and then the radar... And all the aircraft from Russia, they look at the frequency and the moderation of the waves from this defense forces. And when war is there, it is possible to come up with interference radios. You look at the vulnerability of other countries. So unknown, strange, cyber incidents could be that these are done by certain countries trying to identify the vulnerability of the system and they are conducting system attack. That is my concern. Today, we are talking about the cooperation between India and Japan. And we are talking about China. So lastly, about Cyber War in China, I'd like to talk about this. China, more than we think, they are conducting cyber war in 1990, so about 20 years ago, they started to be interested in this. And already, electronic battle, that is interfering with radio communication and jamming radar...and they have been doing this more recently. They have cyber forces as well. According to the public documents, the liberation army has lead....has liked to interfere with the communication, liked to stop communication and the network, which was computer network, which was to be sabotaged. Look at US forces, US forces as you know has...is a very strong forces, but computer network, and computer themselves are...they are very dependent on computer networks...So much computer dependence on computer networks that it becomes vulnerability, looked from China. The radio network is to be interfered and the system can be failed with a virus and the US forces will be in a confusion. So in this way, China is focusing up on cyber war and I think that you'll have to bear that in mind. That's all from me, thank you.

Ms. Sakurai: From India's side, are there any comments? Japan and India, what we can do together on the cyber front. There was a discussion on "Chip" earlier, but in other areas, possible areas of cooperation in the cyber security area.

Indian Speaker: We totally agree with what...Dr. Ito has said. Yesterday we had a pretty detailed discussion about the possible areas of what we can jointly do. One of the things that they said is this... that as a response to the cyber army created by the Chinese, there is a counter development will involve a large number of human beings. And India has got the possibility that we have a large number of software savvy and computer savvy young professionals who would be able to countering that. The second thing that I must say is....I can understand Chinese developing second capabilities in certain areas, but in an area like cyber, where there are India has many natural advantages, we have got the technical knowhow, we have got the people with the tenacity which is required with jobs like this. And Japan, which has got the technology and can do a lot of designing and thinking and conceptualizing that responds us. That China that is able to surprise us, I must say, is a great regret for us. Together if we partner and I think probably United States can also be a partner, we in any case has got some sort of and arrangement with them. If there's a need for a greater convergence amongst all of us. It is not, this is an area, which we can totally deny to them. And should we decide to deny to them, it is not only that we'll protecting our government infrastructure, our command and control systems, but probably Chinese will realize that they have touched an area where their vulnerability is much higher than ours because we are capable to responding in this area much more effectively if we really put our work in a more coordinated way Thank you.

Ms. Sakurai: In the last 2 days between the VIF and Japan. we have the dialogue and there was one specific area where we have discussed in depth, the collaboration between the coast guards among the literal nations, coastal nations. So I'd like to call upon Professor Yoshihiko Yamada of Tokai University of the possible collaboration amongst the friendly nations. What kind of collaboration is going on specifically between India and Japan in the coast guard collaboration.

Mr. Yoshiko Yamada: The beginning of the collaboration is off the coast of Somalia where there is piracy and there is anti-piracy operations. Now it is a major incident that intimidates the safety of the navigations .The Japanese coast guards especially...they have to build up their capabilities to defend the Senkaku Islands. The self-defense forces related laws and regulations ,there is an amendment which the coast guards do have the policing and authority in case there are suspicious ships, they can order those ships to leave the territorial waters without going through the formal inspection procedure. However, this..our draft bill has been submitted to the parliament, but has yet...has yet to pass the parliamentary procedure. There is a collaboration ongoing between the self-defense forces and the coast guard, but there has to be a more appropriate exercise of enforcement otherwise we cannot have an effective collaboration among the partner countries. In the world at large, the policing capability and the defense capability has to go hand-

in-hand to defend their nations and national interest. And that should be the case for Japan as well, especially in East China Sea. Our territorial integrity will be threatened and intimidated so we have...We are in a vital stage to establish the cooperative relationship to defend Japanese territorial waters so as well as the stability of ocean of all the nations. Thank you very much.

Ms. Sakurai: As I shared with you at the beginning of the conference there are restrictions such as the constitution restrictions here in Japan that tend to interfere with the ideas that we have discussed ,for instance, in the case of the cyber security. In any nation, a cyber security or cyber warfare, there's a defense strategy or counter attack, that is to be done by the military for any nation, but here in Japan, the military or the self-defense forces cannot play any pivotal or central role because the Japanese defense strategy defined us, exclusively defensive. So only when Japan is attacked, then Japan is going to retaliate against, but in cyber warfare, once you're attacked, then the retaliatory capabilities are almost nonexistent after the first attack by the enemy ,therefore this is the deficiency of the current Japanese self defense force's regime. Which is currently, exclusively defensive, so we have the feeling of dilemma or the frustration with those constraints that are imposed upon us by the Japanese constitution. Now I'd like to call upon Ambassador Hiroshi Hirabayashi who was once posted in India, and he has been posted in many nations as an ambassador so he can point out the difference between Japan and other countries .So I'd like to seek his comment, Ambassador Hirabayash, what needs to be done for further collaboration between India and Japan?

Mr. Hiroshi Hirabayashi: What needs to be done by Japan, it is quite often said self-help, self-reliance. Heaven will help themselves those help themselves. So in commensurate with the first class nation, we have to establish the methodology, or the way in which we help ourselves. I have been with the minister of foreign affairs for more than 40 years, I was ambassador in Asia as well as Europe. And the diplomacy you have to be self...self contained, you have to be independent. Although you will engage yourself in partnership or alliances, but you need to have the self-help and you will engage in dialogue with potential partners and try to meet them half ways. For instance, to be successfully dependent up on some other nations, and the kind of relative weakness should not be the characteristics of Japanese diplomacy. Now, in that kind of context, Indian Japanese bilateral relationship, I'd like to emphasize 5 points . We have the strategic global partnership between India and Japan. In August, 2000 ,then Prime Minister Yoshiro Mori hammered out the idea of global partnership between India and Japan. Why is it global partnership because these two nations are influential, democracies and well respected nations. Both nations are well respected by nations around the world. Japan is disliked by China, but not by all of the Chinese people, but some Chinese people. And Koreans, and North Koreans, but not all the Koreans, but some Koreans. With those small exceptions, Japan is highly appreciated, and liked by most people around the world. Now among the emerging nations, India has the great influence and is well respected...as a major emerging power. So those two nations can join hands and collaborate to be able to address the global issues and should be able to make

significant contribution for the disillusioned of global issues. So India and Japan should not seek their own proprietary problems, but those two nations should contribute to the global issue solving. Rather than problems of these two specific countries alone. And former prime ministers, Junichiro Koizumi and Shinzo Abe added strategic dimension to the bilateral partnership. Strategic global partnership encompassing the defensive, the strategic aspect... So this is the establishment of the mutual trust between the two countries. I'd like to welcome this development. The defense or defense technology was the aspect that was the most often referred to, but diplomatic partnership should also be enforced further more because this is quite crucially important at the UN forum collaboration between inter Japan as well as the other international organization such as IMF against global warming and the climate change. Three major epidemic pandemic searchers, HIV, AIDS, and the Tuberculosis and Malaria, those are the three epidemics, these too are major pandemics so epidemics that can be fatal to those people how to combat the infectious diseases and how to partner with the U.S. This is the arena in which India and Japan can cooperate. Furthermore... issues on a global scale as well as the Asia Pacific regions, specifically India and Japan should cooperate in the Asian Pacific region. The gravity of the center, the center of gravity of economic and political activity are shifting from the western world to the Pacific Ocean, therefore the two major democracies in the Asia Pacific region to cooperate is quite vital because of the center of gravity transition. This should contribute to improve the situation with China to a certain degree. From my experience, India could be the counterbalance against China, but if we talk about this.... but generally, the general perception is that, wait a moment, it is important, we should... not be so assertive about that. So we should be respectful of the Indian values and the Indian sentiment so we should... encourage partnership in diplomacy in regional issues. So that together, we should be able to guide China to better direction, so that... we will keep China in check, not only in military context, but also in terms of democracy. By mobilizing and harnessing the power of democracy between India and Japan. We should guide China so that China will not make steps into the wrong direction. Thank you.