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Japan's Growing Intelligence Capability

Intelligence capabilities have been much debated in Japan in recent years, driven by events both at home and abroad. On the international front, the end of the Cold War set the stage for a new worldwide role for Japan, while nearby North Korea's activities reminded the Japanese that some foreign threats still loom large. The dramatic takeover of the Japanese ambassador's residence in Lima, Peru, in December 1996, along with fear for the safety of Japanese nationals in Indonesia during its recent political troubles, have called into question the intelligence abilities of the Japanese state to support crisis management. On the domestic front, several high-profile cases deemed "intelligence failures" by the Japanese news media—in particular, the sarin gas attack on the Tokyo subway in March 1995—have kept intelligence issues in the headlines. Though the sarin gas incident, perpetrated by members of the Aum Shinrikyo religious cult, is a case of domestic terrorism, the international network maintained by the Aum Shinrikyo—from offices in the United States, Germany, and Russia, to business interests in Australia and Sri Lanka—makes it of interest in the area of foreign intelligence as well. Other domestic crises unfolding during this period, particularly the Great Hanshin Earthquake centered in Kobe in January 1995, further fueled extensive and in-depth media examination of Japan's intelligence and crisis management capabilities.

More broadly, the end of the Cold War and a corresponding increase in the international role demanded of the Japanese state have led to concern over the country's foreign intelligence capabilities from a number of diverse quarters. Akihiko Tanaka is one of numerous commentators on

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Japan's foreign policy who assert that for Japan to contribute more to the international community in the future, it is inescapable that it develop greater foreign intelligence capabilities.¹ Aside from incremental progress toward this goal through larger personnel rolls, bigger budgets, and reorganization of existing capabilities, the recent decision to pursue a domestically produced, independent spy satellite program operated by the Japanese state must be seen as one of the major developments in Japanese intelligence in the past decade.

Robert D'A. Henderson has summed up the impact of the end of the Cold War on intelligence communities worldwide as follows:

The collapse of the Cold War East–West confrontation brought about a major shift in the intelligence priorities of most advanced industrial countries. The shift was away from the diminishing Soviet Bloc military threat—both globally and regionally—and toward new priorities such as the proliferation of weapons of mass destruction, economic espionage, regional crisis zones, international organized criminal activities, and environmental intelligence, among others. Along with these shifts in intelligence targeting have come domestic calls for reforming national intelligence communities and refocusing their target priorities—with all the implications of reallocating government resources while trying to cash in the so-called “peace dividend.”²

While the usual result of this widespread “reorganization” of intelligence communities worldwide has been a call for a reduction of intelligence budgets and personnel, Henderson saw the reverse phenomenon unfolding in Japan, noting: “The exception to this intelligence trend has been Japan, which has been enhancing its military and strategic intelligence capabilities.”³ The primary task now is to determine the extent to which Japan is in fact enhancing its intelligence capabilities—not only in the military and strategic areas to which Henderson refers, but also in the areas of political and economic intelligence, as well as the new areas of interest to intelligence communities, including the “new security threats” of drug trafficking, migration, international organized crime and terrorism, and the proliferation of new weapons of mass destruction.⁴

Numerous circumstances and events have converged to bring Japan's foreign intelligence-related activities (FIRA) to the forefront, including the aforementioned domestic and international events. Another is rooted in academic trends. Several new studies on the role of intelligence in international relations have appeared worldwide. A large part of the reason for this growth of intelligence studies is the new availability of sources. But while a growing number of books have been published on the security communities of other advanced industrial democracies, Japan continues to be somewhat of a mystery.⁵ But that may be changing. While Japan is far from being a leader in providing open access to government

documents, media coverage of intelligence issues has increased dramatically in recent years—due in large part to perceived intelligence failures—yielding a wealth of details about Japan's foreign intelligence institutions. One area of Japan's FIRA that will not be discussed here is Japan's deep intelligence relationship with the United States. Clearly this relationship underpins Japan's entire intelligence strategy and should not be avoided in a thorough discussion of Japan's foreign intelligence strategy. That aspect of Japanese intelligence is, however, beyond the scope of this article.⁶

I. FOREIGN INTELLIGENCE AND THE JAPANESE STATE

Because Japan relies on its superpower ally to guarantee its security, many maintain that the study of Japanese intelligence is superfluous; better to concentrate one's effort on the intelligence apparatus of the protector, the United States. But, as Michael Herman, in writing about the importance of intelligence to international relations, observes: "Defending national security in this narrowest sense is only one of intelligence's rationales. The security element in national policy extends to defending overseas possessions, protecting nationals and property abroad and reacting to threats and conflicts between others."⁷ Thus, even though Japan may rely on the United States for its overall security, it provides many other aspects of security itself. In these areas—such as the protection of Japanese nationals abroad, promotion of Japanese diplomatic and economic interests, and the protection of state secrets at home—Japan's own foreign intelligence institutions play a role. Moreover, given the changing security landscape of post-Cold War Asia, Japan may ultimately play a greater intelligence role within the U.S.–Japan alliance.

Japan's FIRA are of interest for four reasons: (1) the role of intelligence in international relations in general has been under-studied despite its importance; (2) the gap in the literature on the case of Japan especially is obvious; (3) the limited amount of literature available on Japan's FIRA is sparse on evidence and generally unconvincing; and, (4) Japan's FIRA seem to pose a genuine puzzle in comparison to those of similarly positioned states, such as the other "great power allies" of the United States—the United Kingdom, Germany, and France.

As Japan's international role has increased in recent decades, its intelligence functions have expanded to deal with the additional demand put upon them. In this sense, Japan tests the argument of intelligence theorists who posit a direct link between a state's international role and its intelligence capacity. As Herman writes: "Active foreign policies of any kind increase the role of intelligence, for much the same reasons as influence the size of diplomatic services; indeed the information-gathering functions of the two overlap."⁸ While the research findings to date are too

preliminary for a definitive judgement, Japan's foreign intelligence operations have clearly increased, at least since the end of the Cold War, though at a slower pace than intelligence theories would predict.

Since the end of the Cold War a decade ago, Japanese leaders have demonstrated a growing awareness of the importance of foreign intelligence. Moreover, an examination of its recent activities shows that the Japanese state maintains a greater foreign intelligence capability than commonly is acknowledged. But developments in Japan's foreign intelligence community also clearly indicate that the Japanese state has far less "intelligence power," to borrow a term from Michael Herman, than states more often examined, such as the United States, the United Kingdom, and even Israel.

Similar to many other "great powers" of the early twentieth century, Japan has a well-documented intelligence history dating back to the late nineteenth century. Studies of Japanese World War II intelligence are particularly plentiful. That so few studies of Japanese intelligence in the postwar period have been published is thus peculiar. There exists no good study of Japan's postwar foreign intelligence-related activities in either English or Japanese.⁹ A handful of empirically driven articles on Japan's economic intelligence activities provide some useful information, but no theoretical framework by which to understand Japan's FIRA is available.¹⁰

Slow But Sure Progress

Japan's FIRA have been focused on the economic arena, given that its security needs are handled largely by the United States. Private actors, such as Japan's large trading companies (*sōgō shōsha*), and its vast mass media establishment are said to provide much of the raw material for analysis. But state institutions for handling FIRA, and the country's overall strategy behind its intelligence activities remain elusive to outsiders.

Japan's overall foreign intelligence capabilities include military intelligence, at least as far as strategic intelligence (as opposed to tactical intelligence), economic intelligence, and espionage. The focus here is on state intelligence activities as opposed to the intelligence activities of nonstate actors, such as corporations, which perform the bulk of the economic intelligence activities of "Japan." As elsewhere, Japanese intelligence is generally divided into collection, analysis, counterintelligence, and covert action. But the tricky issue of covert action is here left aside.¹¹

II. EVOLVING INSTITUTIONS: MAJOR POST-COLD WAR CHANGES

Important changes have taken place at Japan's major foreign intelligence institutions since the end of the Cold War. Two types of institutions are involved. First are the "self-contained" institutions: the Cabinet Intelligence Research Office (CIRO), the Public Security Investigation

Agency (PSIA), and the Defense Intelligence Headquarters (DIH).¹² Although two of these institutions are part of a larger agency, they are effectively self-contained, much like the Federal Bureau of Investigation (FBI) is a division of the United States Department of Justice. Second are the “ministry-embedded” intelligence operations—the primary foreign intelligence–collection institutions of three ministries; the National Police Agency (NPA), the Ministry of Foreign Affairs (MOFA), and the Ministry of International Trade and Industry (MITI).¹³ An unusual aspect of Japanese FIRA is that the bulk of Japanese foreign intelligence is collected and analyzed inside these larger bureaucracies. Finally, nonstate actors play a role in Japan’s foreign intelligence activities. The bulk of the literature on Japanese intelligence to date has focused on the non-state actors.

Nearly every Japanese government ministry and agency collects and analyzes information, many from foreign sources. Government institutions which comprise a “second-tier of intelligence functions” include the Ministry of Finance, the Cabinet Security Affairs Office, and the Cabinet Councilor’s Office on External Affairs. Nearly every department within MOFA and MITI collects and analyzes foreign intelligence relating to its particular functional or regional mandate.

(A) Self-Contained Intelligence Institutions

Cabinet Intelligence Research Office (CIRO) Any discussion of foreign intelligence in Japan must begin with the Cabinet Research Office, or *naikaku jōhō chōsa-shitsu (naichō)*. The CIRO is one of the six divisions of the Cabinet Secretariat within the Prime Minister’s Office, and technically speaking is Japan’s “central intelligence agency.” About half of its staff of roughly 120 are on loan from other ministries and agencies,¹⁴ making it by far the largest office within the Cabinet Secretariat, whose total personnel numbers 175, according to published government statistics. Despite its formal role, the CIRO has neither the resources nor personnel to be a true Central Intelligence Agency (CIA). By contrast, for example, the CIA is said to have employed 16,500 people in 1978, though the exact number is not made available publicly.¹⁵

The CIRO obtains most of its information from “private information organizations,” mainly news agencies—as much as ninety percent according to one relatively recent source.¹⁸ In addition, this information is supplemented from sources available to Japan under agreements made with the intelligence services of friendly governments, especially Australia and the United States, although such intelligence-sharing is generally conducted via the Japan Defense Agency (JDA) and the individual Self-Defense Forces.¹⁹

The CIRO, formally charged with advising the Prime Minister, presents intelligence reports to him on a bi-weekly basis—though, as in other democracies, the actual interaction varies with the preferences and interest of each Prime Minister. The CIRO also maintains a formal managerial position over the intelligence operations of other ministries and agencies, coordinating the information from each organization and seeing that it is reflected in important policy decisions. A primary formal means of doing this is the Joint Intelligence Committee (JIC). Chaired by the CIRO's director-general, other JIC members include the directors-general of the NPA, the JDA, the PSIA, the MOFA, and the Cabinet Security Affairs Office, plus the deputy secretary of the Cabinet Secretariat.²⁰

In practice, however, the CIRO's limited staff and meager resources are not sufficient for its coordinating mission. According to interviews with former CIRO officials and others, the CIRO is widely known to be dominated by the National Police Agency (NPA), whose officials comprise fully half of the CIRO's seconded staff (thus, roughly one-quarter of its total personnel). Moreover, by custom, the head of the CIRO is an official on loan from the NPA.

Next, in terms of influence over the CIRO, is the Ministry of Foreign Affairs (MOFA) which customarily provides the deputy head of the CIRO and around five other staff members. After MOFA, roughly equal numbers of staff are said to be seconded from MITI, MOF, and the JDA. Surprisingly, only two officials are sent from the PSIA, by far Japan's largest-staffed, nonmilitary intelligence organization. Other ministries are also said to send token members to the CIRO, including the seemingly unrelated labor ministry.²¹ Due to this perceived NPA dominance, the CIRO would not likely be allowed to play the role of arbiter among Japan's powerful ministries. In fact, the opposite is probably true: through a staff largely seconded from other ministries and agencies, these outside institutions themselves negotiate through their designates what information will be shared and which projects encouraged.

Intelligence specialist Jeffrey T. Richelson has estimated the CIRO's budget as \$25 million in 1986, but because this figure is not available through open sources, as it cannot be said definitively how the end of the Cold War affected its budget. However, given recent public attention to the Secretariat's poor performance in crisis situations—such as the Sarin gas incident, the Kobe earthquake, and the “Lima Incident”—and subsequent upgrading of facilities, its budget has clearly increased since 1986, although the staffing appears to have remained constant.

Many experts give the CIRO poor marks on its primary mission of dealing with intelligence on national strategy, particularly in the post-Cold War period.²² In response to criticism of the government's crisis management system after the Great Hanshin Earthquake in Kobe in 1995, the

government determined that a part of the CIRO would remain open twenty-four hours a day as a crisis center. As can be deduced, the Prime Minister, before this time, did not have access to a dedicated intelligence center within the government on a twenty-four hour basis. The upgrading of the CIRO's domestic function is one of the basic institutional changes since the end of the Cold War.

The Cabinet Intensive Information Center (*naikaku jôhō shûyaku sentâ* or CIIC)²¹ was opened officially on 11 April 1996 and charged with keeping the Prime Minister informed of crisis events in the area of natural disasters, public order, and external security threats.²² According to internal documents obtained by Aso and published in the influential monthly, *Bungei Shunju*, CIIC officers are to contact the Prime Minister, the Chief Cabinet Secretary, and both Deputy Chiefs in the event of a major earthquake, plane hijacking, nuclear power accident, oil spill, or other such major emergency. Thus, the CIRO has taken on an increased mission in the domestic intelligence arena, consistent with the role already played by the National Police Agency in such disasters. Also, according to this source, the CIIC is divided into five "corps" (*han*): general affairs, data, systems, news, and intelligence. The intelligence corps is said to be the core division and, in fact, is located separately from the other corps. The CIIC's main location is in the Prime Minister's Residence building, with the intelligence corps located within the newly established Prime Minister's Crisis Center in the Residence Annex building.

In sum, the CIRO has been the focus of much attention in the last ten years—attention that resulted in numerous concrete institutional changes in the way intelligence is handled by Japan's intelligence coordinating agency. This stands in sharp contrast to developments at the Public Security Investigation Agency since the end of the Cold War.

Public Security Investigation Agency (PSIA) The Public Security Investigation Agency (*Kôanchôsa-chô*) owes its very existence to the Cold War. The biggest changes in Japan's FIRA since the end of the Cold War are seen here. The PSIA is the only major foreign intelligence institution in Japan to experience a personnel decrease in the post-Cold War period. Established as a division of the Ministry of Justice in 1952 to monitor the activities of members of the Japan Communist Party (JCP), the PSIA later broadened its activities. The organization was founded as the Allied occupation ended, as a way to keep tabs on Communist activity after formal United States responsibility for this function ceased. Its roughly 1,800 personnel today make it Japan's largest civilian intelligence institution, though few would claim it to be the most powerful or significant—particularly in the area of foreign intelligence.

Through its broad mandate and supervisory agency the PSIA resembles the U.S. FBI and Great Britain's MI5, with its major focus on domestic threats, but also possessing a significant counterintelligence jurisdiction. Because the PSIA does not have rights of compulsory investigation, it cannot force someone to cooperate with its investigations as can the National Police Agency. Thus, it must often conduct its investigations by offering financial incentives to insiders within the groups it seeks to penetrate, while also attempting other approaches to cultivate sources of cooperation within those groups.²³

During the Cold War the PSIA had fourteen main subjects under surveillance, including the JCP, other leftist social and labor organizations, the General Federation of Korean Residents in Japan (Chongnyon), and a variety of rightist groups.²⁴ It also published reports on developments in Communist nations—primarily the Soviet Union, China, and North Korea, thus playing a role as a foreign intelligence organization. Moreover, along with the National Police Agency, it is responsible for counterintelligence within Japan.

In the post-Cold War period the PSIA has battled for its very survival, fending off extreme criticism about its inadequate collection of information on new dangers to the Japanese state, such as religious extremism, drug trafficking, and foreign terrorist threats. In particular, it was criticized heavily for its failure to monitor the development of the Aum Shinrikyo's staggering stockpile of weapons before the sarin gas attack on the Tokyo subway which brought the group to national attention. Lately, its role has been to investigate the Aum Shinrikyo and to take charge of its dismemberment. More broadly, in the past decade the PSIA's mission has shifted to reflect perceived post-Cold War threats. This mission change is evidenced by its May 1996 reorganization. Under the new structure, less focus has been given to threats from the JCP and other leftist groups and more to other domestic subversive groups unrelated to the political Left. Moreover, new sections were created to investigate foreign subversive activities and related problems, such as those posed by the dramatic rise in the number of foreign workers in Japan.²⁵

Clearly, the most dramatic step toward reorienting Japan's intelligence community in the post-Cold War era would be to merge PSIA's resources under CIRO's control, a plan that was proposed and reportedly given consideration within the intelligence community. This would greatly enhance CIRO's resources and its efforts at creating a coordinated intelligence policy, as well as serving to reorient the PSIA to the changed post-Cold War security environment. The time has passed when such a dramatic change would take place, however—at least until the next major intelligence crisis. Instead, the PSIA was reorganized from within, though its personnel also was reduced by forty-two officers from 1,810 in 1990 to

1,768 in 1995.²⁶ Since these events, little has appeared in the media regarding any new mission for the PSIA.

Defense Intelligence Headquarters (DIH) On 20 January 1997, the Defense Agency's Defense Intelligence Headquarters (DIH, or *bōei-chō jōhō hombu*) consolidated Japan's primary existing military intelligence institutions into one organization, becoming in one day the country's largest foreign intelligence institution. Symbolically at least, this was the most dramatic shift in Japan's FIRA since the end of the Cold War. Modeled on the U.S. Defense Intelligence Agency (DIA), the DIH brings under one roof the intelligence divisions of the Ground, Maritime, and Air Self-Defense Forces, along with those of the Joint Staff Council and the JDA itself.

Until the founding of the DIH, Japan's military intelligence was handled by a number of institutions spread throughout Japan's (and America's) defense establishment. The intelligence mission to which Japan has devoted the most resources has been signals intelligence (SIGINT) focused primarily on the Soviet Union/Russia, and the monitoring of Japan's sea lanes and airspace.²⁷ Accordingly, the largest intelligence institution within the defense establishment was, until recently, the Annex Chamber of the Second Section of the Intelligence Division of the Ground Self-Defense Forces, the *Chōsa Besshitsu* (or *Chōbetsu*), which employed roughly nine hundred uniformed personnel and fifty civilians based at ten ground stations throughout Japan. In addition, the Air and Maritime Self-Defense Forces maintained intelligence divisions to support their respective mandates (i.e., airspace and sea lanes), and the JDA bureaucracy and Joint Staff Council also maintained dedicated intelligence capabilities. This disjointed organization was blamed for a number of intelligence limitations.

The primary mandate of the new DIH is to analyze signals intelligence (SIGINT), essentially continuing the intelligence priorities set before its establishment. Most of this mandate was previously undertaken by the *chōbetsu*, which now accounts for a large majority of the new DIH's total personnel of approximately 1,200 uniformed officers and 400 civilian officials. Had *chōbetsu*'s previous staffing been maintained after its merger into the DIH, SIGINT personnel would account for more than three-quarters of the staff of the new DIH. Signals intelligence is currently handled by the DIH's signals division. The DIH's four other divisions handle administration, budgeting, analysis, and imaging (the interpretation of satellite images).²⁸ These five divisions are divided into a total of 215 departments.²⁹

Despite its large number of personnel, and the interest it has generated in the press, especially the foreign press, the DIH does not mark a bold new direction for Japan's foreign intelligence efforts. Still, the establishment of

the DIH is an important development to watch as Japan's foreign intelligence community reorients to post-Cold War realities. Less than three years after its establishment, the JDA requested 100 additional personnel in its budget for the following fiscal year and, more broadly, is attempting to be the agency to fill Japan's significant remaining foreign intelligence gaps. Reportedly, the DIH is using recent disturbances in Cambodia and Indonesia as examples of the type of events Japan's foreign intelligence community should be better able to monitor and even predict, and is lobbying to be the agency to do this.³⁰

The new DIH's first director was Lt. Gen. Kunumi Masahiro, a uniformed officer of the Ground Self-Defense Forces (GSDF), assisted by a civilian deputy chief from within the JDA. The building is located at the GSDF's Ichigaya compound in central Tokyo. Ironically, the buildings in which the "Tokyo Tribunal" war-crimes trials were held—the focus of a diplomatic spat due to international and domestic criticism of the 1998 Japanese film, *Pride*—were moved in order to construct the new DIH complex.³¹

In an interview in the JDA's in-house magazine, *Securitarian*, soon after the opening of the DIH, Kunumi cited a number of reasons why a new institution was necessary, among them: (1) that intelligence specialists were scattered across a number of institutions within Japan's defense establishment, which resulted in inefficiencies; (2) the treatment of important intelligence specialists was too low within the existing JDA and SDF hierarchies; and, (3) the overall quality and level of intelligence needed to support Japan's greater international role was thought to require strengthening.³² These responses are similar to the position stated in the 1996 Defense White Paper.³³ Notably, none of these reasons are the direct result of developments since the end of the Cold War. Indeed, according to Kunumi, the idea of a DIH was first put forth in the late 1980s. From initial investigations to completion the process required nearly ten years.³⁴

In a later interview, Kunumi offered additional factors leading to the necessity for a DIH which became evident in the post-Cold War period. In particular, he pointed to three new reasons: (1) the nontransparency and uncertainty of the post-Cold War world; (2) the need to support Japan's increased international activities; and (3) the need to upgrade Japan's crisis management capability.³⁵ This language resembles that of the earlier defense white paper.³⁶ Given the long planning period for the DIH, the question remains as to whether these latter arguments tipped the balance in favor of the JDA receiving fiscal authorization for the DIH in its fiscal year 1996 budget. The rapid construction of the DIH in under two years stands in sharp contrast to the projected five years from groundbreaking to completion of the new Prime Minister's Official Residence, a much smaller structure that will eventually house the CIRO.

Despite the DIH's broader mission, Gen. Kunumi adamantly maintains that Japan's military intelligence activities are fully transparent. When asked whether the DIH engages in espionage activities, he replied: "We do not. Japan is a democracy and, as you know, all matters and budgetary requests for the JDA budget are included in the budget request, and this is approved through Diet action. Thus, there is no way to conduct so-called espionage activities within the system of this country." However, he did state that the DIH "conducts such practices as intensifying what is collected by defense attachés [abroad] and foreign-posted soldiers, analyzing the meaning, and determining its value to the JDA as a whole."³⁷ Japan has sent military attachés to serve in Japanese embassies abroad for many years. According to the 2000 Defense White Paper, forty-six military attachés were present in thirty-five overseas diplomatic missions, up eight from 1990 when thirty-eight were posted in thirty overseas diplomatic missions.

(B) Ministry-Embedded Intelligence Operations

National Police Agency (NPA) The National Police Agency (NPA, or *keisatsu-chō*) is responsible for policing the entire nation, charged with maintaining public safety and order, as well as protecting against foreign espionage and terrorism. An estimated 10,000 officials work in intelligence-gathering (though mostly domestic intelligence), out of a total of approximately 250,000 personnel.³⁸ The Foreign Affairs Bureau and the Security Bureau (*kōanbu*) focus on intelligence-related matters, and liaise with law enforcement organizations from other states, including Interpol, MI5, and the FBI (which recently established an office in Tokyo). Some fifteen NPA officials are seconded to serve in Japanese embassies abroad at any given time; an additional fifty or so serve in a security capacity at embassies abroad.³⁹ The NPA's primary training facility, the National Police College, occupies the same site as the old military police (*kempeitai*) school in Nakano-ku, Tokyo, and provides training in intelligence techniques to mid-level career bureaucrats and NPA police officers.

The NPA is among the first to respond to natural disasters, and is responsible for coordinating emergency operations throughout Japan. It is also the first to respond to such non-natural disasters as a terrorist attack. Since the Self-Defense Forces are prohibited from both armed deployment abroad in response to immediate crises and domestic action without specific authorization from a prefectural governor and/or the Prime Minister, the NPA also maintains a Special Assault Team (SAT), together with the Metropolitan Police Department (*keishi-chō*), to respond to security situations involving Japanese nationals both at home and abroad, such as the takeover of the Japanese ambassador's residence in Lima, Peru

in December 1996—although the SDF are clearly better trained and equipped to handle such incidents, if only they were allowed.⁴⁰ These broad responsibilities make it important for the NPA to gather both domestic and foreign intelligence on a wide variety of potential threats.

The biggest intelligence challenge facing the NPA since the end of the Cold War relates to its mission to combat terrorism—both incidents within Japan, and those abroad by Japanese groups such as the Japanese Red Army (*Nihon Sekigun*). The fight against terrorism is not a new mission for the NPA, which has fought the Japanese Red Army and other extremist political groups throughout the postwar period. But terrorist threats from new groups not previously monitored by the NPA, such as the Aum Shinrikyo at home and the Tupac Amaru Revolutionary Movement (MRTA) abroad which took control of the Japanese ambassador's residence in Lima, have led the NPA to re-examine its tactics in ways similar to the PSIA.

This new agenda is seen most clearly in the NPA's increased interest in international cooperation, including increased intelligence exchanges to fight common threats. As Christopher Hughes argues in his analysis of the effect of the Aum Shinrikyo on Japan's post-Cold War security agenda, "The difficulties of dividing external issues of terrorism from internal ones have indicated the need for Japan to become more involved in international cooperation against terrorism."⁴¹ Further measures to ensure the safety of Japanese nationals abroad are also high on the NPA's agenda.⁴² Its contribution to Japan's FIRA thus focuses primarily on crime prevention, an especially challenging area in light of new threats emergent in the post-Cold War era.

Ministry of Foreign Affairs (MOFA) The Ministry of Foreign Affairs (MOFA), with Japan's longest intelligence tradition, dating back to 1869, employs roughly 5,200 officials, up sharply from around 3,500 in the early 1980s. Regarding recent personnel increases, the MOFA *Bluebook* states: "When increasing its personnel, the Foreign Ministry has placed priority on strengthening its crisis-management and security systems, which is an urgent matter for the government."⁴³ In fiscal year 1999, MOFA operated 115 embassies, sixty-five consulates general, and six permanent missions or delegations to international organizations, where roughly two-thirds of MOFA personnel are posted.⁴⁴ The Ministry's Intelligence and Analysis Bureau, renamed under the ministry-wide reorganization in 1993, employs roughly sixty staff members who analyze information sent from Japan's diplomatic establishments abroad, as well as information exchanged with the intelligence agencies of the the country's allies.⁴⁵

Under the August 1993 reorganization, MOFA overhauled its internal organization for the first time in ten years, creating the important new Foreign Policy Bureau (*Sôgô Gaikô Seisaku-kyoku*) and renaming and

reorganizing the unit charged with intelligence as the Intelligence and Analysis Bureau (IAB, or *Kokusai Jôhō-kyoku*).⁴⁶ Organizationally speaking, intelligence thus ranks among the top five functions within the ministry, as one of the five functionally driven bureaus (in addition to the five regional bureaus). The principal change between the former and current intelligence bureaus seems to be that the current bureau has responsibility solely for intelligence, a change deemed important by numerous officials within the Foreign Ministry.⁴⁷ Its predecessor, the Information and Research Bureau (*Jôhō Chōsa-kyoku*), had the additional responsibilities of developing foreign policy and national security strategy, which have now been delegated primarily to the new Foreign Policy Bureau. Still, much like the CIRO in the Prime Minister's Office, the MOFA's IAB should be considered a minor intelligence coordinator rather than a major intelligence institution in itself. Clearly, more officials are involved in dedicated intelligence functions in other bureaus, particularly the regional bureaus, than are employed within the IAB. Moreover, most foreign intelligence within MOFA is collected at the source—at diplomatic establishments abroad where the majority of MOFA personnel are located.

The IAB's staff resources are boosted by commissioned research from academics and think-tanks such as the MOFA-sponsored Japan Institute of International Affairs.⁴⁸ Moreover, again similar to the CIRO, the ministry purchases information from open-source collectors, such as Japan's two wire services and other media organizations. In fiscal 1978, the total spent by MOFA as fees for information-gathering services reportedly mounted to 4.4 billion yen, according to official government sources.⁴⁹ How this figure was calculated is unclear, however, and such an estimate has not been released for subsequent years. In keeping with the growing concern for information security spreading among government officials, the IAB was relocated into MOFA's new "intelligent building," which was completed in 1995, with modern security measures such as smaller windows and vaulted areas to reduce the chance of eavesdropping.⁵⁰

The creation of the IAB as a bureau charged only with intelligence matters, though not insignificant, is important more for what it symbolizes than for its output. Perhaps more important, from a foreign intelligence perspective, is the dramatic increase in the number of Japanese diplomats posted abroad in the past decade. While Japan clearly needed extra personnel to handle its more active and involved diplomatic agenda, the foreign intelligence contribution provided by these additional personnel must not be overlooked. The central government's organizational reforms, which took effect at MOFA in January 2001, underscore this trend, and emphasize the "enhancing and strengthening functions... for information gathering, analyzing, and reporting."⁵¹

MITI⁵²: Japan's External Trade Organization The Ministry of International Trade and Industry (MITI), one of Japan's largest and most powerful government ministries, with over 15,000 personnel (thus, roughly three times the size of MOFA),⁵³ also has a significant foreign intelligence mission. MITI has been the subject of numerous in-depth academic studies on a variety of topics relating to aspects of foreign intelligence, such as the role of the state in economic development and the link between the public and private sectors in Japan.⁵⁴ Given that one of its primary mandates is to coordinate international trade, numerous divisions within the ministry collect and analyze intelligence on foreign economies and industries. Much of this intelligence function, however, consists of routine statistical collection.⁵⁵

An organization which is not a division of MITI, but is rather supervised by MITI as a semipublic corporation, is the Japan External Trade Organization (JETRO). Similar to the CIRO as a virtual extension of NPA power, JETRO is arguably MITI's de facto intelligence agency—though probably not “Japan's CIA” as some claim. While JETRO collects a variety of information from abroad, from coverage of local politics to specifications of dual-use military technology, some of it shared with other government institutions and some even published for wider distribution, JETRO is primarily Japan's economic intelligence institution.

The Japan Export Trade Research Organization, the predecessor of the current JETRO, was created in 1951, becoming a “special corporation” under the oversight of MITI's International Trade Administration Bureau. Though the organization's name remained the same, JETRO's mandate was formally enlarged in 1966 to include efforts to promote imports as well as exports of Japanese goods and services. In 1991 its mandate further was expanded to include promotion of foreign investment in Japan.⁵⁶ JETRO's annual budget includes both government subsidies and funds raised from the private sector through both contributions and sales of JETRO publications. The private sector component is estimated to underwrite roughly forty percent of JETRO's operating expenses. According to Nanto, JETRO received a government subsidy as a line item of the then-MITI budget of 24.1 billion yen in 1993. This was up twenty-six percent in yen terms from 1990, when it received a subsidy of ¥ 19.1 billion.⁵⁷ This significant increase was reportedly pitched as a post-Cold War boost to expand JETRO's reach into the former Eastern bloc.

JETRO employs approximately six-hundred staff members in thirty-eight regional offices within Japan and seven-hundred staff members in eighty offices in fifty-nine overseas countries.⁵⁸ Like MOFA, JETRO posts more personnel overseas than at home. The number of JETRO employees abroad has increased by over 150 percent compared to the early 1980s when JETRO had 270 employees, both from MITI and private industries,

distributed through eighty-one cities in fifty-nine countries—another example of the post–Cold War boost.⁵⁹ Moreover, MITI's own “industrial researchers” (*sanchō*) have been posted abroad since 1973—usually based at a JETRO office but not included in the JETRO personnel figures.⁶⁰ According to Dick Nanto: “In 1991, MITI had dispatched fifty of its personnel to JETRO offices both in Japan and overseas. Of these, eleven were stationed in the United States. JETRO, therefore, also serves as a post in the career rotation of many MITI officials. It gives them experience in overseas markets and living styles and an opportunity to gather intelligence and study economies abroad first hand...”⁶¹ MITI retains de facto control over JETRO through the rotation of MITI bureaucrats into top positions at JETRO, as well as through the *amakudari* (so-called “descent from heaven”) placement of retired MITI bureaucrats within JETRO.⁶²

JETRO's Tokyo headquarters building, perhaps “strategically” located opposite the United States embassy, includes a large library of materials on foreign markets useful to the Japanese business community, as well as JETRO's own internal publications for sale. These publications, designed for use primarily by Japanese businessmen, address a wide range of topics, from technical specifications of key American technologies to the basics of setting up residence in foreign countries for executives embarking on foreign postings. To a far lesser extent, JETRO also publishes a variety of materials in English and other foreign languages designed to assist in the marketing of foreign products and services in Japan. These publications are distributed primarily through JETRO's offices abroad.

In its foreign offices, JETRO's main function is to collect intelligence from open sources for use in its internal publications and for distribution to MITI and other state institutions. Aside from skimming commercial and technical publications, JETRO researchers visit corporate research facilities and offer advice on the Japanese economy to local and state government officials. This is one of the practices criticized by JETRO's opponents, who argue that JETRO officials are given broader access than would be private company employees thus identified.⁶³ Several recent books published in the United States on the topic of economic espionage discuss incidents of Japanese espionage, including JETRO's links to the private sector,⁶⁴ as part of the broader issue of economic intelligence. In addition, JETRO works with other Japanese state institutions to convey its government's views on contemporary economic and diplomatic issues, such as government measures to boost the domestic economy and Japan's efforts at aiding other Asian economies after the 1997 financial meltdown. JETRO publishes a wide array of locally written newsletters primarily for this purpose.

Given its extensive intelligence collection operations abroad, JETRO has received surprisingly little public scrutiny. But, in the 1990s, JETRO's operations in the United States made headlines due to concurrent CIA and FBI investigations of its activities, and the resultant coverage in major media outlets.⁶⁵ Since the end of the Cold War, Japan has appeared—along with China, France, Israel, and a host of other states—in a number of high-profile U.S. Congress studies of the threat of economic espionage in the United States.

(C) Nonstate Actors

Official government organizations are not the only important ones to consider when studying Japan's FIRA. The focus here on Japan's state institutions for FIRA does not mean that previous works which have focused on the role of private, nonstate actors in foreign intelligence collection and analysis are unimportant.⁶⁶ Included among nonstate participants are Japan's major trading companies (*sôgô shôsha*), mass media corporations (such as the two major wire services, the major newspapers, and even television networks),⁶⁷ and semipublic organizations such as the Federation of Economic Organizations (*Keidanren*).

A common analytical mistake in the general literature on Japan is the conflation of public and private sectors and their interests. But in the area of intelligence collection, it is important to consider the efforts of both for the achievement of state goals.⁶⁸ From the very start of the modern Japanese state, public and private bodies have worked together to gather necessary political, military, and economic intelligence. Though much has changed in Japan since the beginning of the Meiji Restoration in 1868, this fundamental aspect of Japan's political economy has not. Thus, while it remains important to distinguish between Japanese firms and the Japanese state, it is essential to examine both carefully to understand contemporary Japan's intelligence capabilities.

III. EVOLVING CAPABILITIES: SPY SATELLITES

The founding of the Defense Intelligence Headquarters (DIH) marks the biggest institutional evolution in the post-Cold War period. But the decision to develop a network of domestically produced and deployed spy satellites marks the biggest evolution in Japan's intelligence capability. How substantial a system ultimately will be developed and deployed remains a question, but the decision itself marks a significant departure from previous policy—in particular, Japan's "peaceful use of space" policy, but also in U.S. policy toward Japan.⁶⁹

The idea of developing and deploying domestically produced spy satellites did not emerge only in the post-Cold War period. It had been a politically sensitive issue both at home and abroad for decades. Although Japan's production and deployment of its own spy satellites was far beyond its capabilities at the time, the possibility of this happening—even together with the United States—led to the adoption of a Lower House Diet resolution in 1969 declaring Japan's dedication to the use of outer space only for peaceful purposes (*heiwa no mokuteki*).⁷⁰ This resolution, and the political foundation upon which it was based, presented a significant barrier to Japanese corporate and military use of space.

A series of modifications to the peaceful use of space policy over time significantly blunted its impact, however. First, in the early 1970s, it was decided, after much controversy and heated debate, that the Self-Defense Forces could use communications satellites for military communication. Next, in the early 1980s it was decided, again after much contention, that the Japan Defense Agency could purchase satellite imagery from abroad for use in military intelligence.⁷¹ Once this precedent was set, Japanese military and corporate leaders soon argued that there was no real difference between buying the imagery from abroad or producing it at home. Surprisingly, though, the leap to development of such a system was not made until 25 December 1998, several months after a North Korean Taepodong missile overflowed the main Japanese island of Honshu. The reasons for this delay are still much debated today.

From at least the mid-1980s, government support for domestic satellite production was a goal of both private industry and MITI. As with the United States, industry leaders saw the production of spy satellites for domestic use as a convenient way to secure government support for their commercial research efforts. Unfortunately for its proponents, U.S. trade officials also viewed Japan's production of spy satellites as support for its industry and opposed the project vehemently. A wire service headline in November 1983 signaled the trouble to come: "U.S.–Japan Satellite War?".⁷² By 1990, the U.S. government—using the threat of Super 301 sanctions—had successfully pressured Japan to significantly reduce its support to domestic industry in this area.

Aside from economic concerns, the Pentagon also vigorously opposed Japan's development of an independent spy satellite network, due to either the increased independence Japan would gain from the United States, if successful, or to the yen it would divert from other, Pentagon-preferred programs, or both. After the Japanese government's decision to go ahead with the program over U.S. objections, Washington then exerted strong pressure on Tokyo to purchase U.S.-made satellites rather than develop indigenous technology. The American objections were motivated by the same fears that led to the initial U.S. opposition to Japanese satellite

development: (1) fear of increased independence from the United States on security issues that such technology might confer, and (2) that indigenous development would be much more costly and thus likely divert defense spending on such other programs as joint ballistic missile defense research. For the sake of alliance harmony, however, the United States today outwardly supports Japan's decision, and has offered valuable support in training Japanese satellite imagery analysts—the first of whom are already studying in the United States.

The program to develop indigenous spy satellite capability is expected to lead to the launching of domestically produced satellites in 2002 at a cost of between \$1.3–1.7 billion (¥ 137–179 billion). This includes the development and launch of two radar-equipped and two optically equipped satellites with a maximum resolution of one meter.⁷³ This level of satellite network is in no way comparable to American resources, nor does it even match the level of imagery the United States currently shares with the JDA.⁷⁴ Rather, the important aspect of this new development is that satellite imagery will become more widely available throughout the Japanese government, rather than limited to use within the JDA and SDF.

In April 1999, Mitsubishi Electric Corporation (MELCO) won the \$86 million (¥ 9 billion) research contract for both of the primary systems. MELCO is also considered the front-runner for the main contractor position at the manufacturing stage, though an impending merger between NEC and Toshiba Corporation may create another strong candidate. In addition, Japan and the United States agreed that between \$120–130 million of U.S.-manufactured components will be included in the satellites.

IV. REORGANIZATION TO CONTINUE

Ultimately, it is too early to draw indisputable conclusions from Japan's foreign intelligence moves in the decade since the end of the Cold War. As Michael Herman has noted: "Intelligence competencies are developed over long periods and cannot be created on demand."⁷⁵ The nearly ten years from conception to creation of the DIH showed that Japan is no exception to this rule. Most likely, another ten years will be needed to allow strong claims about whether the goals of those who crafted the DIH to centralize military intelligence have been reached, or whether it is bound for the more limited success of the U.S. Defense Intelligence Agency (DIA), on which it is based. Similarly, Japan's next major crisis—domestic or international—must be awaited to see how the new Crisis Management Center of the Prime Minister's Office will function. The impact of less dramatic changes at MOFA and PSIA may take even longer to measure, though watching whether further strengthening of these institutions occurs in the meantime will be interesting. For example, did JETRO's budget

receive a one-time post–Cold War correction over the past several years, or will its budget continue to rise annually at a rate significantly higher than other government institutions?⁷⁶

More broadly, intelligence reform and consolidation is part and parcel of the Japanese government's broader plans for reorganization of central government institutions. For years, the design and construction of a modern intelligence nerve center within a new Prime Minister's Official Residence was held hostage to political debates over the possible relocation of some central government functions outside of the Tokyo metropolitan area. That debate appears to be winding down,⁷⁷ but political sloganeering over political and bureaucratic reform—whereby nearly all politicians across the political spectrum promise to reduce staffing and institutions of the central government, some by as much as half—threatens even the limited additional intelligence capabilities that have been added in recent years. While it is premature to write the definitive history of Japan's postwar FIRA, however, it is time to begin the inquiry. Intelligence must no longer remain the “hidden dimension” of international relations, especially not for a rising international relations power such as Japan.

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- ² Robert D'A. Henderson. Review Article: “Reforming Japanese Intelligence,” *International Journal of Intelligence and CounterIntelligence*, Vol. 10, No. 2, Summer 1997, p. 228.
- ³ Ibid.
- ⁴ For a discussion of such “new security threats” and their impact on intelligence communities, see Richard K. Betts, “The New Threat of Mass Destruction,” *Foreign Affairs*, Vol. 77, No. 1, January–February 1998, pp. 26–41; Roger Hilsman, “Does the CIA Still Have a Role?” *Foreign Affairs*, Vol. 74, No. 5, September–October, 1995, pp. 104–116; Joseph S. Nye Jr., “Peering into the Future,” *Foreign Affairs*, Vol. 73, No. 4, July–August, 1994, pp. 82–93.
- ⁵ Notable recent studies on advanced industrial democracies include Michael Herman on the United Kingdom and United States, L. K. Johnson on the United States, and Douglas Porch on France. Also of interest is Nicholas Eftimiades on China. See Michael Herman, *Intelligence Power in Peace and War* (Cambridge: Cambridge University Press, 1996); Loch. K. Johnson, *Secret Agencies: U.S. Intelligence in a Hostile World* (New Haven: Yale University Press, 1996); Douglas Porch, *The French Secret Services: From the Dreyfus Affair to the Gulf War* (New York: Farrar, Straus, and Giroux, 1998);

and Nicholas Eftimiades, *Chinese Intelligence Operations* (Annapolis, MD: Naval Institute Press, 1994).

⁶ For a provocative recent analysis of the deep relationship between Japan's political leaders and the intelligence community of the United States, see Michael Schaller, *Altered States: The United States and Japan Since the Occupation* (New York: Oxford University Press, 1997).

⁷ Michael Herman, *Intelligence Power*, p. 244.

⁸ Ibid.

⁹ Of the only two books devoted to Japanese FIRA (in either English or Japanese) *Kempei Tai: The Japanese Secret Service Then and Now* by Richard Deacon (a pseudonym for a former British intelligence agent) provides good background material on the variety of Japanese intelligence activities through World War II, but falters badly in examining the postwar period (Tokyo: Charles Tuttle Co., 1982). Moreover, Deacon relies entirely on English-language sources, which greatly restricts the materials available to him. *Japanese Intelligence: The Competitive Edge* by James Hansen, a former U.S. National Security Agency (NSA) official, suffers from similar flaws—largely due to his extensive use of Deacon as a source (Washington, DC: NIBC Press, 1996). For an extended review of these and other sources, see Andrew Oros, "Japanese Foreign Intelligence-Related Activities," *Intelligence and National Security*, Vol. 14, No. 3, 1999, pp. 235–243.

¹⁰ Two brief articles on Japan's overall intelligence activities have appeared in the past decade, though neither attempts to address the full scope of Japan's FIRA. They are Robert Henderson's 1997 review article of three recent books that address issues of bureaucracy and foreign intelligence in Japan, (see Reference 2 above) and Darrell Sheehan's 1996 piece, which attempts to summarize Japan's intelligence capabilities in a brief seven-pages: Darrell C. Sheehan, "The Japanese Intelligence Community," *National Security Studies Quarterly*, Vol. 2, No. 1 (Winter), 1996, pp. 59–67.

¹¹ While it is doubtful that Japan engages in significant covert operations, it should not be dismissed out of hand.

¹² These three institutions, with the predecessor to the Defense Intelligence Headquarters standing in, are also what was termed the "three pillars" of Japan's intelligence community; "On the Way to Securing a World Position? Japan's Intelligence Agencies and Their Activities," *Japan Quarterly*, Vol. 29, No. 2, April–June, 1982, pp. 59–62.

¹³ As a result of Japanese government institutional reforms enacted in January 2001, this ministry now is called the Ministry of the Economy, Trade, and Industry (METI). Since this article does not examine the activities of the new METI, the more common acronym of MITI is used here.

¹⁴ Jeffrey T. Richelson, *Foreign Intelligence Organizations* (Cambridge, MA: Ballinger Publishing, 1998), p. 254; Interview with middle-ranking NPA official, July 1998.

¹⁵ Loch K. Johnson, *Secret Agencies*, 1996.

- ¹⁶ Iku Aso, "Sōri Kantei ha Kikikanri Noirōze [The Prime Minister's Residence's Crisis Management Neurosis]," *Bungei Shunju*, Vol. 74, No. 9, July 1996, pp. 150–160.
- ¹⁷ John Vito De Luca, "Shedding Light on the Rising Sun," *International Journal of Intelligence and CounterIntelligence*, Vol. 2, No. 1, Spring 1998, p. 17; Interviews #5 and 6. For a broader discussion of intelligence-sharing among the U.S. allies, see Jeffrey T. Richelson and Desmond Ball, *The Ties That Bind: Intelligence Cooperation between the UKUSA Countries—The UK, USA, Canada, Australia, and New Zealand* (Boston: Allen & Unwin, 1985).
- ¹⁸ Akio Kasai, "National Intelligence in Japan: Myth and Reality," in Jin-hyun Kim and Chung-in Moon, eds., *Post-Cold War Democratization and National Intelligence: A Comparative Perspective* (Seoul: Yonsei University Press, 1996), pp. 123–124.
- ¹⁹ Interview with a middle-ranking NPA official, July 1998.
- ²⁰ Shigeo Masui, "Japan Must Get Smarter About Intelligence," *Daily Yomiuri*, 29 November 1995, p. 6.
- ²¹ My translation. I have not seen a reference to this institution in the English-language press or English-language Japanese government publication.
- ²² Iku Aso, "Sōri Kantei," p. 150.
- ²³ *Japan Quarterly*, "Japan's Intelligence Activities," p. 160.
- ²⁴ *Ibid.*, p. 161.
- ²⁵ Christopher W. Hughes, "Japan's Aum Shinrikyo, the Changing Nature of Terrorism, and the Post-Cold War Security Agenda," *Pacifica Review*, Vol. 10, No. 7, February 1998, pp. 45, 54. See this source for further details about the role of the PSIA today, including a complete organizational chart of the agency before and after the 1996 reorganization.
- ²⁶ Christopher Hughes, p. 54.
- ²⁷ The 1988 *Defense White Paper* includes the following statement, which is representative of the intelligence mission described in the publication each year: "The SDF assumes a warning and surveillance mission on a daily basis through radar sites, coastal surveillance units, defense posts, aircraft, and vessels. It also collects information on the developments of foreign aircraft and ships, and information on equipment in other countries" (p. 113). For a more recent and detailed summary of Japan's "warning and surveillance activities" (in English), see the 1996 *Defense of Japan White Paper*, p. 133.
- ²⁸ At present, these images must be procured from abroad, generally from the United States and France.
- ²⁹ *Asahi Shimbun*, "Defence Agency New Intelligence Headquarters," 14 January 1997, p. 2.
- ³⁰ *Yomiuri Shimbun*, "JDA to Step Up Intelligence-Gathering Functions Toward Asia," 24 August 1998, p. 2.
- ³¹ Rather ironically, this is also the site where the famous Japanese nationalist author, Yukio Mishima, committed ritual suicide in 1970 after a failed attempt to rouse the Self-Defense forces into a coup-d'état against the government.

- ³² *Securitarian*, January 1997, p. 68.
- ³³ The 1996 *White Paper* writes, with regard to the impending opening of the DIH: “At present, however, various intelligence organizations within the Defense Agency, such as the Internal Bureau, the Ground, Maritime and Air Staff Offices, and the Joint Staff Council are conducting their own intelligence activities separately. Because of this, the Defense Agency as a whole is not necessarily conducting efficient intelligence processing and analysis. As a result, the Agency finds itself in a situation where its intelligence capability is not fully demonstrated. Moreover, because of the small size of each intelligence organization it has been difficult to secure highly capable intelligence specialists” (p. 122).
- ³⁴ *Securitarian*, January 1997, p. 68.
- ³⁵ *Securitarian*, March 1997.
- ³⁶ The 1996 *Defense White Paper* states: “In order to respond adequately to the post-Cold War international situation in particular, it is absolutely necessary to improve the systems and structures that make it possible to conduct comprehensively high-level intelligence collection, analysis and other activities” (p. 122).
- ³⁷ *Securitarian*, March 1997. My translations.
- ³⁸ *Japan Quarterly*, “Japan’s Intelligence Activities,” p. 161.
- ³⁹ Interview with middle-ranking NPA official, July 1998.
- ⁴⁰ As early as 1978, the NPA and SDF sought to establish a joint anti-terrorist unit to be located at selected Japanese diplomatic missions abroad, but this plan was scrapped due to concern over the precedent it would set for the stationing of SDF troops abroad. (Katzenstein & Tsujinaka, 1991, cited in Christopher Hughes, “Japan’s Aum Shinrikyo,” p. 48).
- ⁴¹ Christopher Hughes, p. 53.
- ⁴² See *White Paper on Police 1997* (English edition), pp. 13–16.
- ⁴³ *Diplomatic Bluebook 2000* (English web edition: www.mofa.go.jp/policy/other/bluebook/2000/V-a.html).
- ⁴⁴ *Diplomatic Bluebook 1996* (English edition) p. 136, and 2000 English web edition (www.mofa.go.jp/policy/other/bluebook/2000/V-a.html).
- ⁴⁵ Masui, “Japan Must Get Smarter.”
- ⁴⁶ As with many of Japan’s intelligence institutions, this official translation is not particularly accurate. A literal translation would be the International Intelligence Bureau.
- ⁴⁷ Makoto Mizutani, “*Gaimushô no Kikôkaikaku ni Kanren Shite* [Regarding the Organizational Reform of the Ministry of Foreign Affairs],” *Gaikô Forum*, February 1994, pp. 48–51; Kodo Takeshi, Atsuyuki Sassa, and Haruhiko Shibuya, “*Zadankai: Jôhō Shûshû, Bunseki, Dentatsu Kinô wo Ikani Kôka Suru ka?* [Roundtable Discussion: How to Strengthen Intelligence Collection, Analysis, and Communication Functions?],” *Gaikô Forum*, February 1994, pp. 22–39.

- ⁴⁸ Mizutani, “*Gaimushō*.”
- ⁴⁹ *Japan Quarterly*, “Japan’s Intelligence Activities,” p. 161.
- ⁵⁰ Interview with a middle-ranking U.S. intelligence officer, August 1997.
- ⁵¹ *Diplomatic Bluebook 2000* (English web edition: www.mofa.go.jp/policy/other/bluebook/2000/V-a.html). Under the Basic Law on Administrative Reform of the Central Government, MOFA assumed a number of other responsibilities in addition to boosting its intelligence-gathering role; among the largest new roles, MOFA is now charged with responsibility for all of Japan’s overseas development assistance (ODA) and overseas economic cooperation programs.
- ⁵² As a result of the Japanese government institutional reforms enacted in January 2001, this ministry now is called METI (the Ministry of the Economy, Trade, and Industry). Since this article does not examine the activities of the new “METI,” the more common acronym of MITI is used here.
- ⁵³ This is not to say the largest dedicated intelligence institution overall, nor the largest ministry.
- ⁵⁴ The seminal study of MITI remains Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford, CA: Stanford University Press, 1982). Two recent studies which examine MITI’s activities after the Johnson volume’s 1978 cut-off date are reviewed in Andrew Oros’s review article, “Bureaucrats and Politicians in Japan’s International Political Economy,” *Japan Forum*, Vol. 10, No. 2, 1988, pp. 221–230.
- ⁵⁵ Jeffrey T. Richelson lists six areas within MITI that collect intelligence, though at this broad level one can certainly include even more. His list includes the General Affairs sections of the Secretariat; the Research and Statistics Department of the Secretariat; the Machinery and Information Industries Bureau; the Research Section of the Industrial Policy Bureau; the Trade Research Section of the International Trade Policy Bureau; and the International Economic Affairs Department of the International Trade Policy Bureau. *Foreign Intelligence Organizations*, p. 263.
- ⁵⁶ For a more detailed discussion of JETRO’s establishment and activities, see the excellent study by Dick Nanto of the Congressional Research Service; Dick K. Nanto, *JETRO and International Trade Promotion by Japan (94-517E)* Washington, DC: Congressional Research Service, Library of Congress, 10 June 1994. This section of my article draws heavily from Nanto’s study, though other materials are also cited.
- ⁵⁷ Dick Nanto, “JETRO,” p. 5. For a comparative context, in 1988 JETRO spent \$13.7 million for its nine U.S. offices, while the U.S. Foreign and Commercial Service spent slightly more than \$3 million for its export promotion activities directly towards Japan. See U.S. General Accounting Office, *Export Promotion: U.S. Government Promotional Activities in Japan*, Report No. NSIAD-89-77BR, Washington, 1989, p. 11, cited in Nanto, p. 5, fn.10.
- ⁵⁸ JETRO website (www.jetro.go.jp/WHATJET/jet10.html), 17 June 1997, and 1 February 2001.
- ⁵⁹ *Japan Quarterly*, “Japan’s Intelligence Activities,” p. 161.

- ⁶⁰ Takao Toshikawa, “Clandestine Intrigues of MITI Bureaucrats [from Japanese],” *SAPIO [Japanese]*, 20 December 1995, p. 12.
- ⁶¹ Dick Nanto, “JETRO,” p. 9, citing Mikio Yonemori, *Tsusho Sangyosho Meikan—1992* (Personnel Directory for the Ministry of International Trade and Industry—1992 edition) (Tokyo: Jihyosha, 1991) pp. 271–295.
- ⁶² JETRO has one president, one executive vice president, and no more than seven executive directors or two executive auditors. Their terms of office run for four years (except for two years for the auditors). By established practice, five of the executive director positions are reserved for retired officials from various government agencies (two from MITI, one each from MOFA and the Ministry of Agriculture, and one negotiable), Chalmers Johnson, p. 112; Interview with middle-ranking JETRO official, June 1998. The MITI’s minister appoints its president, executive vice-president, and auditors. The president, in turn, appoints the executive directors, subject to approval by the MITI minister. Of course, the minister tends to appoint former MITI officials to JETRO positions under his control (Dick Nanto, p. 8).
- ⁶³ For example, see William J. Holstein, “With Friends Like These: Is JETRO Helping U.S. Companies or Snooping on Them?,” *U.S. News and World Report*, 16 June 1997, pp. 46–68.
- ⁶⁴ See, for example, John J. Fialka, *War by Other Means: Economic Espionage in America* (New York: W.W. Norton & Company, 1997); Larry Kahaner, *Competitive Intelligence: From Black Ops to Boardrooms—How Businesses Gather, Analyze, and Use Information to Succeed in the Global Marketplace* (New York: Simon & Schuster, 1996); Peter Schweizer, *Friendly Spies: How America’s Allies Are Using Economic Espionage to Steal Our Secrets* (New York: Atlantic Monthly Press, 1993). These books are analyzed for the views expressed regarding Japanese intelligence in Andrew Oros, “Review Article,” cited in reference 54.
- ⁶⁵ For example, see William Holstein, “With Friends Like These.”
- ⁶⁶ Although dated, previous studies which have focused on this nexus include John Vita DeLuca, “Shedding Light on the Rising Sun” and Jon Sigurdson and Patricia Nelson, “Intelligence Gathering and Japan: The Elusive Role of Grey Intelligence,” *International Journal of Intelligence and CounterIntelligence*, Vol. 5, No. 1, Spring 1994, pp. 17–34. Moreover, several recent books that focus on the issue of economic espionage in the United States, such as Fialka (1997), Kahaner (1996), and Schweizer (1993), address this issue in some detail.
- ⁶⁷ While Japan is certainly not unique in having its journalists accused of spying on occasion, it is important to note that this happens within Japan too. One example is the case of Masato Shinohara, the Seoul bureau chief of Fuji Television, who was indicted for transferring South Korean military documents showing the deployment of South Korea’s air forces, radar, missiles, and ground troops from an officer at the Korean defense ministry’s intelligence headquarters to Japanese military officials at their embassy in Seoul. See *International Herald Tribune*, 23 July 1994, p. 3, cited in Sheehan, “The Japanese Intelligence Community.”

- ⁶⁸ This is not to say that Japan is somehow unique in this regard. Certainly, private corporations from a number of states, including the United States, have been shown to routinely support the intelligence efforts of their native lands. The point here is precisely to underscore this important connection with regard to Japan.
- ⁶⁹ Japanese leaders insist that, because any deployed satellites will be used to support the peaceful, defensive mission of the Self-Defense Forces, such activities will not contravene the peaceful use of space policy.
- ⁷⁰ The Peaceful Use of Space resolution was not directed only at potential spy satellites, but this use of space was one of the primary concerns of those opposed to the militarization of space—contrary to what many politicians and commentators have more recently claimed about the intention of the resolution. The issue first caught the attention of the Japanese public and mass media in connection with the shoot down of a U.S. U-2 spy plane, which had been launched from Japan over the Soviet Union in the early 1960s. Many Japanese feared that such actions needlessly provoked the Soviet Union, further fueling opposition to the U.S.–Japan Security Treaty.
- ⁷¹ While it never became a discrete political issue, the JDA and SDF continuously made use of U.S. satellite imagery for military purposes throughout this period, which would appear to have contravened the spirit if not the letter of the ban.
- ⁷² Jiji Press, 9 November 1983.
- ⁷³ Isao Ishizuka, “Conditions for Success in the Information Gathering Satellite Project,” (Tokyo: *Report of the Defense Research Council*, 19 April 2000) p. 1.
- ⁷⁴ In fact, contemporaneous to the decision to develop an indigenous spy satellite capacity, the JDA was concluding a deal to purchase satellite imagery from the U.S. commercial Ikonos satellite, which boasts a superior 0.85 meter resolution.
- ⁷⁵ Michael Herman, *Intelligence Power in Peace and War*, p. 343.
- ⁷⁶ The recent merger with the Institute of Developing Economies, the incongruously translated *Ajia Keizai Kenkyû-jô*, suggests that further strengthening of JETRO is likely to continue.
- ⁷⁷ Since the onset of Japan’s prolonged economic stagnation and now recession, the massive projected costs of capital relocation have largely silenced the debate. However, it has not yet been abandoned officially. Legislation authorizing further planning and narrowing down of the number of potential sites continues to be debated in the Diet.