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New Shimoda Conference

Revitalizing Japan-US Strategic Partnership for a Changing World

Future Directions in US-Japan Relations

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Background Paper for the "New Shimoda Conference"
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Probably most of the participants in this "new" Shimoda conference do not remember the old Shimoda conferences that began in 1967. I do. I attended the Shimoda conference for the first time in 1969 and was co-editor, along with the late Fuji Kamiya, of the book that resulted from that gathering, *Japanese-American Relations in the Seventies.*

There have been changes in world affairs since then that participants in that conference did not imagine: the end of the Cold War and the dissolution of the Soviet Union, China's emergence as a great power, the acquisition of nuclear weapons by North Korea, the shock produced by the collapse of Lehman Brothers—a shock not only to the American financial system and to the American economy but even more profoundly to the world's confidence in America's ability to manage its own economic affairs responsibly and to provide global leadership—to mention just a few that impinge directly on US-Japan relations.

But not everything has changed. The title of the book that Kamiya and I produced more than four decades ago carried a title in Japanese that could with little change be the title of an important book today: *Japan-US Relations After Okinawa (Okinawa Igo No Nichibei Kankei).* Of course what the title referred to then was the expected reversion of Okinawa (which happened three years later in 1972) to Japan. At the time most participants, American and Japanese, assumed that the return of Okinawa would lead to a substantial reduction in the US troop presence there and in the rest of Japan. The widely shared view at the time was that the US-Japan relationship would remain strong but that Japan would take a more independent position from the United States on many important international issues.

It could just as well be the title of a book today because Okinawa is all too much dominating discussions of US-Japan relations. Who would have thought at that old Shimoda conference that forty years later 75 percent of US troops in Japan would be stationed in Okinawa and that the question of what to do about a Marine airbase in Okinawa would be crowding out other issues from the US-Japan political agenda? Perhaps the revised title should be *Japan-American Relations After Futenma.*

I do not want to contribute to having this issue crowd out others at this new Shimoda conference, but we have to start with the Futenma issue because it does pose an obstacle to putting a focus on broader strategic issues and because it underscores the need for new thinking on the part of both Japanese and Americans about how to manage our security alliance.

The Futenma Conundrum and the Future of US-Japan Security Relations

The year 2010 was the 50th anniversary of the signing of the revised US-Japan Security Treaty, one that updated and improved upon the original treaty concluded in 1951. Over the ensuing years the United States and Japan forged not only a potent military alliance but a relationship of extraordinary depth and breadth in all dimensions—economic, political, and cultural—and at all levels from the grassroots to the leaders of our governments.

Over the past year, however, the US-Japan dialogue on security issues, and much of the discussion of Japan's security policy among Japanese, have been dominated by controversy over what to do with the US Marine Futenma airbase in Ginowan City, Okinawa. The Futenma relocation issue is no closer to resolution today than it has ever been in the 15 years since the United States and Japan agreed to close the Futenma base and build a new facility in a less populated area on Okinawa's northeast coast. The longer this issue festers, the more it undermines mutual trust and diverts attention away from other important issues and away from a dialogue about how to evolve the security alliance.

The stated agreed upon goal of Tokyo and Washington is to close the Futenma base and build a new base at Henoko on the coast at the northeast corner of Okinawa. There is little chance that such an objective can be realized anytime soon. There is too much opposition to it among the Okinawans. The political cost of forcing Okinawa to accept the building of a base at Henoko would be too high both for the government in Tokyo and for the United States. At best a move to Henoko will take several years of patient negotiations between Tokyo and the local authorities in Okinawa and a skillful public relations effort among the Okinawans. Even then the chance that Okinawa would accept a Henoko relocation is very small. It would be reckless to make a decision to move forward with implementing the US-Japan relocation agreement regardless of widespread Okinawan opposition to it because that would only intensify anti-base sentiment in Okinawa and put the entire US military presence on the island at risk.

I do not have enough space in this paper to revisit the history of the Futenma debacle. An even cursory review of that history, however, shows that both the United States and Japan share responsibility for the current stalemate over what to do with a military base that the two countries agreed, as long ago as 1996, should be closed.

The inconsistent and erratic stance taken by Prime Minister Hatoyama and the Democratic Party of Japan (DPJ) government that came to power in September 2009 escalated a difficult military basing issue into a major political controversy between the United States and Japan and among the Japanese themselves. By insisting that the Futenma base should be replaced by one located outside of Okinawa and preferably outside of Japan, and by emphasizing the unfairness of having Okinawa bear a disproportionate share of the burden of hosting US forces, Prime Minister Hatoyama opened a Pandora's box that his subsequent 180 degree change of policy—to support

the earlier Liberal Democratic Party (LDP) policy of relocating the base to Henoko and his signing of an agreement with the United States to do just that—was unable to close.

Public opinion in Okinawa has become increasingly less welcoming of the US base presence. A serious accident involving US military aircraft or other assets or a heinous crime like the 1995 rape by three US servicemen of a 12 year old girl—an event that triggered the start of negotiations that led to the decision to close the Futenma base—would have explosive and disastrous consequences for US-Japan security relations.

There is in Okinawa, as everywhere else in Japan, widespread support for the security alliance with the United States, especially now that there is heightened concern about the threat North Korea poses and uneasiness about China's growing military power and political ambitions. But these concerns do not translate into support for the Henoko relocation plan. The security environment in East Asia offers an opportunity to the United States and Japan to strengthen their security cooperation, but it does not make the relocation of the Futenma base to Henoko politically feasible.

Responsibility for poor handling of the Futenma issue, however, cannot be laid entirely at Mr. Hatoyama's doorstep. The Henoko relocation plan was flawed from the start. After all, before Mr. Hatoyama took over as prime minister, the government was in the hands of the LDP, which tried and failed to move the Henoko plan forward for more than a decade.

The Obama Administration did not handle the issue well either. Secretary of Defense Robert Gates was too quick to rush off to Tokyo in October of 2009, less than a month after the DPJ took over the reins of power, to lecture the Hatoyama government about the need to stick to the relocation agreement that had been forged with the LDP and to get it over with and "move on." It should have been obvious to American policymakers at the time that putting such pressure on Japan's new prime minister, especially given Hatoyama's campaign pledge to forge a more equal relationship with the United States, would be counterproductive. But obviously it was not.

Key policy people in the Obama administration, no doubt encouraged by LDP politicians and their friends in Washington, assumed the worst about Hatoyama, seeing him as vaguely anti-American and too enamored with China and an ill-defined East Asian community. The Obama administration should have tried to avoid a confrontation with the new government in Tokyo and patiently worked at persuading Japan's new political leaders—leaders who had no prior governmental experience and no access to classified government documents or government briefings about the Futenma issue until coming to power—that the Henoko option was the preferable one. Failing to do so only made a politically sensitive issue more contentious.

Although the Futenma relocation issue remains in a state of deadlock, relations between the governments in Washington and Tokyo have improved in the past few months. The Kan administration seems to have concluded that relocating the base to Henoko cannot be accomplished for several years at best and that the only feasible alternative for some time to come is to keep the Futenma base in operation, take steps to

further reduce the possibility of a major accident occurring, and slowly try to build support for relocation among influential constituencies in Okinawa. This is far from an optimal solution, but it may well be the only realistic one.

The Obama administration remains committed to realizing the Henoko relocation plan, but it has taken a considerably more conciliatory tone in dealing with the Kan administration than it did with Hatoyama. Secretary Gates in a recent visit to Tokyo was careful not to say anything that the Japanese media could interpret as putting demands on Japan and limited his public remarks to expressing confidence that the two governments would successfully resolve the issue. The Obama administration has learned from its mistakes and in my view has gotten its Japan policy just about right. The new positive tone in the US-Japan dialogue about Futenma is also due in no small part to Foreign Minister Seiji Maehara being well known and trusted in Washington. Of equal importance is that Prime Minister Kan himself is a realist who is committed to the US-Japan alliance. Yet the unfortunate reality is that the Futenma issue continues to consume an inordinate amount of time and energy on the part of leaders on both sides of the Pacific.

The Futenma issue is important in all its dimensions—the US emphasis on the importance of keeping Marines based in Okinawa, the insistence by Okinawa politicians from the right to the left that the burden of hosting US bases should be more equitably shared by the rest of the country, and the Not In My Backyard mentality that dominates Japanese public opinion on the Futenma base relocation issue—because it underscores the need for new thinking about US-Japan security ties. We need to be clear-eyed about one undeniable reality: there are too many American military bases in Okinawa. Instead of building a new and larger base at Henoko, the United States should further reduce its military presence in Okinawa in a timely fashion before it is forced to do so.

American policymakers and security specialists for the most part would agree with the proposition repeatedly put forward by Japanese political leaders that the relationship should be a more equal one. But to some Japanese leaders what this seems to mean is that the United States should continue to honor its commitments to Japan’s defense while imposing less of a burden on Japanese communities to host US forces whose presence is necessary to fulfill that commitment and accept that Japan will be more ready to say no to American policies that it finds problematic and that it will not do much more to carry a larger burden to provide for its own defense or to contribute to regional stability. That is not a recipe for a more equal relationship but for discord in US-Japan security relations.

To make the relationship more equal requires tough decisions by both sides. The US-Japan Treaty of Mutual Security and Cooperation is anchored by a grand bargain. That bargain was for Japan to make land available for US military bases that would facilitate the projection of American power beyond Japan and to cover much of the cost involved in maintaining those bases. In return, the United States made a commitment to

protect Japan's security and made no reciprocal demands on Japan. It is "mutual" on the basis of asymmetrical obligations.

This grand bargain is under considerable strain and needs new definition. It has in fact been periodically updated and fine-tuned, most notably in 1996 when President Clinton and Prime Minister Hashimoto issued a joint declaration on security that led to closer cooperation between US forces in Japan and the Japanese Self-Defense Forces. That led to the adoption of new guidelines for defense cooperation that provided for an important role for Japan in providing rear area support for US forces involved in military actions in the areas surrounding Japan. Japan has expanded the roles and missions of the Self-Defense Forces in the years since then, especially with regard to participation in peacekeeping activities.

Moving the Dialogue beyond Futenma

The US and Japanese governments may issue a new security declaration when and if Prime Minister Kan visits Washington this spring. Even if such a joint statement did little more than reaffirm well-known truths about the importance of the security alliance, it would be useful for reminding people in both countries and perhaps even more importantly in third countries that the alliance is strong and serves the vital national interests of both countries. But there is a need to go further and formulate a new vision for the future of US-Japan security relations, one that includes non-military as well as military approaches to deal with both traditional and nontraditional security threats.

For Japan to have a more equal relationship with the United States means taking on more responsibilities. These do not refer only to military responsibilities—there is a great deal Japan can do to deal with the security threats posed by environmental degradation, pandemics, and extreme poverty in other parts of the world—but reformulating Japan's military doctrine also is a necessary element in creating a more equal relationship.

Japan has strengthened its self-defense capabilities substantially over the past decade and engages in activities that do more than skirt the border of collective self-defense. Successive Japanese governments have affirmed that collective self-defense is banned by their interpretation of Article 9 of the constitution, meaning that Japan is prohibited from taking military action not directly related to the defense of Japanese territory. But what this ban does and does not permit in practice is becoming increasingly ambiguous.

There are domestic political advantages to be had to be sure by retaining the prohibition in principle while modifying it in practice. Doing so is reassuring to the many Japanese who remain deeply opposed to an expansion of Japan's military roles and missions. There are costs as well, however. For one thing, it makes it difficult to make a convincing case that the relationship with the United States should be more equal but that US-Japan security cooperation should continue to be based on a one-way US commitment to Japanese security and not be reciprocal.

Whether or not to change the interpretation of Article 9 banning collective self-defense is a highly controversial issue in Japan and arguments over it invariably end up as arguments over constitutional revision rather than about defense policy. Even if this matter continues to be unresolved, however, the reality is that the Japanese public is apprehensive about North Korea, China, terrorism, and territorial disputes with its neighbors, and is keenly aware that the security environment is very different now from what it was during the Cold War. While public opinion remains resistant to a formal reinterpretation of Article 9, opposition to adopting a more expansive interpretation of the limits on collective self-defense appears to be on the decline.

There has been a fundamental and historic change in the recent politics of Japan's foreign and defense policy. In the postwar years, security policy was the driving political cleavage distinguishing the ruling party from the political opposition. That is no longer true. Amidst all the criticism of the DPJ government, many people fail to appreciate fully enough how important the change of government has been in reducing the political salience of fundamental differences over security policy. The National Defense Program Guidelines that were adopted at the end of 2010 by the DPJ government could just as easily have been adopted if the LDP were in power. There are serious differences in security thinking between the LDP and the DPJ and within each of those parties. But for the most part these are in the nature of center right versus center left differences over policy and are not at all like the polarized ideological divisions that characterized relations between the LDP and the political opposition for so many decades in the postwar period. That means that the political environment that prevails now makes a debate over the specifics of security policy more feasible than in the past. But that debate cannot proceed if political leaders are not clear about the policy changes that they think are necessary and if they do not have the communication skills and the political courage needed to convey those views to the public in a persuasive and convincing manner.

It used to be the conventional wisdom that one of the purposes of the US-Japan security alliance and of the presence of US military forces in Japan was to act as a kind of "cork in the bottle," preventing the reemergence of Japanese militarism and the strengthening of the Japanese military to a point where it might be perceived as a threat by neighboring countries. Those concerns are no longer prevalent, in the United States at least.

There has been an evolution in attitudes about Japanese security policy in other countries as well. The security relationship between Japan and South Korea and between Japan and Australia is growing. In ASEAN countries one hears more expressions of frustration about Japan's anemic political role in the region than anxiety about the possibility of it becoming a more important military player.

China does not want to see Japan become militarily more powerful but I think that Chinese security specialists—though they would not admit it publicly—probably found the most recent National Defense Program Outline in some ways reassuring, despite the

concerns it expressed about China's military buildup. Chinese security specialists surely were not surprised to see that the outline delineates a strategy focused on strengthening Japan's defenses against China's growing maritime military power, but the outline projects virtually no increase in defense spending and no basic changes in the homeland defense orientation of the roles and missions of Japan's self-defense forces. The challenge to China's aspirations for regional influence comes from the combined power of the US-Japan alliance. Sustaining the viability of this alliance remains the critical factor in maintaining a balance of power in East Asia.

The United States needs new thinking about security relations with Japan. Americans are fond of referring to Japan as the "cornerstone" of US policy in East Asia. But a cornerstone implies something solid and strong and inanimate: it sits at the foundation of the alliance and is there to be built upon. But the Japanese cornerstone is shifting. Generational change among Japan's political leaders and far-reaching social and economic changes are impacting the way Japanese think about security and the way they think about the United States. Support for continuation of the security alliance with the United States should not be taken to mean that Japanese also support continuing to do things the same way they have been done in the past. The United States needs to get out in front of these changes. It should support the eventual elimination of stand-alone military bases in Japan for American forces in favor of maintaining the American military presence in Japan on bases of the Japanese Self-Defense Forces. Such a sharing arrangement is the best way to ensure the political viability of an American military presence in Japan.

The Significance of the Senkaku Islands' Fishing Boat Incident

The recent collision between a Chinese fishing boat and a Japanese Coast Guard ship near the Senkaku Islands throws light on three issues that are important to both the United States and Japan: the problems associated with foreign policy decision making and crisis management in the Japanese government, the tensions that characterize Japan's relations with China, and the impact of bilateral Japan-China and US-China relations on trilateral relations.

The public commentary in Japan about the Senkaku Islands fishing boat controversy has focused almost entirely, and negatively, on the manner in which the Japanese government handled the issue. It failed to offer a credible explanation of why the Chinese fishing boat captain was suddenly released from detention. Few people buy the government's claim that the decision to release him was made solely by the Naha Public Prosecutor's Office.

The manner in which the government responded to the incident reflects serious weaknesses in its foreign policy decision-making and crisis management system. The DPJ came to power promising a new approach by which political leaders rather than elite bureaucrats would take charge. But neither Prime Minister Hatoyama nor Prime Minister Kan created a systematic process to mobilize bureaucratic expertise and to

provide the political leadership with clearly defined and well thought through policy alternatives.

It has not been the case in the past, contrary to conventional wisdom, that bureaucrats made important foreign policy decisions and political leaders simply carried them out. But there was an effective, if in some important respects defective, decision-making system in operation during the long years of LDP dominance that depended on an intimate LDP-bureaucrat alliance. The DPJ's accession to power unwound that relationship but the party is still groping for a system to replace it.

This is reflected in the penchant among cabinet officials to think out loud about policy options, only to back away from their own proposals soon thereafter and to fail to adequately explain their actions to a skeptical public. There has been a flying-by-the-seat-of-your-pants quality to decision making in both the Hatoyama and Kan governments.

This is no doubt due in part to the lack of experience in running a government among those in leadership positions in Japan's new party in power. But more than a year after taking power the situation shows little sign of improvement. What makes matters worse is that the LDP and other opposition parties have been only too ready to pounce on the DPJ to score political points to the virtual exclusion of any substantive discussion of what policies would best serve the national interest.

Having said this, however, it is important to emphasize that in terms of how the incident was perceived in the United States, in Asia, and in other countries, China was the big loser in the Senkaku fishing boat incident, not Japan. By demanding an apology and compensation even after the Japanese released the fishing boat captain, China caused considerable uneasiness in foreign capitals. Many South Koreans not surprisingly concluded that if China was taking such a high-handed approach in dealing with Japan it was likely at some point to do the same with Korea. In the United States, the Senkaku incident strengthened the hand of those who believe that the United States needs to show firm resolve toward China on issues ranging from currency appreciation to Chinese activities in the South China Sea and apply the brakes to what they see as China's thrust for a hegemonic position in the region.

At the start of the Obama administration, optimism about the future of US relations with China ran high while Tokyo worried that the United States would bypass Japan as it courted China. Some close to the new administration talked enthusiastically about the prospects for a US-China "G2" that would play a major role in managing global as well as regional issues.

That optimism has been replaced by concern that now that China's economy is the second largest in the world, Chinese leaders have concluded that it is time to move away from Deng Xiaoping's emphasis on a low profile and take a more assertive foreign policy stance. And Japanese apprehension about US China policy has receded, in part because of the US response to China's handling of the Senkaku Islands incident.

Japan's foreign minister, Seiji Maehara, met in New York with Secretary of State Hillary Clinton just as tensions over the Senkaku issue reached their peak. The timing was fortuitous for Japan's relations with the United States. Secretary Clinton reasserted the US position that the Senkaku Islands are part of the territory administered by the Japanese state that is referred to in Article 5 of the US-Japan Security Treaty. The import of this statement is that the United States recognizes its obligation to support Japan in the event of a conflict with China involving the Senkaku Islands.

Having erupted at a time of deteriorating relations between Washington and Beijing, the Senkaku Islands incident presented the Obama administration with an opportunity to send a clear message to Beijing underscoring the strength of the US-Japan alliance. The same message was conveyed a few days before Secretary Clinton's meeting with Foreign Minister Maehara when Vice President Biden—in a speech before the US-Japan Council, a newly established organization of Japanese-Americans—declared that policy toward China "must go through Tokyo." That is not in fact how the Obama administration has conducted its diplomacy with China but hyperbole aside the clear purpose of the vice president's comment was to reassure the audience, and Japan, of the importance the administration attaches to relations with Japan and to dissuade China from trying to drive a wedge between the United States and its Japanese ally.

In dealing with China, reliance on Chinese goodwill and benign intentions is as ill advised as assuming that China inevitably poses a major threat. The United States and Japan need to guard against the temptation of China bashing while avoiding falling into the trap of believing that growing economic interdependence will necessarily render conflict less likely. A hundred years ago Norman Angell, in *The Great Illusion*, argued that the integration of the economies of European countries had grown to such a degree that war between them would be irrational. World War I broke out only a few years later.

Japan's dispute with China over the issue of sovereignty of the Senkaku Islands (which China claims as the Diaoyu Islands) is one of three territorial disputes Japan has with its neighbors. It is embroiled in a controversy with Korea over claims to Takeshima, which to Koreans are the Dokdo Islands (and which used to be known in English as the Liancourt Rocks), and with Russia over several islands north of Hokkaido at the southern end of the Kuril Island chain. South Korea exercises administrative control of Dokdo and Russia treats the "northern territories," as they are known to Japanese, as an integral part of its territory. As if to drive that point home, Russian President Medvedev visited Kunishiri, one of the disputed islands, in November 2010.

These territorial disputes are something like a land mine in Japan's relations with its neighbors: a wrong step can set off an unexpected and dangerous explosion. In the Senkaku Islands incident, Japan reacted coolly to China's bellicose rhetoric and suspended the detention of the Chinese fishing boat captain in an effort to prevent tensions with China from escalating further. But the same cannot be said about its

handling of territorial disputes with South Korea and Russia. Japanese government statements about the northern territories issue are strikingly similar to Chinese rhetoric about the Senkaku Islands. Foreign Minister Maehara has referred repeatedly to Russia's "illegal occupation" and Prime Minister Kan recently characterized President Medvedev's visit to Kunishiri as an "unforgiveable outrage."

None of these territorial disputes is going to be settled anytime soon. Stoking the fires of nationalism, whether by Chinese, Russian, or Japanese leaders, may serve domestic political purposes but it dangerously complicates the conduct of foreign relations.

The Obama administration has every reason to avoid taking sides on any of these territorial issues. In the case of the Senkaku Islands, it reassured Japan that it would honor its commitments under the security treaty in the case of conflict with China over islands that are under the administrative control of Japan, but it has not taken a position on the issue of sovereignty over the islands. It has adopted the same stance as previous administrations that the question of sovereignty is a bilateral matter between China and Japan. It is not in US interests to interject itself into this dispute. The appropriate role for the United States is to quietly urge both parties to act prudently and avoid turning a dispute over a group of uninhabited islands into a major conflict.

While America and Japan's basic China strategy, essentially a combination of engagement and hedging, has not changed for nearly four decades, China itself has been transformed. It has made a truly great leap forward, and has become a major force in the economy of the East Asian region and of the world. China's GDP was US$390 billion in 1990; it had risen to about US$5 trillion by 2010, and it has become a leading trading partner for the United States, Japan, South Korea, ASEAN, and the European Union. The United States is China's largest export market, and Japan is second.

China makes no secret of its determination to become a great power in all dimensions. Its goals contrast sharply with those of Japan. Japan became a great economic power while foreswearing the option to become a political and military power as well. China has no such inhibitions. Its strategic thinkers are not like the Japanese, who tend to think reactively, trying to gauge what Japan should do to maximize its advantages in the world as they find it. The Chinese are more like Americans, inclined to think strategically about how to shape the world order to achieve their objectives. As a great power, China will have great power ambitions. There is no hedging strategy that can prevent that from happening.

The United States and Japan are evolving their policies to cope with this new reality. Interest expressed in Seoul, Tokyo, and Washington in developing a trilateral security relationship is one important example. Japan's interest in developing security ties with Australia and beginning a security dialogue with India is another.

It is in the interests of both the United States and Japan to develop trilateral relations with China. For one thing, bilateral relations have a way of refusing to stay bilateral. International politics in the interconnected world in which we live are in some

respects more akin to a game of billiards than they are to chess. Billiards too is a two-person game but when one hits a ball that ball strikes another, setting it and others on the table in motion. What may be intended as a solely two-party interaction takes on the characteristics of a multi-party game.

There is a limited but important role for a trilateral dialogue among China, Japan, and the United States to discuss both hard and soft security issues, from Chinese military spending to US-Japan cooperation in ballistic missile defense to dealing with issues of environmental degradation and disease. Such a trilateral dialogue can make an important contribution to building trust among the three most powerful countries in East Asia. There is room for many different multilateral institutions in East Asia. An institutionalized China-Japan-US trilateral dialogue should be part of the mix.

Keeping Things in Perspective

The US-Japan relationship is more than a military alliance and discussions about how to develop it should not focus on military issues alone. Americans for one thing have a lot to learn from Japan about how to have its citizens to live healthier and longer lives. The First Lady Michelle Obama has undertaken a campaign to improve nutrition and reduce obesity, which is a major cause of disease and creates a costly strain on our healthcare system. American participants should look around while in Tokyo and count how many obese Japanese you see. Issues involving health, energy conservation and pollution control, mass transportation systems, and many others should be on the US-Japan agenda. There should be more bilateral discussion of economic issues and trade policy, including the desirability of opening negotiations for a US-Japan free trade agreement, corporate governance, entrepreneurship, approaches to developmental assistance, and how best to reform international economic institutions.

Much greater attention needs to be paid to expanding cultural relations. Neither government is doing nearly enough in this area, nor is the private sector whose support for intellectual and cultural exchange programs is niggardly.

Recently Eiichi Negishi, one of the Japanese recipients of this year's Nobel Prize for science who has for many years taught at Purdue University, expressed alarm that the number of Japanese scientists doing research in the United States is half what it was 10 years ago. Similarly, the number of Japanese students studying at American universities has also declined precipitously over the past decade. This stands in stark contrast to students from China, Korea, Southeast Asia, India, and elsewhere whose numbers have been increasing.

The popular notion that young Japanese are becoming increasing inward looking, however, is something of an exaggeration. While the number of Japanese studying in the United States has declined by nearly 50 percent over the past 10 years, that is not true for the total number of Japanese studying abroad. More Japanese are going to other English-speaking countries—especially Canada, New Zealand, and Britain—and to China and Korea to study. In 1996 just under 60,000 Japanese were studying abroad. In

more recent years that number has been between 70,000 and 80,000 (though according to the OECD that number declined from 75,000 in 2007 to 67,000 in 2008). The decline in the Japanese student population in the United States, in contrast to the increase of students from other countries, is striking.

Moreover, efforts to find savings in the government budget too easily result in cuts to cultural exchange programs, which do not have strong domestic lobbies to defend them. One target has been the Japan Exchange and Teaching (JET) program even though it has been successful beyond expectations. Many thousands of young Americans have participated in this program, teaching English in local high schools in Japan and working in local and prefectural governments. They have come back to the United States determined to stay connected to Japan. Rather than cutting back on this program and on the budget of the Japan Foundation and other government-funded organizations that promote cultural exchange, it would make sense for a government concerned about strengthening Japan's intellectual and grassroots ties with the outside world to expand its cultural exchange programs, or at least not to reduce them. Compared with the cost of building a single ballistic missile, for instance, the price of such programs is quite low, but they are an important part of a long-term security strategy.

When I was a student most Americans studying about Japan did so in graduate school and with the aim of becoming specialists on Japanese affairs. The situation today is markedly different. Few of the students in my courses on Japan at Columbia University are graduate students and few of them are planning to be Japan specialists. The great majority of students interested in Japan are undergraduates. They became aware of Japan in middle school and high school through *manga*, animation movies, video games, food, and fashion. Some became interested in Japan by studying Japanese in high school. Though there are still far too few high schools offering Japanese language instruction, roughly 600 do so. Once in college, many of these students want to learn more about Japan, not in order to become a Japan specialist but in a sense to become a well-rounded, educated human being.

It is not true, incidentally, that Americans have lost interest in Japan and instead are mesmerized by China. There are more students at American universities studying Japanese than there are studying Chinese. According to the Modern Language Association, there were slightly fewer than 61,000 students studying Chinese in 2009 and a little more than 73,000 studying Japanese. Furthermore, at both the pre-college and college level the number of students studying Japanese has been increasing, not decreasing as so many people believe, though the rate of increase is higher for Chinese than it is for Japanese.

There are very few Americans who strive to be specialists on the British economy or on French politics but that does not mean that they are not interested in Europe. The situation is quite similar for Japan. There is a need to train a core of Japan specialists

and it is worrisome that so few American students are pursuing PhDs that involve Japan. But the overall trend in interest in Japan among young Americans is a healthy one.

Creating National Commissions on US-Japan Relations

The final session in the old Shimoda conferences used to be given over to finalizing a joint statement and a set of policy recommendations to be presented to both governments. The new Shimoda is not continuing that tradition but I hope that participants in this conference will recommend to their governments that they establish commissions tasked to make policy recommendations to the president and prime minister on key issues in managing the US-Japan relationship into the future.

These commissions should draw on the expertise of people in diverse fields in the private sector and those with previous government experience. They should be established separately and for a limited period of time and have sub-groups to examine security policy, international economic policy, cultural relations, and a common problems agenda (health, education, energy conservation, and the like). The American and Japanese groups might meet from time to time but the goal should be separate Japanese and American reports that are bold and that focus on how to promote the national interest, not a joint report that is all too likely to seek refuge in diplomatic clichés and innocuous proposals.

We live at a time of historic transformation of the international political economy, the organization of domestic politics, and the economy and the social structures in our two countries and in countries around the world. A strong US-Japan relationship should be thought of not as a goal but rather as a means for protecting our security and sustaining economic prosperity. With Japan and the United States, East Asia, and the world in the grips of dramatic change we need to adjust the modalities of the US-Japan relationship to serve that goal.

In security policy, one of the major functions of such a commission should be to educate the public about the hard choices that need to be made to ensure that the US-Japan alliance remains strongly supported at home and responsive to the present realities of the security environment. For all the discussion of the disposition of American military forces in Okinawa, there has been much too little discussion of whether the alliance is structured in the most effective way to provide deterrence against potential threats.

The commission also needs to consider a range of economic issues. Both President Obama and Prime Minister Kan have expressed support for the Trans-Pacific Partnership and for free trade policies more generally. Whether they can translate that support into actual policy is an open question. So too are questions of whether the United States and Japan should enter into negotiations for a bilateral free trade agreement, whether they can agree on proposals for reforming international economic institutions, and many other issues about managing the international economic system.

A commission that would make innovative proposals about strengthening cultural relations and grassroots and intellectual exchanges and that would examine how each of our societies can better deal with common and pressing social issues and the challenge of demographic change would be of considerable value as well.

The list of issues to be considered needs to be limited but the process of deciding what issues deserve priority would itself make a contribution to how we think about the role of the US-Japan relationship in serving our national interests as we move forward into the second decade of the 21st century. Given that this conference's organizers decided to employ the Shimoda name, it would be fitting if the participants, drawing on the best of the Shimoda tradition, conveyed their enthusiasm for creating such commissions to their respective governments.