New Shimoda Conference:

Revitalizing Japan-US Strategic Partnership for a Changing World

CONFERENCE REPORT

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Japan Center for International Exchange

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Foreword

ASIDE FROM THE fact that the city of Shimoda is the location where Admiral Perry landed to open the era of US-Japan relations, many associate the name of "Shimoda" with the Shimoda Conference. This has been remembered as the first of the nongovernmental bilateral policy dialogues on the US-Japan relationship, and also for the impressive participation of political leaders. That meeting took place in the fall of 1967. There had been, by then, a growing recognition that the important, and yet complex, relationship between our two growing countries could not be managed by the governments alone. We were amazed at the sight of the powerful American politicians who joined us for the meeting. Mike Mansfield, the Senate majority leader came as a keynote speaker, and we had six other prominent politicians: John Brademas, Edmund Muskie, Donald Rumsfeld, Jeff Cohelan, James O'Hara, and Wendell Wyatt. (They were mixed in with prominent intellectual and business leaders such as UC Berkeley's Robert Scalapino, the futurist Herman Kahn, and Columbia University Professor Herbert Passin.)

Efforts to broaden the nongovernmental policy dialogue were not easy then, and political leadership was very much needed. The constraints against such dialogues were many and they were visible in the first Shimoda Conference. There was strong ideological opposition to such a meeting on US-Japan relations, mainly coming from the left. The gateway to the Shimoda Tokyu Hotel, the conference site, was packed by leftist demonstrators who yelled at me, calling me "the running dog of the American imperialists!" Representatives of the demonstrators were allowed to submit their protest note to a few representatives of the organizers, including none other than future Prime Minister Yasuhiro Nakasone. The Central Committee of the Japan Socialist Party banned their Diet members from attending the first meeting. The right wing, represented by the infamous Bin Akao, balanced this when he made a spectacle by throwing his cane across the hotel lobby. In short, it took years before we started establishing the kind of dialogue between us that could solidify our alliance relationship.

In his memorable keynote speech, Mike Mansfield emphasized the critical roles played by politicians in the advanced democratic nations, not just in terms of domestic affairs but also in the diplomatic relationship. He went on to stress the importance of deepening and broadening action-oriented parliamentary exchanges. It certainly was not easy to start political dialogue with the United States and to involve all the different political parties in Japan, but we heeded the strong appeal by Mike Mansfield and began the US-Japan Parliamentary Exchange Program in 1968. I am very proud to say that some 180 US politicians have come to Japan on this program, which grew out of the Shimoda Conference series, while nearly the same number of Diet members have visited the United States. Unfortunately, both the Shimoda Conference and US-Japan parliamentary exchange have become less dynamic in recent years.

This initiative to reconvene the Shimoda Conference has particular significance for my organization, the Japan Center for International Exchange (JCIE), because we are celebrating its 40th anniversary. It was 40 years ago that I, along with some of my colleagues, left my former boss, Tokusaburo Kosaka, "who was one of the rising stars in Japan's business community," to establish JCIE. In 1962, after I returned from the grassroots of Wisconsin, home of the Green Bay Packers, Kosaka brought me on to take on the work of the Shimoda Conference, parliamentary exchange, and other related activities, mainly to enhance the US-Japan relationship. I am deeply and personally indebted to him for this, but after he entered politics, I felt that I had to become independent and create a full-fledged civil society organization in order to be effective in pursuing the ambitious goal of contributing to Japan's relations with the rest of the world. To make a long story short, I decided to jump from the cliff, as it were, and leave Mr. Kosaka in order to build an independent institution, which was very much a rarity in Japan. I am deeply indebted to many friends in the United States and Japan who helped me go through this process and who supported my conviction that nongovernmental participation is necessary to strengthen relations between our nations.

My intent in relating this history is not just to express my deep gratitude, but also to start to explain why I believe that dialogues like the Shimoda Conference are so important and why it is especially critical at this time to think more seriously about how we should revitalize the US-Japan relationship. This relationship is not just about bilateral issues anymore; rather it is about what type of Asia and what type of world we wish to see. We are at an important point in our relations with one another, and we have been witnessing dramatic change, both at the global level as well as in the regional order here in East Asia. The changes we see around us make me even more conscious of the fact that, to paraphrase Mike Mansfield, "the US-Japan relationship is the most important bilateral relationship bar none," at least for Japan.

If we are to deal effectively with the challenges before us—some regional in scope, such as how to peacefully accommodate the rise of China, and some

that are more cross-border in nature, such as environmental degradation or the spread of communicable disease—we need deeper US-Japan collaboration that involves diverse sectors of society. But revitalizing this relationship, which some describe as drifting, requires us to identify precisely what our two countries should be doing together and to think concretely about what our priorities need to be, and I hope that this conference has helped contribute to the process of doing this.

It is important to acknowledge the people who made this New Shimoda Conference possible a full 17 years after we convened the last Shimoda meeting. In particular I wish to single out Foreign Minister Seiji Maehara for graciously encouraging this idea from the very start, and then for agreeing to host a dinner at his official residence to close the conference. I also need to recognize my friend, Motohisa Furukawa, who has been distinguishing himself as one of the brightest stars in the new generation of Japanese leaders, as well as the other 10 Diet members who somehow managed to find the time to join us despite the intense pressures of the budget debate.

Most importantly, I also wish to relay my gratitude to all of our friends who traveled from the United States to join the meeting. I especially wish to thank Congresswoman Diana DeGette, who played a lead role in the Congressional delegation that joined us, and her colleagues—including Representatives Susan Davis, Mazie Hirono, Nita Lowey, and Tom Petri—as well as Senator Jim Webb, who was kind enough to give the keynote address. Also, I must note how much I appreciate the efforts of Ambassador Ichiro Fujisaki, whose support and encouragement in championing this initiative has been absolutely vital. Finally, I wish to thank Gerry Curtis and Hitoshi Tanaka for producing such thoughtful and provocative background papers, my longtime friend Charles Morrison for the intellectual leadership that was essential to structure this conference and run it, and my colleagues in both JCIE's Tokyo and New York offices who made this possible and whose names are too numerous to list.

The fact that so many senior and emerging leaders gathered for the New Shimoda Conference on rather short notice shows the deep commitment that key figures on both sides of the Pacific have to forging a stronger and more meaningful role for US-Japan partnership in Asia and around the world. It is in the worst of times that we really know who our friends are, and unfortunately those times descended upon us shortly after the meeting. Seventeen days after the New Shimoda Conference, Japan was struck by a massive earthquake, a deadly tsunami, and a nuclear crisis—the greatest catastrophe to face Japan since World War II and the worst natural disaster to ever strike an advanced industrial country. The strength of the US-Japan partnership has been poignantly demonstrated by the immediate response of Americans—the US government; its military forces; US citizens from all walks of life; and, notably, many who participated in the New Shimoda Conference—that is saving lives and providing comfort to the afflicted.

It is my sincere and deep hope that, once this emergency has passed, we may build further upon the partnership that has been tempered in the fires of this crisis and jointly play a more effective and meaningful role in contributing to a more stable and peaceful world.

TADASHI YAMAMOTO President Japan Center for International Exchange

The New Shimoda Conference Summary of a Dialogue

CHARLES E. MORRISON

Dr. Charles Morrison is the president of the East-West Center, a leading American nonprofit institution that promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue.

THE STATE OF JAPAN-US RELATIONS

The New Shimoda Conference revives a series of Japan-America conferences that played an enormous role in facilitating in-depth bilateral discussion of important issues in the relationship at critical junctures during the years in which Japan emerged as the world's second largest economy. The almost 20-year lapse in the series is often interpreted as a sign that the two countries were less interested in such dialogue, but it needs to be remembered that, over these years, many other activities flourished in which Japanese and Americans participated in larger dialogues, often triangular ones involving South Korea or China.

Moreover, one of the main motivations for dialogue in the 1970s through the early 1990s has largely disappeared—the persistent, strident bilateral tensions over trade and burden-sharing issues. As "Japan bashing" faded in the United States in the 1990s and the first decade of the 21st century, so did the felt need for Shimoda dialogues or joint commissions. In contrast, and despite periodic tensions on such specific issues as Futenma base relocation or beef issues, it is now almost a honeymoon period in Japan-US ties. Support for the US-Japan

security alliance is at all-time highs in both countries. The Chicago Council on Global Affairs, which periodically surveys US opinion on foreign countries and foreign policy issues, last year found that Japan ranked fourth highest on the list of countries deemed to be "very important" to the United States, surpassing Germany, Russia, and India. Japan was the third most liked of the countries listed, comparable to Germany. In the trade area, the Chicago Council asked the respondents if Japan practiced fair trade, and 58 percent said yes, with only 38 percent responding no. Asked about the benefits of a free trade area (FTA) with various countries, Japan scored the highest with 52 percent favoring an FTA and 41 percent against it. This compared with 42 percent for and 51 percent against an FTA with South Korea.

The America Matters to Japan/Japan Matters to America survey of relationships that the East-West Center and Sasakawa Peace Foundation conducted, with much data, research, and design support from the Japan Center for International Exchange, also displays a robust set of social, cultural, and economic ties. Japan is the second largest overseas investor in the United States, trailing only the United Kingdom. It also accounts for the second largest number of overseas visitors to the United States, again trailing the United Kingdom. And there are an abundant number of sister city and sister state relationships. Compared with the previous Shimoda era, Japan has become less exotic, less foreign, and more familiar and densely connected with the United States, similar to Western Europe, and this seems to be especially true of younger people.

The massive Tohoku earthquake, tsunami, and nuclear plant catastrophes three weeks subsequent to the New Shimoda Conference also illustrate the strong solidarity between the two countries. The United States has been at the forefront of international assistance, redirecting ships, providing search and rescue teams, raising funding, and sending nuclear experts to the disaster-stricken area of Japan.

Why has the Japan-US relationship evolved in this manner? Certainly the long-time, dedicated efforts of nongovernmental organizations in both countries have played a role. But so have China and North Korea, which now present a quite different set of external challenges that forcefully remind Japanese and Americans of their common values and interests.

A quarter of a century ago, Japanese and Americans both seemed to regard the other country as being on the cutting edge of the darker side of globalization that was impinging upon their own country. What country seemed to Americans to most symbolize the heightened pressures of international competition and the hollowing out of American industry as the country was flooded with competitive products produced by workers keeping long hours and living in small houses? And for Japanese, what country's relentless pressure seemed most intent on changing the Japanese system that had so effectively rebuilt the country from the ashes of World War II?

Today, if Japanese and Americans put a country label on the threats from globalization, that label is "China," with its low-wage but efficient work force, massive and growing energy and raw material needs, and enormous environmental and social challenges. The US-Japan own bilateral relationship, as the Chicago Council survey supports, is more often couched as the opportunity side of globalization. In short, Japan and the United States no longer make each other uncomfortable in a globalizing world; rather China makes them both uncomfortable. And this is only looking at the economic and social dimensions. China's growing military power and political influence, although still far behind that of the United States, also raise questions in both countries about China's ultimate aims and uses of its rising power.

But even if the Japan-US relationship seems to be on firmer ground than before, a strong point of consensus during the New Shimoda Conference—and in the two background papers prepared for it by Gerald L. Curtis and Hitoshi Tanaka—is that the relationship is not what we would like it to be. Both papers recommended setting up a commission, or commissions, a step usually advocated when there are problems. The discussion suggested that the Japan-US relationship has lost some vitality and its chemistry is failing. Both societies are absorbed in domestic and budget issues, understandably so. The United States is distracted by the issues and wars of the Middle East and central Asia, also understandably. Press and public attention in the relationship is focused on the realignment of the functions of one Okinawa base rather than the overall value and benefits of the alliance. In the triangular relationship with China, there are suspicions on the part of both Japan and the United States that the other does not see it as being as important as it once was. Americans wondered why former Prime Minister Yukio Hatoyama was proposing a vague East Asian Community including China but not the United States, or why a huge Japanese parliamentary delegation went to China first after the Democratic Party of Japan (DPJ) took power. For some years, Japanese have been seized by the United States' alleged "Japan passing," or going directly to China over Japan. The discussion also noted evidence that exchanges seem to be declining in many areas: fewer Japanese students coming to the United States, less vibrant Japan-America societies in the United States, limited specialists on each country in the other, and certainly fewer parliamentary exchanges. Some of this, undoubtedly, represents the continued diversification of international relationships. But overall, to many participants, neither Japan nor the United States appears to be making sufficient attitudinal, institutional, and human investments in the basic infrastructure of what each country's rhetoric claims to be a critical international relationship.

ARENAS OF DIALOGUE AND PARTNERSHIP

What can be done to rekindle the chemistry of the relationship? Some advocate that a formal, binational, US-Japan commission of wise women and men is needed to help sort through the challenges and provide leadership in strengthening investments in the infrastructure of the relationship. But whatever the merits are, the actual establishment of an official commission may not be so easy, especially in a time of limited financial resources in the public sectors of both countries. But even without an official commission, unofficial small groups of highly committed individuals with purposeful goals can make a difference. Therefore, others emphasized that there is no need to wait for governments. Task force groups, including parliamentary ones, can be formed around a number of key issues that have been identified by both background papers and our discussion. Not all of these need necessarily be bilateral Japan-US groups, but Japanese and American should play leading roles as befits countries with the largest, most advanced economies and with shared values and interests.

Whether talking about an official commission or unofficial task force groups, the conference participants exhibited a strong degree of consensus that the following are the issue areas of importance to the people of both countries.

First, the alliance relationship. The paper writers, Senator Jim Webb in his keynote remarks, and the participants—both younger and more senior—all drew attention to some of the broader alliance issues beyond the Futenma base realignment: What is the purpose of the alliance in the current environment? Is it configured in the right way to deal with serious potential threats? How does it connect to other bilateral and multilateral security and foreign policy structures? What should be its nonmilitary elements, such as disaster relief capabilities? And how do we deal with the two basic asymmetries: the asymmetry between the security and military contributions of the two countries—which is quite unlike NATO, where the commitments are reciprocal—and the asymmetry in the placement of US forces in Japan, which are heavily concentrated on the small island of Okinawa? Curtis's paper in particular suggests several new ways to approach these issues, including more joint basing arrangements in Japan.

The resolution of the Futenma issue should follow from the answers to these more fundamental questions rather than be the driver for them, and it obviously will require patience at a minimum. In the meantime, there remains a pressing need to understand better the general mood in Okinawa with the purpose of reducing the barriers between the local population and the foreign base community and of developing more strongly the nonmilitary contributions and connections of Okinawa with its East Asian environment.

Second, policies and cooperation toward China and North Korea. There was a considerable questioning of whether China's rise will in fact be very peaceful, as some participants noted that China is increasingly heavy handed in challenging the established order in its favor. Its handling of the September ship collision incident near the Senkaku Islands, including the restrictions placed on critical rare earth exports to Japan and arrests of Japanese businesspeople in China, seemed to confirm China's bullish behavior in the opinion of the Japanese public. The evidence shows that mistrust of China has become embedded in Japan and is unlikely to change for some time. China's support for North Korea adds to the negative Japanese perceptions.

However, Japan and the United States both have deep and growing economic interactions with China and strong interests in building stable relations with China based on established international norms and law. This requires firm and unified rejection of behavior contrary to these norms. Despite the "rise" of China, Japan's GDP is currently almost the same as that of China, while both the United States and Europe have GDPs that are at three times China's level. This confers considerable bargaining power among the old G7 countries, provided they cooperate closely and do not allow differences in their approaches to arise.

In the North Korean case, humanitarian issues, human rights issues, the nuclear weapons issue, and—for Japan—the abduction issue all pose difficult issues of policy coordination. For the most part, Japanese and American policies have moved in parallel, and maintaining a strong level of cooperation has become even more essential as North Korean policies have become more provocative, a trend often associated with the country's leadership transition to a third generation in the country's ruling political dynasty.

Third, the Japan-US economic relationship. What is most remarkable is that after decades of heavy US pressure on Japan to open markets, the economic relationship is so remarkably tension free. The main issue today is how to further liberalize the relationship for both parties. This is driven partly by the integration of economic production networks of which Japanese and American companies are a part, and partly by a sense that both countries may be behind Korea, China, and ASEAN in the remarkable expansion of bilateral and mini-lateral preferential trade agreements.

One vehicle that was discussed is a Trans-Pacific Partnership (TPP), a "21st century" free trade relationship now being negotiated by nine Asia Pacific countries, including the United States. Japan is not a negotiating party, but the TPP has been splashed all over the press for several months because of the current prime minister's interest in joining. The debate in Japan has more to do with the future of agricultural protectionism in Japan than with US-Japan relations and indicates how difficult it is for Japan to move ahead on the free trade front until this debate is ended. But it will also be difficult for the United States to join the

TPP, since the executive branch has no fast track "trade promotion authority" to get the agreement, if it is negotiated, through the Congress.

Another path, proposed years ago by then Ambassador Michael Mansfield, is a Japan-US FTA. The Chicago Council on Global Affairs survey referred to earlier suggests a surprisingly positive public response in the United States to the general concept. Bilateral negotiations are easier to conduct than the multilateral TPP undertaking, but they are still sensitive, as illustrated by the slow-moving negotiations on an Australia-Japan FTA and the ratification delays on the concluded Korea-US FTA. Moreover, a bilateral FTA could also shift the Japanese agricultural debate and the domestic US trade liberalization debates onto the Japan-US relationship.

Fourth, cooperation on global issues, particularly in the economic and social arenas. Many such issues were mentioned, including climate change, energy security, disease control, disaster mitigation and relief, humanitarian assistance, and the promotion of internationally recognized human rights. In these areas, Japan and the United States need to work together, but primary arenas of action are typically in larger regional and international bodies. For this reason, even when there is successful collaboration, as there often is, it is not very visible in the Japan-US relationship because of other partners.

Fifth, sharing experiences, lessons, and best practices in areas of common concern. Here we are referring to issues that are usually regarded as local or national in character and addressed at those levels of governance, even though rarely is any issue purely domestic or purely international. As advanced industrial societies, Japan and the United States share many critical "domestic" issues in common: how to fund pensions and healthcare systems for aging population, how to meet new health needs associated with lifestyle changes, how to ensure accountability in government, and how to shape agricultural policies or educational policies (to cite only two) to meet 21st century needs.

Sixth, cultural, educational, and parliamentary ties. Anecdotal evidence suggests an absolute or comparative decline in some of the people-to-people relationships that connect Japan and the United States. While, as stated earlier, measures of the absolute flows between the two countries still suggest a very robust relationship at the individual level, many grassroots contacts simply do not have the visibility that they once did. Attention to human and institutional infrastructure for the relationship is called for, not simply as an end in itself but also because it is so critical to achieving all of the other goals. Here Japanese-Americans, Okinawan-Americans, and the Americans living in Japan can play important roles as cultural brokers, and it is encouraging to see new institutions, such as the US-Japan Council and the Worldwide Uchinanchu Business Network stepping into these

roles. One of the phenomena discussed at length was the decline in the number of Japanese students coming to the United States. The most cited reason for it is the growing pressure on Japanese students to be at home during their junior and senior years when companies conduct their job recruiting.

CALL TO ACTION

A key to effective partnership at the government level is confidence in the other party. International cooperation is based on each party being able to make and carry out commitments. While such fundamental structures as the alliance relationship and adherence to the global trading system (that is, the World Trade Organization rules and disciplines) are not at risk, nor is the basic empathy and affection the two people have for each other, the shifts in individual and political party leadership in both countries have greatly exacerbated the challenges of alliance management and affected postures on more specific issues, most recently and notably the Futenma relocation. The DPJ losses in the July 2010 Japanese Upper House elections and the Democratic Party defeat in the November 2010 US mid-term elections both sharply reversed electoral trends of only a year or two earlier, indicating how little patience the two countries' publics have for leaders to perform on promises made. Members of both the Congress and the Diet at the New Shimoda Conference expressed concern about the inability to fashion consensus views or achieve reasonable compromises. Because of the lack of compromise on budgetary issues, there were threats of future government shut-downs in both countries at the time of the conference.

The difficulty of alliance management at the governmental level increases the need to deepen awareness of the importance of the relationship and addresses specific challenges and the value of the opportunities for cooperation by groups outside the governments. While some felt a joint high-level commission would help counteract and overcome changes of governmental leadership and policies, others felt that it would be more expeditious to establish action- and issue-oriented task forces of private citizens and legislators. In this sense, the New Shimoda Conference ended in a call for action by individuals and groups that could rekindle the chemistry of Japan-US relations.

The 9.0 magnitude Tohoku earthquake, followed by the tsunamis that destroyed coastal towns in three Japanese prefectures, brought an enormous loss of life and property. Coupled with the resultant destruction of the Fukushima Dai'ichi nuclear power plant and threat of radioactive contamination this disaster has created an enormous challenge for Japan in terms of recovery and rebuilding. The crises also underscore the value of international cooperation as countries and individuals around the world seek to assist Japan, with the United States providing the largest and most comprehensive outside support. While it is difficult to put

any contemporary event in historical perspective, this unprecedented set of disasters will long be remembered and may well mark a turning point in Japanese history. Cooperation on disaster management was discussed at the New Shimoda Conference, but mainly in the context of third countries. Now Japan-US cooperation in dealing with the challenges of the current crises in both the short and long term must surely be the highest priority and biggest promise in the relationship at this time. Effective action by the alliance partners to work together to rebuild the affected areas of Japan and to deal effectively with the future of Japan's energy needs could indeed set a new tone for the partnership.

Remarks

DIANA DEGETTE

The Honorable Diana DeGette is a member of the US House of Representatives representing the State of Colorado. She serves as ranking member of the House Energy and Commerce Subcommittee on Oversight and Investigation and as Chief Deputy Minority Whip of the House Democratic Leadership. The following is the text of her opening remarks.

Tadashi, it is such an honor to be here again with you and my friends from JCIE, and I thank you for inviting us to join you for this historic New Shimoda Conference, especially in celebration of the 40th anniversary of the organization. Henry Kissinger once said, "No foreign policy—no matter how ingenious—has any chance of success if it is born in the minds of a few and carried in the hearts of none."

I think I can speak today for all of my distinguished colleagues from the United States Congress in assuring you that we carry in our hearts the cherished partnership between the United States and the nation of Japan. Almost all of us have personal connections to this great land that have helped inform our lives and our decisions in public service.

As many of you know, I was born at the Tachikawa Air Force base while my father was stationed here.

Congresswoman Hirono was also born here and lived here as a child—going on to cherish her heritage as she became the first naturalized Asian US citizen to be elected to Congress.

As thousands of US military families do every year, Congresswoman Davis and her young family picked up their lives in America to come and live here while her husband was serving in Japan.

Our colleague from the Senate, Senator Webb, has deep ties to Japan from his time serving as a US Marine, to his travels as Secretary of the Navy, to his time here examining Japanese history and culture as a journalist and writer.

Congressman Petri has spent many years studying the close strategic relationship between the United States and Japan, and has visited this region many times.

And we continue the rich exchange between our two nations as we bring Congresswoman Lowey to this country for her first—but certainly not her last—visit.

These personal ties are more than just inspiration for our visit, however. As we stand here today, they reflect the depth and success of our two countries' great partnership over many decades. Who would have thought that a young girl born here—as a result of our productive military partnerships—would return decades after as a United States Congresswoman to work with your government to build upon those partnerships. Or that a brave young soldier stationed in Okinawa would one day represent his nation here as a US Senator as we work together to forge a new path forward in the 21st century. Because of these connections, each of us feels a personal responsibility to continue to advance the mutual alliance between our two countries. We may come here to this conference with different backgrounds, ideologies, and legislative priorities, but we also come with a shared commitment to this nation and to revitalizing our long and successful alliance with one another.

The nature of this conference and our delegation also reflects the new global paradigm. Whether literally or figuratively, we have all become citizens of the world—living a shared experience like never before and bringing our views, values, challenges, and agendas around the globe in the blink of an eye.

For centuries, the relationship between countries has been defined by borders. But today—in a world where an Iowa farmer can video chat with a Kyoto manufacturer in real time, and a Japanese soy sauce company can manufacture its product in Wisconsin with US-grown soybeans—the new metric is connections. And the new challenge is how to successfully leverage those connections into relationships, productive relationships, based on the understanding that the difficulties we face are most often not ours alone, and are usually best confronted by working in concert with our partners and allies.

With the international economy still recovering from the global recession, and myriad other challenges confronting our world—both separate and together—we come here today with a fresh objective: revitalizing the US-Japan relationship to build on the experiences of the past and secure a stronger future for both our nations.

For many years, the relationship between our countries has been focused primarily on the US-Japan security alliance. Without question, we now live in a world where the notion of global security is tenuous at best. Traditional and nontraditional enemies threaten peace from the Middle East to the ravaged deserts of the Sudan to the instability on the Korean peninsula. And while we always applaud the spread of democracy across the globe, the path to freedom can most certainly be a dangerous one.

As two of the world's strongest democracies, our alliance not only stands as a beacon to nations in turmoil, but for each of our countries it reaffirms our strength and security. The security alliance is, undoubtedly, an important and irreplaceable foundation of our partnership. But one need only look to our shared challenges to see that if we are limiting our interaction and dialogue to the confines of that security alliance then we are failing to take full advantage of all our relationship has to offer. In truth, many of our greatest challenges right now are happening outside the security realm.

Over the past few years, both of our nations have been forced to confront a recession that ignored international borders as it crippled economies across the globe. During this crisis, and as we have managed the fallout, it has become clear that as our economies become more and more interdependent, our economic relationships must evolve as well. As two of the leading economies in the world, in the coming months and years it is imperative that we work together to minimize the possibility of another financial crisis for either of our nations. No longer can we focus solely on shoring up our own markets—not at a time when a shudder in the NASDAQ can, and most likely will, have profound effects on the Nikkei.

The very nature of this global economy means that not only are our markets connected, but our health concerns are as well. A viral challenge in a small village can become a pandemic for a major city—seemingly overnight. From the SARS outbreak to the more recent H1N1 scare, we have seen just how easily and quickly pandemics can debilitate individuals and countries throughout the globe. The aggressive nature of global health in the 21st century mandates that we work together to stop outbreaks and treat patients using our shared medicines and technologies. So while the interconnected nature of the modern world has multiplied the impact of these epidemics, it has also laid the framework for major breakthroughs in medical research.

As many of you know, I am a major proponent of stem cell research. So I am particularly proud of the fact that teams working in Japan and the United States have achieved some of the most crucial advancements in this field. Through partnerships like ours, induced pluripotent stem cells studied in a lab in Kyoto can one day be used to correct glaucoma in Boston.

But in the 21st century, a looming threat hovers over each and every one of us. The environmental, health, and economic implications of climate change will likely dominate the challenges of the next several decades. It was not too far away from here that the Kyoto Protocol was reached. Yet in the years since, we have struggled to enforce a collective approach to slowing and mitigating the effects of global warming. In 2009, I traveled as part of the US delegation to the United

Nations Climate Change Conference. During my time in Copenhagen it became even more evident that this is not an issue we can afford to confront individually as nations. Our climate is changing—and rapidly—and it is vital that we work together to ensure we stem its negative impacts and secure a healthy planet for our future generations.

As we can see, in today's global reality, the issues we debate in Washington are often variations on the very same questions being asked here in Tokyo. So, as we both struggle to tackle these issues and more, we must acknowledge and embrace that we have much to learn from one another, and much to share. Today's conference will offer us a unique opportunity to assess our relationship, analyze our challenges, and set a course forward. The agenda for our day will enable us to tackle the realities we face—together and separately—while charging us to develop concrete means to deepen and revitalize our critical partnership. This spring, we in Washington will be proud to welcome Prime Minister Kan and continue this type of dialogue that can only serve to make our countries' connections to one another even stronger.

In the decades since our alliance was formed, much has changed for both of our nations. Laws, leadership, and life itself have evolved dramatically for our countries, our cultures, and indeed the entire world. But the one constant between us has been this alliance. I believe those of us here today all look forward to revitalizing that partnership and helping to prepare our countries to confront the elusive challenges of the 21st century and beyond. And as the six of us come here today, representing the United States Congress, bringing our personal ties to this country and our personal passion for all our success, know that we carry in our hearts the belief that through this partnership we can improve the future of both our nations, if not the world.

MOTOHISA FURUKAWA

Hon. Motohisa Furukawa is a member of Japan's House of Representatives. He formerly served as deputy chief cabinet secretary of Japan. The following is the text of his opening remarks.

I am honored that Tadashi Yamamoto asked me to help open today's New Shimoda Conference, and I am delighted to see so many people from the United States and Japan gathered here today with the desire to recalibrate and revitalize Japan-US partnership.

First, I wish to congratulate the Japan Center for International Exchange on their 40th anniversary. I have participated in many of JCIE's activities over the years, and this has allowed me to witness how Tadashi Yamamoto has nurtured networks of people in both countries that serve as important assets for the Japan-US relationship. I feel it is now our responsibility to utilize these assets to reinvigorate our bilateral relationship and, just as important, to continue to build upon this base in order to ensure that our partnership remains strong for future generations.

You just heard Congresswoman DeGette's remarks, and I wish to acknowledge the six members of the US Congress who have traveled halfway around the world to be with us today. I know from personal experience how difficult their schedule is, and I understand that they were working nonstop until five o'clock in the morning of their departure. When speaking about Japan-US relations, we used to hear the term "Japan bashing," then "Japan passing," and in recent years even "Japan nothing." These have worried many of us in Japan. However, the fact that these busy Congressional members would come this far to jointly explore how to improve our cooperation gives me faith in the strength of our countries' relationship.

The other anniversary that many people will be talking about today is the 50th anniversary of the US-Japan Security Treaty, which was signed in 1960. Last year was the 50th anniversary, which makes this year the 51st. Many people do not realize it, but that is an important number. That is because "51" is the number that Ichiro Suzuki wears on his Seattle Mariners uniform. It is not just important because Ichiro comes from Aiichi Prefecture, the prefecture that I represent in

the Diet. It is also important because Ichiro represents, in many ways, what we should be striving for in US-Japan relations.

As you know, baseball was invented in the United States, and it was exported to Japan nearly 140 years ago. In Japan, we made this into our own sport with a distinct style and philosophy. Ichiro excelled when he was playing in Japan, but 10 years ago he moved to the United States. Now, every young Japanese baseball player no longer dreams of playing for the Yomiuri Giants, but of breaking into America's Major League.

When Ichiro moved to the Major League, he brought with him a very Japanese style of play. Surprisingly, this turned out to be a great success, and his example has improved American baseball and gained the admiration of many Americans. So many people like me were amazed and proud when he claimed a place in American history by breaking the single season record for base hits. The stars of American baseball used to be home run hitters, but Ichiro has proved that it is just as important to focus on getting singles and doubles. He showed Americans and Japanese that we are more likely to succeed by accumulating hits and then relying on our teammates to help us score, than by swinging for the fences and trying to win the game all on our own.

On the one hand, Ichiro is evidence of how the cross-fertilization between our two societies benefits all of us in ways we never could have anticipated. On the other hand, though, he also demonstrates what we need to be doing for the future of Japan-US relations.

Right now, we need to be accumulating a lot of hits. There are a host of increasingly complex global challenges that require Japan-US cooperation. We hear talk about "green innovation" and it is clear that there is a lot that our two countries can be doing together on climate change and clean energy. Global health and communicable diseases are another area ripe for deeper Japan-US collaboration. There is much more that we can be doing on development issues as well, better coordinating our policies in order to combat poverty around the world.

Stronger government-to-government cooperation on issues like these is essential. But if we are going to be successful in deepening Japan-US cooperation, we also need greater cooperation at the nongovernmental level. One excellent example is the success of Table for Two, a nonprofit initiative that I have been deeply involved with. Table for Two was founded in Japan to combat the twin problems of obesity in the developed world and malnutrition in the developing world by encouraging restaurants and cafeterias to donate 25 cents to combat malnutrition in poor countries each time somebody in a rich country eats a healthy meal certified by Table for Two. In just three years, 7 million school lunches have been provided in Africa as a result. The interesting thing is that, after Table for Two was created in Japan, an American arm was established, and the growth in the United States has been even faster than in Japan. The American

and Japanese arms manage to work together effectively, helping one another, and their collaboration improves the operations on both sides.

Revitalizing US-Japan relations requires us to accumulate hits like this in a wide range of areas, and as we do this, we will start to build momentum in the relationship. But to get to this point, we need to have a more intense and more candid dialogue about what we should be doing together and what we need to prioritize. There has been a general sense that policy dialogue between our two countries has declined in recent years, so I am especially pleased to see the revival of the Shimoda Conference and I hope we will see more initiatives like this.

Both of our countries are currently going through the process of reexamining what our roles should be in the world, both individually and as partners working together. In Japan, where the bureaucracy has historically played a large role in governance, it has become clear that politicians need to project greater leadership and will be increasingly important in helping determine how our country fares in the 21st century. This is why I believe that having a sustained dialogue among parliamentarians from our two countries is particularly important as one way to help build the sense of team spirit between our two countries. And this is why I am so gratified to see so many of my colleagues from the Diet and so many friends from the US Congress here today. I sincerely hope that today's meeting will help spark a reinvigorated Japan-US parliamentary dialogue on the key global issues before us, much as the original Shimoda Conference led to the establishment of the first Japan-US parliamentary exchange.

It is a new world that we face, and the challenges before us are increasingly complex and interconnected. Strong Japan-US cooperation is needed, but the coordination that team play requires is harder than trying to hit home runs. It depends on talking more to each other and listening better—but also on making sure that our talk is relevant, and that it is translated into action. This is difficult. But this is what is needed if we are going to strengthen our partnership in a sustainable manner and rise to the challenges that will face us in our next 51 years together.

IIM WEBB

The Honorable Jim Webb is a member of the US Senate representing the State of Virginia. He serves as chairman of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs and chairman of the Senate Armed Services Subcommittee on Personnel. The following is the text of his keynote address.

Thank you very much, Ichiro [Ambassador Ichiro Fujisaki—Ed.]. The other Ichiro. He does not wear "51" [like the Seattle Mariners' Ichiro Suzuki—Ed.], but he is just as valuable to Japan and the United States. Ambassador Fujisaki is a great representative of Japan in the United States. He mentioned that he travels all around the United States to express his opinions about American-Japanese relationships. He did indeed come to my family home in the Appalachian Mountains, which is a very rural area—mostly tobacco farmers and coal miners. I told Ichiro when he and his wife Yoriko visited Alley Hollow, which is a mountain area where my family came from, that he was the highest-ranking foreign diplomat ever to visit Alley Hallow. In fact, he was the only foreign diplomat who ever visited Alley Hollow.

Let me express my appreciation to Tadashi Yamamoto for having put this conference together. I am very pleased to be able to spend time with you today.

It is remarkable when you think that 80 percent of Americans like the Japanese; that is a very good signal for the future of our relationship and a good starting point for what I have to say to you today.

I was very grateful for the invitation when the Ambassador called me on behalf of Mr. Yamamoto and asked if I would participate in this conference. He indicated to me how important this was from the viewpoint of the Japanese government in terms of trying to get people together to reinvigorate the notion of the relationship between our two countries. This has been a great opportunity for me today to listen to the frankly expressed viewpoints of people from across the spectrum of ideas.

I come here as a friend of Japan, who strongly believes that the future stability of the Asia Pacific region depends on this alliance because of the balance this bilateral relationship brings. This relationship affects other countries through the moral authority that comes from the shared views of openness, society, and vigorous economic interaction, as well as the stability in security terms that it brings to the region.

I have had the privilege of being involved with Japan for now 42 years, since I first came to Okinawa during the Vietnam War as a Marine. One comment I think is appropriate given the recommendation of Mr. Kono earlier that more people in the United States of Japanese descent should become involved in these issues. As you could hear from the opening comments of Representative DeGette, echoed by Representative Davis, there is a wellspring of support for this relationship from the millions of American veterans who have had the opportunity to come to this country, to interact with its people, and to understand the stability of this society and the positive ways that the Japanese people treat themselves. I have often said that in terms of domestic society Japan is the fairest society that I have come across. I was here after I left the Marine Corps, working for the governor of Guam. Ironically, I did a paper in the mid-1970s as a military planner on the basing system in the Pacific, which was the basis for the first book that I wrote. I visited Japan looking at the training areas at the bases in Okinawa. I wrote this paper in 1974, and a good bit of what I wrote is actually happening at the moment.

I had the interesting experience almost exactly a year ago of coming to Tokyo and Okinawa, looking at the recommendations of the military, visiting with the Okinawan leaders, and then returning to Guam, Tinian, and Saipan—where I had spent a good bit of time in the 1970s—and examining the very difficult mechanical process of having to put this relocation into place.

I have visited this country many times as a novelist and as a journalist. I was told in 1983 that I was the first American journalist ever allowed inside Japan's prison system. I spent a month visiting prisons, meeting with people from the Ministry of Justice and also interviewing people in the United States about how the Japanese prison system works. Bottom line: fair, hard, well-administered. I took that experience back with me. One of the key issues that I have been involved with in the United States Senate has been reforming the American criminal justice system, and I have often commented about the way the Japanese criminal justice system works.

I was here as Secretary of the Navy. Earlier I believe Mr. Hitoshi Tanaka mentioned the COCOM Toshiba incident. We were the principal negotiators when I was Secretary of the Navy on examining the implications of that incident. I was here in 1998 when Korea fired its first long-range missile. It was very interesting to see the reaction in this country when that happened. I was here on a journalistic assignment in 2002 when it was revealed that North Korea possessed nuclear weapons.

The Ambassador mentioned my Senate campaign in 2006. In the final debate that I had with my opponent, we were each allowed one question to ask the other person. I asked my opponent what he thought we should do about the Senkaku

Islands. It was a fair question—he was on the Foreign Relations Committee. It was very interesting to watch the media section behind the crowd with all the journalists checking Google, putting in "Senkaku....where is Senkaku?"

The reason I took some time to lay all that out is that I have had the good fortune over the years of observing the evolution of the relationship between our two countries. The question really is, "What has this journey been since World War II, and how do we proceed together?"

I would begin with the premise that Northeast Asia is the only place in the world where the interests of Russia, China, and Japan directly intersect. We tend to forget when we look at history that these balances can be very volatile when one of those three countries assumes that it has more power and becomes more daring than the other two. The great benefit of the United States—Japan relationship is that, since World War II, we have added a fourth component to this intersection, and that is the United States being vigorously involved in this part of this world and doing so in an alliance with Japan. This has not been perfect. At that time there was a lot of turbulence in the region, but the United States' relationship with Japan has brought about the kind of stability that has allowed this region to prosper.

When I was here in 1969, the United States was fighting a war with Vietnam—a war that cost us 58,000 dead—in which the Soviet Union was playing a very heavy hand. We had recently lost nearly 40,000 dead in the Korean War, mostly fighting the Chinese. Japan in 1969 was rebuilding physically, emotionally, and economically, and the Soviet Union was expansionist, as we saw later in Vietnam. China was consolidating its power internally and externally and making a good bit of noise about the situation in Taiwan. From the United States' perspective, China was behind what we called the "bamboo curtain"; we did not have a great deal of information about what was going on.

By the 1980s, when I was in the Pentagon, we had seen instability in the region because of the fall of Vietnam, which was creating a lot of questions about whether the United States was committed to remaining in the region. We tend to forget—and we have not mentioned it a great deal in the discussions today—that by the 1980s, the Soviet Union had made a major push in East Asia. The principal focus of the United States during the Cold War was an expansionist Soviet Union. In this part of the world, the Soviet Union had 600 naval combatants. It had gained warm water ports in the Pacific for the first time in history at Cam Ranh Bay in Vietnam. When I was Secretary of the Navy, on any given day there were over 25 Soviet combatants at Cam Ranh Bay.

China at that point became a major beneficiary of a shift in the United States' strategy as a counterpoint to what we were perceiving as an expansionist Soviet Union. This caused the United States some difficulties, which we are still working to overcome. When the Soviet Union collapsed, the United States had become overexposed and unprepared for the way that China would begin expanding. This

has had a dramatic effect on our economy, and on an incremental basis it has affected regional stability. This is another reason why it is so important that any adjustment to military bases or any questions about the relationship between the United States and Japan be handled very carefully so as not to create the wrong impressions in terms of regional stability.

After 9/11 the United States basically lost its focus on East Asia. We became obsessed with Iraq and Afghanistan. I can say from my time in the Senate that it is even true today. You can only handle so many issues in one day. When Americans were talking foreign policy, they were talking about Iraq and Afghanistan. When they were talking about Asia, generally they were talking about the evolving relationship with China.

The past few years have seen a healthy readjustment to that tendency, both from the perspective of the United States and also from the perspective of countries in the region. I have spent a great deal of time in the Senate reinforcing in East Asia, Southeast Asia, and Northeast Asia the intention of the United States to remain involved in this part of the world, not simply in terms of security but in terms of our economy, our cultural ties, and the vital importance of the United States remaining part of the formula in East and Southeast Asia in order to provide stability so that these economies can grow.

It has been almost one year to the day since I was last visiting Tokyo and Okinawa. There have been a series of issues over the past year that have provided a clarity in terms of what our challenges are and why we need to remain together in terms of our alliance: the *Cheonan* incident that happened in March of last year, other incidents that have increased the tensions in the Koreas, the surprisingly violent protests in Thailand—surprising for me as someone who has been in and out of Thailand for more than 30 years—and the absence of clear reassurances from the Chinese government when they have been asked to join us in providing a steady hand in incidents that involve Korea, Iran, and even Burma, where I have spent time over a number of years. So it is extremely important for Japan and the United States to work to maintain a strategic stability in this region and also for us to take advantage of the willingness of South Korea to join in this effort.

It is important for us to work with the ASEAN countries, particularly to grow our relations with Vietnam, Singapore, Thailand, Malaysia, Indonesia, and —something that I have been working on for a good bit of time—to resolve the situation in Burma in a way that would keep that country from falling ever further under Chinese economic and military dominance.

We have a wide range of sovereignty issues that the United States and Japan can work together to resolve. We hear the comment many times that sovereignty issues should only be dealt with on a bilateral basis. The reality is that there are a lot of sovereignty issues that are incapable of being dealt with on a bilateral basis when one country has far more power than another country that is protesting the

sovereignty issues. This is particularly true, although not exclusively true, with China in the South China Sea and East China Sea. The Senkakus were a wake-up call for a lot of people, the Spratly Islands are claimed by five nations, and the Paracels are claimed by China and Vietnam.

Here is something that I think the United States and Japan need to think about in terms of how we can work collectively together with respect to sovereignty issues: the Mekong River Delta. This does not get enough attention, but approximately 70 million people in the Lower Mekong right now have been put at risk environmentally and in terms of a whole range of economic and way-of-life issues by a series of dams that have been put on the Mekong River beginning in China and going down into Southeast Asia. China is the only country in that region and one of the few countries in the world that does not recognize downstream water rights in situations like this where rivers cross international boundaries. I have made a recommendation in the United States Senate that lending institutions such as the Asian Development Bank put in environmental requirements before they fund any more of these hydroelectric dams on the Mekong River. It is a very serious situation in the Lower Mekong.

The bottom line looking to the future is that history shows us what happens when this region loses its stability. This is one of the most volatile regions in the world, and history also reminds us, particularly since the end of World War II, that if the United States and Japan stand together, this region is going to remain the economic flagship of the world.

Strategic security for me is kind of like birth control: the more precautions you take, the less chance of an incident. You can apply that to this region, which is one of the reasons we must remain close together.

SEIJI MAEHARA

The Honorable Seiji Maehara was serving as Japan's minister for foreign affairs at the time of the New Shimoda Conference and is a member of the House of Representatives. The following is the text of his special address to the conference participants.

I would like to offer my heartfelt congratulations on the 40th anniversary of the establishment of the Japan Center for International Exchange (JCIE). Since its foundation, the JCIE, most capably headed by President Tadashi Yamamoto, has played an enormous role in enhancing mutual understanding and exchange between Japan and other countries. Once again, allow me to pay my respects to the JCIE and President Yamamoto.

The Japanese-American Assembly, the so-called Shimoda Conference, was first convened in 1967. It has served since as a distinctive forum in which top Japanese and American leaders from different sectors come together to exchange views frankly on the latest developments in international affairs and Japan-US relations. There were various factors at that time which led to the establishment of such a forum for dialogue mainly among nongovernmental players—what we now call Track 1.5 dialogue. Having achieved significant economic growth, Japan had started to seek a role as an independent player in the international arena. Another factor could be that intellectual attention toward Japan grew to new heights in the United States. And we can also say that it was the time when research and discussions on international politics were becoming active within Japan. As the Shimoda Conference was convened at the time when the networks among experts and institutions on international political and security affairs had yet to be fully developed, the conference had a significant impact both on Japan-US bilateral relations and on the exchange activities between parliamentarians and academics. The Shimoda Conference was convened nine times until 1994, and played an important role in strengthening the multilayered relationship between Japan and the United States by helping to set the direction for bilateral relations and deepening the personal bonds between the future leaders of the two countries.

I am sure that a candid and enthusiastic debate has also taken place amongst the distinguished participants during today's New Shimoda Conference, looking ahead to future challenges. I have had the pleasure of participating in the Japan-US Parliamentary Exchange Program, a program which was initiated as the result of the Shimoda Conference. Parliamentary exchange gives legislators of both countries unique opportunities to know each other and build relationships of trust, which are crucial for a strong alliance. I would have joined the discussion with you if my schedule had allowed. As I could not make it, however, I would like to take this opportunity to present my views on the main subject of today's conference: the role of Japan and the United States in the international community.

THE ASIA-PACIFIC IN THE 21ST CENTURY AND THE ROLE OF JAPAN AND THE UNITED STATES

If we compare the current situation with that of the time of the original Shimoda Conference, the environments surrounding both Japan and the United States have changed dramatically. In contrast with the Cold War era, when a bipolar system involving the United States and the Soviet Union held sway, multipolarization and globalization are the defining features of the 21st century international community in which we now live. There is also the rapid rise of a number of emerging countries, who are increasing their presence not only in the economic but also in the political arena. Moreover, the cross-border movement of people, goods, and money has intensified dramatically and, thanks to advances in IT, information spreads around the world and impacts global public opinion in the blink of an eye.

Last month, the actions of a young man who committed suicide by setting himself on fire in Tunisia triggered an eruption of the people's frustration against the government regime. This movement spread across the country through new means of communication and through social networks such as Facebook and Twitter, eventually leading to massive protests and the collapse of the regime. In Egypt, President Mubarak was likewise forced to resign. Such political and social disturbances in the Middle East have immediate economic repercussions throughout the globe and can result in uncertainties in areas such as world energy prices. In this regard, the current rise in food costs brings to mind the forecast of a tight food supply in the medium to long term as a result of the global increase in population. This is an immediate problem for Japan, which depends heavily on food and energy imports. Therefore, we must be aware of risks associated with uncertainties in the world and stand ready to address the issue of food and energy security from various perspectives.

Because globalization has such positive and negative aspects, Japan and the United States are expected to strengthen cooperation on global issues. The New Shimoda Conference can be a good forum to discuss the challenges of globalization.

Turning our eyes to the Asia Pacific region, uncertainties still persist even two decades after the end of the Cold War. Looking back at the past year, in addition

to the repeated provocative behavior by North Korea, such as the sinking of a South Korean Navy patrol vessel, the shelling of the Yeonpyeong Island and that country's ongoing uranium enrichment program, many issues relating to territories and seas also came up. All these are still fresh in our minds.

The Asia Pacific is a region full of ethnic, cultural, and religious diversity. The region that has benefited the most from economic globalization as a catalyst for achieving growth is Asia. The GDP of the Asian region accounted for 13 percent of the global total in 1967, when the Shimoda Conference was first held. But that figure had doubled to 25 percent by 2009. Some even estimate that it will reach 40 percent by 2030. The rapid growth of the emerging countries in Asia, such as China and India, is providing opportunities for big markets and growth, not just for the Asia Pacific region but for the entire world.

Building upon the dynamism created by this diversity, we must realize a system of open cooperation with the participation of the rising emerging countries while avoiding conflicts stemming from differing interests and values. We should build this new order based on the fundamental philosophy that the development of the Asia Pacific region through cooperation rather than in circumstances where hegemony reigns is inseparable from the long-term interests of the countries in the region. In this connection, it is important to develop "institutional foundations" such as the rule of law, democracy, respect for human rights, free and fair trade and investment rules, and the protection of intellectual property rights, in addition to the development of infrastructure, in order to realize the potential strengths of the countries concerned to the fullest.

In visualizing such a new order, the Japan-US Alliance, which has consistently functioned as an indispensable public asset for the stability and prosperity of the Asia Pacific region throughout the post—World War II era, remains absolutely vital. There are increasing expectations concerning the roles of Japan and the United States in the maintenance of peace and stability in the region, and I believe that we shoulder grave responsibilities.

Japan will continue to make efforts to promote regional cooperation in the Asia Pacific in collaboration with the United States, which has been deepening its engagement further in the region under the Obama administration. Having been established in 1967, the same year that the Shimoda Conference was first launched, ASEAN has now expanded its membership to 10 and has been playing a central role in regional cooperation. We especially welcome the decision on US participation in the East Asia Summit (EAS), amongst the various frameworks evolving with ASEAN at the core. On the economic front, APEC is playing an important role in building a foundation for liberalization of trade and investment. As was agreed at APEC Yokohama last year, we will continue to work toward the realization of a Free Trade Area of the Asia Pacific (FTAAP), building upon the regional endeavors currently under way. In particular, a Trans-Pacific Strategic Economic Partnership (TPP) agreement is an important pathway to an FTAAP.

If this framework becomes a reality with the participation of both Japan and the United States, not only will it have a significant economic and political impact but it can also be regarded as a huge step forward in the process of strengthening Japan-US relations. We will carry out consultations with the United States and other relevant countries, and the government will reach a decision on whether to join by around June of this year.

THE DEEPENING OF THE JAPAN-US ALLIANCE

It cannot be stressed too much that firm bilateral ties between Japan and the United States form the very foundation upon which the two countries can work together to secure the stability and prosperity of the Asia Pacific region. We will further deepen and develop the Japan-US Alliance focusing on the three pillars of security, economy, and cultural and people-to-people exchange. We will speed up consultations between the two governments in order to present a vision of the Alliance that is suitable for the 21st century on the occasion of Prime Minister Kan's visit to the United States, which is expected to take place in the first half of this year.

The Japan-US security arrangements, which lie at the core of our Alliance, play an indispensable role, not only for Japan's defense but also for the peace and stability of the region. What we need to do urgently is to advance work on the updating and revalidation of the Common Strategic Objectives between Japan and the United States while building Japan's own defense capability, based on the assessment of the current security environment in East Asia.

The second pillar of the deepening of the Japan-US Alliance is the economy. We recognize that the sound evolution of our Alliance is predicated on the two countries having robust economies. We shall therefore advance consultations on free trade and investment, such as the TPP, which I mentioned earlier. As a new frontier of Japan-US economic cooperation, we shall also boost collaboration in new areas of growth and leading-edge technologies, such as clean energy, high-speed railway systems, and the superconducting Maglev, which should lead to renewed growth, jobs, and exports. We are especially convinced that, if Japan's top-quality high-speed railway system is introduced in the United States, it will be a highly significant project symbolizing Japan-US cooperation.

The third pillar comprises cultural and people-to-people exchange. This is an area that requires serious endeavors, as it is essential to foster mutual understanding between the peoples of our two countries on a wide range of levels in order to deepen and develop the Japan-US Alliance on a mid- to long-term basis. In this regard, I strongly feel that there is a pressing need for us to revitalize the intellectual and parliamentarians' exchanges between Japan and the United States, which the Shimoda Conference pioneered. I say this because continuous

dialogue and a multilayered network of people involving not only leaders from government but also from academia, business, and politics is the very key to mutual understanding between the two societies. Even though the number of Japanese students studying in US universities has declined in recent years, we are carrying out measures such as the dispatch of young Japanese teachers to the United States and the organization of student exchanges. This is based on the belief that the promotion of youth exchange is indeed an investment for the future development of Japan-US relations on a mid- to long-term basis.

In the field of exchange between parliamentarians, the Japan-US Parliamentary Exchange Program I mentioned earlier has built up a very impressive track record as a forum for promoting dialogue and exchange between our two countries. As politicians are expected to play an even greater role in the international arena, I am convinced of the importance of further revitalizing Japan-US parliamentary exchange.

The year 2012 marks the centenary of the donation of 3,000 cherry trees to Washington DC by Mayor Ozaki of Tokyo. I hope that the friendly relations between the peoples of both countries will be further enhanced through the various exchange events lined up to commemorate the anniversary.

Conclusion

Dynamic changes have taken place in the domestic and international environments surrounding Japan and the United States since the time of the Shimoda Conference. The basic picture, however, remains unchanged in that the two countries are continuing to tackle their challenges hand-in-hand. It is truly significant to see that, with the holding of the New Shimoda Conference today, we now have a reinvigorated bond of Japan-US policy dialogue and intellectual exchange. I very much hope that this will lead to the strengthening of dialogue and exchange in the future.

In the five months since taking office as Foreign Minister last September, I have held four meetings with Secretary of State Clinton, and the relationship of mutual trust has deepened. I have learned from President Yamamoto that the support from various people on the US side has been extremely helpful in arranging the Shimoda Conferences and Japan-US Parliamentary Exchange. I believe it is important that we work together to further support the New Shimoda Conference to further deepen and develop Japan-US relations, which have been so nurtured by our predecessors thus far. Let me conclude by expressing my determination to dedicate all my strength to fulfill my responsibilities as foreign minister.

IV

Conference Background Papers

Future Directions in US-Japan Relations

GERALD L. CURTIS

Dr. Gerald L. Curtis is the Burgess Professor of Political Science at Columbia University in New York.

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 leader-ship—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 to Japan (which happened three years later in 1972). 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 40 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 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. It also seems to mean that the United States should 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 nonmilitary 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 systems. 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 to 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 America's 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 multiparty 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. 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 last 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 increasingly 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 levels, 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.

US-Japan Relations: Past, Present, and Future

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THE UNDERLYING PERCEPTION GAP IN US-JAPAN RELATIONS

It has been 50 years since the revised US-Japan Security Treaty was signed in 1960. During that time, there have been numerous developments that were perceived as putting the relationship in crisis. There was the "Nixon Shock," when the US president visited China without consulting or even notifying Japan. There was the time when the US secretary of state proclaimed that Japan was "insensitive" because it was importing oil from Iran during the hostage situation. There was the Toshiba COCOM [Coordinating Committee for Export to Community Areas] affair, in which Toshiba Machine violated the COCOM agreements by selling industrial equipment to the Soviet Union during the height of the Cold War. The mid-1980s saw economic friction between the United States and Japan peak. And there were tensions surrounding Japan's contribution to the first Gulf War. On Okinawa, there have been incidences of rape by American soldiers and the conflict over basing issues. And, there was the *Ehime Maru* incident, in which several Japanese high school students died when their fishery training boat was hit by a US Navy submarine.

In the United States, there has been a perception that Japan is not adequately fulfilling its role as an alliance partner. At the same time, many in Japan have held

a deep-seated perception that their country is being treated like a dependent by the United States. The Japanese side has been particularly prone to making proclamations that the relationship is in crisis every time there is an isolated incident. Recognizing this perception gap between the two countries, every time there is a US-Japan summit, our leaders speak with a common voice to emphasize that the United States and Japan enjoy an "equal partnership." Former Prime Minister Hatoyama's calls for a more "equal US-Japan relationship"—a kind of catch phrase of his administration—were also based on an awareness of this perception gap.

The two countries have come to understand that managing US-Japan relations requires bearing in mind the different roles that each country plays. Japan has expanded its role so that it could take on greater responsibilities in the international community, and the United States has begun showing greater concern for Japan's sensitivities regarding the United States. On the security side, not only has Japan strengthened its contributions by increasing its defense budget and expanding its host nation support for US troops in Japan (the so-called "sympathy budget"), but it has also shown progress in adapting its security strategy. For example, over the past two decades, Japan has begun participating in peacekeeping operations, created the Guidelines for Japan-US Defense Cooperation, passed legislation to better enable it to defend itself and support operations by its allies—including the Law Concerning Measures to Ensure the Peace and Security of Japan in Situations in the Area Surrounding Japan and a series of emergency measures laws—and dispatched Japan Self-Defense Forces to the Indian Ocean to help with refueling for US-led forces in Afghanistan and to Iraq to provide humanitarian assistance for reconstruction.

On the economic side, Japan's official development assistance (ODA) has grown rapidly, and Japan has been playing its part in the liberalization of the international economic system by promoting free trade and deregulation. The United States has welcomed these actions, emphasizing consultation with Japan as an alliance partner and attempting to deal with sensitive issues quickly. For the most part, the governments of both countries have managed the alliance relationship effectively, proving the late Ambassador Mansfield's assertion that "the US-Japan relationship is the most important bilateral relationship in the world, bar none."

A Preponderance of Shared Interests

It is important to note that one reason why US-Japan relations have developed in this way is that both countries have reaped important benefits from the alliance relationship. From the point of view of the United States—the victor in the Cold War—partnership with Japan is important because Japan shares the United States' democratic values and has an important presence as the world's second largest economy. Japan also plays a role as the cornerstone of the US forward

deployment strategy in East Asia. Japan does not possess its own nuclear or other offensive weapons, and its security options are strictly constrained by its constitution. Therefore, the protection it receives from the United States, including the US nuclear umbrella, is indispensable. But the benefits of the alliance extend beyond just the United States and Japan; it has played a major role in maintaining stability throughout Asia Pacific. Even after the end of the Cold War, there is little room for debate about the necessity of preserving some guarantee that regional security can be maintained, given the uncertain future of East Asia that was cited in the 1996 US-Japan Joint Declaration on Security.

Despite the overwhelming presence of these important common interests, US-Japan relations have been showing clear signs of change. In both countries, simple terms such as "Japan bashing," "Japan passing," and even "Japan nothing" have been thrown around. American interest in Japan has been fading. In addition, the tendency in Japan to view the United States as the hegemonic power is fading.

HAS THERE BEEN A SUBSTANTIVE CHANGE IN US-JAPAN RELATIONS?

It is not unusual that, as time passes, the form and relative importance of a bilateral relationship would undergo changes. Looking at the US-Japan relationship objectively, the statistics on trade, investment, and people-to-people exchange eloquently attest to the fact that the mutual importance that each country holds for the other has decreased. There are several reasons for this.

The main reason is that the relative influence of both the United States and Japan has fallen while the relative influence of rising countries, most notably China, has increased. In particular, the rapid market expansion in the newly emerging countries has meant a major change in the flow of goods, services, finance, technology, and people. In 2004, the United States ceded the role of Japan's biggest trading partner to China. The share of Japan's foreign direct investment that goes to the United States was almost halved between 2005 and 2009, from 27 percent to 14 percent, and US trade with China has grown to 2.5 times the size of its trade with Japan. It is only natural for one country to take a strong interest in another with which it has an expanding economic relationship.

Greater interdependence with countries like China that are at different levels of economic development and that have different systems of governance brings with it some difficult challenges. Even though tensions have arisen between the United States and countries like Germany and Japan that grew rapidly after World War II, those countries are a part of the "Western system" in both economic and security terms, so those differences could be resolved.

China, however, remains in many ways a developing country and does not share the same values as the industrialized democracies. As seen in the 41-point

joint statement released at the conclusion of the US-China Summit in January of this year, the problems the two countries face in their relationship are both challenging and numerous. Similarly, the responses to the Senkaku Island dispute illustrate that problems between China and Japan are also difficult. One cannot dismiss the possibility that, if not handled properly, those tensions could develop into a confrontation. It is also not unexpected that a country like the United States would shift its attention to those countries with which its relations are most problematic.

I do not believe that the fact that foreign policy attention has shifted or that interest has waned will bring about a substantive shift in US-Japan relations, a relationship in which the two countries still have shared values and important common interests. Still, is there a rationale for reinvigorating US-Japan relations in response to this apparent decrease in the relative importance of the relationship?

NEW PROSPECTS FOR US-JAPAN RELATIONS

US-Japan relations have evolved as a result of the structural changes in international relations brought about by the Cold War system and its subsequent demise. But the international system is changing again, and the US-Japan relationship cannot escape the impact of that change. Even if the United States remains the sole superpower, its relative power has declined. Not only has US military and economic strength declined in relative terms, but the country's "moral authority" has also declined as a result of the lack of legitimacy for the Iraq War and of the Lehman Shock. Japan's lost decade or two, and the country's political fragility as a result of having changed prime ministers five times—once a year—since the Koizumi administration ended, have drastically lowered its stock. But in the context of a changing international system, we cannot continue doing the same things we did in the past; we have to come up with new solutions.

One characteristic of the current structural change is that emerging nations are coming to the fore and altering the relative balance of power. The world in which the United States took the lead and served as a centripetal force has now become a world in which tensions can easily turn to outright conflict. The center of gravity in world affairs is shifting toward East Asia, which has the strong potential for impressive growth. We are seeing signs that the United States is beginning to respond to these changes in its policy toward China and North Korea, its strengthening of partnerships with key countries in East Asia, and its participation in the East Asia Summit. It goes without saying that the US-Japan alliance is the most important relationship for maintaining stability in East Asia in this changing world order.

The United States and Japan should welcome China's impressive economic growth and our increasingly interdependent relationships with China. On the

one hand, there are still major problems with China's domestic governance, and depending on its domestic situation, it is capable of taking a strong stance externally. We witnessed signs of that in 2010. China took a hard-line stance on issues such as Google's withdrawal from the country, the US sale of weapons to Taiwan, and the Dalai Lama. It took a more aggressive stance on the South China Sea, calling it a part of its "core interests," and took measures to assert its claim to the Senkaku Islands. Its reaction to the Nobel Prize was another example of the government appearing not to be concerned about how its behavior is perceived by others. This attitude is probably the result of China gaining confidence through its impressive economic growth and its hosting of the Beijing Olympics and the Shanghai World Expo.

At the same time, there seem to be two opposing lines within China: the liberal forces that seek international cooperation, and the more conservative forces that want China to become more self-assertive as a major power. There is also a question of whether or not the political leaders in China have adequate control over the People's Liberation Army. The huge income gap within the country is a major source of dissatisfaction among the general public. Considering that there are said to be 450 million Internet users in the country, public dissatisfaction could easily lead to a mass movement.

Given this situation, a policy of isolating China is not an option. China needs to be engaged within the international community so that it will continue to have a constructive presence. In particular, strong and cooperative relations with both the United States and Japan are indispensable.

Issues for the Evolution of US-Japan Relations

It is unfortunate that the questions surrounding the relocation of Marine Air Base Futenma have become a major source of turmoil in US-Japan relations. The decision to move Futenma to Henoko Bay in Nago was confirmed by both countries twice, once during Liberal Democratic Party (LDP) rule and again under the Democratic Party of Japan (DPJ). If it does not happen as planned, the United States will lose confidence in Japan's reliability. On the other hand, given the sentiments of the people of Okinawa, going through with the relocation will be incredibly difficult.

Therefore, the most important step right now is to create an environment in which the relocation can take place as planned. The Japanese government must continue talking with Okinawa. At the same time, the role of the US-Japan alliance in East Asia's evolving regional order needs to be reconfirmed, and the respective roles of the US military and the Japan Self-Defense Forces need to be clarified. The Futenma issue is integrally related to these larger issues, and unless the general public understands that broader context, progress cannot be made

on the basing issue. From that perspective, the United States and Japan should consider the following steps toward reinvigorating the relationship.

1. Creation of a US-Japan Wisemen's Group

Government-to-government talks on their own are insufficient in order to create consensus on the areas in which US-Japan relations should move forward. Instead, experts from various sectors from the United States and Japan should be convened to discuss the relationship in terms that the general public in both countries can easily understand. The key topics outlined below should be discussed both by a wisemen's group as well as through extensive dialogue between the two governments.

2. Reaffirmation of the US-Japan Alliance Structure in East Asia

The 1996 US-Japan Joint Declaration on Security reaffirmed the role of the US-Japan alliance in the post—Cold War era, and the 1997 US-Japan defense guidelines were based on that declaration. The US-Japan alliance needs to be reaffirmed in light of the new international system, particularly given the major changes occurring within East Asia. We need to create a structure that can adequately maintain stability vis-à-vis North Korea and the risk of a more assertive China. At the same time, we need to develop confidence among China, the United States, and Japan. In addition, we need to build an open regional framework that can address such nontraditional security challenges as disaster relief, maritime security, proliferation of weapons of mass destruction, and terrorism. Japan needs to reexamine its own role in international security—especially in the region—including by giving closer scrutiny to the issue of collective self-defense. Based on that, another joint security declaration by the prime minister and the president is desirable and we might need to consider creating a new set of US-Japan defense cooperation guidelines.

3. East Asia's Regional Architecture

There is a need for greater discussion on the future development and direction of East Asia's architecture, including ASEAN+3, the East Asia Summit, the ASEAN Regional Forum, and the Asia-Pacific Economic Cooperation forum. The United States and Japan need to sort out their own thinking on the region's economic architecture—including on such initiatives as the Trans-Pacific Partnership, the Free Trade Area of the Asia-Pacific, and the Comprehensive Economic Partnership for East Asia—and come to a mutual understanding through bilateral dialogue.

4. Cooperation on Global Challenges

We need to explore ways to strengthen cooperation on such global issues as communicable diseases, energy, and the environment, as well as on outer space and other aspects of the global commons. Deeper exploration is also needed on ways to reform the structures of global governance, such as the United Nations, the G8, and the G20.

5. Expansion of Cooperation on Science and Technology, Cultural and Intellectual Exchange, and People-to-People Exchange

US-Japan exchange has declined in recent years. We need to reexamine our approaches to such areas as cooperation on science and technology, cultural exchange, intellectual exchange, parliamentary exchange, exchanges of business leaders, student exchange, and inter-university exchange.

V

Appendices

Program

09:00~9:45 Opening Session

Opening by Convener:

Tadashi Yamamoto, President, Japan Center for International Exchange (JCIE)

Remarks by Co-chairs:

Hon. Diana Degette, Member, US House of Representatives Hon. Motohisa Furukawa, Member, House of Representatives of Japan; former Deputy Chief Cabinet Secretary

09:45~10:45 Session I: Taking Stock of the Japan-US Relationship

MODERATOR: TADASHI YAMAMOTO, President, JCIE

Summary of Background Paper:

HITOSHI TANAKA, Senior Fellow, JCIE; Chairman, Institute for International Strategy, Japan Research Institute

11:00~12:15 Session II: The Role of Japan-US Relations in a Changing Asia

MODERATOR: MASASHI NISHIHARA, President, Research Institute for Peace & Security (RIPS)

12:30~14:00 Luncheon Meeting

Remarks:

H.E. ICHIRO FUJISAKI, Ambassador of Japan to the United States

Keynote Address:

Hon. Jim Webb, Member, US Senate; Chairman, Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs; Chairman, Senate Armed Services Subcommittee on Personnel 14:15~15:45 Session III: Deepening Japan-US Cooperation on Global Issues

MODERATOR: BARNETT BARON, Executive Vice President, The Asia Foundation

16:00~17:30 Session IV: The Agenda for Japan-US Relations: What Needs to be Done?

MODERATOR AND SUMMATION:

CHARLES MORRISON, President, East-West Center

Wrap-up Remarks:

Hon. Motohisa Furukawa, Member, House of Representatives of

Japan; former Deputy Chief Cabinet Secretary

Hon. Diana Degette, Member, US House of Representatives

Tadashi Yamamoto, President, JCIE

18:30~20:30 Dinner hosted by the Foreign Minister of Japan

Special Address to the New Shimoda Conference

Hon. Seiji Maehara, Foreign Minister of Japan

Participants List

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Barnett Baron Executive Vice President, Asia Foundation

David Bowen Deputy Director, Global Health Policy and Advocacy, Bill and

Melinda Gates Foundation

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