

New Challenges for the U.S.-Japan Alliance

by

Dr. Funabashi Yoichi

Funabashi Yoichi: I am honored to be here. I'm also particularly honored to share the floor with Michael Green. As I look back over the past five years or so of the U.S.-Japan relationship, I would say that the relationship is even stronger than the "Ron-Yasu" U.S.-Japan relationship of the 1980s. It demonstrates how important political leadership actually is and how it does make a difference, but at the same time, highly dedicated policy specialists and policy makers have played a critical role in shaping the relationship. I cannot think of any other person except perhaps Gaston Sigur in the 1980s who facilitated that relationship. Mike Green has played a significant, most critical role in the U.S.-Japan relationship in the past five years.

I will focus on the U.S.-Japan relationship, particularly the Koizumi legacy. Prime Minister Koizumi is most likely to leave office in the fall. This is not just an ordinary transition from one cabinet to another; it may be a watershed of Japan's postwar politics. Koizumi is an extraordinary political leader and his legacy will have a long and far-reaching impact for Japan's politics for years to come.

Five Political Legacies of Prime Minister Koizumi

There are five political legacies of Koizumi. The first one is the U.S.-Japan alliance. He has elevated and empowered the U.S.-Japan alliance to a very new level. The second one is his visit to

Pyongyang and his attempt to normalize relations with North Korea. The third one is his continued visits to the Yasukuni Shrine and its ramifications on Japan's relationships, particularly with China and South Korea. The fourth one has to do more with domestic politics, his populist politics, and its implications for Japan's foreign policy, including U.S.-Japan relations. Lastly, I would like to briefly touch upon his privatization of the Japan Post which does not seem to be that closely related to foreign policy, but which actually reflects an undercurrent of the Japanese economy and society, and of which the implications may be very profound.

U.S.-Japan Relations

First, on U.S.-Japan relations, Koizumi has been an unusual political leader. Under his leadership the U.S.-Japan relationship has been elevated and empowered to a really new level, as demonstrated and reinforced by dispatching Japanese Self-Defense Forces to Iraq, the Indian Ocean and the Gulf of Arabia. His strong personal ties with President Bush have also greatly helped the U.S.-Japan relationship become more mature. The U.S.-Japan alliance has become more balanced as well as more global in the past five years. That is one of Koizumi's most important legacies.

However, this post 9/11 alliance enhancement phase is perhaps coming to an end. The withdrawal of Japanese Ground Self-Defense Forces is likely to

happen before the end of the year. This very symbol of alliance solidarity is also coming to an end. The changing hands of managing the U.S.-Japan alliance can also be seen. Mike certainly has played a pivotal role with others who were quite familiar and versed in Japanese politics and political culture, and had a long institutional memory of the U.S.-Japan relationship. These officials have all left the government. A serious vacuum has emerged, which has not yet been filled or addressed effectively in the second term of the Bush administration. The U.S.-Japan relationship has greatly benefited from a sort of fraternity club, whether it's a Joseph Grew Chrysanthemum Club or a Richard Armitage Pop-eye Club. Who will actually play a similar role in managing and strengthening the U.S.-Japan relationship in coming years?

More importantly and perhaps more fundamentally, cooperation between the U.S. and Japan on a global scale, which has developed significantly in the past five years, will be more difficult to coordinate and support. For instance, the major challenge to U.S.-Japan security and to global security will certainly remain the threat from terrorists. But here I would say there may emerge some divisions between the U.S. and Japan in terms of threat perception as well as approaches to that problem. From an American perspective, the war on terror has been officially upgraded to a long-term war. Terror in a way is so common now; it is actually very broad and ambiguous, so broad and ambiguous that it will perhaps make policy coordination extremely difficult because of the lack of a shared threat perception between America and America's allies, including Japan.

From a Japanese perspective, economic development, diplomacy and law enforcement are the keys to attacking terrorists, not military action, which has in some cases even been considered counterproductive. This potentially very divisive issue on global cooperation and management alliance must be confronted in the coming years.

Rise of China Is a Challenge to the Alliance

The second long-term challenge is the rise of China and how to address that rise and formulate policies towards China. At the military planner's level there have emerged some more convergent views. Basically, they are in the process of developing a hedging strategy. A possible threat or potential threat, whatever you call it, China is not a threat at this juncture, but it may be in the future. At the same time, from the economic and trade and investment side, China is an opportunity, as Prime Minister Koizumi made very clear in his remarks in April 2002 at the World Economic Forum. China is not a threat, China is an opportunity. An increasing number of Japanese businesses share this view. Perhaps in America too. There has emerged a huge gap among the players and the constituencies with regard to how to respond to China's rise. Perhaps from the Chinese perspective, this advancement in the U.S.-Japan alliance comes at the expense of the U.S.-China relationship. Some Chinese strategic planners or political leaders might see the United States helping to push for Japan's rearmament.

However, at this point, I do not think that the U.S.-Japan alliance is actually designed to strengthen the remilitari-

zation of Japan. The United States government has been very careful in framing the issues, whether it was the Clinton administration or the Bush administration. Certainly there are some sporadic voices, some neo-cons perhaps, who may have entertained a very secret desire to make Japan nuclear in the face of a rising China. I know a couple of people like that, but they are very much on the fringe, both in Japan and in the United States.

More importantly, or perhaps equally as important from the Japanese perspective, China still has not made a strategic decision on how to deal with and face an emerging Japan. Japan experienced a long economic stagnation throughout the 1990s, yet it has been trying to translate its accumulated economic wealth into political power, as illustrated by its bid for permanent membership of the United Nations Security Council. It seems to me, and perhaps many Japanese feel the way I do, that China is trying to apply a different yardstick, a different formula, to Japan even though they have declared this much heralded peaceful rise strategy. Perhaps Japan is an exception to this rule. If so, is it because of this history issue, or because of Japan's special relationship and alliance structure with the United States? It is not clear why China actually has not applied a similar peaceful rise strategy towards Japan.

In my view, Chinese policy makers have perhaps already explored a new approach towards Japan. Yet Prime Minister Koizumi's continued visits to Yasukuni Shrine have not helped them fully explore and elaborate a new policy. The core of the problem is that Japan still has not developed in a meaningful way a strategy to link Asian regional

development and cooperation with advances in the U.S.-Japan alliance. Japan needs to better develop the logic, rationale, and the modus operandi of its regional strategy. This lack of meaningful progress in linking regional cooperation with strengthened bilateral relations is by far the most important challenge.

Koizumi's Attempt to Normalize Relations with North Korea

Koizumi's next legacy is his attempt to normalize the relationship with North Korea. This is really spectacular diplomacy. The Japanese government was very diligent to cultivate such an opportunity. The Pyongyang Declaration was a breakthrough, and it still serves as a sound basis for the relationship with North Korea. Following that, normalization talks were to resume. They have not gotten off the ground, however, and there has been serious backlash against the normalization process because of the abductee issue, followed by the nuclear issue. Six-party talks are emerging and developing, but at this point they seem to be at a certain impasse, not least because different views have emerged with regard to threat perception, as well as visions for a future Northeast Asia among the concerned parties, particularly between the U.S. and Japan on the one hand, and South Korea, China and possibly Russia on the other.

Koizumi's bold approach has also backlashed in domestic Japanese politics because of its inability to deliver. The proponents of normalization talks have been very much on the defensive and the Japanese government is more likely to be timid and risk-averse in its foreign

policy and diplomacy towards North Korea in the coming years.

I would also like to emphasize that the U.S.-Japan alliance could be the most challenged by North Korea's nuclear capability. North Korea seems to be on the verge of becoming a full-fledged nuclear power, and if that is the case, I think it could destabilize the whole region. The U.S.-Japan alliance may be the first casualty of this new situation. This sense of urgency vis-à-vis the North Korea nuclear issue should be shared between them.

Yasukuni Shrine Visits Have Damaged Japan's National Interests

Third, the Yasukuni Shrine issue. It is almost tragic, in my opinion, to see Japanese political leadership responding to the rise of China, this geopolitical shift of tectonic proportions, with such reactionary and introverted emotionalism, projecting Japan not as a world leader or even a normal state but just as being irrelevant. It has done great damage in my view to Japan's national interests and has greatly impeded Japan's relationship with both China and South Korea, particularly, and has hurt and undermined the U.S.-Japan relationship.

Certainly the Yasukuni visits have something to do with the history issue. China also has a serious problem with the history issue, but today let me just focus on the Japanese perspective on this issue. It has decreased Japan's influence in Asia and it may not be in the U.S.' interests either, in my view. It has narrowed Japan's policy options towards Asia and it hurts Japan's reputation in the United States. Japan now runs the

risk of belittling itself, as it has not been considered a primary diplomatic interlocutor or a serious strategic partner. The damage is done but the issue is not over; it might not even be over after Koizumi leaves office, as this issue is now a testing ground for all the potential candidates for the LDP chairmanship election in the fall.

Let me briefly touch on the populist politics which Koizumi has come to embody. Even though Koizumi was heralded for fulfilling his promise to revitalize the LDP in his last election, currently the twilight of Koizumi's politics can be seen; he has poorly managed to sustain this momentum. He has failed in consolidating his new power base, even though he galvanized the urban, young constituencies for his political agenda. But he has not succeeded in institutionalizing this political platform.

The Okinawa base issue is an example of the negative aspects of what is called Koizumi's theater politics. The Koizumi government has not extended its political capital in any real way on the base restructure issue, even though it has been a very urgent issue against the global background of a U.S. transformation drive. Koizumi's theater politics have been acted out by a bunch of ideologues who are not really good at managing this nitty-gritty job at the local level, the give and take with the local population. The quintessential, first casualty is the Futenma marine base relocation. It's long overdue but still has not been settled. Okinawa remains the host to 70% of American bases, even though Okinawa occupies only 0.7% of Japan's land. It's not sustainable. I did some research on the health and direction of the U.S.-Japan alliance, I published a book, and

one of the observations I made is that an alliance is only as strong as its weakest link. In the U.S.-Japan alliance, this link is the Okinawa base structure, which is still dangerously weak.

Reform of Postal Service Reflects Japan's Changing Demographics

Lastly, Koizumi's reform of Japan's postal service. This is certainly a huge political achievement. Approximately 280,000 government employees will find themselves in the private sector within the next ten years. This drive to limit the government is basically a reflection of the recognition of Japan's demographics, which consist of a rapidly ageing and shrinking population. On the foreign policy level, this will translate into ageing and shrinking expectations of what Japan will look like tomorrow, and what role Japan will play on the global stage. This is really causing Japan to face the pressure that it is inevitably more inward looking. This is Japan's long war. Whoever will be the political leader after Koizumi will have to tackle this issue for a long time to come.

Finally, I just would like to mention two concepts: trust and reconciliation. The reason why the U.S. and Japan have gradually matured and achieved a more balanced and solid relationship over the past sixty years is actually based on these two concepts, trust and reconciliation, which are enshrined in the spirit of the San Francisco Peace Treaty and in the fact that Japan and the United States managed to put the war and occupation completely behind them, to start over for a new cause. These are exactly the two concepts that Japan desperately needs in order to reorient its relationship with neighboring countries.

Japan normalized relations with South Korea in 1965 and with China in 1972, yet it has not deepened these relationships and gradually transformed them into more robust ones based on these two concepts. I think and hope that the United States appreciates that Japan's predicament is caused by this very difficult past, and I also hope that the United States will help Japan overcome these issues, particularly in developing Asian regionalism, because that will also help Japan overcome the history issue with its neighboring countries. Thank you very much.

Michael Green: I have been learning from Funabashi-san for about fifteen years and even though we had lunch three days ago and talked about these themes, I've learned yet more again from his presentation. He's continually developing and strengthening his arguments and it's fascinating to hear him. I wouldn't disagree with anything fundamental. What I thought I'd do is try to complement what he said, both with an "i" and an "e"—compliment him—and say a little bit more about post-Koizumi, post-Bush factors in the U.S.-Japan relationship.

I came into the White House in April 2001, and shortly thereafter a man who was really not very well known to the U.S. government or to U.S. academics, Junichiro Koizumi, surprised everyone by winning the LDP presidential election. My boss asked for the formation of a small group of Japan experts in different agencies to make sense of what this Koizumi government would be like, because it defied all of the political logic that was known, and no one really knew him. Frankly, there was some worry that he might be a bit of a nationalist or not

be interested in the U.S. It was a point when there were Japan experts in every agency who were intimately familiar with Japanese politics. We met and concluded that the history of Koizumi suggested that he would be a strong counterpart for President Bush's vision of the U.S.-Japan alliance. We recommended, and the president in fact invited, the prime minister to come to Camp David in June of 2001. That was really the starting point. It was the first time that President Bush and Prime Minister Koizumi met.

Strong Bush-Koizumi Relationship

I'll tell you one brief anecdote about the planning that will capture the nature of their relationship. We, the U.S. side, wanted to have an exchange of gifts; it's the traditional thing between the U.S. and Japan. We told our counterparts in the *gaimusho* (Ministry of Foreign Affairs) that President Bush wanted to give Prime Minister Koizumi a baseball glove and a baseball mitt. This caused great consternation among our counterparts because they were worried that Koizumi might actually start throwing the ball to Bush in front of the cameras. I said, "Well, what's wrong with that?" and they said, "What if the prime minister throws the ball too hard and the president has to run into the woods to get it and comes running back out, or what if he hits him in the head? This all has to be very carefully scripted." I said, "Ok, we'll just give them the ball and the mitt and we'll say to our boss, just pass it to the prime minister, please don't throw it. You guys will do the same thing," and of course, as bureaucrats, we both dutifully told our bosses, "No, you're not going to throw the ball." The president gave the prime minister the mitt and what did

they do in front of CNN? They started throwing the ball. That in a way was the power of their relationship. These two leaders could not be scripted. They had a strong personal like for each other, a very common world view, and they would throw the ball whether the bureaucrats told them to or not.

It was the beginning of a series of colorful and very substantive bilateral summits, which at times featured throwing baseballs, at other times singing Elvis Presley songs, and which contained a lot of substance. This went beyond, as Yoichi said, the famous Ronald Reagan-Yasuhiro Nakasone friendship because—and I wasn't there in the Reagan administration so I don't know this to be absolutely true, but I suspect it is—the Ron-Yasu relationship didn't have something the George Bush-Junichiro Koizumi relationship has, which is that the president frequently, before he acted on major events in Asia, would say to his staff or to his secretaries, "I want to know what Koizumi thinks." Or on other occasions the prime minister would actually throw ideas to the president and he would run with them. There was very much a give and take in the strategic view of things. A lot of it didn't become public, but that's often the best way that leaders work together to move things forward.

Jim Kelly's famous October 2002 trip to North Korea was largely at the suggestion of the prime minister. The structure of the six-party talks, a lot of that was directly conveyed to Secretary Powell by Foreign Minister Kawaguchi—the concept of how to structure it. There was a lot of give and take of ideas and that was very important. Japan also, in this relationship, put people on the

line; not just money, not just ideas, but people out there. Japan brought to the relationship an appropriate but comprehensive trinity of national power: ideas, money and people. That was very important.

Koizumi's Strong Support for the War on Terror

The prime minister was resolute, at a time after 9/11 when many world leaders expressed great condolences to the United States, but also expressed concern and urged caution and were afraid of how the U.S. would react to this. Prime Minister Koizumi was one of the few world leaders who absolutely from the beginning said, "You must defeat terrorism," who saw this as a long war and conceived of it that way and joined a very small group of leaders who on their own came to a view of this challenge very early on that was similar to the way the president thought about it. The personal connection between the two leaders has been very important and raises the obvious question, what happens when they're both gone from the scene? Will the U.S.-Japan alliance collapse? Should all my students at Georgetown start studying Chinese? The answer is probably no. Yoichi pointed to some of the variables to watch. There are some reasons to be reasonably optimistic, but also some reasons to look out for.

Alliances stick for one of two reasons, either an external threat or a structural reason and/or because there's internal glue—common values, economic interdependence, a common view of the world. The U.S.-Japan alliance for the foreseeable future will have both, and increasingly that will be the case. On the structural side there is the rise of China

and the North Korean nuclear threat. The September agreement last year and the six-party talks were important steps forward but in my view did not represent a strategic decision by Kim Jong-il to give up his nuclear weapons. This problem will be present for some time.

Japan's Presence in Iraq Has Increased its Global Stature

And of course the war on terror. Some alliance observers say it's a problem that the U.S. and Japan have different priorities. For the U.S., the war on terror is more important; for Japan, North Korea is more important. The alliance works, though, and works well when leaders see it in its totality. The dispatch of Self-Defense Forces to Iraq was an important action for the United States and an important action for maintaining global objectives of peace and stability; it was an important input that made Japan a leader in the eyes of the U.S. public, the world, and the president, so that when it comes to North Korea or issues that are of critical, immediate or acute importance to Japan, the U.S. is going to increasingly look at Japan's interests and take into account Japan's concerns. It doesn't matter that Japan or the U.S. prioritizes threats differently. They see them on both sides. The important thing is that leaders in both countries continue to recognize the totality of the alliance and the complementarity which each brings to its interests.

In that respect, what Yoichi said about the Self-Defense Forces finishing their mission in Iraq is important. Some time this year, the Self-Defense Forces will finish their reconstruction work in Samawah and they can return home honorably,

having accomplished a very important mission with great success. I do not think that Japan needs to keep boots on the ground in Iraq after that. There will be some air component to be sure, but I do think it's important—and I'm speaking for myself here—that the world sees the Ground Self-Defense Forces playing an active role somewhere in the world, that part of Japan's visibility and role and importance has to do with the fact that the U.S., the public, and the world have gotten used to Japanese soldiers and officials on the ground taking risks and, as I said, showing the full complement of Japan's national power—not just ideas and money, but people on the ground too. For the next prime minister, finding a political way to pass legislation to make it easier to dispatch the Self-Defense Forces for these kinds of humanitarian missions is a critical agenda item for Japan's weight in the world and for the U.S.-Japan alliance.

The U.S. also, I hope, will continue to see the structural and strategic advantage of Japan having a pronounced role in the world as well. It's pretty clear that the U.S. and China are not seeking confrontation with each other, but it's my view that China would like to move towards a bipolar concert of power in Asia, where it's not confrontational with the United States, but there's a certain accommodation that each side plays to the other. As the status quo power, I don't think that's in the U.S.' interest; I think it wants a relationship with China that's positive but one where it's able to shape and encourage changes in China's behavior. A bipolar concept of power would not let the U.S. do that. Japan playing a role in Asia, being visible, being strong, and leading and representing a model for the region is

critically important to the U.S., and I think that's clear to the people running the alliance now and hope it will be in the future.

On the values side, it would have been very odd or very difficult for someone in my position ten years ago in this kind of forum to make a strong argument that the U.S. and Japan have common values. The currency of the day was Asian values versus Western values, Japanese capitalism versus Western capitalism. Those debates are largely fading and increasingly, there is a convergence of how the U.S. and Japan, in terms of values, view the world—it's not perfect, it will always be different, but it's a glue and it's an important part of Japan's own national identity and position in Asia and in the world. It is articulated more and more by Aso Taro in his speech about Japan as a thought leader. Japanese leaders increasingly talk about the rule of law, free market principles, and democracy as essential tenets of Japan's foreign policy.

Important for Japan to Be on the Leading Edge of Democracy

There are pockets where there are exceptions: Iran or Burma. It's going to be important for Japan's position in the world that Japanese foreign policy have a more consistent approach, not that the U.S. is 100% consistent, but a more consistent approach about values-based diplomacy. The temptation with Burma may be to argue that to isolate Burma leaves a vacuum that China will fill, and there's something to that, but that's a very 19th century chessboard concept of the nation-state and of state-to-state relations. Japan's future and Japan's international weight are going to depend

not on a traditional balance of power but on ideas. It is much better, as in a case like Burma, for Japan to be on the leading edge of democracy. In places like Indonesia and Malaysia, there are more and more voices calling for a different approach to Burma. In Indonesia, Japan was caught on its back heel when the regime change happened and there were direct presidential elections; Japan was too closely associated with the ancient regime. That was a mistake and I think it's in the interests of Japan and the U.S. for Japan to be on the cutting edge and lead those forces in Asia that are pushing for more democracy. That's the game where Japan will be a leader in the region. I hope that's recognized in Japan. It's going to be an important part of what keeps the alliance strong.

The U.S. also has to recognize some important things about its values and about Japan's image in the world. There was a very interesting BBC poll that came out last week. The BBC interviewed about 50,000 people around the world, in thirty-three countries, and they asked, "What country plays a positive role in your view in the world?" and "What country plays a negative role?" The country that by a wide margin around the world got the most votes—meaning more than half of the respondents said, "This country is playing a positive role"—was Japan. In thirty-one out of thirty-three countries, a majority of people said that Japan is playing a positive role, even higher than Britain. The U.S. got, I'm embarrassed to say, thirteen, China got twenty, Iran got five. But Japan was well ahead of the U.K., well ahead of France, and that's very, very significant. The two countries that voted against Japan were China and the

Republic of Korea. About 71% of Chinese said, "Japan's playing a negative role in the world today," and about 54% of South Koreans said that, which points to the homework in Asia that Japan has to do, as Yoichi pointed to.

The fact that thirty-one out of thirty-three countries in the world see Japan as a leader in maintaining public goods is a real asset for Japan, one that has not been tapped into and one where what I would argue as a values-based foreign policy and more dynamic leadership, boots on the ground, all of these things, help create that kind of image and ought to be accelerated and continued. It's also important for the U.S., because if there are thirteen out of thirty-three countries saying that it is playing a positive role in the world, and its closest ally in Asia places at thirty-one out of thirty-three, it's obviously in its interests to be listening to Japan, to be partnering with Japan, based on values and interests that are very common.

A few final thoughts, reflecting on what Yoichi said. The Okinawa piece is important and the characterization of the politics of this is correct. Prime Minister Koizumi has successfully killed the *teiko-seiryoku* (opposition forces), the old guard of the LDP. Unfortunately this was the old guard of the LDP that did all the *nemawashi* (prior consultation) maneuvering work to make these kinds of local agreements stick. Suddenly the Koizumi government doesn't have anyone to do that, but it's going to have to find a way because the agreement is quite significant: 8,000 marines out of Okinawa. I wonder whether there will be another chance to do this again, whether another president or prime minister will invest the capital to get the agreement if

the previous leaders didn't implement it. It is important and I hope it moves through.

Another element which I would highlight, and which I think will be critical to the strength of the alliance—and this will sound self-serving in a way—is that there needs to be more informed public discourse on the alliance. I was involved in the 1994 to 1996 redefinition and reaffirmation of the alliance—the SACO agreement, the defense guidelines. There was a lot of public discourse, a lot of study groups, a lot of books, a lot of things written. This time the president and prime minister get it and they're reacting quickly to events like 9/11 and Iraq. These crises are moving the alliance forward and building this alliance, but what's been missing over the past five years is more of a public discourse about the purpose of the alliance.

I say it's self-serving because I've left the government and am now in the academy and I'm sort of giving myself homework, but it oughtn't be me in a way because I was involved in the government. Still, there's something very healthy about a good public debate. After the very tragic Okinawan rapes in 1995, there were a lot of voices in government that didn't want public discourse, that didn't want commissions forming and study groups, because they were afraid of where it would all go. It came out in a very healthy direction. This is probably necessary again.

One final thought, it's true that people like Rich Armitage, who really was the key guy, are not in the government now. They, together with Joseph Nye and people on both sides of the aisle worked on the alliance. I was involved in this too,

and the so-called Armitage Report, which was really the Armitage-Nye Report—it was a bipartisan effort—laid out this approach to the alliance. I don't think anyone disagrees with it fundamentally in the U.S. government or the Congress now. But it's going to require Japan to throw the ball, to be throwing ideas and working on issues and being proactive about its role in Asia and in the world, and not just reacting to Washington. It really needs to bring things early on to the table, and I would like to end by encouraging that and look forward to questions. Thank you.

G. John Ikenberry: We have a rich set of issues on the table and I think there was some disagreement. Just to file this one away, I think Yoichi was making the argument that if there isn't a diplomatic solution for North Korea, the alliance will suffer, and I'm not sure if Mike agrees with that.

Questioner: Dr. Green mentioned the Armitage-Nye Report, and since that report we are used to comparing the U.S.-Japan alliance with the U.S.-U.K. alliance. Those two alliances seem different because the U.S.-Japan alliance seems so dependent on persons like yourself, Mr. Armitage, and Mr. Kelly. The difference is that between the U.K. and the U.S. there is intelligence cooperation, and I understand that recently Mr. Armitage said that except for intelligence cooperation, what has been recommended in the Armitage Report has been more or less accomplished. So what is hampering U.S.-Japan intelligence cooperation? Is it the lack of a counterpart organization on the side of Japan, or is it the lack of a culture of intelligence?

Funabashi: From day one, when I learned about the Armitage Report, I was actually very skeptical about the need to elevate the U.S.-Japan alliance to the U.S.-U.K. level. Certainly intelligence is a serious problem which hampers things, but fundamentally it's not intelligence. Japan still is unsure of what kind of alliance it really desires to see develop, whether the constitution should be revised or not, and how the rise of China should be factored into Japan's regional strategy. On this very fundamental question I don't think Japan has made its mind up yet. Perhaps there may be some reasons for that on the U.S. side, but from the Japanese perspective, those are the issues.

Green: I was in this Armitage Report group and I remember being worried about how people would interpret the U.K. analogy, and when the report came out a lot of people misunderstood what those of us who worked on it meant by the U.S.-U.K. alliance as something of a model. We didn't mean that the Japanese should immediately switch to English, start wearing bowlers, start cooking their fish, develop nuclear weapons and join the security council. What we had in mind was really more of a message for the U.S. side, which is to say that whenever there's a problem in the world, either you are reacting to a crisis or you are trying to proactively solve a problem, and it's the most natural thing for the president or secretary of state to talk to its British counterparts. That was what the model was, and it ought to be the way it is in Asia, but also globally with Japan. In many respects that's happened.

Another way to think about it is popular opinion. In 1988 a majority of Americans, when polled, thought Japan was a

bigger threat than the Soviet Union. In the BBC poll I mentioned, when Americans were asked, "Who plays a positive role?" 71% said Britain, and just behind Britain was Japan with 66%. Then there was a big drop before anyone else was on there. Other polls have shown that Americans see Japan as the second closest ally only to Britain. In terms of public opinion, there's certainly been a shift on the U.S. side, but the overall thrust of that was to organize the U.S. thinking and the U.S. government, so that when there were problems the U.S. worked them out with Japan, which is very much what the administration has tried to do in most cases.

After 9/11, the U.S.-Japan intelligence relationship took an important step forward. There was much better coordination on the Japanese side, and there were formal meetings and structures set up among the different intelligence bodies. The U.S. began sharing more and in a lot more categories—not just the war on terror but in other areas. I think the obstacles to moving the intelligence relationship further along may be partly cultural or partly linguistic, although it's turned out to be to the U.S.' advantage that there's a time difference; Japanese analysts are working while American analysts are sleeping, and so on a lot of challenges in Asia there is twenty-four hour coverage. This turned out in a couple of cases to be very important.

The real problem may be that the legal structure in Japan has not yet caught up with what people want to do. There is still not an appropriate set of laws against spying or leaking, there is still not an arrangement for Diet members to be briefed the way members of Congress

are briefed on key intelligence issues, so there are some structural and legal moves that still have to happen.

Questioner: I was wondering if you would elaborate on what you meant when you referred to the North Korea issue possibly being the first cause for the alliance to have some real problems. Were you talking about a diplomatic solution being necessary from Japan's point of view and the United States not taking proper leadership in achieving such a settlement, or what? Please spell that out, and in that connection, I'm wondering about the impact of the change in leadership, the departure of Mr. Koizumi. Will his departure and his possible replacement by a leader who is more to the right affect Japan's policies? I also wish that Mike would react to what you say about this.

North Korea Nuclear Ability Could Strain U.S.-Japan Alliance

Funabashi: As I said, I think it will be more difficult for the post-Koizumi administration to push for a normalization process. There has been a lot of backlash. North Korea again may have missed a good opportunity by not making a deal with Koizumi, because as you said, Koizumi is the one, among all Japanese political leaders in the past few years, who has been the most determined to normalize relations with North Korea. He has had enormous political and personal stakes in this, yet North Korea has failed in seizing this opportunity.

Certainly not all the blame should be put on the North Korean side. It's very regrettable, even though understandable, for Japanese political leaders not to settle the abduction issue in a meaningful way

with North Korea. I think prospects are bleak in terms of normalizing relations with North Korea. Even setting that aside, there is the more fundamental nuclear question. If North Korea develops nuclear capabilities in a much more full-fledged way, it will declare its nuclear power status. The perception will spread that an extended deterrence of the U.S.-Japan alliance is compromised and the viability of that will be questioned, even among the Japanese, and that will pose a serious risk to managing the U.S.-Japan alliance structure. Then some voices, perhaps even from mainstream Japanese politicians, will call for a possible nuclear option, even though at this point it's very much on the fringe and I don't think it will develop as a very viable political option. It would still be political suicide for any mainstream Japanese politician to argue for a nuclear option in Japan at this point. If these voices are heard, however, then the North Korea nuclear problem will immediately turn into a Japanese nuclear problem. It will also destabilize the whole region and equally strain the U.S.-Japan alliance.

Green: I was in a number of the six-party talks and I felt that the cohesion and commonality of views amongst U.S.-Japanese delegations almost could not be closer. There are sticks and there are carrots in this whole process. The U.S. is going to have to be careful to not be talking about all the carrots on the South Korean side and all the sticks on the Japanese side. Another way of putting that is, there is some progress, some traction, and if the September agreement starts to be implemented, talking about the peace mechanism and so on, it's going to be important for the U.S. side to keep Japan in that process, because on

that front, on the diplomacy of engaging the North, the ROK is more dynamic right now. On the other hand, if there is not any progress, Japan's going to display more uncertainty and more worry and more common concern perhaps with the U.S. than with the ROK, and it will be very tempting for the U.S. side to play to Japan a little bit more. In some ways I'm pleased that at the last round Assistant Secretary Chris Hill started to revive trilateral meetings because those countries have a very good influence on each other, the U.S., the ROK and Japan, and they are going to have to have sticks and carrots to move forward, and not play to one alliance or the other but maintain trilateral cohesion to move forward.

Questioner: Yoichi, I want you to expand on a point that you made about Japan's regional strategy and its relationship to the U.S.-Japan alliance. Could you talk about what Japan's regional strategy should be, and how that strategy can be valuable in terms of the U.S.-Japan alliance? Also, Mike, if you can comment, you cited surveys that thirty-one out of thirty-three countries feel positive towards Japan, and yet it's difficult to escape the fact that Japan is somewhat isolated now in East and Southeast Asia—isolated in the sense that beyond even the history issue, the tense relationships with China and South Korea tend to make Japan a kind of outlier in East Asia. This raises the question, what is in fact the value of Japan for the U.S. if it has an alliance partner whom it considers as key, and yet it's not on good terms with the key states in the region? Even the Southeast Asian countries feel positively towards Japan, but somewhat ambivalently, because of this tense relationship with

China. What should Japan's regional strategy really be if it's going to be a key player in the region and in fact add value to the U.S.-Japan alliance?

U.S.-Japan Alliance Affects Japan's Relationships with Asian Countries

Funabashi: Thank you for raising a very crucial issue. It is imperative for Japan to develop regional ties in a much more fundamental way, by expanding regional cooperation. At the same time, this is incompatible with the goal of strengthening the U.S.-Japan relationship. These two goals do not, however, need to be mutually exclusive. There are many linkages that can be explored in order to strengthen the relationships simultaneously, in a compatible way. It may require imagination and good political leadership, but I think it's doable. Unfortunately, in the past five years this has not been the case. A stronger U.S.-Japan relationship actually advances at the expense of Japan's relationship with neighboring countries, particularly China and South Korea. One cannot deny that. The key is how to articulate the stability concept and share it with China and other Asian countries, in more general terms.

So far the U.S.-Japan alliance has provided, and still does in my view, stability for the whole region. But Japan needs to sharpen that logic and rationale for China as well as other Asian countries. The perception has already started to sink in that it is zero sum, and that strengthening the U.S.-Japan alliance has come at the expense of the U.S.-China relationship and the U.S.-China-Japan relationship. This leads me to also argue for the strengthening of a U.S.-Japan-China trilateral dialogue so that a better

modus operandi can be found. China actually has also benefited from the stability that forces from the U.S. have provided in the past. I think the three can still maintain and even develop that in the coming years.

Green: This is one debate we have had before. I disagree with the notion that the strengthening of the U.S.-Japan alliance has cost Japan in its relationship with China. A strengthened U.S.-Japan alliance is not a substitute for Japan having a robust China policy, but I don't think it has caused a weakening of Japan's position. Quite the opposite: it strengthened Japan's hand. The main Chinese complaint about the alliance was the February Two Plus Two statement last year, when the U.S. and Japanese governments mentioned peace in the Taiwan Strait as a core interest—that's something that's been done before, going back to Sato and Nixon in 1969. China didn't like it, but it was an important move. I think that robust stand by the U.S. and Japan and then the E.U.'s decision to postpone the arms embargo probably had the most to do with President Hu shifting China's policy towards Taiwan, towards more dialogue with the opposition and downplaying the use of force after the anti-cessation law. This was a case where deterrence, a balance of power, and the alliance contributed to Japan's interests and its China policy by stabilizing an issue of importance to both Japan and the U.S. But, as I said, it's not a replacement for Japan having a robust diplomacy of its own towards China and in the region. It does hurt U.S. interests if Japan is de-legitimized in Asia, because Japan's example as a democracy, as a leading stake-holder, is very important in how it and the U.S. help to

shape the choices of other powers in the region.

Japan's foreign policy in Asia has, for about two or three decades now, been about community building and positioning itself in Asia largely without the U.S. As a strategy, it was basically all about seats around a table; it wasn't about the content of that dialogue. At one point, ten or fifteen years ago, people thought it would be about Japanese versions of capitalism driving Japan's vision for Asia. That's now gone, but in its place there is this empty design for community building. What does that mean? If it's about nothing much at all, then China could do that. China's a very strong advocate of non-interference in internal affairs. If Japan's going to be active and dynamic in Asia, it has to have ideas and it needs, in the East Asia Summit or in APEC or other places, to be pushing the rule of law, governance, democracy and free market principles that are the wave where Asia's heading, and that are not inconsistent with President Hu's peaceful development. Its actions should make Japan a player. It is about ideas. So far the diplomacy has mostly been about the size of the table.

Funabashi: I think I should have expressed myself a little more articulately, so let me repeat once again my argument. What I wanted to say is that the perception has started to sink in that the advancement of the U.S.-Japan relationship comes at the expense of the Sino-Japanese relationship, and it may perhaps also have compromised China's national interests. That may perhaps be due to Prime Minister Koizumi's Yasukuni Shrine visits, which caused the deterioration of the relationship between Japan and China. If, hypothetically, the

China-Japan relationship had improved, then perhaps the strength of the U.S.-Japan relationship or alliance would not have been perceived as so detrimental, or at least a cause of alarm to the Chinese.

This is debatable, however. I'm not completely convinced by China's game plan here. Maybe it's because of Japan's history issues, or because of the long-term strategic power struggle between Japan and China, in Asia particularly, or also because of China's domestic governance dilemma and the fact that, for Chinese leaders, it is perhaps convenient to deflect attention and fan anti-Japanese sentiment. If that is the case, it is an exception to the peaceful rise strategy. Then, even if Japan were to redouble its efforts to explore that compatibility, it would be extremely difficult.

Ikenberry: Can I follow up on the previous question and ask it in a different way? It may be slightly more directed to Mike. Both of you began your talks noting and really celebrating the fact that the U.S.-Japan alliance has matured and is more balanced. Yoichi argued from a global perspective that Japan playing a role in Iraq is perhaps emblematic of that shift. Mike, you said it is part of a Japan that is growing, acquiring more responsibilities, taking risks, putting people on the ground. But it's really a movement away from the old alliance.

The old alliance was a brilliant success in many ways, quietly providing sources of stability in the region, while allowing Japan's power to be recessed as opposed to on display. In some ways the U.S.-Japan alliance was solving the problems Japan had the way France solved problems, the way Germany had—that is to

say, providing a binding relationship that would allow Japan to have security without going back to a more traditional posture. There was this remarkable alliance, this provision of public good, and Yoichi, in his famous *Foreign Affairs* article, argued about the Asian financial crisis that what no one really noted was that the U.S.-Japan alliance was the structure of stability that allowed for the region to survive that crisis. There was all of this unremarked aspect of stability provision in the alliance that remained uncontroversial, recessed Japanese power, and as is well known, China itself quietly thought that the alliance played a positive role in the region.

My question is, aren't you risking giving up that function of the alliance by making it, on the American side, more a tool of America's new global ambitions and new security agenda, and Japan looking to keep the alliance by evolving in a direction that Washington wants to see it move? I sense more ambivalence about that new alliance identity from Yoichi than from Mike. The question is, then, aren't you giving something up? Aren't you risking something by turning the alliance from a quiet source of stability in the region that everybody sees as doing something that they want to have done, to being a more provocative lightning rod for bringing all the region's worries about America to bear on the bilateral alliance, rather than diffusing it elsewhere? Tell me, at what point do you think the risks of giving up that older alliance are encountered?

Green: I would say three things. First, the old alliance was what international relations theorists called double containment, seen by the old saying, keep the Germans down, the French in and the

Soviets out. That was the concept fifty years ago. We clearly have moved away from that. Double containment is no longer viable. First, because Japan is moving anyway. I have argued that the Japanese strategic culture is changing, Japan is reacting to threats, Japan is taking more assertive positions; double containment would cause friction between the U.S. and Japan. Ultimately it would be worse for both and for the region.

The second is that the alliance has not stood still for the past fifty years. It is continually being redefined from the 1952 Security Treaty to the 1960 Security Treaty. And then there was the Guam Doctrine, the Nixon-Sato communiqués and then the guidelines. Each one of these episodes involved the U.S. reducing its military presence and its footprint, Japan taking on more risk in the region or in international security. That's been the pattern for fifty years, so it's not that the old alliance was a static thing, it's been continually evolving in this direction, naturally.

The third thing I would say is that, with the exception of Korea and China, the complaint heard in the region about the U.S.-Japan alliance and Japan's security role is that Japan isn't doing enough. That's what is heard in Singapore, Australia, or Indonesia, that they want Japan to do more, to be more present. I agree, therefore, with what Yoichi was saying, which is that this alliance needs to be demonstrated and Japan's role needs to be demonstrated in cases like the tsunami. There should have probably been Ground Self-Defense Forces with U.S. marines in the Philippines responding to the mudslide and the tragedy there. Nobody would have criticized that.

It was very natural and yet it didn't happen. That should be instinctive.

Questioner: Funabashi-san, I was quite impressed with your very clear statement on Yasukuni, but in terms of the alliance, do you think that there's any role for the United States to play in overcoming this very difficult issue, or do you think that, basically, the Yasukuni history issue is an issue which Japan itself has to overcome? Recently, in this context, there was a debate between the leaders of the *Yomiuri Shimbun* and the *Asahi Shimbun* in Tokyo, which I think has been widely publicized in Japan, asking Japan to reconsider the question of its war responsibility. Do you think this kind of movement to try to come up with a view which reconciles Japan with Asia will have greater influence in the coming months, so that it will affect the position of the next prime minister, after September? I would like to hear Mike Green's opinion as well, particularly on the first question regarding the role of the United States on the history issue.

Potential U.S. Role in Yasukuni Shrine Issue

Funabashi: I think that the United States has a role, but it should be very quiet and perhaps even private at the top leadership level, to give counsel to Japan and share its views about the implications and consequences of continued visits to Yasukuni for the world. At the end of the day, however, it is up to the Japanese and Japanese political leaders to decide what to do. Visible, diplomatic pressure will be very counter-productive, as China's diplomatic pressure on Japan in the past has already been counter-productive.

The Yasukuni issue is Japan's fundamental internal issue. Many Japanese have felt that they are deprived of the ability to mourn for those who dedicated their lives to the state, and that expressing this natural sentiment has been constrained. Also, they have felt that the increased yearning for Japan to be a more normal country has been constrained. In either case, even though there has emerged the perception that China is the single most important impediment to expressing those aspirations and sentiments, still I think it is Japan's internal restraints which impede it, whether it's the Yasukuni Shrine or the peace constitution. The Yasukuni Shrine itself has been the impediment to Japan actually expressing a sentiment of mourning for its war dead. It is the Japanese who chose the peace constitution to put restraints on the role that Japan may play. It would be, in my view, cheap politics on the part of Japan to make China the scapegoat for this. It is Japan's problem, first and foremost, and it is the Japanese who must make up their minds.

On the second question, I'm not too familiar with the *Yomiuri/Asahi* grand coalition. This was not created to reconsider Japan's war guilt. In my understanding, it is an effort on the part of the mainstream Japanese media to reject the Koizumi version of Yasukuni visits. They have concluded that the visits are very detrimental to Japan's national interests. Also, it will not help Japan in developing its identity in the globalization era.

Green: If you were impressed with Yoichi's clear and unequivocal statement on Yasukuni, I hope you will be equally impressed with my vague and

evasive answer. Speaking for myself, and what I think the U.S. interests in this are, it is not in U.S. interests, in any explicit way or even in any visible way, to interfere with this issue. It's strategically a mistake for the U.S., as a government, to do it. Academics, journalists, others can do it, but for the government, it's not the right move.

From a U.S. perspective, it would be unfortunate if one of two extreme choices were chosen in Japan. On the one hand, saying in effect, "China's right. We're wrong. We'll stop," is not necessarily a healthy move. It will create a political dynamic within Japan that ultimately makes Japan-China relations worse, by polarizing opinion. It will teach the wrong lesson to China, too, about how China should be dealing with its own history and its own issues. At the other extreme, though, deciding that because China doesn't have the moral high ground, that it is ok to ignore this issue, would also be a mistake because it is undeniably having an effect on Japan's strategic position.

Somewhere in the middle, and I'm not going to say where it is because I don't know, but somewhere in the middle is, as Japanese politicians would say, an *otoshi dokoro* (common ground), a position that makes sense for the right number of people and which would combine attention to the Japanese people's sentiments and legitimate desire to worship their war dead. It would also build consensus around those views in Japan that would create a vision for what Japan can do in terms of public goods in the region and help win this debate regionally, beyond just a question of whether or not, or where, or how the war dead are worshipped, and that would be

creative and statesmanlike. My impression—I was in Japan two weeks ago—is that people are getting it, they're debating it, and they're discussing it, and that's a healthy thing. What the outcome is, I don't know, but it's not just about whether or not to go to Yasukuni; it has to be much broader and has to be about showing what Japan does for the region.

Questioner: I realize this is primarily a panel focused on diplomatic and security issues in the alliance, but you referred to an era when Japan was seen as a greater threat than the Soviet Union, and that wasn't because of the Japanese military. It had primarily to do with economic issues. I'm curious, as you look forward, if either of you are concerned about the potential resurgence of trade frictions between the U.S. and Japan and how they might impact upon the issues that you've been discussing, because thus far it hasn't been part of the dialogue. I refer particularly to the end of what has been a very long, quiet period, where the decline of the Japanese economy made this a non-issue, where China has taken a lot of the blame. But now, with the return of the beef issue, which never seems to die, how much of an issue is it?

Green: After I got my master's degree, my first job was as an intern in the USTR Japan Desk. I've been interested in how trade and security interact ever since. BSE, or mad cow's disease, is an irritant because the cattlemen's associations and other groups that export beef are very pro-free trade, and they're important to the administration's coalition to get trade agreements through Congress. By not importing beef, Japan's not only stopping more than a billion dollars of imports, they're also messing with the administration's over-

all trade politics. That said, I do not think BSE will get anywhere near the friction of the late 1980s or early 1990s. It just isn't going to happen.

One area that will be problematic is the WTO, where Japan has not been very active because of the agricultural lobby. I think that irritates people, but is not going to lead to direct, bilateral backlash. What worries me more is what I heard a few weeks ago at a conference of asset managers and pension fund managers in Japan—people who've made a lot of money on and have invested a lot of money in the Japanese economy. They are starting to mumble and murmur, what will happen after Koizumi? Will the reform process slow down? In some ways it's not the friction that's worrying, it's the potential for Japan passing by the private sector if reform slows down. I don't know if it will or not. It depends on the next prime minister.

Funabashi: I'd like to add just one thing, Japan's ever worsening public debt situation. Japan's public debt is 164% of its GDP and an inevitable tax increase is in sight. This is really going to have a debilitating impact. One of the risks is that Japan will be more inward looking, and all the budget competition will be intensified among agencies, among politicians. It could really undercut the foundation of the U.S.-Japan alliance, whether it's host nation support or missile defense, or any others. I'm not addressing your question directly but I think Japan's economic picture is worrisome.

Questioner: Back to the question about regional strategy and regional order, I'd like to ask the panelists, what would be the appropriate and feasible strategic

framework for Japan to pursue to shape the regional order? To be specific, these days there is an idea in Japan, in the government, also even among some who hope to be Koizumi's successor, that Japan should build a basis for shaping regional order on a stronger network among maritime democracies, which are India, Australia and Singapore, rather than including other regional countries, which are continental and not yet democratic—China is one of them. I'd like both panelists to express their ideas about this.

Maritime Strategy in Asia

Funabashi: This is a crucial question. There has emerged a keener interest in this concept of maritime, oceanic strategy, or a democratic coalition, not only in Japan but also in Washington. It's understandable, because Japan and the U.S. are confronted with the rise of China, and are unsure of China's long-term game plan, or the direction of its geopolitical, strategic thrust. Perhaps some policy thinkers may have started to think of this maritime strategy by trying to explore new resources and strategic values to strengthen the new platform. I believe in the need for Japan to redefine its long-term identity, by harnessing its tradition as a seafaring nation as well as its very close, deep relationship with seafaring Asia and the United States. But I'm troubled by this concept of an official, oceanic, democratic strategy.

First of all, China, even though it's a quintessential continental power—particularly Beijing's Mandarin culture—has had a long tradition of maritime culture, especially in the southern part of the country. Nine Chinese provinces and two special cities have a long coastal

line, and this is the region with 400 million people in which China first started to implement reforms and open doors. China cannot be excluded when a vision is developed of a future order, particularly a maritime order. China certainly has great and legitimate stakes and interest in maintaining a maritime regime. Many Asian countries too, except for Laos in ASEAN Plus Three, have long coastal lines. East Asia is a seafaring region and it is important to strengthen its linkages with those countries.

For instance, the tsunami operation was the first major step towards coordinating rescue missions. But why not get ASEAN on board in strengthening this kind of international maritime operation? Maintaining peace and security in the Straits of Malacca is extremely crucial for all nations, but Indonesia and Malaysia and Singapore cannot be excluded. They are sovereign countries; Japan has to inevitably link itself with those countries. The ocean is a very tricky concept. If maritime camps are formed, then the ocean ends up being divided. If the ocean is allowed to be divided, all countries will lose out.

Green: I was on point in the National Security Council (NSC) for the tsunami core group. The reason the regional core group started with Japan and Australia and India was because of the logic of maritime democracies. They had the navies that could be moved quickly, they had confidence in their public, that the public would support a very grand, large movement of people and resources to help with the tsunami, they had inner operability among navies, and they moved very, very quickly. Japan, Australia, India and the U.S. were there first,

were there the most. The relief operations in Sri Lanka couldn't have happened without the Indian navy, couldn't have gotten enough help in Banda Aceh without Japanese and Australian helicopters and vessels. But it was inclusive and open, so China, the United Nations, the ASEAN nations, all joined in and plugged into that. Still, there was a certain logic that was very obvious to maritime democracies being able to move quickly, in terms of the naval tradition and the public support that comes from a democracy providing public goods.

That said, I agree with Yoichi. It would be a mistake to create a maritime alignment, particularly one that excludes China. The obvious thing that should happen is that there should be lessons learned from the tsunami and navies should be working together; the Chinese navy ought to be invited into that and others as well, to start building those cooperative patterns.

About India, India is not going to contain China; India is going to grow rich off of China like Japan is growing rich off of China and like the U.S. is growing rich off of China. The advantage of India to Japan has more to do with the ballast India provides to Japan's own position in Asia because of common values and because India's a democracy, and also because it puts some healthy pressure on China to make the right choices.

Japanese companies are increasingly talking about investing in China Plus One. They want to diversify their investment, they want to be somewhere else. India's making the right choices on intellectual property rights, protections

and so forth and that's going to put a little more pressure on China to make those right choices. It's a healthy kind of thing, very much a part of how to manage China's growing economic and political role, but it's not about containing China because that's ultimately not where India wants to go.

Questioner: A little departure from the rest of the questions. I want to ask about Richard Armitage. You both mentioned him as a key person in U.S.-Japan relations. Now that he's out of the government, I was wondering if you could say what his significance has been as a player in U.S.-Japan relations. What has his significance been as a player in the U.S.-Japan alliance, particularly in the last four or five years that he was in the Bush administration?

Funabashi: He played a significant role in cementing the U.S.-Japan relationship. For instance, it was he who initiated the U.S.-Japan strategic dialogue at the deputy level, even though I'm not so sure it was really strategic in a full-fledged way. Still, it was a very commendable effort because it was long overdue, and it is very regrettable, actually, that this mechanism has not continued in the second term of the Bush administration as vigorously as before. He was a very good listener to Japanese policy makers and politicians. He had a really special knack for making them comfortable in sharing their concerns, very much off the cuff. Of course trust has actually been the essence of this relationship, but he's the one who many Japanese political leaders and high ranking officials did trust.

Green: There was a cartoon in the *Asahi Shimbun* about three years ago, when

North Korea was being particularly belligerent and Rich Armitage was in Japan and said, "An attack on Japan is an attack on the United States." He just laid it out, as he likes to do, and *Asahi* had a cartoon. At the time there was a debate about missile defense, and in the cartoon there's a big statue of Rich Armitage pointing, saying across his chest, "An attack on Japan is an attack on the United States," and then, standing watching the picture are Foreign Minister Kawaguchi and Prime Minister Koizumi saying, "Who needs missile defense? Let's just put this statue around Japan."

I agree with what Yoichi said about the philosophy that Rich Armitage had, and that the president and everybody who's there now I think has, and that's that allies need to be good to each other and help each other if they want to be able to depend on each other in times of need. Armitage created an opportunity for Japan to demonstrate that was true. He studiously avoided telling Japan what to do; instead, he created an opportunity for Japan to demonstrate that it could be there, in the mix, solving problems, whether it was responding quickly to 9/11 and dispatching vessels to the Indian Ocean or the troops in Samawah, contributing to reconstruction—the main thing he did was create a chance for Japan to prove what it could do. That mindset is still quite strong in the administration, but it does put a bit of a burden on the Japanese side to push on those open doors. That's the way I would think about it. It was playing catcher to the balls when they were thrown and encouraging the throwing of the balls. But the Japanese side is going to have to keep throwing balls.

Questioner: A very quick follow-up to the comments on the Yasukuni Shrine. There seems to be some consensus around the idea that a very public attempt on the part of the United States to shape this could be quite counter-productive. But given the very warm, personal relationship between President Bush and Prime Minister Koizumi, is there a sense of urgency for trying to convey this in a private, very senior level or setting if, again, there is some consensus around that view?

Questioner: I'd like to ask Dr. Green about U.S.-Japan economic relations and the history of friction in the U.S.-Japan relationship over the past few decades. Because of China and the weakness of the Japanese economy, it's not as tense as before. As you said, the U.S. and Japan must continue to make an effort in the structural area or the policies in coming forward, but Japan is also concerned that the U.S. has always pushed a certain policy agenda for Japan, which is sometimes very constructive, and other times does not show a deep understanding of the Japanese economy. In the future there will be many issues, including whether or not Japan should raise taxes or the extent to which it should embrace a fundamentalist market economy as the U.S. has. The BSE issue is for Japan a food safety issue rather than a trade issue. There are many smaller issues, too, which will come up, and unless the U.S. and Japan cooperate together to manage the disputes, I think this can hurt the alliance. Even if the security alliance is good, economic issues can be very significant if Japan is to become more assertive.

Funabashi: To the first question, would you like me to focus only on the Yasukuni issue?

Questioner: No, not only that, but whereas other diplomatic discussions might actually be more conducive in a public setting, there is some agreement that on this issue there's some usefulness in having it be connected to a private setting. At a very top level, but quietly, privately, because with those other diplomatic issues that can be resolved in a public setting, it might actually not matter who the leaders are. Is there a unique opportunity and a closing window of opportunity to having these kinds of discussions between President Bush and Prime Minister Koizumi?

Funabashi: I think the U.S. administration already has explored ways of providing a helping hand, even guiding the direction of this debate, as, say, illustrated by Deputy Secretary of State Robert Zoellick's speech, which he made last September and in which he suggested that historians from the three countries, the U.S., China and Japan, perhaps should be encouraged to find a way out. They should at least find a common understanding of how to overcome the history issue. Unfortunately—I may be wrong here, but as far as I know—the Chinese government did not express interest and the Japanese government, similarly, was not too enthusiastic about the idea.

It is a very tricky business. The United States, even though it regards itself as a very clean intermediary on this history issue, may actually be implicated in many areas, if you look a little deeper. In terms of the Japan and South Korea history issue, South Koreans are also

arguing for U.S. responsibility in, say, the Taft-Katsura deal or the Potsdam deal, the division of the two Koreas, Kwangju, and so on. If you really go into that landmine, diplomatically and politically it could be very counter-productive. The top leadership has to be careful, as you said, to do so in a private and quiet manner. It's still possible, but it really has to be handled very carefully.

Green: On the Zoellick speech, he gave press remarks in Japan recently. The Chinese officially rejected it, just to follow up on what Yoichi was pointing out. This shows how difficult and complicated this really is. It is not President Bush's style to tell democratically elected leaders what to do on sensitive domestic issues. I've never seen him do it. He would not do it to Blair, he would not do it to Howard, and they have sensitive issues that affect their position in Asia—how Australia handles refugees, for example, or how Britain handles its Asian and Islamic communities. But it's just not his style to tell democratically elected leaders what to do, just as he wouldn't expect them to handle Supreme Court matters. It's consistent with the approach that the administration has taken towards Japan, which is, this is a new era in the sense that the old, cap in the bottle, *gaiatsu* (foreign pressure) way of approaching Japan is not in the interest of the U.S. The U.S. needs Japan to have its own weight, and for the U.S. to even do it privately would contradict that.

That said, there's no reason why Americans and Japanese in forums like this can't talk about this and have a very robust and healthy debate, which I think will influence thinking about this issue without causing a backlash or problems.

It's very healthy and appropriate for people to talk about it here and in other settings. As I said, all of the prospective replacements for Prime Minister Koizumi are struggling with this; they are thinking about it strategically and trying to find the right approach, without ignoring it.

Questioner: Just following up on this question of how one deals with the history problem in the region, one proposal that I've heard from some people in ASEAN is to bring in the French and the Germans to talk about how they overcame the very long and very difficult relationship that they had, as an easier approach rather than dealing directly with the history issues that are currently on the table in Asia. I'm wondering what your reaction is to that proposal.

Funabashi: Already, some think tanks and universities and foundations have tried to bring in Europeans and Asians, particularly from those two countries, to get together and to discuss the issues. The Salzburg Seminar, for instance, is one. But you just cannot expect any silver bullet. Europeans, in my view, simply do not monopolize the wisdom of this issue. Europeans have certainly gone through war partitions, particularly in so far as French-German relations are concerned. They waged war three times since 1871, so I think they finally concluded, enough is enough. This is not to say that Japan should wait for another war in East Asia, of course not. Certainly, though, Japan should learn more from the European experience, and critically examine how and why Europe has finally come to terms with the past and developed its reconciliation process.

But Japan does not just expect any set formula to be exported or imported.

There are two things that are extremely important to learn from the European experience. One is the gradual development of regionalism based on democratic institutions and values. Second is economic development and strengthening the civil society. Those are, I think, interdependent among nations. They are not moral issues, but basically, very prosaic and strategic day-to-day issues. That is exactly what is needed. I'm not saying that moral issues or issues of responsibility should be forgotten—those are very important at the end of the day. But a comprehensive approach should be made to tackle those issues.

Green: Very briefly, there's some utility in that. I was surprised actually to hear from the Germans and the French after a Japanese diplomat's car was attacked during the World Cup game between Japan and China, that they were somewhat horrified that China would do this because they would never do that. The German experience obviously has some lessons that could be considered, but there's a limit to them, for a number of reasons. One is the same reason why I am skeptical about how far a U.S.-Japan-China trilateral dialogue can go, because the problem is not the internationalists and the reasonable people who want to find common ground. The problem is this goes deep into both nations' strategic cultures and education systems. Polls have shown that the younger the people are in China and in Japan, the more of a problem there is about the other country. Ultimately, as Yoichi was pointing to, this is a problem in the structure of international politics and power competition. Germany and

France's history was largely written; their role and trajectory largely determined after the war. China's future is not written. Japan's future is not written. Asia's future is still being written. There are so many uncertainties, there's such a subtext of power competition that ideas imported from Europe would help at the margins but probably wouldn't be decisive. Still, it's certainly worth exploring.

Ikenberry: This has been a fascinating panel and I'm just privileged to have been able to chair it. Please join me in thanking our panelists for a terrific discussion today.

[End]

About the Panelists

Main Speaker **Funabashi Yoichi** is Columnist and Chief Diplomatic Correspondent for the *Asahi Shimbun* and is currently serving as Distinguished Guest Scholar at the Brookings Institution. He is also a Contributing Editor of *Foreign Policy*. Previously he was American General Bureau Chief (1993-97), Correspondent in Washington (1984-87), and Correspondent in Beijing (1980-81) for the *Asahi Shimbun*. In 1985 he received the Vaughn-Ueda Prize for his reporting on international affairs. He won the Japan Press Award, known as Japan's "Pulitzer Prize," in 1994 for his columns on foreign policy, and his articles in *Foreign Affairs* and *Foreign Policy* won the Ishibashi Tanzan Prize in 1992. Dr. Funabashi received his B.A. from the University of Tokyo and his Ph.D. from Keio University. He was a Nieman Fellow at Harvard University (1975-76), a Visiting Fellow at the Institute for International Economics (1987), and a Donald Keene Fellow at Columbia University (2003). His books in English include *Reconciliation in the Asia-Pacific* (Editor, 2003), *Alliance Tomorrow* (Editor, 2001), and *Alliance Adrift* (1998), which won the Shincho Arts and Sciences Award.

Discussant **Michael Green** is Senior Adviser and Japan Chair at CSIS, as well as an Associate Professor of International Relations at Georgetown University. He served as Special Assistant to the President for National Security Affairs and Senior Director for Asian Affairs at the National Security Council (NSC) from January 2004 to December 2005. He joined the NSC in April 2001 as Director of Asian Affairs with responsibility for Japan, Korea and Australia/New Zealand. Previously he was Senior Fellow for Asian Security at the Council on Foreign Relations, Senior Adviser to the Office of Asia Pacific Affairs at the Department of Defense, Research Staff Member at the Institute for Defense Analyses, and Assistant Professor of Asian Studies at SAIS. Dr. Green speaks fluent Japanese and spent over five years in Japan working as a staff member of the National Diet and as a journalist for Japanese and American newspapers. He received his B.A. from Kenyon College and his Ph.D. from SAIS. His major publications include *Japan's Reluctant Realism* (2001), *The U.S.-Japan Alliance* (1999), and *Arming Japan* (1995).

Moderator **G. John Ikenberry** is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University. Previously he taught at Georgetown University. Professor Ikenberry also has been a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. He received his Ph.D. from the University of Chicago. Professor Ikenberry is the author of numerous publications, including *State Power and World Markets: The International Political Economy* (2002), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).