

Transforming the U.S.-Japanese Alliance

A CASE FOR A LESSER AMERICAN ROLE IN JAPAN'S SECURITY

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For the first time, America's cherished alliance with Japan is being put to the test. The impending territorial dispute between China and Japan--undoubtedly the most powerful countries in East Asia--have paved the way for an honest and much needed discussion about the U.S.-Japan alliance. Japan remains one of America's most loyal and beloved allies, but the domestic challenges that the U.S. faces requires a thoughtful reconsideration about the necessity of its security commitments to Japan. Given the fiscal challenges Japan faces at home and the ambitious role it wishes to play in Asia in years ahead, U.S. policymakers must consider altering its security commitments to Japan and encourage the Asian power to claim more responsibility for its own security.

This paper seeks to answer two critical questions that will pave the way to achieving this mutually-beneficial goal. First, are the Japanese in a position to transform their Self Defense Force (SDF) into one that is able to viably defend itself with lesser U.S. military support? Second, will a revision of the U.S.-Japanese security agreement that reduces U.S. security involvement yield significant benefits for U.S. interests domestically and in Asia at large? Using the Sino-Japanese territorial dispute over the Senkaku Islands as a case study, this paper demonstrates Japan's willingness and ability to be a viable and independent military power in East Asia, despite reductions in U.S. military support. Furthermore, the Sino-Japanese territorial dispute serves as a prime opportunity for the U.S. to revisit its commitments to Japan. The reduction of U.S. security commitments to Japan will prove to be beneficial for both parties as well.

To better understand the gravity of the situation that Japan and China find themselves in, it is important to understand the background behind the territorial dispute over the Senkaku Islands. Territorial disputes are not unusual in Asia; in fact Japan is engaged in similar disputes with Russia and the Republic of Korea.¹ Armed conflicts of the past have left numerous unresolved territorial claims in the region that persist to this day. However, given the aggressive approaches that both China and Japan have pursued, the

¹ Koo, Min Gyo. "The Senkaku/Diaoyu Dispute and Sino-Japanese political-economic relations: cold politics and ho economics," *The Pacific Review*, 22.2 (May 2009): 207. JSTOR. <http://www.jstor.org>

Senkaku Islands territorial dispute is an important one to study. The small strip of islands is located in the East China Sea, about 125 miles northeast of Taiwan and 185 miles southeast of Japan. Japan claimed ownership of the islands in 1879 and incorporated them as part of Okinawa by virtue of a cabinet decision.² After World War II, Japan signed the Treaty of San Francisco, which was an effort that the U.S. spearheaded. Among the provisions that were adopted included U.S. control of the Senkaku Islands. The treaty, which was also signed by representatives from South American and European countries, addressed Japan's territorial claims in Asia and forced Japan to yield its ownership over several islands, including Taiwan. Japan acquired many of these territories from past territorial conquests over its neighbors.³

In a continued effort to elevate Japan as an equal partner and to symbolize America's affirmation of Japan's claims over the disputed territories, the U.S. transferred all of the Senkaku islands' administrative rights to the Japanese government. Successive presidential administrations, from Dwight Eisenhower to Lyndon Baines Johnson, affirmed Japanese sovereignty over the Senkaku islands. It was not until Richard Nixon took office that the U.S. position on the Senkaku Islands' ownership changed. The Nixon administration adopted a policy that took no official position on the claims of sovereignty, essentially leaving the dispute between China and Japan.⁴

The U.S. finds itself in the middle of this territorial dispute, given its history of involvement with the Senkaku islands and its security alliance with Japan. While embracing the official U.S. position of neutrality in regional territorial disputes, the U.S. reaffirmed its security alliance and all the commitments that accompany it. Secretary of State Hillary Clinton made it clear that the U.S. is committed to fulfilling its obligations from the 1960 security agreement it brokered with Japan. Both sides have offered compelling arguments for laying claim to these islands, which severely complicates the situation. China's historical records dating back to the Ming Dynasty, which spanned from 1368-1644, repeatedly reference the Senkaku islands as part of the vast Chinese empire. However, the Chinese government had not actively sought sovereignty over the Senkaku islands until the 1970s, after reports indicated that the islands may contain billions of barrels of oil. After Japan defeated China in the infamous 1895 war, China surrendered Taiwan and its island territories, which include Senkaku to Japan under the Treaty of Shimonoseki.⁵

2 Ozaki, Shigeyoshi. "Territorial Issues on the East China Sea: A Japanese Position." *Journal of East Asia and International Law*, 3.1 (Spring 2010): 151. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

3 Text of the San Francisco Treaty, 1951. United Nations Treaties Series. Accessed 7 November 2012. <http://treaties.un.org/doc/Publication/UNTS/Volume%20136/volume-136-I-1832-English.pdf>

4 Hara, Yoshihisa. "The Significance of the U.S.-Japan Security System to Japan: The Historical Background." *Peace & Change*. 12.3/4 (July 1987): 377. EBSCO. <http://web.ebscohost.com>

5 Downs, Erica Strecker and Phillip C. Saunders, "Legitimacy and the Limits of Nationalism: China and the Diaoyu Islands," *International Security*, 23.3 (Winter 1998-1999): 125. Accessed 7 November 2012. www.jstor.org

Before Japan's defeat, the U.S., Great Britain, and China met in Cairo, Egypt to discuss how Japan would move forward after its defeat and issued a declaration. Among the provisions of the Cairo declaration, Japan was forced to cede all the previously-owned Chinese territories that it claimed.⁶ When Japan surrendered after its defeat in World War II, it signed the Potsdam Declaration, which called for the execution of the Cairo Declaration's provisions.⁷ Thus, the Chinese argue that the Senkaku Islands should have been returned to China. This territorial dispute--and the placement of the U.S. in the middle—are occurring at a very inconvenient time for officials in Washington. The relationship between the U.S. and China are frigid at best given the tensions brought about by both nations' growing concerns over the security threats that both pose. America's perceived involvement in this regional dispute does not help those tensions and will pose a challenge to America's policies in Asia.

Given the immense challenges that the U.S. faces with its involvement in the Sino-Japanese dispute and other international involvements, in addition to numerous pressing domestic issues, this is undoubtedly a pivotal time in U.S. history. Domestically, the U.S. continues to be paralyzed with high unemployment, stagnant economic growth, a giant national debt, and leaders whose bitter partisanship has disabled them from producing meaningful solutions to the grave problems facing the country. Internationally, the U.S. is ending its 10-year military campaigns in Iraq and Afghanistan while struggling to define its role in a world filled with regional conflicts. In general, the majority of Americans have grown weary of U.S. involvement in military operations abroad.⁸ They demand a renewed focus on the challenges faced at home that have been overshadowed by U.S. international commitments.⁹

Due to policymakers' inability to integrate the importance of economic and financial stability into national security policies, the U.S. finds itself less effective in conducting diplomacy and maintaining a sound and stable domestic system. Cognizant of the fact that the U.S. would one day become a global power, America's forefathers warned against strong military involvement in world affairs, and instead advocated economic partnerships as a means to create and maintain power in the international community. Alexander Hamilton, the first secretary of the Treasury, urged that the new nation "must cherish credit as much as security."¹⁰ President George Washington, in his 1796 farewell

6 Cairo Communique. National Diet Library, Japan. Accessed 7 November 2012. http://www.ndl.go.jp/constitution/e/shiryō/01/002_46/002_46tx.html

7 Potsdam Declaration. National Diet Library, Japan. Accessed 7 November 2012. <http://www.ndl.go.jp/constitution/e/etc/c06.html>

8 Montopoli, Brian. "Poll: Americans' views on foreign policy." CBS News, 11 November 2011. Accessed 9 December 2012. http://www.cbsnews.com/8301-503544_162-57323511-503544/poll-americans-views-on-foreign-policy/

9 "Importance of Issues: Economy Continues to Top List of Most Important Issues." Rasmussen Reports. 21 September 2012. Accessed 9 December 2012. http://www.rasmussenreports.com/public_content/politics/mood_of_america/importance_of_issues

10 Zoellick, Robert. "The Currency of Power." Foreign Policy. November 2012. Accessed 9

address, said the following: “The great rule of conduct for us in regard to foreign relations is, in extending out commercial relations to have them with as little political connection as possible.”¹¹ While it is clear that the U.S. has justifiably shifted greatly from its founding principles given the challenges it faced since its inception in 1776, it is important to restore the delicate balance between economic and military strength. Today, the U.S. military is the most powerful in the world. No other military comes close in size, capability, and power.

The same cannot be said about the U.S. economy and its domestic institutions. Due to a recession in 2007 that caused a global economic recession, the U.S. government continues to address the thousands of Americans still without employment, a struggling housing market, and trying to maintain the solvency of its domestic programs. Consider these figures: 20% of the national budget goes toward defense and international assistance, while only 2% goes toward education, 3% for transportation and infrastructure, and 6% toward the retirement of the national debt.¹² A survey conducted in 2012 found that the majority of Americans supported reducing the defense budget by \$100 billion, or 18%.¹³ While that figure may be considered unrealistic, that survey should send a message to policymakers that Americans demand a renewed focus on fixing domestic problems before its government budget money concerning the affairs of other nations. The U.S. cannot continue to embrace irresponsible fiscal policies in exchange for robust military capabilities, as its future as a global power is in danger.

As the principal global power, the U.S. enjoys many strong alliances around the world. But perhaps among the most cherished relationships is the one it shares with Japan. In 2010, U.S. and Japanese leaders celebrated a historic milestone in its special relationship when they commemorated the 50th anniversary of the U.S.-Japanese security agreement.¹⁴ It is an alliance that has been sustained through numerous developments in Asia which include the Cold War, the Vietnam War, and the rise of China and North Korea. America’s former envoy to Tokyo, Michael Mansfield, described the U.S.-Japanese relationship as “the most important bilateral relationship--bar none.”¹⁵ Ambassador Mansfield, who

December 2012. http://www.foreignpolicy.com/articles/2012/10/08/the_currency_of_power

11 Legro, Jeffrey W. *Rethinking the World*, 55.

12 Plumer, Brad. “America’s Staggering Defense Budget, in charts,” *The Washington Post*, January 7, 2013. Accessed January 9, 2013. <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/01/07/everything-chuck-hagel-needs-to-know-about-the-defense-budget-in-charts/>

13 Khimm, Suzy. “Americans want to slash defense spending, but Washington isn’t listening,” *The Washington Post*, May 11, 2012. Accessed January 9, 2013. http://www.washingtonpost.com/blogs/wonkblog/post/americans-want-to-slash-defense-spending-but-washington-isnt-listening/2012/05/10/gIQAyAzQGU_blog.html

14 Press Release: “Statement by the President on the 50th Anniversary of the Signing of the U.S.-Japan Treaty of Mutual Cooperation and Security.” Office of the White House Press Secretary. 19 January 2010. Accessed 9 December 2012. <http://www.whitehouse.gov/the-press-office/statement-president-50th-anniversary-signing-us-japan-treaty-mutual-cooperation-security>

15 Dineen, Gerald P. and Thomas Arrison. “U.S.-Japan Cooperation: Time for Symmetry,” *Issues in Science & Technology*. 12.2 (Winter 1995): 55. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

remains the longest serving ambassador to Japan and a former Senate Majority Leader, very effectively described that relationship. The U.S.-Japanese alliance is the longest alliance among major world powers since the origin of the modern nation-state with the Peace of Westphalia in 1648.¹⁶ Because of this security alliance, the U.S. has been able to maintain and expand its security presence in East Asia to complement its interests in the region. While there is no question that this alliance must be cultivated and maintained, it is important to analyze the best way the U.S. can maintain such an alliance while ensuring strong economic and security relationships with the rest of the region.

The history behind this alliance is an important one to study and appreciate as it provides valuable reasons as to why the American government remains steadfastly committed to Japan. After the U.S. defeated Japan in World War II by dropping two nuclear bombs on Hiroshima and Nagasaki, both nations envisioned a Japan that would embrace peace and regional stability. This shared vision gave birth to the U.S.-Japanese alliance that exists today. When the U.S. gained control of the Japanese archipelago, it oversaw the re-organization of the national government. At the helm of this masterful endeavor was General Douglas MacArthur, the supreme allied commander in the Pacific. He was actively involved in the writing of the new Japanese constitution. With the advice and consent of Washington policymakers, he single-handedly crafted Japan's framework for governance, which reflects many ideals of the American constitution. Among the noteworthy transformations include the stripping of the emperor's prestigious role as a divine sovereign and turning it into a ceremonial role with limited influence. Embracing the new peaceful vision for Japan, the new constitution adopted provisions that limited Japan's ability to engage the world via its armed forces.¹⁷ Japan maintains self-defense forces that protect the mainland and rely heavily on U.S. forces for security in accordance with the mutual security agreement.¹⁸ The provision, outlined in Article 9 of the Japanese Constitution, envisioned a peaceful Japan that would divorce itself from its imperialist past and embrace a new role as a pacifist state in the global community. Despite the constitutional restraints on its armed forces, the Japanese people have recognized the real danger that its adversaries pose. The Japanese evolution from the position they took after their resounding defeat in World War II is due to the reality that times have changed and actors around them have become stronger militarily and economically. In response to these threats, Japan has adopted a more liberal interpretation of its constitution to enable its defense forces to be prepared to defend the nation from ground, air, sea, and cyber-

16 Packard, George R. "Some Thoughts on the 50th Anniversary of the US-Japan Security Treaty," *Asia-Pacific Review*, 17.2 (2010): 1. EBSCO. Accessed 9 December 2012. <http://web.esbcohost.com>

17 "The Constitution and the Right to Self-Defense." Japanese Ministry of Defense. Accessed 4 December 2012. http://www.mod.go.jp/e/publ/w_paper/pdf/2012/18_Part2_Chapter1_Sec2.pdf Parisi, Lynn. "Lessons on the Japanese Constitution." Stanford University. November 2002. Accessed 4 December 2012. <http://iis-db.stanford.edu/docs/131/const.pdf>

18 Japan and its Military. Council on Foreign Relations. 13 April 2006. Accessed 7 November 2012. <http://www.cfr.org/japan/japan-its-military/p10439#p5>

attacks.¹⁹

The 1960 U.S.-Japan Mutual Security Cooperation Treaty serves as the cornerstone on the U.S. Policy in East Asia while simultaneously serving as an integral part of Japan's defense framework. Originally signed in 1951, but given minor alterations in 1960, the security agreement has enabled the U.S. to permanently cement its presence in East Asia through its military installations in Japan.²⁰ In exchange for the permission to install U.S. military bases on Japanese soil, the U.S. has pledged significant military support to Japan's SDF. The provision of most interest in this paper is in Section V of the security agreement that states: "Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes."²¹

Notwithstanding the security blanket that the U.S. provides, Japan's military has dramatically transformed in a relatively short span of 50 years. The 1960 agreement was signed at a time when Japan's defense and security forces were lacking in technology, manpower, and resources. Since the Cold War, the Japanese armed forces have transformed their defense capabilities from self-defense and peacekeeping to strong and respected security forces. From 2000 to 2010, East Asian nations' military expenditures grew 69% and China's grew by 189%.²² In Japan alone, its defense spending saw a \$10 billion increase in a ten-year span.²³ Japan's armed forces have grown to become the third largest in the world according to the NATO formula, which refers to a nation's total share and contribution to the funding of NATO. If one were to base their determination of Japan's security abilities based on its defense expenditures, it would not be unfair to say that Japan is on its way to create an independent military role in the region, which is welcomed by most nations in the region, while posing some concerns to some.²⁴ Further highlighting Japan's financial commitment to its security, Japan stands as the largest contributor to the Defense Department's Allied Contribution to the Common Defense program, which includes countries where the U.S. has military installations. It contributes \$4.41 billion, or

19 "The Basis of Defense Policy." Japanese Ministry of Defense. Accessed 4 December 2012. http://www.mod.go.jp/e/publ/w_paper/pdf/2012/19_Part2_Chapter1_Sec3.pdf

20 Hara, Yoshihisa. "The Significance of the U.S.-Japan Security System to Japan: The Historical Background." *Peace & Change*. 12.3/4 (July 1987): 378. EBSCO. <http://web.ebscohost.com>

21 Japan-U.S. Security Treaty. Ministry of Foreign Affairs of Japan. Accessed 7 November 2012. <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html>

22 Friedrichs, Jorg, "East Asian Regional Security," *Asian Survey*, 52.4 (July/August 2012):758. www.jstor.org

23 Hofbauer, Joachim, et al. "Asian Defense Spending: 2010-2011." Center for Strategic International Studies, October 2012. Accessed 12 December 2012. http://csis.org/files/publication/121005_Berteau_AsianDefenseSpending_Web.pdf

24 Akaha, Tsuneo, "Japan's Comprehensive Security Policy - A New East Asian Environment," *Asian Survey*, 31.4 (April 1991): 333. www.jstor.org

74.5% of U.S. stationing costs.²⁵

A keen analysis of Japan's self-defense forces enables scholars and policymakers to understand its capabilities and its prospect to becoming an independent military entity that does not require significant U.S. military support. The Japanese self-defense forces wield greater advantage in terms of defense capabilities--especially in air and maritime--in that theirs are more modernized, equipped, and able to engage in military conflict than most of the nations in Asia.²⁶ Its self-defense capabilities mirror that of a military power capable of conducting operations to safeguard their country. Among their capabilities include the ability to provide strong defense via air and sea within 1,000 nautical miles of mainland Japan.²⁷ A review of Japan's FY2013 Defense Budget reveals the steps that the Japanese government continues to take to bolster its security. Japan is expanding its security capabilities via several technologically significant acquisitions—missiles, fighter jets, cyber security protection, and destroyers--showcasing Japan's ability to defend its borders.²⁸ With the nation devoting \$60 billion to its defense spending, it dwarfs major global powers like the United Kingdom, France, and Russia, and is the second highest defense budget in Asia (China is first).²⁹ While the Japanese government downplays its military capabilities, a thorough review of its military prowess reveals a nation that has prepared itself well for the threats that China and other sources pose to its security.

The Japan of today—armed with strong military capabilities and its role as a key global player in economic affairs—would have been hard to imagine as its government began to rebuild their nation. As previously mentioned, Japan adopted a new identity which embraced pacifism and harmony in the region and across the globe. This was a pivotal and transformational event in its history. A proud people and a revered emperor, whose bloody past included territorial conquests and wars that showcased its military might, was forced to yield its power and ambitions after a bruising defeat. Indeed, the U.S. and other countries did not want Japan to have the capabilities to retransform itself into its former glory, hence why General MacArthur included the Article 9 provision into the Constitution. However, Japan has proven itself to be a consistent partner on regional security and it is unlikely that Japan will return to its former identity given the prestige and acclaim that it currently enjoys as a global power.

It would be appropriate for Japanese policymakers to seize this opportunity to examine their need of strong U.S. military presence for their security. Recognizing the

25 Yoda, Tatsuro, "Japan's Host Nation Supports US-Japan Security," *Asian Survey*, 46.6 (November/December 2006): 942. www.jstor.org

26 Song, Young-sun, "Prospect for U.S. Japan Security Cooperation," *Asian Survey*, 35.12 (December 1995):1096. www.jstor.org

27 "Report of Allied Contributions to the Common Defense." U.S. Defense Department. May 1992. Accessed 4 December 2012. http://www.dod.mil/pubs/foi/administration_and_Management/other/447.pdf

28 FY2013 Defense Budget Request. Japanese Ministry of Defense. Accessed 4 December 2012. http://www.mod.go.jp/e/d_budget/pdf/241107.pdf

29 Mizokami, Kyle, "Japan's Defense Spending Just Over 1% of the GDP." New Pacific Institute. 24 October 2011. Accessed 4 December 2012. <http://jsw.newpacificinstitute.org/?p=8558>

fact that Japan is and will most likely remain a global power, policymakers in Washington have made it explicitly clear that they believe Japan should take greater ownership and responsibility for their defense.³⁰ U.S. policymakers realize that it is long overdue for Japan to take more responsibility for its security. Domestic political pressures, combined with the fiscal challenges it faces are serving to increase the possibility of an altered security agreement with Japan, despite a resolute commitment to the valued alliance.

While it has traditionally been hesitant to alter its security relationship with the U.S., Japan finds itself in an “agonizing soul-searching” according to Yuichi Hosoya, an international relations professor at Tokyo’s Keio University.³¹ Indeed, a March 2012 poll conducted by a Japanese firm found that 32% of Japanese citizens favored alterations to Article 9 of the Japanese constitution, which deals with the restraints on its military force. Given situations that are threatening to Japanese security, 45% of citizens favor permitting officials to interpret Article 9.³² While the support for revising the constitutional provisions pertaining to Japan’s security forces is modest, it is a transformation born out of a constructivist realization that Japan must take a more proactive role in its own defense. When the original 1951 security agreement was signed, the establishment of a pacifist and peaceful state of Japan was widely supported by the population.³³

The presence of Japan’s powerful armed forces compels policymakers in Tokyo and Washington to re-evaluate the need for heavy American military presence in Japan, with specific focus in Okinawa. Before the mutual security agreement, Japan had never allowed foreign troops to be stationed on their soil. Thanks to the U.S.-Japanese security agreement, Japan was forced to accept the indefinite stationing of close to 100,000 American troops, civilian employees, and dependents at some 85 facilities in a nation that is smaller than the state of California. Some 75% of the U.S. forces are based on the small island of Okinawa, in the Ryukyu Island chain.³⁴ Kurt M. Campbell, the assistant secretary of state for East Asia and Pacific Affairs, opined that the U.S. and Japan have never formally discussed the future of the mutual security agreement. He agrees that such discussions need to occur. “This is precisely what is needed to help ensure future collaboration and reduce wasteful redundancies,” Campbell wrote.³⁵

Such discussions are crucial for both the U.S. and Japan to maintain their respective security interests in the region. These discussions must include meaningful evaluations of

30 “Article 9 and the U.S.-Japan Security Treaty.” Asia for Educators, Columbia University, 2009. Accessed 9 December 2012. http://afe.easia.columbia.edu/special/japan_1950_usjapan.htm

31 Fackler, Martin. “Japan Builds Up Military,” New York Times, 28 February 2011. Accessed 9 December 2012. <http://www.nytimes.com/2011/03/01/world/asia/01japan.html?pagewanted=all>

32 “Poll: 43% of voters support making amendments to Constitution.” The Daily Yomiuri, 15 September 2011. Accessed 9 December 2012. <http://www.yomiuri.co.jp/dy/national/T110914006038.htm>

33 Meyer, 231.

34 Packard, 2.

35 Campbell, Kurt M. “Energizing the US-Japan Security Partnership,” Washington Quarterly, 23.4 (Autumn 2010): 131. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

the security alliance from both parties' perspectives and yield proposals that are responsible and beneficial to both countries' fiscal and security interests. Such collaboration requires policymakers of both nations to examine each other's responsibilities and Japan must emerge from these discussions as a party that will embrace more responsibilities in this alliance. Given Japan's apparent desire to attain a greater role in its defense, the U.S. should encourage and welcome such a great role. The U.S. should continue to maintain military presence in the region--especially given China and North Korea's continued security threats--but such presence should be limited, with the Japanese government shouldering most of the responsibilities for their own defense.

While Japan's defense capabilities have been thoroughly discussed, it is also important to highlight and appreciate the need for a diplomatic solution to the impending territorial dispute. Indeed, the recent heightened tensions between China and Japan regarding this conflict has alarmed Tokyo due to the uncertainty about the future. However, Japan is no longer an impotent country that is unable to be a strong player on the international stage. Past diplomatic relations between China and Japan offer glimmers of hope for a diplomatic resolution to this dispute. This argument primarily embraces liberal concepts; reinforcing the belief that trade is a stimulant that prevents states from going to war.³⁶

Many years ago, China and Japan recognized each other's potential as regional hegemons. Therefore, they sought to establish and maintain lasting relationships with each other that would be sustained in the future. Their strategic partnerships have enabled them to prevent each other from making major strides in their respective quests for influence in the region. A public poll conducted in 1997 found that only 9% of the Chinese viewed the Japanese people as "friendly."³⁷ A major reason for this resentment dates back to the Japanese invasion of mainland China in 1937, which killed millions of Chinese and ravaged towns and villages.³⁸ Subsequent conflicts between the two neighbors, specifically relating to security concerns that both pose to each other, are also major contributors to this unease. Despite the unflattering views that their respective peoples have for each other, both parties recognize that economic and trade relations are necessary to their economic success given their undeniable influence in the Asian region. After all, their borders are separated by a few hundred miles and both continue to emerge as regional and global powers.

Japan and China have taken productive steps to strengthen their interdependence. To fortify their strategic partnerships, China and Japan have signed long-term trade agreements that began in 1978 and have experienced relative success.³⁹ To that end, Japan's trade relations with China heavily expanded during the 1990s. The Japanese total

36 Russett, Bruce. Dunne, Timothy, et al., ed. "Liberalism." 102 *International Relations Theories: Discipline and Diversity*, 2nd ed. 2010: Oxford University Press.

37 Johnstone, 1069

38 Johnstone, Christopher B., "Japan's China Policy," *Asian Survey*, 38.11 (November 1998): 1068. Accessed 7 November 2012. www.jstor.org

39 Whiting, Allen S., "China and Japan: Politics versus Economics," *Annals of the American Academy of Political and Social Science*, 519 (January 1992): 42. Accessed 7 November 2012. www.jstor.org

trade with its communist neighbor went from \$18 billion in 1990 to \$64 billion in 1997, and has dramatically increased to \$161 billion in 2012.⁴⁰ Indeed, both parties recognize each other's contributions to their economies given the fact that China produces significant amounts of raw supplies and Japan is technologically advanced.⁴¹ The interdependence both sides have built is regarded as mutually beneficial. Thus, strained relations with one party results in harmful consequences for the other. Tokyo officials are cognizant of the fact that China is too large--geographically, geopolitically, militarily, and economically--to be ignored. Japan has also been an opponent of U.S. sanctions on China that indirectly harms Japan's economic and trade relations. This opposition also complicates U.S.-Japan relations.⁴² In the 1970s, Japan and China agreed to resolve the Senkaku dispute at a later date in order to establish meaningful diplomatic relationships with each other. In 2008, Japan and China reached an agreement which seemed to signal the start of meaningful negotiations over the East Asian territorial disputes.⁴³ Japan and China have demonstrated the ability to work together and resolve its underlying differences for their mutual benefit.

It would not be in the best interest of China to engage militarily with Japan. Not only would it strain the economic and trade partnerships that both agree are important to their economies and security, but China's international relationships--which they have worked hard to solidify and maintain--would also be negatively affected. If anything, China wants to see this dispute resolved diplomatically instead of militarily. Japan is depending on the shield of security that the U.S. armed forces stationed in Okinawa and elsewhere provide as a means to deter military action from China. Japan needs to take more proactive steps in fostering diplomatic solutions to this conflict, which will greatly benefit Sino-Japanese diplomatic relations. Perhaps if Secretary Clinton were more ambiguous about the U.S. commitment to the treaty, Tokyo officials would have understandably been very apprehensive about their security, and would have forced Japanese leaders to be more inclined to embrace a diplomatic resolution to this conflict.⁴⁴

The second question that this paper seeks to determine is whether or not a lessening in U.S. military involvement in Japan will yield beneficial results for American interests in Asia at large. Such a reduction will allow the U.S. to focus on building meaningful economic partnerships with East Asia and the greater Asian community while simultaneously allowing American policymakers to begin to address the fiscal predicaments at home. Without question, the U.S. has strong economic interests in the region that will prove to be beneficial for its domestic and international policies. Secretary Clinton, in a 2010 speech in Honolulu, remarked the following: "Much of the history of the 21st century will be written

40 Johnstone, 1072

41 Whiting, 41

42 Whiting, 43

43 Wu, Hui and Dan Zhang. "Territorial Issues on the East China Sea: A Chinese Position." *Journal of East Asia and International Law*, 3.1 (Spring 2010): 138. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

44 Curtis, Gerald. "Charting a Future Course for US-Japan Relations." *Asia-Pacific Review*, 18.1 (2011): 3. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

in Asia. This region will see the most transformative economic growth on the planet. Most of its cities will become global centers of commerce and culture.”⁴⁵ Due in part to America’s unwise spending habits, Asian nations have become America’s largest foreign creditors, with its central banks owning more than \$2 trillion of U.S. debt. Furthermore, the commerce coming from Asia has increased 50% and America grants more visas and processes more legal immigrants from the Pacific than from those in the Atlantic.⁴⁶ This underscores the importance of Asia’s role to America’s domestic interests. In October 2012, the U.S. came second to China’s global lead in GDP growth, with India, Japan, Russia, and Indonesia -- all Asian nations -- following the U.S.⁴⁷ American companies have utilized Asia’s workforce, which is educated and more efficient for lower wages. This has severely paralyzed the U.S. job market, especially in the manufacturing industries, with the U.S. losing more than 2.7 million jobs to China over the past ten years.⁴⁸

The U.S. is in prime position to re-focus its efforts in Asia from security issues to economic interests. Current trade and economic practices in Asia highlight the opportunities for stronger partnerships in the future. For example, trade agreements with Asian nations have been and continue to be top priorities for policymakers.⁴⁹ The Asian market is a prospering one and is expected to continue to grow beyond its continental borders. Many American corporations have recognized this, and have taken advantage of opportunities to join this market. Undersecretary of State for Economic, Energy, and Agricultural Affairs Robert D. Hormats observed the following during an economic conference in Los Angeles, “Well-constructed international economic policy that boosts exports and attracts foreign investment and supports the interests of American companies is necessary to strengthen our domestic economy.”⁵⁰ Secretary Hormats noted that about 4.6% of American private sector workers are employed by multinational corporations that invest in the U.S., roughly 2 million of which are manufacturing jobs. Viable and long-lasting economic partnerships with Asian entities—both private and public—are viewed as vital for America’s economic prosperity.⁵¹ Maintaining its security alliance with Japan will allow the U.S. to maintain its cherished role as a major player in Asian-Pacific affairs.

Among the economic relationships that the U.S. can foster with a renewed focus in

45 Remarks by Secretary of State Hillary Clinton, October 28, 2010. U.S. State Department. <http://www.state.gov/secretary/rm/2010/10/150141.htm>

46 Dittmer, Lowell, “Assessing American Asia Policy,” *Asian Survey*, 47.4 (July/August 2007): 521. Accessed 7 November 2012. www.jstor.org

47 “FOCUS: World GDP.” *The Economist*, 9 October 2012. Accessed 7 November 2012. <http://www.economist.com/blogs/graphicdetail/2012/10/focus-2>

48 Scott, Robert E., “The China toll,” Economic Policy Institute, 23 August 2012. Accessed 7 November 2012. <http://www.epi.org/publication/bp345-china-growing-trade-deficit-cost/>

49 Testimony of Assistant Secretary of State Kurt M. Campbell, House Foreign Affairs Committee, March 31, 2011. U.S. State Department. Accessed 3 December 2011. <http://www.state.gov/p/eap/rls/rm/2011/03/159450.htm>

50 Remarks by Robert D. Hormats, Undersecretary of State, September 13, 2011. Accessed 3 December 2012. <http://www.state.gov/e/rls/rmk/2011/172307.htm>

51 Remarks by Secretary Hormats, September 13, 2011

East Asia is a meaningful and lasting one with Japan. Surprisingly, the U.S. and Japan do not have permanent trade agreements similar to that with Mexico and Canada. In November 2011, Prime Minister Noda announced Japan's intentions of entering the Trans-Pacific Partnership (TPP). Once fully realized, the TPP will account for 40% of world trade and will include at least 11 nations across the Atlantic and Pacific.⁵² The TPP is composed of 9 Asian nations whose core mission is to enhance trade and investment, economic innovation, and support the creation and retention of jobs. The Obama administration projects that the TPP will greatly benefit the U.S., as it will give American companies greater opportunities to export goods and services to fast-growing markets in the Asian continent.⁵³

Suffice it to say, Japan and the U.S. have not had as friendly a history when it comes to trade as it has with security relations. To provide some context, Japan exported \$5 billion and imported \$5 billion of U.S. goods in 1970.⁵⁴ Today, the trade deficit is greater. In 2011, Japan exported \$154 billion while only importing \$113 billion, which yields a difference of \$40 billion.⁵⁵ It is the hope that a renewed focus on economic partnerships, especially in Japan's technology markets, will strengthen both nations' economies and long-lasting alliance. This discrepancy in U.S.-Japan trade relations has been a major problem not only with both nations' diplomatic relationship, but also harms the U.S. economy at a time when the American people continue to suffer from the current economic depression. U.S. officials often call for fair trading practices in the international markets, and it is troubling that one of its strongest allies is unable to adhere to such basic principles that prove to be mutually beneficial for both parties involved.

Drawing back security obligations to Japan will also chart a friendlier course with China. While China and the U.S. have maintained a stable economic relationship, both nations' foreign policies are complicated by the latter's human rights stances and the security dilemma that both experience given their respective military capabilities. China has not been particularly happy with a strong U.S. presence in East Asia,⁵⁶ and the lessening of military presence in Japan could signal a willingness of the U.S. to engage China in a more meaningful dialogue. As the second largest economy in the world, China cannot and should not be ignored or taken for granted. In 1990, China's GDP was \$390 billion and in 2010 it rose to \$5 trillion. It has become the leading trade partner for the U.S., Japan, South Korea,

52 Armitage, Richard and Joseph S. Nye. "The U.S.-Japan Alliance: Anchoring Stability in Asia." Center for Strategic and International Studies, August 2012. Accessed 9 December 2012. http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf

53 "The U.S. in the Trans-Pacific Partnership." Office of the U.S. Trade Representative. Accessed 12 December 2012. <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/november/united-states-trans-pacific-partnership>

54 McClain, James L. (2002) *Japan: A Modern History*, 610. New York: W.W. Norton and Company.

55 "Japan." Office of the U.S. Trade Representative. Accessed 12 December 2012. <http://www.ustr.gov/countries-regions/japan-korea-apec/japan>

56 "U.S. presence in Asia-Pacific will raise tensions: Chinese media." *Economic Times*, 3 June 2012. Accessed 12 December 2012. http://articles.economictimes.indiatimes.com/2012-06-03/news/32006534_1_asia-pacific-chinese-media-naval-fleet

ASEAN countries, and the European Union.⁵⁷ The U.S.-China economic partnership is one that must continue to be cultivated.

The U.S. must take more proactive steps to ensure better relations with China and it must do so by providing certain assurances that its intentions are good and genuine. The reduction of U.S. military forces in Japan inherently sends a message to Beijing that it is willing to share the power in East Asia. The U.S. must do so, or else it risks complicating its foreign policy interests in Asia. China will continue to rise--both economically and militarily--with or without U.S. support. Thus, the U.S. must convince China that it does not seek to contain its rise, but instead it endeavors to recognize and respect China's role as a global hegemon and remain resolute at fostering peaceful relationships with its people. Subsequently, Japan must be reassured that its security alliance with the U.S. remains strong, but significant obligations for their own defense must be shouldered. Japan must then reassure China that its economic and security ambitions are meant to secure Japanese interest in Asia, and not to counteract China. The establishment of such friendly relations among the three most powerful countries in East Asia will contribute to the balance of power in the region, thus yielding peace and stability.⁵⁸

Another benefit to the reduction of security commitments to Japan is the opportunity for American policymakers to begin a thoughtful discussion about the fiscal challenges that plague the country. Domestically, the calls to reduce military involvement in foreign nations have garnered support from both sides of the aisle.⁵⁹ An unlikely powerful duo partnered together to shed some light on the need for meaningful cuts to the Defense Department, particularly in its budget expenditures for foreign operations. U.S. Representatives Barney Frank (D-MA), the liberal former chairman of the Financial Services Committee, and Ron Paul (R-TX), a conservative Tea Party favorite and former Republican presidential candidate, wrote a letter to President Obama and party leaders in Congress and called for the reduction of foreign commitments in Defense Department spending. The two members of Congress opined:

As during Cold War, we largely provide for their defense, leaving them free to take funds that otherwise would have gone into their militaries and redirecting them towards growing their own economies – in many cases for state-subsidized industries that gave them an unfair competitive advantage over our own.... The role of America as the worldwide first responder was a necessary one sixty years ago. Today, our allies can – and should – bear the primary burden of defending their own nations and interests.⁶⁰

57 “U.S.-China Trade Statistics and China's World Trade Statistics.” U.S. China Business Council. Accessed 12 December 2012. <https://www.uschina.org/statistics/tradetable.html>

58 Campbell, 130.

59 Bennett, John T. “Military spending balloons amid bipartisan calls for cuts.” *The Hill*, 31 May 2011. Accessed 12 December 2012. <http://thehill.com/homenews/house/164079-military-spending-balloons-amid-bipartisan-calls-for-cuts>

60 “House Members Ramp Up Efforts to Scale Back Military Commitments and Cut

Policymakers must execute greater restraint when exercising their fiduciary prerogatives when appropriating funds. Now more than ever, a fiscally-responsible mindset is the needed prescription to enable the U.S. to get its fiscal house in order and strengthen its interests abroad.

Alterations have already been made to U.S. troop presence in Japan, which provides a good starting point for analyzing the need for U.S. presence to adhere to the core principles of the security agreement and also to maintain U.S. interests in the region. In April 2012, both governments agreed to the reduction of U.S. forces in Okinawa, years after public polling in Japan found strong support for the reduction of U.S. presence in the region. The troops are being redeployed to Hawaii, Guam, and Australia, which lessens U.S. presence in East Asia while conforming to the Obama administration's Asia strategy.⁶¹ Such strategic planning--with America's fiscal situations in mind--is vital to any responsible defense policy.

There have been strong voices from both side of the aisle who do not believe that such reductions will be beneficial to the U.S. interests in Asia and its partnership with Japan. In fact, some advocate strengthening the existing security alliance. Richard Armitage, the former deputy secretary of state in the Bush administration, and Joseph Nye, the former assistant defense secretary for international security affairs under the Clinton administration, published a report that calls for the need for greater security alliance with Japan as part of a renewed U.S. strategy in Asia.⁶² Yet some of the suggestions that these two well-respected diplomats are proposing would continue Japanese dependence on U.S. security forces for their own defense. This is contrary to the direction in which the Japanese people and its government are moving.

There has also been bipartisan consensus in the U.S. Congress about the need to maintain a robust military presence in East Asia via U.S. military involvement in Japan. Senator John McCain, Republican of Arizona and his party's 2008 presidential candidate, said: "The Asia- Pacific region's growing role in the global distribution of power requires us to consistently review and update plans for the U.S. military's role in the region."⁶³ Congruently, Senator Jim Webb, Democrat of Virginia and a member of the Armed Services and Foreign Relations Committee said the following during an opening statement in a Spending. Office of U.S. Representative Ron Paul. Accessed 9 December 2012. http://paul.house.gov/index.php?option=com_content&task=view&id=1875&Itemid=28

61 Shanker, Thom. "U.S. to Cut Number of Marines on Okinawa," *New York Times*, 27 April 2012. Accessed 9 December 2012. <http://www.nytimes.com/2012/04/27/world/asia/united-states-to-cut-number-of-marines-on-okinawa.html>

62 Armitage, Richard and Joseph S. Nye. "The U.S.-Japanese Alliance: Getting Asia Right Through 2020." Center for Strategic and International Relations. February 2010. Accessed 9 December 2012. http://csis.org/files/media/csis/pubs/070216_asia2020.pdf

63 Press Release: "Senators Levin, McCain, Webb Call for Re-examination of Military Basing Plans in East Asia." Office of U.S. Senator John McCain, 11 May 2011. Accessed 12 December 2012. http://www.mccain.senate.gov/public/index.cfm?FuseAction=PressOffice.PressReleases&ContentRecord_id=e00453cd-c883-65d2-f9c3-489463b38af1

subcommittee hearing on U.S. Asia policy: “We cannot reengage properly in Asia without a strong alliance with Japan.” Senator Webb, who served as Navy secretary under the Reagan administration, has been adamant about the need for a strong military alliance with Japan and recently wrote a letter with Senator Carl Levin, a Michigan Democrat and chairman of the Armed Services Committee, questioning the decision of the Defense Department to relocate 9,000 Marines from Japan to Guam.⁶⁴ While Senators, McCain, Levin, and Webb remain strong proponents of a militarily-robust U.S.-Japan security alliance, the changing culture in Japan and the U.S. calls for the reconsideration of the level of commitment that the U.S. should bear.⁶⁵

Like in most elections, the economy is a top priority for American voters, and this preceding election boldly reaffirmed that trend. President Barack Obama’s re-election yields a mandate that revolves around economic recovery via domestic and international investments and partnerships.⁶⁶ The President now faces the challenge of brokering an agreement with House Republicans to prevent the devastating cuts to domestic and defense spending. In 2012, President Obama announced that the U.S. will restructure its military and foreign policy strategy in Asia and has identified East Asia as critical to its interests.⁶⁷ As the U.S. begins to refocus its foreign policy in Asia, the Obama administration must be mindful of domestic needs.

National security and fiscal policy are inherently affected by the policies enacted for both issue areas. Admiral Michael Mullen (Ret.), who served as Chairman of the Joint Chiefs of Staff under the George W. Bush and Obama administrations, referred to America’s growing national debt as the greatest threat to national security.⁶⁸ The path to achieving economic recovery for the U.S. requires restructuring of U.S. domestic and international priorities. The looming \$14 trillion deficit⁶⁹ poses a real and dangerous threat to America’s standing in the world. There has been bipartisan support for the reduction of defense spending, but little has been done by either side to accomplish it. It would be false to say that defense spending is the main cause of America’s ballooning national debt, but it

64 Press Release: “Proper Reengagement in Asia Requires a Strong Alliance with Japan, a Strong Relationship with the People of Guam.” Office of U.S. Senator Jim Webb, 19 February 2012. Accessed 9 December 2012. <http://www.webb.senate.gov/newsroom/pressreleases/2010-02-19-01.cfm>

65 Press Release: “Senators Levin, McCain and Webb Express Concern to Secretary Panetta Regarding Asia-Pacific Basing.” Office of U.S. Senator Jim Webb, 2 April 2012. Accessed 9 December 2012. <http://www.webb.senate.gov/newsroom/pressreleases/2012-04-24.cfm>

66 “Jobs and the Economy: Putting Americans back to work.” The White House. Accessed 12 December 2012. <http://www.whitehouse.gov/economy>

67 “The Obama Administration’s Pivot to Asia,” Foreign Policy Initiative. Accessed 7 November 2012. <http://www.foreignpolicyi.org/content/obama-administrations-pivot-asia>

68 Marshall, Tyrone C., Jr., “Debt is Biggest Threat to National Security, Chairman Says,” U.S. Department of Defense. 22 September 2011. Accessed 7 November 2012. <http://www.defense.gov/news/newsarticle.aspx?id=65432>

69 “U.S. National Debt.” The White House. Accessed 12 December 2012. <http://www.whitehouse.gov/infographics/us-national-debt>

would also be false to say that it is not a major contributing factor.⁷⁰ With unemployment rates hovering around 8% and stagnant growth in the economy,⁷¹ both parties in power must consider the cost-benefit analysis of U.S. military presence abroad.

Former Secretary of Defense Robert Gates made a strong point when he said: “At some point, financial insolvency at home will turn into strategic insolvency abroad.”⁷² As a global hegemon maintaining varying interests across the globe, it is a necessity for the U.S. to maintain a strong international military presence to secure its interests and protect its allies. But difficult times call for difficult measures and America’s domestic challenges do require it. Alliances like the one shared with Japan are crucial to a strong foreign policy and this paper has not called for the weakening of that cherished alliance. This paper has also argued for a renewed and strategic reconstruction of the alliance that will ensure its solvency for years to come.

Australian Foreign Minister Bob Carr said the following about his country’s close ally: “The U.S. is one budget deal away from restoring its global preeminence. There are powers in the Asia-Pacific that are whispering that this time the U.S. will not get its act together, so others had best attend to them.”⁷³ A successful U.S. policy in Asia requires policymakers to get their fiscal issues sorted to renew the U.S.’s credibility abroad, lessening China’s security dilemma by reducing military commitments to China, and strengthening U.S. influence in the region economically instead of militarily. Such policy will yield stability in East Asia and foster relationships with China and Japan that will be mutually beneficial to all parties involved. America’s alliance with Japan will be sustained even with reductions to U.S. security commitments. Japan finally realizes that this is their time to enter the community of global powers.

Japan is and always will be a strategic partner of the U.S. The shared values and principles molded by the two nations’ close alliance cannot easily be divorced from each other as they have become embedded in both nations’ identities. The U.S. should welcome a Japan that shoulders more responsibility for its own defense and security. Only then will the U.S. truly allow Japan to “leave the nest” after 50 years of military partnerships that have yielded a stronger and viable force for Japan. General MacArthur would be surprised by what Japan has become today, far from the “Switzerland of Asia”⁷⁴ that he envisioned

70 Masters, Jonathan. “U.S. Deficits and the National Debt.” Council of Foreign Relations, 2 March 2012. Accessed 12 December 2012. <http://www.cfr.org/united-states/us-deficits-national-debt/p27400>

71 Rampell, Catherine, “Modest Job Growth in Final Report Before Election,” The New York Times, 2 November 2012. Accessed 7 November 2012. <http://www.nytimes.com/2012/11/03/business/economy/us-added-171000-jobs-in-october.html>

72 Adler, Loren and Brian Collins. “Gates, Mullen Echo Leaders of Debt Commissions: America’s Fiscal Challenge is a Matter of Arithmetic.” Bipartisan Policy Center, 12 September 2012. Accessed 12 December 2012. <http://bipartisanpolicy.org/blog/2012/09/gates-mullen-see-eye-eye-leaders-debt-commissions-americas-challenge-matter-arithmetic>

73 Zoellick, Robert. “The Currency of Power.” Foreign Policy. November 2012.

74 Ruggie, John Gerard. (1996) World Order in the New Era, 46. New York: Columbia University Press.

when he incorporated the peace clauses in their constitution. Japan is slowly but surely transitioning into what President George W. Bush viewed as a free and independent strong ally, mirroring that of Great Britain.⁷⁵ Both the American and Japanese peoples believe that Japan should be more independent in this regard. Thus, both governments must rise to the occasion and adopt policies that embrace such visions of a Japan that is a key player in regional and global security.

When the U.S. defeated Japan in World War II, both nations shared a mutual desire for a pacifist state. In the interest of preventing another resurgence of a military power similar to the one possessed by Imperial Japan, their constitution restricted their ability to rebuild defense forces to protect their territories. But the Japan today is quite different from the Japan that fell nearly 70 years ago. The Japan today is the world's third largest economy; with a consumer sector twice that of China.⁷⁶ It is a nation that already possesses powerful defense forces despite the constitutional constraints that limit the forces' size and capabilities.

The pending territorial dispute over the Senkaku Islands has revealed a complex history between China and Japan while simultaneously displaying their ability to work together despite underlying differences and disagreements. It is highly unlikely that China and Japan would engage in warfare over small strips of islands as it would devastate their trade relations and disturb the relative stability in East Asia. Diplomacy--not armed conflicts--is the solution to this dispute and the two largest economies and armed forces in East Asia are sure to be able to resolve their differences in a manner that befits their global stature.

America has done its due diligence to maintain stability in East Asia, a responsibility that comes along with being a global hegemon. These difficult times require leaders to devote significant attention and resources to the domestic challenges being faced by millions of Americans. Policymakers must plan a course for the future that embraces fiscal responsibility and responsible governance. If the U.S. fails to realize the danger that its fiscal challenges pose to its national security, it will cripple its ability to address its domestic needs and maintain its cherished--and indeed necessary--role as a global power.

75 Miller, John. "The Glacier Moves: Japan's Response to U.S. Security Policies." *Asian Affairs: An American Review*. 30.2 (2003): 1. EBSCO. Accessed 9 December 2012. <http://web.ebscohost.com>

76 Armitage, Richard and Joseph S. Nye. "The U.S.-Japan Alliance: Anchoring Stability in Asia." Center for Strategic and International Studies, August 2012. Accessed 9 December 2012. http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf