

# The United States, Japan, and China: Setting the Course

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## EXECUTIVE SUMMARY

The political dynamics of China-Japan relations have changed in reaction to three events: the demise of bipolar world politics, China's "rise," and Japan's unexpected economic stall. These changed political dynamics have brought important challenges and consequences for the United States.

Until the end of the Cold War, China valued the U.S.-Japan security alliance's role as a counter to Soviet influence in East Asia. It also appreciated the alliance's role in capping Japanese military options and ambitions. Even after the end of the Cold War in the early 1990s, China was concerned that U.S.-Japan trade tensions and American troop pull-downs from Asia might impair the U.S.-Japan security alliance and open long-closed security debates and options within Japan.

Japan was also greatly concerned about America's alliance fidelity during President Bill Clinton's first administration because of the lack of a U.S. strategic focus and, especially, the emphasis on trade-deficit reduction. From 1995, the Japanese were gradually reassured with the Nye Initiative and the U.S.-Japan Defense Guidelines review.<sup>1</sup> However, since the

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<sup>1</sup>The Nye Initiative, named after then Assistant Secretary of Defense for International Security Affairs Joseph Nye, was an attempt to redefine the U.S.-Japan security alliance in post-Cold War terms. It led to the U.S.-Japan Joint Security Statement issued on the occasion of the April 1996 Tokyo Summit meeting between President Clinton and Prime Minister Ryutaro Hashimoto. The Joint Security Statement announced a U.S.-Japan Joint Defense Guidelines review. This, in turn, led to publication of new Defense Guidelines in September 1997.

United States and Japan acted to strengthen their alliance, China has warned that Japan's expanded role could be the first step toward Japanese remilitarization, and it has expressed concerns about an increasingly independent Japan.<sup>2</sup>

China has made clear that it now prefers a "hollowed out" U.S.-Japan security alliance to the stronger, more effective alliance envisioned in the 1997 U.S.-Japan Joint Defense Guidelines. China has pressured Japan on the guidelines but has gone relatively easy on the United States. Japan, as the weaker alliance partner, has sidestepped China's pressure tactics. But this unpleasant experience has enhanced the strong Japanese trend toward a more hard-nosed and wary approach to China. The Japanese have concluded that China is now the most important and unpredictable geopolitical variable in Asia's future.

American policymakers and others need to consider the policy implications of new trends in China-Japan relations for the United States. Conversely, they need to consider the impact of changes in U.S.-China relations on Japan. In reaction to the twists and turns in U.S.-China relations, Japanese opinion leaders have traditionally worried that America will either ignore Japan in its rush toward China or antagonize China without considering Japan's vital interests.<sup>3</sup> Though the United States can hedge and constantly adjust its strategy and tactics vis-à-vis China and Japan, choices entail costs—America's influence may dissipate if it endlessly changes its course. The other conclusions of this study follow:

- For the foreseeable future, the East Asian security picture will include a complex mix of U.S.-centered alliances and

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<sup>2</sup>See the discussion of, "Less Charitable Chinese Views of the U.S.-Japan Alliance," beginning on page 34.

<sup>3</sup>The Japanese do not want to be in the middle of an increasingly tense, and potentially confrontational, U.S.-China relationship. For economic and political reasons, neither do they want U.S.-China relations ever to be better than Japan-China relations. However, when Japan-China relations are much better than U.S.-China relations, and when U.S.-Japan relations are simultaneously strained, such as was the case in the early 1990s, Japan's foreign affairs elite may react by threatening to draw closer to China. See pp. 23-24 in this report.

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efforts to build stronger political and security institutions among the countries involved in the region.<sup>4</sup>

- Absent long-term or permanent solutions to the Korea and Taiwan issues, it is hard to imagine substantial progress toward an effective multilateral security framework in East Asia, but a dialogue on various levels and fronts should be tried nonetheless.
- Most American strategists favor Japan's central role in America's East Asian security strategy, but there remain significantly different schools of thought. It will remain a challenge to articulate a strategy that melds American policies toward China, Japan, Korea, the Association of Southeast Asian Nations (ASEAN), and other regional actors.
- Chinese and Japanese perceptions and misperceptions of each other are at least as complicated and politically troublesome as those of the United States and China.
- China's reluctance to acknowledge Japan as an equal power will be very hard to overcome, and China's attitude will change only slowly.
- The unofficial trilateral security dialogues between the United States, China, and Japan have not made great strides, but they have provided a forum for the exchange of views on security issues of mutual concern.
- Any move toward an official trilateral security dialogue should be attempted cautiously, so as not to raise unrealistic expectations. Trilateral dialogues might supplement existing international meetings, but to improve the chances for progress they should be held at the subcabinet level or lower and should focus at the start on nontraditional issues, such as the environment and transnational crime, not on difficult security issues.

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<sup>4</sup>The overwhelming majority of American security analysts, strategists, and officials support strong U.S. bilateralism along with concurrent pursuit of multilateralism in Asia. As pointed out by an anonymous reader of this paper, the problem is with implementation.

- Despite strong and sometimes strident Chinese opposition to theater missile defense (TMD) in East Asia, China understands that the United States and Japan will deploy these systems—if they work. China’s major aim is to prevent the deployment of these systems on Taiwan.<sup>5</sup>

This paper explores several topics: the East Asian context of the China-Japan rivalry; historical American approaches to Asian power politics; the history of China-Japan relations in the Cold War and post-Cold War periods; the evolution of Japanese and Chinese mutual perceptions, especially at the elite level; Japanese concerns about “Japan passing” by the United States on the way to China; Chinese concerns about changes in the U.S.-Japan security alliance; U.S. strategic and tactical choices; the problems arising from the thin security dialogue and underdeveloped institutions in East Asia; the modest results of recent efforts to enhance a U.S.-China-Japan security dialogue; some upcoming signposts; and finally, some recommendations for the future.

## UNCERTAIN NEW DIRECTIONS

The world has changed rapidly since 1989. Changes in the structure of global power and the domestic dilemmas in Russia and its borderlands have brought more, not less, uncertainty. During the Cold War, in the narrow space of Western Europe, the North Atlantic Treaty Organization (NATO) provided 40 years of deterrence; surviving and now expanding, NATO has proven to be a resilient institution binding the United States and its European partners. The European Union (EU) and the Organization for Security and Cooperation in Europe (OSCE) played vital roles at the end of the Cold War and continue to have importance. Success did not come cheaply or easily, but

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<sup>5</sup>China is also fundamentally concerned that deployment of TMD systems would strengthen the U.S.-Japan security alliance and would increase the possibility that the alliance might be used against China.

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Europe escaped large-scale bloodshed in the bipolar Cold War years, and through NATO, the EU, and the OSCE, Europeans are still working at the task. With Americans and Russians, Europeans have drawn on 200 years of modern statecraft, an experience that includes both long-running successes and cataclysmic failures.

East Asia, one of the world's strategically key regions along with the Middle East and the Persian Gulf, presents a more complicated story. Its history and international politics set it fundamentally apart from Europe. East Asia's diverse political cultures,<sup>6</sup> China's looming central presence, the debilitating effects of colonialism, and East Asia's postcolonial need for nation-building have all hampered regional institution-building. Neither the 1955 Bandung Non-Aligned Conference nor the America-centric Southeast Asia Treaty Organization (SEATO) provided the impetus for early regional integration.

There have been some attempts to build East Asian regional structures, though of limited scope. Spurred by the second Indochina war and other regional tensions, in 1967 five Southeast Asian nations formed ASEAN, the first effective indigenous Asian regional political organization. In 1994, ASEAN invited the United States, China, Japan, and other non-ASEAN "dialogue partners" to join a new security forum—the ASEAN Regional Forum (ARF).

At the insistence of ASEAN and others (including China), the ARF has moved cautiously, avoiding regional security commitments and "out-of-area" problems—i.e., non-Southeast Asian issues. With five new members added between 1994 and 1999, ASEAN now encompasses all the countries of Southeast Asia. However, the Asian financial crisis, the need of former ASEAN leaders to concentrate on domestic problems, and

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<sup>6</sup>See, for example, Lucian W. Pye with Mary W. Pye, *Asian Power and Politics: The Cultural Dimensions of Authority* (Cambridge, MA: The Belknap Press of Harvard University Press, 1985). Arguing that Asia's diverse "root civilizations" make it fundamentally different from Europe, Pye contrasts the Confucian-influenced political cultures of East Asia (China, Japan, South Korea, Taiwan, and Vietnam) with the considerably different political cultures of Southeast and South Asia.

the fact that ASEAN's new members (particularly Burma and Cambodia) are both poor and politically controversial have drained momentum from ASEAN and the ARF.

Though American and Western attention has recently been focused elsewhere, East Asia is still one of the world's most troubled security environments—not so much within its borders, but internationally. The Korea issue alone includes the problems of maintaining one of the longest-running armistices in history, replacing the armistice with a more stable security arrangement (if possible), preventing the weaponization of North Korea's nuclear potential, providing humanitarian food aid for North Korea, and planning for Korea's eventual and costly reunification. All of the Northeast Asian political contenders are involved, but not in a coordinated way. The United States—by default—remains the leader in managing all of the Korea issues. As in other issues, China gets substantial credit for being nonobstructionist and offering modest political help, while America, Japan, and South Korea pick up most of the security and financial costs.<sup>7</sup>

Second, Taiwan's relationship with China is another contentious issue confronting regional actors. The solution worked out between Richard Nixon's and Jimmy Carter's administrations and China required maximum political forbearance and sensitivity on all sides—in Washington, Beijing, and Taipei—but that solution is now in danger of breaking down. If the politically dominant solution dissolves, the risk of a military confrontation among Taiwan, China, and the United States will grow. In third place are the problems associated with the overlapping claims and stakes of China, the Philippines, Vietnam, Taiwan, Malaysia, and Brunei to the South China Sea islands. The Korea issue potentially involves a renewed catastrophic war and the proliferation of weapons of mass destruction (WMD), while the Taiwan and South China Sea issues involve potential blockades and maritime passage issues.

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<sup>7</sup>One reader of this paper believes this analysis may understate China's constructive diplomatic role on North Korea issues during the 1990s.

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For the United States, its Asian allies, other security partners, and actual or potential competitors, the East Asian strategic environment will remain complex, with few prospects for an early breakthrough toward more stable, predictable relations. For the foreseeable future, the regional security picture will include both U.S.-centered alliances and the slow development of new multilateral security and political institutions. Given the centrality of China and Japan to East Asian political and security affairs, as well as to economics, the United States needs to shape relations with these two giants to preserve regional stability and to secure America's local and worldwide interests, now and over the long term.

### AMERICAN PARADIGMS OF ASIAN POWER

The United States has struggled for a century to define and redefine its strategic relationship with China and Japan. From the beginning of the twentieth century until the latter part of the Cold War in the 1970s, the United States never simultaneously had good relations with China and Japan. As an emerging Asia-Pacific power in the early 1900s, the United States fashioned its policies in reaction to the Qing dynasty's decline and the Russo-Japanese contest for Northeast Asian hegemony. Given Russia's ambitions elsewhere in Eurasia, British lobbying, and the American disgust with Russia's pogroms and other abuses, America leaned toward Japan. There were dissenters, some asking why America needed to take sides and others concerned about Korea's fate. Nevertheless, the United States stepped in to end the 1904–5 Russo-Japanese War on terms favorable to Japan, and it later acquiesced to Japan's annexation of Korea in 1910.

Following World War II, during which it allied with China and the Soviet Union, the United States pushed Japan back to its home islands. As a delayed consequence of Japan's rollback and the civil war in China, from 1950 to 1953 the United States and South Korea fought North Korea and the new communist

Chinese regime to a stalemate. Japan was a logistical key to America's and South Korea's efforts.

Although the Sino-Soviet split later changed the strategic calculus in East Asia, it took two decades for the United States and China to move beyond their strong mutual antagonism. Finally, in 1971–72 they formed a strategic partnership—out of a mutual need—aimed at containing Soviet influence in East Asia. In the context of that partnership, the United States convinced China that the U.S.-Japan security alliance was of strategic value to both China and the United States.

In the 1980s, China's reform successes, the arrival of a new Soviet leadership, the rotting of the Soviet domestic economy, and the bitter fruits of the Soviet regional and global overreach impelled the Soviet Union toward rapprochement with China on terms favorable to the latter. Rapprochement was achieved ceremonially in Tiananmen Square only days before the June 1989 crackdown there and only months before the Soviet Union started to come apart at the seams. The Tiananmen incident and the Soviet collapse fundamentally altered the dynamics of U.S.-China relations, raising still-unanswered questions in both Washington and Beijing.

As the 21st century begins, America again faces strategic choices in Asia. Now China is the “rising” power. This historic moment recalls for many Germany's “rise” at the turn of the previous century. Despite attempts by American and Chinese political leaders to stabilize relations and revive their “strategic” cooperation, bilateral diplomatic relations since 1989 have been far rockier than in the 1971–89 period. Yet while diplomatic relations are bedeviled by a host of issues—human rights, the trade imbalance, proliferation, Taiwan, and more—trade and people-to-people exchanges continue to flourish.

In contrast, despite trade frictions the U.S.-Japan alliance remains as strong as ever, indeed perhaps even stronger. Russia cannot be counted out, but it is now a weakened regional player, despite its continuing arms sales to North Korea and China. Another important change compared with the early

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1900s is that the Korean and ASEAN states—all of which, except Thailand, have been independent since the end of World War II, figure into East Asian political, security, and economic calculations, as does Taiwan.

Nevertheless, most eyes are on China. Many, including thoughtful Chinese, wonder what the country will do with its growing power, assuming that its economic growth and political stability continue. Despite the Tiananmen crackdown, Chinese politics have been relatively stable since 1978, although unresolved domestic political tensions remain close to the surface. Internationally, however, the 1989 Tiananmen crackdown, China's missile and nuclear proliferation activities, its military activity in the South China Sea, and its threat to use force against Taiwan (including its 1995–96 missile “tests” near Taiwan) have undermined many people's fragile acceptance of China's benign role.

The Taiwan missile tests in particular recall other post-1949 Chinese political decisions and military actions that contributed to messy—and sometimes long and costly—conflicts on and beyond its borders: with the United States and other U.N. forces in Korea, and with Taiwan, India, the Soviet Union, and Vietnam. China's steady military modernization efforts have generally not been exaggerated abroad, but they have drawn continued foreign scrutiny. There are good reasons for other countries to be wary of China and to study its potential, motives, and intentions.

### PUTTING RELATIONS WITH JAPAN AND CHINA ON PARALLEL TRACKS

Unquestionably, China has the potential to alleviate or exacerbate an array of regional problems. China has been, and can continue to be, an ad hoc strategic partner of the United States, but barring another decisive turn in regional or global affairs, there is no prospect of the two countries becoming strategic

allies. In sobering terms, American officials in early 1999 reiterated that the “constructive strategic partnership” with China envisioned during Clinton and President Jiang Zemin’s meetings at the October 1997 Washington summit and the June 1998 Beijing summit was a goal worth building toward, not a statement of present fact.<sup>8</sup>

In contrast, Japan is a key American security and political ally. About 47,000 of America’s 100,000 military personnel deployed in the Asia-Pacific region are based or home-ported in Japan. Japan contributes about \$5 billion annually to underwrite the cost of maintaining U.S. forces there. Moreover, despite Japan’s decade-long economic stagnation, it remains Asia’s largest and the world’s second-largest economy. In quantifiable money terms, Japan’s \$4.2 trillion economy is more than six times larger than China’s economy and comprises more than 60 percent of total East Asian gross domestic product (GDP).<sup>9</sup> Finally, unlike China, Japan shares core democratic values and institutions with the United States, and over the past 50 years, the United States and Japan have invested enormously in their relationship.

For a variety of political and historical reasons, American policymakers and analysts in and outside government have typically framed relations with China and Japan separately, not in parallel. True, American political leaders, strategists, and diplomats have paid attention to the competitive strategic and political components in China-Japan relations, but arguably

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<sup>8</sup>The gap between future intentions and present reality was clarified by National Security Council Senior Director for East Asia Kenneth Lieberthal in a speech at the Japan Society in New York on June 22, 1999. The October 29, 1997, Joint U.S.-China Statement on the occasion of President Jiang’s visit to Washington noted that “the two presidents are determined to build toward a constructive strategic partnership between the United States and China. . . .” In remarks in China on June 27, 1998, President Clinton referred to “our progress in building the constructive, strategic partnership we talked about last October.”

<sup>9</sup>In dollar terms, Japan’s GDP in 1997 was about US\$4.2 trillion, in contrast with China’s GDP of roughly US\$600 billion. See *The Military Balance 1998/99* (London: Oxford University Press, 1998). Others point out that the dollar-denominated National Product of Japan, under any purchasing power parity calculation, vastly overstates the relative economic strength of Japan as compared with China. See p. 26 in this report.

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this has not been enough. With the Soviet Union's collapse, China's "rise," and Japan's economic stagnation, Chinese and Japanese competitive impulses are looming again as important factors in their relations and, more subtly, in America's relations with both East Asian giants.

### CHINESE-JAPANESE DYNAMICS: POST-WORLD WAR II

#### THE EARLY YEARS, PROBLEMS CONFRONTED, CONFIDENCE BUILT

Despite China's sincere, emotional, and widespread hatred of Japan, Japan's post-World War II security relationship with the United States, and Japan's close relations with Taiwan, in the 1950s and 1960s Japanese political leaders worked with some success to improve relations with China. First, Japan carved out a special, albeit unofficial, relationship with China; after 1972, the Chinese actually condoned the U.S.-Japan security alliance.

In the 1950s and the 1960s, with America's unenthusiastic acquiescence,<sup>10</sup> Japan reopened trade and other unofficial relations with China. Given China's ongoing domestic turmoil, these efforts bore only modest fruit, but they gave Japan some room for independent maneuvering and signposted its benign intentions toward communist China at a time when China had few capitalist friends. Japan's experience with China in the early Cold War years fostered a belief among Japanese politicians and intellectuals that their country had developed a close relationship with China that operated on a separate plane

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<sup>10</sup>There were, however, long-lasting consequences of the negative American attitude toward Japan's early dealings with China. Japan was chagrined when President Richard Nixon and National Security Adviser Henry Kissinger leapfrogged Japan in relations with China in 1971-72, despite Japan's early normalization of diplomatic relations with China in 1972 and the more leisurely pace of full U.S.-China normalization, which was completed only in 1978. Japanese fears of being blindsided and leapfrogged have resurfaced from time to time since 1972 in reaction to the twists and turns in U.S.-China relations.

from the arena of great-power rivalry.<sup>11</sup> This self-gratifying Japanese idea was reinforced in the early 1980s and again in the early 1990s when Japan played the self-appointed role of a bridge over tensions between China and the United States.<sup>12</sup>

After the normalization of China-Japan diplomatic relations in 1972, Japanese popular and elite feelings toward China were very warm; this was the era of “pandamania.” Chinese leaders skillfully exploited Japanese war guilt, and Japanese leaders, most of whom had lived through or fought in World War II, responded positively. The two countries managed the Taiwan and Senkaku (Diaoyutai) Islands questions quietly, with China raising no audible objection to Japan’s skillful diplomatic formulae on these issues.

A high point in this early period came in 1978, when Japan ratified a Japan-China Peace and Friendship Treaty despite major opposition both from within Japan’s ruling Liberal Democratic Party and from the Soviet Union. The most contentious issue was China’s insistence on including an “antihegemony” clause designed to position Japan against the Soviet Union. The treaty also included Japanese Overseas Development Assistance (ODA) to China, a move seen widely as a disguised form of war reparations.

As long as China was keenly focused on the Soviet threat, it regarded Japan as a useful diplomatic and military counter to Soviet influence. In the late 1970s and early 1980s, the Chinese stressed to Japanese leaders the importance of a security alliance with the United States and “also openly encouraged Japan to

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<sup>11</sup>Yoshihide Soeya, “Kokusai Seiji nonakano Nitchu Kankai” (Japanese-Chinese relations in international politics), in *Kokusai Mondai* (International issues), no. 254 (January 1998), p. 40; and Michael J. Green and Benjamin L. Self, “Japan’s Changing China Policy: From Commercial Liberalism to Reluctant Realism,” *Survival* 38:2 (Summer 1996).

<sup>12</sup>There is little or no evidence that Japan played any significant diplomatic bridging role in either period. China and the United States had little need for Japan’s intervention, but it was in China’s interest to thank Japan for its concern about deteriorated U.S.-China relations. After the Tiananmen incident, Japan played an out-in-front role in softening G-7 sanctions against China, but this effort was quietly supported by the United States and other G-7 partners.

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enhance its military power, hoping [thereby] to complicate Soviet strategic designs further.”<sup>13</sup>

In the 1980s, however, good feelings between China and Japan started to wane.<sup>14</sup> China protested the alleged Japanese whitewashing of wartime history in its school textbooks; it objected to Prime Minister Yasuhiro Nakasone’s 1985 visit to the Yasukuni shrine, a memorial to Japan’s war dead; and in 1987 it protested a Japanese court decision that gave Taiwan control of a Chinese student dormitory in Japan. In 1985, most likely with some early Communist Party support, Beijing college students demonstrated against Japan’s war crimes and its new commercial inroads into China.

The Japanese were disheartened when Chinese Communist Party leader Deng Xiaoping removed General Secretary Hu Yaobang in January 1987 following student pro-democracy demonstrations. Hu was regarded by the Japanese as the main advocate of good bilateral relations within the Chinese leadership. Among Hu’s rumored political sins, leaked Chinese reports asserted that his promotion of better China-Japan ties, including his invitation to hundreds of Japanese to visit China, had not been popular within the party.

Later in the 1980s, China strained relations by protesting Japan’s annual trade surplus with China (a trend since reversed decisively in China’s favor) and the low levels of Japanese high-tech investment in China. There were, however, positive countertrends, and both governments worked to downplay tensions and problems. Japan’s annual ODA packages, targeted at large-scale infrastructure projects, helped quiet Chinese criticisms of Japan.

The trend in the late 1980s of cooler Chinese attitudes toward Japan may also have been indirectly related to improving Sino-Soviet relations. Beijing carefully managed the early stages of rapprochement with Moscow both to maximize its diplomatic

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<sup>13</sup>Jonathan D. Pollack, “The Sino-Japanese Relationship and East Asian Security: Patterns and Implications,” *China Quarterly* (December 1990), p. 716.

<sup>14</sup>Allen S. Whiting, *China Eyes Japan* (Berkeley, CA: University of California Press, 1989).

leverage over the Soviet Union and to signal subtly to the United States and its allies that China had other strategic possibilities. However, as relations with Moscow improved and as China achieved higher international prestige—owing to its growing economic and diplomatic successes—China’s strategic analysts and political leaders began reexamining their strategic relationship with other powers.

For the first time since coming to power in 1949, the Chinese Communist regime saw the possibility of a new multipolar international system in which both it and Japan might emerge as major Asian powers. “[L]ong accustomed to Tokyo’s subordinate political status in the Japanese-American alliance and to its highly equivocal exercise of political power,” Chinese analysts in the late 1980s and early 1990s envisioned a new international order in which Japan had a larger stake and the Soviet Union had a smaller one.<sup>15</sup> This led China to reverse its previous (quiet) endorsement of a larger Japanese defense effort.<sup>16</sup> Chinese criticism of Japan’s defense efforts thus commenced, although at first as a minor theme.

In a quick succession of major historical events, Soviet leader Mikhail Gorbachev’s May 1989 Beijing visit, the June 1989 Tiananmen crackdown and the Western response, and the collapse first of East European communism and then of the Soviet Union itself signaled to China that the Russian military threat on its northern and western borders had been replaced by a new and much more potent threat: an American-inspired “peaceful evolution” aimed at subverting Chinese Communist rule. However, for unique historical reasons, in the early 1990s Japan once again benefited from a Chinese exception.

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<sup>15</sup>Pollack, “The Sino-Japanese Relationship,” p. 718.

<sup>16</sup>*Ibid.*

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### THE YEARS 1989–94: THE LAST HIGH POINT IN RELATIONS

The collapse of Soviet and East European communism did not have the same impact on Japan as it did on America and on Western Europe. No long-guarded walls fell in Japan's neighborhood. Japan's relations with its communist and former communist neighbors did not change much. North Korea remained sullenly intact, and Japan's early views of the new Russia remained frosty.

Most significant, Japan's reaction to the Tiananmen incident indicated its continuing commitment to engaging China. When China needed international support after Tiananmen, Japan was there to help.<sup>17</sup> Despite an intensely negative political reaction in the United States and western Europe, Japan argued that the West should not disengage from China. With Chinese encouragement and the quiet support of its partners in the Group of Seven (G-7) highly industrialized nations, Japan promoted the early loosening of post-Tiananmen G-7 sanctions on China. Even as Japan stood together with the West and cosponsored the first U.N. Human Rights Commission resolutions on human rights in China, two Japanese prime ministers publicly stated that China's human rights problem should be regarded as its own affair.

China rewarded Japan's post-Tiananmen diplomatic support by fostering a new, albeit short-lived, era of warm bilateral relations. Communist Party General Secretary Jiang Zemin visited Japan in 1992, assuring his Japanese hosts that China welcomed an imperial visit that year and could guarantee that the emperor's visit would come off without a hitch, as in fact it did. Before his reassurances, the Japanese had worried that the emperor might face Chinese protests over the wartime

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<sup>17</sup>Though little noted at the time, there was a significant gap between the Japanese popular "gut reaction" to the Tiananmen incident and the strong consensus among Japan's official and unofficial foreign affairs elite that Japan should brake the American and European post-Tiananmen sanctions policy. For Japanese popular reaction to the Tiananmen incident as reflected in public opinion polls, see p. 20 in this report.

history issue. The Chinese agreed, apparently without rancor, to the wartime apology the emperor was programmed to make in China.<sup>18</sup>

NEW JAPANESE REALISM ABOUT CHINA: 1994–98

A number of subsequent events, however, led to growing Japanese concerns about China. Increasingly, the prospect of China's becoming a real power registered in Japan in the 1990s, causing the Japanese to be more tough-minded and less condescending toward China. In time, tough-mindedness toward China led to a growing elite and official interest in receiving American reassurances about the enduring validity of the U.S.-Japan security alliance.

While the emperor's 1992 visit to China produced a warm glow in China-Japan relations, it also led to unrealistic expectations about the degree of Japanese influence in Beijing. Thus primed for disillusionment—in large numbers and at all levels in society—Japanese took umbrage at several high-profile events.

The issue that stirred the greatest Japanese disillusionment with China, especially from Japan's left, was Beijing's refusal in 1994 and 1995 to heed requests by three successive Japanese prime ministers, including Socialist Prime Minister Tomiichi Murayama, to halt nuclear testing before the conclusion of the Comprehensive Test Ban Treaty. China's firing of missiles near Taiwan in 1995 and 1996 raised Japanese concern about China's intentions to new highs. Finally, Japan—especially on the right—grew alarmed at China's growing assertiveness on the Senkaku Islands issue, which began with Beijing's reassertion of sovereignty rights in a 1992 law delimiting China's territorial seas (little noted by Japan at the time) and led to

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<sup>18</sup>While post-normalization China-Japan relations have sometimes been bumpy, there have also been prolonged, relatively smooth periods. During smoother periods, such as before and during the Japanese emperor's 1992 visit to China, Chinese leaders have used the state media and security measures to control anti-Japanese sentiment.

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several Chinese air and maritime probes toward the Senkakus starting in 1995.<sup>19</sup>

From the mid-1990s, there was a notable toughening of Japanese elite and popular attitudes toward China.<sup>20</sup> Rapid Japanese leadership changes in the 1990s and related parliamentary attacks on some long-hallowed policies led for the first time to the questioning of a key element of Japan's engagement policy with China—Overseas Development Assistance. At the Japanese Diet's insistence in 1995, the small grant-aid portion of Japan's annual ODA package was cut (for a year), while negotiations on the larger loan package were put off temporarily—all as a sanction for China's nuclear tests.

China's reaction to these Japanese diplomatic pinpricks was not gracious. China's attitude toward Japan toughened in reaction to both changing Japanese attitudes and the changed balance of global power. With the Soviet Union gone, China's "third leadership generation" was no longer as constrained as its predecessors had been by the need to mute dissatisfaction and tension with Japan.<sup>21</sup>

In 1992, when Jiang Zemin visited Japan as party general secretary, he was still under the tutelage of Deng Xiaoping, the doyen of China's second leadership generation. In 1998, after Deng's death and long after China had recovered its diplomatic poise and adjusted to the post-Cold War world order, a more confident and independent President Jiang used his second Japan visit to relentlessly jawbone his hosts over World War II history and the Taiwan issue. Whatever his intentions, Jiang's diplomatic tactics alienated a broad spectrum of Japanese opinion leaders.

Jiang's rocky 1998 visit was particularly striking because of the success of South Korean President Kim Dae Jung's visit

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<sup>19</sup>Green and Self, "Japan's Changing China Policy," especially pp. 36–37.

<sup>20</sup>See section in this report on Japanese public opinion about China, beginning on p. 19.

<sup>21</sup>Some Japanese believe that, compared with China's third (Jiang-led) generation of leaders, China's first (Maoist) and second (Dengist) leadership generations had much greater hands-on feel for how to deal with Japanese leaders and manipulate Japanese public opinion, derived from long years of experience. Private communication with a Japanese diplomat in January 1999.

only weeks before and the lack of proper advice Jiang's advisers gave him about the political situation in Japan—especially the hardening of Japanese attitudes toward China.<sup>22</sup> Preparations for President Jiang's November 1998 Japan visit demonstrate both the Chinese foreign policy elite's hopes for better relations with Japan and the significant gap in its understanding of Japanese thinking.<sup>23</sup> Prior to the summit, Chinese analysts and others preparing for the visit held high expectations of what Jiang could accomplish, in that the visit would put bilateral relations on a sounder footing and on China's terms.

In Japan, Jiang elicited neither as remorseful an apology for World War II as South Korean President Kim had recently received nor a rendition by Japanese Prime Minister Keizo Obuchi of the three Taiwan "no's" that President Clinton articulated during his June 1998 visit to Shanghai.<sup>24</sup> In Japan, the summit's results, to be generous, were mixed. Japanese officials put a good face on the visit, claiming that they were pleased with the number of minor agreements on economic and trade issues. The Japanese media focused on Jiang's jawboning and the difficulties with the wartime apology and the Taiwan issues.

Japan made it clear far in advance of the summit that it did not plan to accede to China's demands. Had China approached the two issues with greater finesse and had it been willing to

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<sup>22</sup>Some believe this episode in China-Japan relations was a big blow for the new Chinese foreign minister, Tang Jiaxuan, the ministry's premier Japan expert. However, it is also possible that Tang would have been politically compromised in Beijing political circles had he argued for a more flexible and understanding posture toward Japan. In the months before the November 1998 Jiang visit, the ambassador and the deputy chief of mission at the Chinese embassy in Tokyo, both veteran Japan hands, were replaced by non-Japan hands, thus arguably weakening the embassy's influence in Beijing.

<sup>23</sup>The following information and analysis (pp. 18–19) draws heavily on the first session of the Council on Foreign Relations roundtable held on February 25, 1999. Cited hereinafter as Roundtable One.

<sup>24</sup>On June 30, 1998, after delivering a speech in Shanghai, President Clinton was asked about areas of disagreement between the United States and China, and specifically about the Taiwan issue. In response, he stated, "I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or two Chinas, or one Taiwan—one China. And we don't believe that Taiwan should be a member in any organization for which statehood is a requirement."

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settle for only one of its demands, the result might have been more positive. The reasons for the apparent miscalculation are revealing.<sup>25</sup> First, the Chinese reportedly believed Japan would be under pressure to strengthen ties with China after the successful June 1998 U.S.-China summit, so this would force it to make concessions to China. Second, the Chinese assumed Japan would act to gain China's support in its campaign for a U.N. Security Council permanent seat. Finally, the Chinese thought Japan would be eager to dispel any impression that it was overreliant on the United States. The Chinese failed to understand that, rather than fearing being regarded as overreliant on the United States, the Japanese were determined not to appear to be kowtowing to China.

### JAPANESE POPULAR OPINION

#### *Long-Term Chilly Trend*

To understand the domestic dynamics underlying Japan's evolving China policy, it is useful to examine both popular and elite opinions. Fortunately, there are good polling data on Japanese public opinion about foreign affairs issues. Unfortunately, there are no Japanese data separately reporting the views of Japan's opinion leaders, so no "scientific" comparisons of Japanese popular and opinion-leader views are possible.<sup>26</sup>

What is striking, despite notable ups and downs, is the long-running downward trend in Japanese popular sympathy toward China. This shift appears to be mirrored in elite opinion as well.<sup>27</sup>

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<sup>25</sup>The following factors were reported by a knowledgeable participant in Roundtable One, who in turn drew on conversations with Chinese analysts.

<sup>26</sup>No "scientifically" valid polling data on Chinese public or elite opinion are available. Chinese polling, particularly on hot topics such as attitudes toward Japan and the United States, usually appears to be drawn on narrow, and perhaps selected, samples.

<sup>27</sup>However, as noted, no polling data on elite opinion are available, so this assessment is necessarily impressionistic. Sometimes elite opinion leaders, such as media commentators, imply a nearly universal Japanese public reaction to an event, such as President Clinton's June 1998 China visit, while polling data indicate otherwise. Japanese elite opinion is covered in this report on p. 22.

A 20-year polling effort by the Japanese Prime Minister's Office has tracked the Japanese "feeling of affinity toward China" and related issues.<sup>28</sup> According to these polls, "affinity" toward China, which started at over 60 percent in 1978, reached almost 80 percent by 1980, before dropping back to the high 60s and mid-70s during most of the 1980s. However, Japanese affinity or warm feelings toward China dropped to just over 50 percent after the 1989 Tiananmen incident. It recovered somewhat in connection with the emperor's 1992 China visit, only to fall below 50 percent between 1993 and 1997.

Polling data from the same series show a similar erosion in Japanese public perceptions of the health of China-Japan relations. In 1986, more than 76 percent of Japanese said China-Japan relations were very good or good, and 14 percent said they were bad or pretty bad.<sup>29</sup> In October 1989, in the wake of the Tiananmen incident, only about 50 percent of Japanese said relations were good or pretty good, while about 38 percent said relations were bad or pretty bad. After some recovery in connection with the emperor's visit, Japanese perceptions of the state of relations plummeted again in 1995-96 after China's nuclear and missile tests. By 1996, 39 percent of Japanese said relations with China were good or very good, while more than 50 percent said relations were bad or very bad.

Other polling data show similar trends.<sup>30</sup> A United States Information Agency (USIA) poll showed that Japanese opinions of China grew worse in early 1996 after Beijing conducted military exercises near Taiwan.<sup>31</sup> China was widely disliked (50 percent unfavorable and 43 percent favorable) and actually

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<sup>28</sup>Japanese Prime Minister's Office, "Public Opinion Poll Concerning Foreign Affairs" (Gaiko nikansuru yoron chosa), October 1997, and "Worsening Mutual Images in Japanese-Chinese Public Opinion Polling" (Nitchu yoron chosa de sohono imeji akka), *Asahi Shimbun*, August 31, 1998.

<sup>29</sup>The rest didn't know or couldn't say.

<sup>30</sup>USIA Office of Research and Media Reaction, "Japanese Public's Views of China," Opinion Analysis, April 30, 1999; "Mr. Obuchi's Neighborhood: Japanese Public Views of China, Russia and South Korea," Briefing Paper, October 29, 1998; and "Asian Publics See China as Important Power, but Not Key Partner," Briefing Paper, October 27, 1998.

<sup>31</sup>USIA, "Japanese Public's Views of China."

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topped North Korea in Japanese public perceptions as a threat to the region.<sup>32</sup> However, on the eve of President Jiang's November 1998 visit to Japan, majorities again had a favorable opinion of China (57 percent versus 36 percent) and thought relations with China were good (59 percent versus 28 percent).<sup>33</sup> This turnabout reflected the media's positive spin on both the Jiang visit and Japan's anger toward North Korea after its August 1998 missile firing over Japan.

### *Greater Wariness toward China*

However, the same 1998 poll showed a growing wariness of China, reflected in the considerable uncertainty about China's potential and its impact on Japan and the region. When asked which country would be "most influential overall in East Asia in the next 5–10 years," 52 percent of Japanese picked China, far ahead of the United States at 16 percent or Japan at 9 percent.<sup>34</sup> Japanese opinion was divided closely over whether China would or would not be a threat, with 41 percent of Japanese regarding China as a peaceful country interested primarily in economic growth and 38 percent viewing China as an expansionist military power.

Japanese perceptions about which country will likely be most influential in Asia, and which country will be Japan's most important security and economic partner, turned up important results. By 79 to 5 percent, the Japanese picked the United States instead of China as Japan's most likely medium-term security partner; 56 percent of Japanese picked America as their most important medium-term economic partner, while 24 percent picked China.

Despite criticism among some Japanese foreign affairs opinion leaders that President Clinton's China trip in June 1998 went too far to accommodate China and needlessly slighted Japan's feelings, Japan's man-in-the-street did not seem to

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<sup>32</sup>Ibid.

<sup>33</sup>USIA, "Mr Obuchi's Neighborhood."

<sup>34</sup>Ibid.

agree. When asked after Clinton's China trip to assess the importance of improved U.S.-China relations to Japan, by 63 to 18 percent, Japanese said better U.S.-China relations were in Japan's interest.<sup>35</sup>

#### JAPANESE ELITE OPINION

##### *Continuities . . .*

There are strong continuities in the Japanese elite's opinion of China.<sup>36</sup> Most foreign policy opinion leaders support the view that the U.S.-Japan security alliance should remain the pillar of Japanese foreign policy. Former strong sentiment on the left for accommodation to China's sensitivities is steadily losing ground as Japan grows more wary of China. Most significant is the elite consensus that Japan's interests are best served by China's economic development and political stability, despite growing concern about the consequences of China's "rise."

Japan's foreign affairs elite favors working to bring China into the international system, rather than to contain or isolate it. More than Americans, the Japanese identify the "China threat" as more likely to stem from domestic instability and weakness than from militarization and aggression. Few Japanese politicians argue for a confrontation with China on human rights or other values issues. The Japanese are not unmoved by China's human rights problems but are wary of raising the issue, fearing that China will quickly accuse Japan of hypocrisy owing to its war crimes record and that such criticism will negatively affect Japanese investment in and trade with China.

##### *. . . But Also Significant Change*

Continuities in Japanese elite attitudes toward China outweigh discontinuities, but there have been significant changes during

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<sup>35</sup>For Japanese elite views after Clinton's China trip, see pp. 27-29 in this report.

<sup>36</sup>The following information and analysis (pp. 22-25) draws heavily on the second session of the roundtable, held on March 16, 1999, and hereinafter cited as Roundtable Two.

the 1990s. Popular and elite reactions to the Tiananmen crack-down, China's muscle-flexing over the Senkaku Islands and Taiwan, and its 1995 nuclear tests have all been important factors leading to more skeptical, and perhaps reluctantly realistic views of China.<sup>37</sup> Though Japanese elites are more concerned now than before by China's military modernization and its military's domestic political role, this trend should not be overplayed; the Japanese are watchful, not alarmed.

One shift in the dynamics of China-Japan relations is Japan's declining interest in making apologies for its wartime record, particularly when under pressure. Younger Japanese, including officials and politicians, feel little personal responsibility for a war they experienced, if at all, only as children. Pointing to the substantial Japanese historical literature on Japan's war crimes, young Japanese resent China's harping on their alleged reluctance to confront war crimes.<sup>38</sup> They particularly resent broad Chinese judgments about contemporary Japan and Japanese based on actions in World War II, and often note the sharp contrast between Japan's postwar freedoms and China's postwar political regime and human rights record.<sup>39</sup>

Japan's elite, like its public, has moved from strong empathy to an increasing wariness and jealousy of China. Writing in *Foreign Affairs* in 1991, Yoichi Funabashi, Japan's most widely read foreign affairs commentator, argued that "Japan . . . has a deep-rooted cultural and psychological affinity toward China

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<sup>37</sup>Green and Self, "Japan's Changing China Policy." Also Roundtable Two.

<sup>38</sup>For a comprehensive and accessible illustration in the English language of Japanese historical literature on Japan's war crimes, see Honda Katsuichi, *The Nanjing Massacre* (Armonk: M. E. Sharpe, 1999). The main text of this English-language translation is taken from Katsuichi's earlier *Nankin e no Michi* (The road to Nanjing), published in 1987, with other material (in appendices) taken from other works on the Nanjing massacre published by Katsuichi in 1971 and 1997. This 1999 work includes a superb "Editor's Introduction" by Frank Gibney, which constitutes the best English-language review since the war of how the Japanese have dealt with the war crimes issue.

<sup>39</sup>Yoshihisa Komori, "The Future of Sino-Japanese Relations," paper presented at the National Defense University-sponsored seminar on China-Japan relations, October 1998, in Honolulu, Hawaii. Komori is the China bureau chief for the *Sankei Shimbun*. These judgments also draw on Roundtable Two discussions and the author's conversations with Japanese diplomats and others in Tokyo between 1995 and 1998.

that may take political shape, spurred by mounting frustration over 'Japan bashing' in the United States."<sup>40</sup> He warned that American pressure on Japan over its trade practices might produce a new China-Japan political alignment to oppose American bullying.<sup>41</sup> This didn't happen, of course. What is striking is that Funabashi then felt he was on firm ground by identifying "a deep-rooted [Japanese] cultural and psychological affinity toward China."

Funabashi's tune about the Japanese affinity with China changed considerably by 1998. Writing again in *Foreign Affairs*, he sketched a distant and complex Japan-China relationship: "A rising China will induce critical, painful, and psychologically difficult strategic adjustments in Japan's foreign policy. Japan has not known a wealthy, powerful, confident, internationalist China since its modernization in the Meiji era."<sup>42</sup>

There are more complex and comprehensive explanations than "psychological" difficulties that help explain Japan's discomfort with a rising China. Japanese scholar Iokibe Makoto wrote, also in 1998, that Japan's concern with a rising China is based on three factors. "First, and most basic, is the loss of [Japanese] confidence caused by the faltering Japanese economy." Second, the "Japanese fear the coercive power of a resurgent China [owing to their awareness] of the great harm Japan

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<sup>40</sup>Yoichi Funabashi, "Japan and the New World Order," *Foreign Affairs* 70:5 (Winter 1991/92), p. 72.

<sup>41</sup>Ibid. Funabashi also warned that "[J]apan should refrain from trying to establish an exclusive 'special relationship' with Beijing." In the early 1990s, the early years of the Clinton administration, a number of Japanese foreign affairs opinion leaders, including some diplomats, in reaction to American trade pressures, proposed that Japan reorient its diplomacy away from primary reliance on the American connection to a more balanced, but ultimately more Asia-oriented and more China-oriented strategy. As U.S.-Japan trade frictions eased in the mid-1990s, and as the Japanese took a close look at their limited options in the face of greater Chinese assertiveness and the Asian financial crisis, few, if any, Japanese argued for loosening Japan's special relationship with the United States in favor of a more China-oriented or more Asia-oriented diplomatic strategy. In fact, for a variety of security and economic reasons, the idea of Japan's throwing most of its resources toward a more "Asia-oriented" diplomacy and away from primary reliance on the United States never made a lot of sense.

<sup>42</sup>Yoichi Funabashi, "Tokyo's Depression Diplomacy," *Foreign Affairs* 77:6 (November/December 1998), p. 32.

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inflicted on China when it was in a debilitated state.” Third, the Japanese were more comfortable with the rigid, hierarchical, bipolar Cold War system than they are with a new “pluralistic, multilayered system.”<sup>43</sup>

Japan’s reputation as the star Asian economic modernizer lasted throughout the twentieth century. Since the mid-1990s, however, there has been a growing perception both in Japan and abroad that Japan and China may be “trading places” in terms of economic momentum and regional political influence. As Funabashi recently noted, “Japan has long viewed itself as the leading Asian country. Most Japanese remain unconvinced that China will emerge as a regional leader, but others wonder if Japan’s dominant position [in Asia] has not proven to be an aberration.”<sup>44</sup> Despite Japan’s ODA “largesse” and its diplomatic engagement with China, there is a growing sense in Japan that the two countries may turn out to be natural rivals. Now, “China’s rise to world prominence commands the world’s attention. The perception that Japan and China are trading places in Asia has started to spread.”<sup>45</sup>

### *“Japan Passing” and U.S.-Japan Alliance Fidelity*

Japan and its opinion leaders were most worried about U.S. alliance fidelity during the first Clinton administration because of its lack of strategic focus and especially its emphasis on trade-deficit reduction. On these scores, the Japanese were reassured gradually from 1995 with the U.S. initiative to redefine the U.S.-Japan security alliance in post-Cold War terms. This said, however, as Japan’s earlier rose-tinted views of China vanished and as its economic self-confidence ebbed, it was left with a significant reservoir of apprehension about both U.S. alliance fidelity and China’s directions. Some Japanese journalists and diplomats evinced continuing concern that American

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<sup>43</sup>Iokibe Makoto, “Tough America, Kindly Japan,” *Japan Echo* 25:6 (December 1998), pp. 22–23.

<sup>44</sup>Funabashi, “Tokyo’s Depression Diplomacy,” p. 32.

<sup>45</sup>*Ibid.*, p. 31.

political leaders might join American businesses in a dash past Japan for China.

In the mid-1990s, the belief that Japan was declining economically started to spread within Japan.<sup>46</sup> Japan's reign as contender for America's position as the number-one world economic power showed signs of ending in 1993, when the World Bank and the International Monetary Fund (IMF) published new projections (based on purchasing power parity) that China was on the verge of replacing Japan as the world's second-largest economy.<sup>47</sup> These projections seized the world media's attention. One of America's leading experts on China's economy questioned the assumptions underlying the World Bank and IMF reports and the relevance of their projections, but his critique received little general publicity.<sup>48</sup>

In another blow to Japan's national economic prestige, the *International Herald Tribune* reported in late 1994 that American businessmen were bursting with enthusiasm for new opportunities in China and had concluded that it was not worth spending time and effort in Japan, where strong domestic competition, government regulations, and other barriers stymied American market penetration. Even the American ambassador to Japan was quoted expressing his understanding of why

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<sup>46</sup>John B. Judis, "The Myth of Japan's Decline," *The New Republic* (November 1997). According to Judis, "The notion [of Japan's decline] started in Japan, not in the U.S., back in 1995, when Japanese journalists and government officials began bemoaning what they called 'Japan passing.' It was an ambiguous term meaning both that the U.S. was surpassing Japan economically as well as bypassing it for alliances with China and other Asian countries." Judis is correct that the term "Japan passing" came into use in Japan beginning in 1995, but it was apparently first applied in the geopolitical/diplomatic sense of "bypassing [Japan] for . . . China" in 1996.

<sup>47</sup>See *World Development Report 1995: Workers in an Integrating World* (London: Oxford University Press, 1995) and *World Economic Outlook* (Washington, DC: International Monetary Fund, 1995).

<sup>48</sup>Nicholas R. Lardy, *China in the World Economy* (Washington, DC: Institute for International Economics, 1994), pp. 14–18. After recalculating the size of China's economy based on a variety of different assumptions, Lardy concluded that a more realistic projection of the size of China's economy using the purchasing power parity concept would place it "well behind the United States, three-quarters the level of output of Japan, but well ahead of Germany and other major industrial countries."

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Americans were “spend[ing] more time elsewhere in the Asian market.”<sup>49</sup>

In 1995, *Daily Yomiuri* commentator Yasuhiko Shibata used the newly coined term “Japan passing” when he lamented that Japan “was no longer a rising economic power competing for first place,” but rather was on the verge of “losing its status as the center of Asia.”<sup>50</sup> Unless Japan changed its arcane business and government practices, Asian financial, transportation, and information networks would move inexorably to Hong Kong, Shanghai, Singapore, and Seoul, dooming Japan to the role of “a small, remote island nation on the fringes of the global network.”

After American diplomatic attention refocused on China in mid-1996, chagrined Japanese foreign affairs commentators adopted the term “Japan passing” to connote fear that Japan might also lose America’s strategic attention and favor to China.

Japanese observers were surprised that the United States and China stepped up the level of their dialogue and began planning for a new round of summit diplomacy only months after China’s March 1996 Taiwan missile tests and the April 1996 Clinton-Hashimoto Tokyo summit.<sup>51</sup> They had assumed that the chill in U.S.-China relations following Taiwan President Lee Teng-hui’s 1995 private visit to Cornell University and China’s Taiwan missile tests would last longer. Anxiety about America’s alliance

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<sup>49</sup> Andrew Pollack, “U.S. Looks Past Japan; Faster Growing Markets Now Beckon,” *International Herald Tribune*, November 5, 1994.

<sup>50</sup> Yasuhiko Shibata, “Japan-Passing’ Could Soon Replace Japan Bashing,” *The Daily Yomiuri*, September 19, 1995.

<sup>51</sup> National Security Adviser Anthony Lake traveled with little fanfare to China in July 1996. There, he initiated a new round of high-level U.S.-China diplomacy. Lake was the highest-level U.S. government official to visit China after the sharp downturn in U.S.-China relations following Taiwan President Lee Teng-hui’s 1995 private visit to the United States and China’s 1995 and 1996 Taiwan missile “tests.” Secretary of State Warren Christopher traveled to Beijing in November 1996, after which it was revealed that the United States and China were planning to exchange visits by President Jiang (in 1997) and President Clinton (in 1998).

fidelity and strategic sense spread among some Japanese politicians, diplomats, and journalists,<sup>52</sup> including through grim jokes about America's purported strategic shift from "Japan bashing" to "Japan passing" and then perhaps to "Japan nothing."<sup>53</sup>

Meanwhile, Tokyo's own relations with China fell into an unexpected ditch after political difficulties in 1996 over the Senkaku Islands and Prime Minister Hashimoto's allegedly "private" visit to the Yasukuni shrine.<sup>54</sup> China unnerved Japanese leaders by fervidly describing China-Japan diplomatic relations in mid-1996 as worse than at any time since 1972—all this as U.S.-China relations appeared again to be on an upswing.

Visits to Japan by the U.S. vice president, secretary of state, secretary of defense, and Speaker of the House in March and April 1997 assuaged Japanese concern that America's reengagement with China would leave Japan out in the cold. Yet "Japan passing" fears resurfaced in June 1998 when President Clinton visited China for ten days without stopping in Japan. Japanese media commentators also generally considered the president's mention in China of Japan's lagging role in stimulating its

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<sup>52</sup>These concerns were also far from universally held among Japan's foreign affairs elite. Makoto, writing in 1998, termed "immature and extreme" the "fretful sense within Japan that America has abandoned Japan for China as its major partner in Asia." He continued, "As partners America can be at ease with, Japan and China are worlds apart." Makoto, "Tough America," p. 22.

<sup>53</sup>"Japan bashing," "Japan passing," and "Japan nothing" are alliterative in their Japanese renderings.

<sup>54</sup>Japanese rightists in 1996 briefly occupied one of the Senkaku Islands, leaving behind a makeshift "lighthouse." If their intention was to exacerbate tensions with China and force the Japanese government to reassert Japan's sovereignty claims and administrative rights to the unpopulated Senkaku Islands, the ploy worked. The Japanese government was forced to react to both the unannounced rightist occupation and later efforts by Hong Kong and Taiwan political activists to land on the Senkakus and, thereby, embarrass the governments in China, Taiwan, and Japan to take a stand. China's actions, on the whole, served to turn down the heat, but there was fallout in bilateral relations. China also felt the need to react strongly to Hashimoto's "private" visit to the Yasukuni shrine to Japan's war dead, as they had in 1985 after a visit by then Prime Minister Nakasone. Although Japanese cabinet ministers often visit the Yasukuni shrine in the face of strong Chinese objections, among postwar prime ministers only Nakasone and Hashimoto have visited the Yasukuni shrine.

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economy in the face of the Asian financial crisis as an inappropriate comment about an ally, especially in the context of a visit to a non-allied country.<sup>55</sup> Funabashi elaborated on these complaints in his 1998 *Foreign Affairs* article, asserting that America was guilty of insensitivity toward Japan, that the alliance was weaker than it seemed, and that America might even “jilt” Japan in favor of China.<sup>56</sup>

Japanese elite concerns over “Japan passing” boiled down to a fear that Americans, by incorrectly appraising China’s potential and Japan’s problems, were devaluing Japan in favor of China. Not all Japanese were worried about the United States making a long-term strategic mistake, but even a few more sanguine Japanese feared that American officials might inadvertently kowtow to China on an important political or security issue, thereby undercutting Japanese and American prestige in Asia.<sup>57</sup> Japanese politicians and diplomats were also fearful, as they have been since Nixon’s China visit in 1972, that American political leaders might blindside and embarrass them.

### CHINESE PERCEPTIONS OF JAPAN

#### *Traditional Paradigms*

Chinese perceptions of Japan have also displayed both important continuities and important changes over the past decade. American academics have long targeted China as a key strategic

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<sup>55</sup>The president’s comments about Japan in China were not dissimilar from numerous public remarks made by American economic policymakers in early and mid-1998. For a more stinging version of what Japan was reportedly hearing privately, but widely, from American government officials during this period, see a commentary by the former director of the National Economic Council in the Clinton administration, Laura D’Andrea Tyson, “Don’t Worry: China Isn’t Following in Japan’s Footsteps,” *Business Week*, April 1998.

<sup>56</sup>Funabashi, “Tokyo’s Depression Diplomacy,” pp. 33–34.

<sup>57</sup>Private conversation with a senior Japanese diplomat in Washington, DC, February 1999.

area for the United States.<sup>58</sup> Given their limited access to Chinese officials, American academics have extensively interviewed foreign affairs and security analysts working in government institutes. They have also carefully studied the analyses and commentaries on Japan and China-Japan relations made by China's official media. American academics work on the assumption that the views shared by their Chinese counterparts are similar to views they convey to Chinese officials, and that official views, in turn, closely reflect institute thinking.

Although they acknowledge Japan's importance, Chinese analysts rarely display much warmth or sympathy toward Japan.<sup>59</sup> On the whole, Chinese analysts convey a sense of ambivalence and wariness toward Japan. Chinese security analysts typically convey a stark "gloom and doom" approach toward security issues involving Japan, while Chinese students of the Japanese economy and specialists on Japan convey a more balanced view.

In the global strategic hierarchy conveyed by Chinese analysts, only the United States ranks as China's peer competitor, with Japan following as a second-tier power.<sup>60</sup> Nevertheless, Japan's status as a significant nearby military power, its influential roles in the G-7, G-8, and the United Nations, and its economic importance, particularly to China, make good relations with Japan crucial for China. The Chinese rank Japan as the second most important "foreign" (i.e., not including

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<sup>58</sup>There is an extensive American academic literature analyzing trends in China-Japan relations in the 1980s and 1990s, with a strong emphasis on Chinese and Japanese mutual perceptions. The literature is prolific on the Chinese side of the ledger but much thinner on the Japanese side. For the classic study on these relations in the 1980s, see Whiting, *China Eyes Japan*. For recent excellent studies on these same topics in the 1990s, see Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security* 23:4 (Spring 1999); and Bonnie Glaser and Banning Garrett, "China and the U.S.-Japan Alliance at the Time of Strategic Change and Shifts in the Balance of Power," paper for the research project "America's Alliances with Japan and Korea in a Changing Northeast Asia," Asia-Pacific Research Center, Stanford University, October 1997.

<sup>59</sup>The following information and analysis (pp. 30-37) draws heavily on Roundtable One as well as on insights in the works already cited.

<sup>60</sup>Private conversation with a Chinese diplomat in Tokyo, November 1996.

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Hong Kong and Taiwan) trade and private direct-investment partner, following the United States. These facts are widely understood by Chinese.

There are important differences of approach among Chinese analysts, but four recurring negative themes represent typical Chinese “mainstream” views about Japan.<sup>61</sup> First, the Chinese generally share a “historically rooted and visceral distrust of Japan,” according to a seasoned observer of Chinese attitudes toward Japan.<sup>62</sup> Strong Chinese views are rooted in modern history, namely Japan’s nineteenth- and twentieth-century invasions of China, its war crimes, and its inability to offer what the Chinese consider a clear apology and a “correct” view of history. These negative attitudes prevail among both Chinese elites and ordinary Chinese.

Digging deeper, Chinese views about Japan are more complex and nuanced, ranging from admiration to jealousy. However, American observers see a substantial and perhaps even growing “psychological” or “affinity” gap in the mutual perceptions held by the Chinese and Japanese elites—despite the more than five decades that have elapsed since World War II.

Second, Chinese assessments of Japan’s national character are markedly different from those held by most Americans, especially assessments by America’s Japan experts. The Chinese commonly assert that the basic Japanese character has changed little since World War II, and that Japan is incapable of developing either the political climate or the moral values necessary for a serious apology for war crimes. By contrast, American students of Japan think its postwar politics have been shaped by a strong strain of cultural pacifism.

Third, many Chinese assert that it is highly likely that Japan may soon cast off all pacifistic restraints and again remilitarize, i.e., expand its defensive forces into offensive capabilities. They assert that Japan is intent on playing a larger regional and

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<sup>61</sup>These four Chinese views about Japan were proposed and discussed during Roundtable One.

<sup>62</sup>Christensen, “China,” p. 52.

global role, even at China's expense. By contrast, Americans generally see Japan as capable of exerting international leadership in supportive, nonmilitary roles.

Fourth, the Chinese claim that Japan is opposed to China's emergence as a great power. They assert that Japan opposes Taiwan's reunification with the mainland and also sometimes assert that Japan is pursuing a calculated policy of perpetuating the gap between the Japanese and Chinese economies.

### *Japan's Pain, China's Gain?*

Recently, however, a number of Chinese analysts have commented on Japan's decade-long economic downturn and the implications for China.<sup>63</sup> While these analysts predict a shift in regional power in China's favor, they fear that Japan's relative economic decline will not necessarily benefit China. In contrast to mainstream analysts who worry about Japan's alleged character flaws, those who worry about Japan's economic decline speculate that a Japan that cannot overcome its economic problems could become more nationalistic and assertive.

Alluding to the declining Chinese influence with Japan's new crop of political leaders,<sup>64</sup> these analysts are concerned that Japan may move toward an "immature" China policy. Under this scenario, Japanese political forces advocating views inimical to China's interest might prevail, leading to heightened Japanese assertiveness on issues such as the Senkakus, Taiwan, and a revision of Japan's 1947 "antiwar" constitution.

Chinese concerns about the effects of Japan's economic problems are not confined to analysts huddled over crystal balls.

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<sup>63</sup>These alternative views were also adduced by one of the participants in Roundtable One.

<sup>64</sup>In Japan, as in the United States, the generation of political leaders that normalized relations with China has been replaced by a new generation of political leaders that generally lacks the passionate commitment to and understanding of the intricacies of dealing with China, particularly on Beijing's sometimes difficult terms. The Chinese lost many avenues of influence when many of their long-cultivated Japanese contacts were scrambled in the political upheaval within and outside the Liberal Democratic Party during the 1990s. Thus, Chinese fears of declining influence in Tokyo are based on some appreciation of present reality and future trends.

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In 1998, Chinese leaders told high-level unofficial American visitors that without Japan's economic recovery, Asian and global economies cannot prosper.<sup>65</sup> This admission of China's dependence on a healthy Japan helps put the relevance of wartime history and newer security issues in some perspective. However, such Chinese admissions of dependency have not featured prominently in Chinese media reports and commentaries.

### *Wartime History: Still Unresolved*

Despite recent concerns over the impact of Japan's economic downturn on China's economic and security interests, Chinese leaders have consistently tended to overestimate the extent to which Japan would resume its military role. Neuralgia about Japan among Chinese leaders is based on strongly negative impressions formed during World War II.

In the late 1980s, with Japan's extraordinary success and new tensions between the United States and Japan, especially over trade, the Chinese feared that Japan might again turn to militarism and take a more independent path. They were next concerned that the reaffirmation of the U.S.-Japan security alliance in 1995-96 would give Japan new technology and security perspectives, which it could use to enhance its independent military role should the U.S.-Japan alliance weaken in the future. They were especially concerned that the new guidelines allowing Japan to act in some situations involving surrounding areas were the first step in an expanding Japanese military role.

China, heretofore the weaker power, has used the wartime-history issue to gain economic concessions from Japan. The Chinese understand that the wartime-history tool is losing effectiveness as the Japanese increasingly question why, given China's growing economy, Japan should provide concessionary loans in perpetuity.<sup>66</sup> In the wake of Japan's cool reception of

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<sup>65</sup>Private communication from a participant in a high-level unofficial dialogue with Chinese leaders, July 1999.

<sup>66</sup>These Chinese views were discussed during Roundtable One.

President Jiang's November 1998 visit, the Chinese are reassessing the utility of the history tool, yet it is unlikely that they will drop the issue.

By playing to popular animosity toward Japan, China's leaders are able to boost their nationalist credentials, a key legitimizing component of Communist rule in the postrevolutionary era. The Communist Party uses the media to inculcate Chinese citizens with patriotic propaganda glorifying the party's role during the anti-Japanese war of the 1930s and 1940s. Under this influence, China's younger generation may have negative views of Japan as strong or even stronger than those of older Chinese.<sup>67</sup> But though the younger generation may have a strong negative attitude toward Japan, since it is not based on deep personal experience, it is more subject to change than the attitudes of the older generation.<sup>68</sup>

There are limits, however, to anti-Japanism as a domestic propaganda strategy. When China's leaders try to bolster their legitimacy by promoting nationalism, they run the risk that anti-Japanese passions will lead to unintended political consequences. Media commemorations of the 40th anniversary of the end of World War II, for instance, helped spark student demonstrations in Beijing in 1985. Before they were squelched, the demonstrations turned to the topics of domestic corruption and illicit political influence. In 1996, activists in Hong Kong and Taiwan put both China and Japan on the defensive over the Senkaku Islands issue. Chinese leaders moved quickly to rein in anti-Japanese sentiment when they perceived threats to both China's interest in stable relations with Japan and their own domestic political positions.

### *Less-Charitable Chinese Views of the U.S.-Japan Alliance*

Chinese attention to the U.S.-Japan alliance and related security issues intensified during the 1990s. In the early 1990s,

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<sup>67</sup>An observation discussed during Roundtable One.

<sup>68</sup>This useful point was made by one of the readers of this paper.

## *The United States, Japan, and China*

in a period when China was still uncertain about where the post-Cold War world was heading, many Chinese analysts feared that escalating U.S.-Japan trade tensions might spill over and undermine security relations, thereby removing a constraint on Japanese military options and adding to China's own security headaches.

The focus of Chinese concern shifted after U.S.-Japan trade tensions lessened and as tensions over Taiwan increased. In 1995 and 1996, the United States and Japan (less vocally) reacted negatively to China's Taiwan missile tests, pledged to strengthen their security alliance during the April 1996 Clinton-Hashimoto summit, and embarked on a drawn-out reexamination of their Joint Defense Guidelines.<sup>69</sup>

With Taiwan clearly in mind, Chinese concerns about the direction of the U.S.-Japan security alliance peaked during 1996 and 1997, as Japanese domestic debate focused on the proposed revisions of the 20-year-old guidelines, the first step of which

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<sup>69</sup>The intellectual, political, and bureaucratic roots of the American and Japanese attempt to "strengthen" their security alliance between 1995 and 1997 are complex, but include the following factors: (1) an attempt to reaffirm the alliance's relevance after the end of the Cold War and in the wake of widespread expectations that the United States would follow its withdrawal from the Philippines with a larger pull-down of U.S. military personnel in the region, mirroring ongoing cuts at that time of U.S. forces in Europe, (2) an attempt to ensure that the kinds of political and operational misunderstandings that dogged the U.S.-Japan relationship during the Persian Gulf War of 1990-91 would not recur in any Asian contingency, and (3) the results of a 1994 study of a Korean contingency that convinced both American and Japanese planners, bureaucrats, and politicians that U.S.-Japanese misunderstandings over logistical matters in the context of a Korean contingency could both imperil the response to such a contingency and seriously impair, if not end, American popular support for the U.S.-Japan security alliance. The proposal to review Japanese logistical support for U.S. forces in an Asian contingency was contained in the November 1995 Japanese National Defense Program Outline, approved by (Socialist) Prime Minister Murayama's cabinet. This reportedly would have been foreshadowed during the planned Clinton-Murayama summit following the November 1995 meeting of the leaders of the Asia-Pacific Economic Cooperation group in Osaka, but the bilateral summit was put off due to the U.S. budget crisis. Nevertheless, some Chinese thought it was not mere coincidence that the first high-profile mention of the planned review of the U.S.-Japan Joint Defense Guidelines came in April 1996, when President Clinton finally met (new) Prime Minister Hashimoto, a month after Beijing's final March missile tests and military exercises in the Taiwan Strait.

was completed by both countries in September 1997.<sup>70</sup> While briefing the Chinese at various stages in the evolution of the new revised guidelines, the Americans and the Japanese attempted to make the guidelines process as transparent as possible, even while stressing the modest logistical goals of the effort.

The Chinese response to these briefings varied, reacting often to the state of the debate within Japan.<sup>71</sup> Sometimes the Chinese Foreign Ministry spokesperson asserted that China would take Japan and the United States at their word but implied that China would watch carefully to make sure they held to their pledges. At other times the Chinese sharply questioned Japanese and American motives and asserted that they were trying to move beyond a strictly defensive relationship toward a comprehensive use of their alliance for broader regional security goals.

### *Concern About the Political Implications of TMD*

As the guidelines moved from study to implementation, Chinese attention shifted to TMD.<sup>72</sup> Strident Chinese official criticism of TMD research was balanced somewhat by more nuanced unofficial Chinese views. Chinese scientists and military analysts told Americans academics that over the short term, while TMD's viability remains in doubt, Chinese objections will remain "only political." They have pointed out that even if TMD proves viable, it will not be able to provide a

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<sup>70</sup>While the revised Joint Defense Guidelines were announced in September 1997, the production of this document was only the first step in a very lengthy process. The second step, partially completed in May 1999, required Diet approval of new legislation to clarify the conditions under which Japan might respond to an American request for logistical assistance during a regional contingency. Other legislative proposals may be forthcoming. The much lengthier and more involved third step in the guidelines revision process requires the creation and exercising of new U.S.-Japan bilateral planning mechanisms and new Japanese internal procedures to respond to a possible regional contingency or other security contingency.

<sup>71</sup>Whenever Japanese politicians battled noisily among themselves over whether Taiwan should or should not be explicitly covered or excluded in the guidelines process, the Chinese weighed in strongly that they needed assurances Taiwan would be explicitly excluded.

<sup>72</sup>This section on Chinese concern about TMD draws on Roundtable One.

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complete defense for Japan or Taiwan. Some Chinese analysts have agreed privately that development of TMD is driven by legitimate American concerns about its global defense needs and the proliferation of weapons of mass destruction. But almost all Chinese have tried to draw a red line around Taiwan.

### POSSIBLE BENEFITS OF HANGING TOUGH

From a hard-nosed political viewpoint, the reaffirmation of the U.S.-Japan security alliance, their work on the guidelines, and joint U.S.-Japan research on TMD may have forced China to admit that Japan has security interests that must be addressed. Over the past few years, the pace and level of China-Japan official security dialogues have been raised, a goal the Japanese have long sought.

American and Japanese efforts to strengthen their alliance may have also pushed China toward greater interest in multilateralism; e.g., China has become more positive about the ARF in the past several years. This development, which holds future promise for preventive diplomacy and confidence building, usefully supplements the U.S.-Japan security alliance and other America-centered bilateral security arrangements in East Asia. By refusing to speculate on what might happen in a Taiwan contingency, the United States and Japan have done what they can in this context to deter Chinese aggressiveness vis-à-vis Taiwan.

### AMERICA'S STRATEGIC AND TACTICAL CHOICES

The consensus among American strategists is that America should remain militarily committed in East Asia by maintaining military forces overseas, the U.S.-Japan security alliance, and other bilateral security alliances and arrangements. Only a very small number of nonofficial American strategists argue that the United States should disengage, leaving it to China, Japan,

and others to develop new security arrangements.<sup>73</sup> If pressed, American strategic analysts likely would articulate one of the five following paradigms for managing America's relations with China and Japan.

- *Realpolitik balance.* America balances between China and Japan, treating them equally for strategic purposes, since there are no permanent foreign friends or foes.<sup>74</sup> America's goals should be regional equilibrium and its national interest. This strategy is based on the following observations: America's military presence in Northeast Asia allows "Japan and China [to] coexist despite their suspicions of each other"; unlike in Europe, "the nations of Asia view themselves as distinct and competitive . . ."; "[In East Asia] there is no pretense of collective security or that cooperation should be based on shared domestic values . . ."; and American calls for a "Pacific Community on the European model [are] received with polite aloofness . . . because the nations of Asia . . . do not want an institutional framework that might give potential Asian superpowers—or even the United States—a major voice in their affairs."
- *Accommodate China.* The United States seeks a "stable equilibrium of power in Eurasia" by recognizing and accommo-

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<sup>73</sup>Christopher Layne, "A House of Cards: American Strategy toward China," *World Policy Journal* 14:3 (Fall 1997), and his "Rethinking American Grand Strategy: Hegemony or Balance of Power in the Twenty-first Century?" *World Policy Journal* 15:2 (Summer 1998); and Ted Galen Carpenter, "Washington's Smothering Strategy: American Interests in East Asia," *World Policy Journal* 14:4 (Winter 1997–98). Layne proposes that the United States abandon its strategy of global military preponderance in favor of "offshore balancing." With specific regard to China and Japan, he argues China's rise to great power status provides a powerful incentive for Japan to become a strategically self-sufficient great power as well. Rather than fearing Japan's great power emergence, he argues, the United States should exploit it. The optimum U.S. policy should be to allow China and Japan to contain each other, while the United States watches from a safe distance. Carpenter argues that there is no need for the United States to have a large number of forward-deployed forces in East Asia; it should husband its resources and be the regional balancer of last resort.

<sup>74</sup>Henry Kissinger, *Diplomacy* (New York: Simon & Schuster, 1994), chapter 31, esp. pp. 826–28.

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dating the reality of China's critical strategic importance to America's Eurasian geostrategy.<sup>75</sup> This strategy recognizes that the U.S.-Japan alliance, in contrast to NATO, does little to entrench "American political influence and military power on the Eurasian mainland." Inherent dilemmas are how to arrive at the "acceptable scope of China's [role] as the dominant regional power" and how to manage "Japan's restlessness over its de facto status as an American protectorate."

- *Worry about a security dilemma with China.* The United States promotes regional equilibrium by maintaining its security alliance with Japan, but it also recognizes that inappropriate changes in the U.S.-Japan alliance could spur a vicious defense-offense security spiral in East Asia.<sup>76</sup> As the United States and Japan move ahead on the study of TMD, they should carefully factor in Chinese concerns and consider limiting their deployment of TMD in Japan solely to American forces. To further mitigate misperceptions, the United States should caution Japan to take more seriously Chinese complaints about the wartime history issue.<sup>77</sup>
- *Japan the "linchpin."* The United States relies principally on its security alliance with and presence in Japan to promote regional peace and stability. This presence provides leverage "to encourage constructive and discourage aggressive Chinese behavior. . . . [While] there are grounds for optimism about China's future political orientation and external behavior . . . there are also large uncertainties [and] positive

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<sup>75</sup>Zbigniew Brzezinski, "A Geostrategy for Eurasia," *Foreign Affairs* 76 (September/October 1997), p. 5, and his book *The Grand Chessboard* (New York: Basic Books, 1997).

<sup>76</sup>Christensen, "China."

<sup>77</sup>This proposal was made by one member of the roundtable, but was generally regarded as offensive to Japan, unworkable, or overly idealistic by other roundtable members.

engagement [should] be coupled with a healthy dose of realism.”<sup>78</sup>

- *Offshore balancer.* The United States militarily disengages from the region and ends its security commitments to Japan and other Asian states. Watching from afar, it lets Japan and China “contain each other” by “the kind of power balancing behavior that is normal in international politics.”<sup>79</sup>

With the exception of the fifth strategic paradigm (Offshore balancer), the other policy prescriptions need not be mutually exclusive. There are significant differences between America’s choices now and its choice at the opening of the twentieth century. The East Asian balance of power has vastly changed; American military capabilities in the region are vastly greater, and East Asian expectations of America’s role are vastly different.

In the new era of multilayered international relations, the complex interplay of political, bureaucratic, and nonstate actors has introduced a kaleidoscope of interests, values, strategies, and tactics. Elements of all five strategic choices figure in the debate over national security and economic policy. Some may argue that a little containment may be best in a given situation,

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<sup>78</sup>Daniel I. Okimoto, et al., *A United States Policy for the Changing Realities of East Asia* (Stanford, CA: Asia-Pacific Research Center, Stanford University, 1996), p. x. See also Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Vintage Books, 1998); Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China’s Search for Security* (New York: W. W. Norton, 1997); and “The United States Security Strategy for the East Asia–Pacific Region, 1998,” electronic version (Washington, DC: Department of Defense, International Security Affairs, Japan Desk, updated November 1998), especially section 2, “Strengthening the U.S.-Japan Alliance,” p. 11, where the term “linchpin” is used. For a critical review of the Bernstein–Munro and Nathan–Ross books, see Layne, “A House of Cards.” Layne argues that while Bernstein and Munro “reflect the containment perspective” and Nathan and Ross “at least superficially, are aligned with the engagers,” when all is said and done “there is a mainstream [American] consensus view about the future of the Sino-American relationship and that within this consensus the differences between containers and engagers are of degree, not of kind” (pp. 77–78).

<sup>79</sup>Layne, “Rethinking,” and Carpenter, “Washington’s Smothering Strategy.” See also Layne, “A House of Cards.” For a counterargument, see Michael Mochizuki, “The Past in Japan’s Future,” *Foreign Affairs* (September/October 1994).

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while others may argue that a balance of power, “Japan first,” or even “China first” approach may be more appropriate. Thus, apparent strategic choices may be reduced to tactical arguments.

The American official view, and probably the view of most American strategic analysts, supports the fourth option—maintaining close U.S.-Japan alliance ties while trying to integrate China into existing and new regional and global institutions.<sup>80</sup> This is the option countries in East Asia expect the United States to follow. Their judgments about American wisdom and finesse in implementing this option will strongly affect their receptivity to American influence of all kinds.

Whatever the views of East Asian elites and policymakers about China, its potential, and its intentions, there is no doubt that the leaderships of all the East Asian states feel most comfortable with the idea of the United States exercising its power and influence to integrate China as a responsible partner in global and regional politics. None of the East Asian states would feel comfortable with an America that tries to accommodate most of China’s desires. Some might appreciate a new realpolitik spin in Washington, especially if it entailed less American attention to human rights and other values topics. Except for the directly involved states in Northeast Asia, few other East Asian countries are thinking much about the potential security dilemmas associated with introducing TMD.

### PROMOTING SECURITY

#### NO OVERARCHING SECURITY ARCHITECTURE?

America’s task is not easy. A veteran observer of American policy in East Asia, writing in 1997, after praising America’s efforts that year to improve relations with China and Japan, criticized what he characterized as America’s almost exclusive

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<sup>80</sup>See “The United States Security Strategy for the East Asia–Pacific Region” and Okimoto, et al., *A United States Policy*.

reliance on sets of separate, uncoordinated bilateral relations. America's stress on bilateral relations, he asserted, betrayed the lack of an overarching East Asian security architecture. He likened this purported approach to a wheel with spokes attached to a hub, but with no rim to give the wheel coherence.<sup>81</sup>

This criticism may be unfair to the Clinton administration's first-term efforts to promote Asian regional security, but it raises the question of whether the next term's efforts to articulate its foreign and security policy were up to the task. The new American policy envisioned by the Clinton administration promoted the ARF and other regional dialogues, while noting America's intention that regional dialogues should supplement, not supplant, American alliances, overseas basing, and other security arrangements. The administration also pioneered the idea of holding leadership meetings during the annual meetings of the Asia-Pacific Economic Cooperation (APEC) group. Furthermore, the first Clinton administration tried, albeit with limited success, to promote "track-two" Northeast Asian security dialogue involving China, Japan, Russia, both Koreas, and the United States, as well as the Four Party Talks involving China, both Koreas, and the United States.

To inform and influence Congress and other domestic and foreign elites, the Defense Department issued four "strategy" reports on East Asia and the Pacific (in 1990, 1992, 1995, and 1998). Like its predecessors, the 1998 report compiled a checklist of America's security goals: maintaining American forces in East Asia at current levels; maintaining alliances with Japan, South Korea, and Australia; working in the ARF to promote confidence-building measures; engaging North Korea in Four Party Talks; improving relations with China; encouraging other security dialogues; and limiting the proliferation of weapons of mass destruction.<sup>82</sup>

Perhaps these reports could do a better job articulating the wider strategic framework for America's security policy in East

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<sup>81</sup>Lucian W. Pye, "The United States and Asia in 1997," *Asian Survey* 38:1 (January 1998).

<sup>82</sup>"The United States Security Strategy for the East Asia-Pacific Region."

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Asia. The Defense Department's approach in conveying at great length the complex range of East Asian "strategies" arguably fails to convince critics that the United States has an "overarching security architecture" for East Asia. Read closely, the separate country and topical sections of these reports often are aimed at a variety of supporters and critics of existing policies. The result sometimes can be a muddle of justifications for various "strategic" courses of action.

Whatever its possible architectural shortcomings, the Defense Department's "Security Strategy for the East Asia-Pacific Region, 1998" reiterated that the U.S.-Japan security alliance remains the linchpin of America's security strategy in East Asia. The report did not mention the new goal of a "constructive strategic partnership" with China that was announced during President Clinton's June 1998 visit to China, referring instead only to America's policy of "long-term and comprehensive engagement" with China. It thereby ducked the question of how the goal of seeking a "strategic partnership" fit into the overall United States security strategy in East Asia. The most recent report also referred to the U.S. desire for a "prosperous and stable China," as opposed to previous iterations that sought a "stable, prosperous, and strong China."<sup>83</sup>

### AND NO FORUMS FOR MANAGING CHINA AND JAPAN POLICY IN TANDEM

Without a relevant and effective regional security organization or an overarching security architecture, America lacks an important tool for managing its relations with China and Japan. In Europe, NATO, the EU, and the Organization for Security and Cooperation in Europe (OSCE) all provide frameworks in which France, Germany, Great Britain, and other countries,

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<sup>83</sup>"The United States Security Strategy for the East Asia-Pacific Region," section 2, "Enhancing Out Regional Relationships," subsection, "Strengthening the U.S.-Japan Alliance," p. 11. The East Asia strategic reviews are the product of difficult political and bureaucratic wrangling, according to Washington participants and observers.

often in association with the United States, have overcome historic antagonisms and tackled new problems. In East Asia, in contrast, there are no strong regional organizations in which China and Japan can “nest” and work together with the United States on new challenges.

European states and their princely predecessors had hundreds of years to develop systems of alliances, ententes, and other horizontal as well as vertical relationships. Their nobilities and bishops owed varying degrees of allegiance to superior regimes, including the Holy Roman Empire, other empires, and the Vatican, all of which claimed supranational authority. Modern European states have cultivated both their sovereignty and institutions for interstate cooperation. In contrast, Asia’s more culturally diverse and geographically dispersed states, most of which have exercised sovereignty only since the late nineteenth century or since World War II, have not been eager to yield their hard-won sovereignty to fit the demands of supranational institutions.

Though the ARF has brought China, Japan, the United States, and other countries together for dialogue, its focus on Southeast Asia, its reliance on harmony and consensus, and its modest goals all limit its impact. Although China has warmed up a bit to the ARF experiment, it has been one of the drags on attempts to move the ARF away from a focus on confidence-building measures toward preventive diplomacy. China has worked to stifle a formal discussion of the South China Sea but has shown some flexibility when leading ASEAN members have united to press the issue. Japan has been more enthusiastic than China about being “nested” in the ARF. In sum, however, there is no impetus for the ARF to become a strong collective-security organization. Except for the South China Sea islands, a border area between Southeast and Northeast Asia, the ARF claims no mandate with respect to Northeast Asian security issues.

Similarly, in the trade arena APEC is in no way comparable to the EU. The annual APEC leaders’ meeting, while allowing

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leaders to discuss a variety of multilateral and bilateral issues, provides no institutional mechanism to discuss security issues. Furthermore, neither the ARF nor APEC has developed the extensive political and bureaucratic structures that NATO and the EU use to keep their member states deeply and permanently involved.

### FURTHER CONSTRAINTS ON BUILDING A NEW EAST ASIAN SECURITY STRUCTURE

To sum up, in East Asia there is no impetus for a strong mutual defense system like NATO, or even a less-demanding security organization like the OSCE. World War II's legacy continues to shape Japanese and Chinese perceptions of Japan's appropriate security role, thereby limiting the options for regional multilateral security cooperation including Japan.

Postwar Japanese governments have consistently interpreted Japan's constitution as preventing it from joining multilateral security arrangements. Japan has participated in a few U.N. peacekeeping operations, but only in a supportive, logistical role. The degree of Japanese participation in future U.N. efforts is an open question. However, Japan's self-restriction on participating in non-U.N. multilateral security organizations or arrangements is very strong and is based on both consistent cabinet decisions and precedent. This prohibition does not include the U.S.-Japan security treaty, but that treaty merely obligates Japan to plan for its own defense and to consider providing logistical aid to U.S. military forces should they become engaged in a regional contingency.

China has made it clear that it expects Japan to limit its defense interests to immediate requirements and wants the U.S.-Japan security treaty to be so interpreted. Under any foreseeable scenario, China would attempt to block Japan's participation in any collective-security arrangement or security process that would potentially expand the scope for Japan's involvement, direct or logistical, in overseas military missions.

China has taken a skeptical but not a totally negative view of Japan's limited participation in U.N. peacekeeping operations, including in Cambodia.

Japan's self-administered limitations and China's strict supervision aside, it is hard to imagine an effective multilateral security arrangement for East Asia absent permanent or long-term solutions to the Korea and Taiwan issues. Unexpected progress in the Four Party Talks on Korea or in "unofficial" talks between China and Taiwan would change this calculation, but China would still almost certainly seek to constrain Japan's overseas security activity and influence.

## PROMOTING DIALOGUE

As Japan's foreign affairs elites have moved from a more idealistic and distant involvement with Chinese security issues to a more "realistic" and wary attitude toward China, they have been trying hard to gain China's attention. Japan's own security dialogue with China advanced in fits and starts during the 1990s, but when the United States and China resumed their strategic dialogue after 1996, many members of Japan's foreign affairs elite became anxious that Japan might be left out of strategic discussions between the two powers.

Those Japanese who both worried about China's long-term intentions and feared "Japan passing" by the United States made two recommendations. First, they proposed that American leaders talk more often and more convincingly to the Chinese about the benefits of the U.S.-Japan alliance—particularly during high-level diplomatic visits. Those Japanese attentive to small signs in trilateral relations were pleased with the May 1999 Washington summit between Clinton and Obuchi. They gave Prime Minister Obuchi high marks for focusing attention on the common democratic values held by Japan and the United States. They were likewise pleased with President Clinton's

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comments about the importance of the U.S.-Japan security alliance to East Asian security.<sup>84</sup>

The second and more complicated recommendation was that America and Japan should promote trilateral security dialogue in cooperation with China. Proponents of trilateral dialogue made clear that they feared Japan would be left clueless on the sidelines, unless it could join Americans and Chinese in discussions of joint security concerns.<sup>85</sup>

Japanese proponents of trilateral dialogue did not elaborate on their desired agenda, nor were they precise about how and when they would propose to move to official trilateral dialogues—something they clearly wanted. They seemed to hope that the Americans and the Chinese would seize the initiative. Besides media commentators (e.g., Funabashi) and experts on China, proponents of trilateral dialogue included the Foreign Affairs Study Group of the Liberal Democratic Party's Policy Research Council, the Foreign Ministry's Japan Institute for International Affairs, the Japan Defense Agency, and the Japan Center for International Exchange.

The Japan Center for International Exchange, in cooperation with the United States Institute of Peace, other American think tanks, the Chinese Academy of Social Sciences, and other Chinese think tanks, cosponsored three annual trilateral sessions on security beginning in December 1996. The agenda has been broad as well as topical; several reports, including occasional papers and rapporteur's notes, have been issued.<sup>86</sup> One goal is to build a community of academics from these three countries that will investigate the trilateral context of political and security issues.

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<sup>84</sup>"Common Values Reaffirmed" (Kachi kyoyu aratamete kakunin), *Asahi Shimbun*, May 5, 1999, p. 2.

<sup>85</sup>Morton I. Abramowitz, Funabashi Yoichi, and Wang Jisi, *China-Japan-U.S.: Managing the Trilateral Relationship* (Tokyo: Japan Center for International Exchange, 1998). See specifically "Thinking Trilaterally" by Funabashi, pp. 47–60.

<sup>86</sup>For example, see Abramowitz, et al., *China-Japan-U.S.*, and "'Dialogue': U.S.-Japan-China Relations and Asian-Pacific Stability" (Washington, DC: United States Institute of Peace, September 1998).

A second effort, which involved primarily former officials, was coordinated by the Japan Institute of International Affairs, the Chinese Institute for International Affairs, and the Asia center at Harvard University. It held its first planning conference in the summer of 1998, its first regular meeting in January 1999, and the second in September 1999. Finally, Japan's Research Institute for Peace and Security (RIPS), the China Institute of International Strategic Studies,<sup>87</sup> and America's Center for Strategic and International Studies (CSIS) Pacific Forum had three meetings on the trilateral security dialogue in 1996 and 1997.<sup>88</sup>

## THE RESULTS OF DIALOGUE: MODEST TO DATE

There has been sufficient accumulated experience with trilateral and other security dialogues among Japan, China, and the United States to allow an interim report on process questions.<sup>89</sup>

These include

- How fruitful is the China-Japan bilateral security dialogue, and what are its prospects?
- How fruitful is trilateral dialogue? What are its prospects, and is it useful?
- How should the United States treat the fact that Japan is a treaty ally and a democracy and China is neither?
- What are the different goals the Americans, Japanese, and Chinese bring to the table?

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<sup>87</sup>The China Institute of International Strategic Studies, at least in its outreach program, is composed of People's Liberation Army "old boys," largely former defense attachés.

<sup>88</sup>The three meetings were held in January 1996 in Tokyo, November 1996 in Beijing, and November 1997 in Washington. The second meeting was fairly tense, coming as it did during a period of Chinese anger at Japan over the Senkaku Islands and Yasukuni shrine political dust-ups that year.

<sup>89</sup>The information and analysis in this section draws on Roundtable Two and on the third session of the roundtable, held on April 30, 1999, and hereinafter cited as Roundtable Three.

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- At what point, if ever, should a trilateral dialogue be raised to the official level? What type of agenda would be useful?
- If dialogue is raised to the official level, how should the United States and Japan treat issues such as U.S.-Japan defense ties, including the new guidelines, TMD, and the Taiwan issue?
- How should the Koreans and Russia be handled in the context of trilateral dialogue? What should be done if issues of concern to these countries are raised?

### BILATERAL CHINA-JAPAN SECURITY DIALOGUE

Between 1994 and 1998, China and Japan held six rounds of “Two-plus-two” security dialogues among high-level officials from their respective foreign ministries, the Japan Defense Agency, and the People’s Liberation Army.<sup>90</sup> Reportedly, the best meetings were those held in 1994 and 1995; there was no meeting in 1996,<sup>91</sup> and two meetings in 1997 reached no significant accord. Most significant, Chinese Defense Minister Chi Haotian visited Japan in February 1998.<sup>92</sup>

The consensus of Japanese participants as reported by informed Americans is that the bilateral China-Japan security dialogue to date has been only modestly fruitful.<sup>93</sup> On the bright side, dialogue has appealed to Japanese officials and other opinion leaders who believe Japan’s most difficult foreign

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<sup>90</sup>This section draws on Roundtable Two. No information is currently available on the dialogues held in 1998 and 1999.

<sup>91</sup>As noted previously, 1996 was a year of considerable political tension in China-Japan relations.

<sup>92</sup>There was a flurry of uniformed exchanges in connection with the Chi Haotian visit, including a visit by the chief of staff of the Japanese Ground Self-Defense Forces during 1998, and also reciprocal exchanges of military medicine delegations. The idea of reciprocal ship visits was raised during the 1998 Chi visit, but there has yet to be any follow-through. The idea of hundreds of uniformed Japanese sailors visiting Chinese ports, something the Japanese have been able to accomplish in recent years vis-à-vis both South Korea and Russia, is apparently still too sensitive in China. Either that, or the political time is not ripe.

<sup>93</sup>No information is available regarding Chinese participant views on the utility of unofficial and official China-Japan security dialogue.

affairs challenge is to engage China as an equal on security issues. Bilateral dialogue has clarified some positions and built some mutual confidence, and it has helped place inflammatory rhetoric and other incidents outside official channels within a broader context. Bilateral dialogue has also created new personal connections among the participants.

However, Japanese participants and American observers are concerned that the Chinese are still not engaged substantively with the Japanese on security issues. Most Japanese who want to move ahead on both bilateral and trilateral tracks complain that they are having trouble getting traction on the bilateral security track. If the goal is only to meet—and some Japanese think this should be the short-term goal—limited success can be declared. However, other Japanese are frustrated with Chinese interest in nothing more than symbolic security dialogue with Japan.

Some Americans believe that they should encourage Japan to work harder on an agenda to stimulate dialogue and build confidence with the Chinese through a bilateral security dialogue, rather than plow ahead and put ever more resources into trilateral dialogue. They note that trilateral security dialogues typically bog down quickly in complicated linguistic and logistical problems. These factors, along with other, more substantive obstacles, argue for more, not less, bilateral dialogue. Suggested topics for the China-Japan dialogue include nonproliferation, energy, the environment, and transnational terrorism and crime, some but not all of which might be appropriate in a security dialogue involving the People's Liberation Army and the Japan Defense Agency.

#### UNOFFICIAL TRILATERAL DIALOGUE

So far, the only trilateral security dialogue has been unofficial, and the experience has been limited.<sup>94</sup> Even in unofficial channels, Chinese participants, all from government-sponsored

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<sup>94</sup>This section draws heavily on Roundtable Three.

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think tanks, often do not seem eager to accept the Japanese as equals. And when they do treat the Japanese as equals, it has still proven hard in a structured, formal setting to get all the suggested issues—history, Taiwan, mutual perceptions of security, and new security concerns—on the table.

When trilateral dialogue has been well focused, it has sometimes taken on a two-against-one dynamic—i.e., Americans and Japanese versus Chinese. While perhaps not an inherent flaw, the difficulty in breaking out of the two-against-one paradigm has been a problem in getting productive trilateral dialogue going, at least according to some American participants. Not all American participants, however, are as keenly focused on this issue or necessarily agree with this analysis.

Building a community of scholarly inquiry, though important, does little to affect ongoing policy. However, unofficial dialogue can illuminate broad philosophical principles, which could be important in the right context. If and when the parties move to an official trilateral security dialogue, principles derived from unofficial trilateral meetings might be injected into official dialogue.

### ALLY AND NON-ALLY

Underlying the tension in the trilateral dialogue is the difference—from an American perspective—between Japan, an ally and a country sharing common values, and China, which is neither.<sup>95</sup> Though unofficial dialogue and diplomacy are both about influencing other parties, some Americans, for reasons of political affinity, do not approach Japan as they do China. Japan is a close political and security ally, as well as a potential operational ally in an uncertain region. Under foreseeable conditions, China is unlikely to become an ally of the United States. It may become a future opportunistic or an ad hoc American strategic partner, but more likely it will be a diplomatic and political partner rather than an operational one.

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<sup>95</sup>This section draws heavily on Roundtable Three.

The alliance with Japan is the key to the U.S. position in East Asia, and the strength and longevity of the alliance can largely be attributed to the two countries' shared interests and values. In East Asia, Japan provides the military bases and other logistical support that undergird America's regional influence. The United States could not easily extricate itself from the alliance, should it want to, without undermining the foundations of regional and global stability—and its interests throughout East Asia. Meanwhile, common democratic values reinforce U.S.-Japan relations, making the bilateral commitment more than a mere strategic expediency. Polls demonstrate an American-Japanese popular consensus that the alliance and common values make a difference in their bilateral relationship—elements missing in the two countries' relations with China.

A fundamental difference in the official American approach toward China vis-à-vis Japan is the American willingness to contemplate the threat of military force to back up its diplomacy toward China. How the three countries treat the issue of “coercive diplomacy” will affect the issue of China's integration into a potential regional strategic community. The American (and Japanese) strategic goal is to integrate China into regional and global security (and economic) communities. Yet the integration of China into an East Asian or Northeast Asian security community appears to be a distant goal, unless change within China and in key surrounding areas (i.e., on the Korean peninsula and in China-Taiwan relations) occurs much faster than most think is likely. Change within China and in its surrounding strategic areas—space that overlaps American and Japanese interests—needs to proceed in ways that build confidence among the United States, Japan, China, Russia, South and North Korea, and Taiwan.

SAME BED, DIFFERENT DREAMS

Since the three parties bring different goals to the security dialogue, it has been hard to structure an agenda that moves

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substantive dialogue forward. This has been the case with early experiments in unofficial trilateral dialogues and with the official China-Japan security dialogue.

Without a structured agenda, there is little chance of progress on key security issues, and most participants go away feeling substantively unsatisfied. The measure of success, especially in highly political settings, then becomes simply that a meeting has been held. Dialogue may be a useful confidence-building measure, but there are strong doubts about whether dialogue for dialogue's sake, especially at the official level, can be justified in terms of the time and effort of high-level participants. To increase the chances for meaningful dialogue, bilateral and trilateral meetings need to move beyond traditional topics such as mutual perceptions and history.

### OFFICIAL TRILATERAL DIALOGUE

Despite apparent problems and limitations, official trilateral dialogue—with the right preparation—could provide reassurance, clarify misunderstandings, and provide for greater transparency through information exchanges.<sup>96</sup> However, as previously noted, American participants in unofficial trilateral dialogue are cautious about promoting an early move up to official trilateral dialogue. They stress that, to date, there is no consensus on what kind of agenda would be useful. Therefore, they propose to keep the focus on official and unofficial bilateral security dialogues, supplemented with an unofficial trilateral dialogue. Some topics that might be addressed and might also produce tangible results in these dialogues include the Asian financial crisis, the Korean peninsula, nonproliferation, transnational crime, and the environment.

Any official trilateral dialogue should occur opportunistically—i.e., on the margins of other forums, as opposed to creating new, regular trilateral meetings. Some of the obvious

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<sup>96</sup>This section draws heavily on Roundtable Three.

venues include the ARF, ad hoc foreign ministers' meetings, APEC leaders' meetings, and the U.N. General Assembly. An official-level trilateral meeting on the margins of one of these venues could be held, although these events are typically tightly scheduled. Therefore, adequate staff preparation and the right substance are essential for any hope of success. Any institutionalization of this approach, however, would overwhelm substance and purpose and build unrealizable short- and medium-term expectations. To increase the chances of success and avoid raising expectations, it would be best to start any official trilateral dialogue process at the subcabinet or at the assistant secretary or director-general level.

#### DIFFICULT TOPICS

From an American (and Japanese) perspective, the thorniest problem is how to treat U.S.-Japan defense ties, TMD, and Taiwan. There are some clues, however, based on earlier experiences in official and unofficial venues.

The United States and Japan have handled the Defense Guidelines issue with some success, although the Chinese have continued to raise the issue from time to time with the Japanese. At key stages in developing the new guidelines, the United States and Japan separately briefed China, thereby fostering transparency regarding their defense plans and inviting Chinese reciprocity. Briefings stressed the modest steps that Japan contemplated to support American forces logistically in any regional contingency.

Inevitably, China had visceral reactions to any strengthening of Japan's role. Some of this reaction undoubtedly was merely rhetorical. Nevertheless, American and Japanese officials took on the issue, stressing the defensive, nonthreatening nature of the alliance as well as American and Japanese shared regional and global interests. Both sides stressed that they want good relations with China and that the guidelines were not directed against China. The United States and Japan were correctly

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ambiguous regarding Taiwan coverage. The guidelines mention “situations,” not geographic areas. To confirm that Taiwan is covered would be provocative. To confirm that Taiwan is not covered would be weak, tempt Beijing’s aggression, and compromise deterrence.

There is no reason for the United States and Japan to treat the TMD issue any differently than they treated the guidelines. TMD is a key issue for China—not only for transparency and because of its implication for the political situation in Taiwan, but because it would strengthen U.S.-Japan joint activities at the possible expense of relations with China.

Despite China’s concern, TMD should not pose major problems for China if it is positioned on U.S. Navy ships or on U.S. bases in Japan. As an American ally, and as a country facing a missile threat from North Korea, Japan arguably should have the right to choose TMD.

The threat posed to China by TMD, if there is any, would be primarily political. There is a lot of disagreement among technical experts about how effective TMD would be against China’s theater missiles. If deployed, TMD would present no direct threat to China’s military, let alone provide a foolproof umbrella to protect Japan against Chinese military power. Should China resort to the offensive use of missiles, it would likely quickly overwhelm TMD in Japan or elsewhere in East Asia. However, by protecting American troops and sailors against nonstrategic attack, such as from North Korea, TMD would strengthen America’s continued capability to operate in the region.

While China could likely live with TMD in Japan and nearby seas, whether in American or Japanese hands, Chinese rhetoric and private statements indicate that deployment of TMD in Taiwan would be a sensitive issue for China. Even more controversial than the United States’ or Japan’s deploying TMD near Taiwan would be if either transferred TMD technology to Taiwan and included Taiwan in a regional program

involving satellite surveillance and integrated command, control, communications, and computer information.

Taiwan is the most sensitive political issue between the United States and China, but no benefit can be gained by roping Japan into the issue. The *modus operandi* solution worked out bilaterally between the United States and China during the 1970s is in danger of breaking down. The U.S.-China political solution envisioned that the Taiwan issue would be settled peacefully between China and Taiwan. During the 1980s China and Taiwan began their own stop-and-start process to manage cross-strait relations, with the eventual goal of resolving the issues between them.

Japanese foreign affairs opinion leaders, including businessmen, occasionally express concern about whether the United States, China, and Taiwan are as capable of managing the Taiwan issue as they once were. However, Japan has demonstrated no “official” interest in joining as a party in this complicated, contentious political issue.<sup>97</sup>

#### FITTING IN THE KOREAS AND RUSSIA

While excluded from a U.S.-Japan-China trilateral security dialogue context, South Korea and Russia are involved in a number of other forums. As an example, a five-year-old trilateral U.S.-Japan-Russia dialogue has been helpful in building new personal contacts and perceptions among Russians and Japanese. The contacts and insights gained during this dialogue contributed to a reexamination of respective bilateral policies in Russia and Japan, leading indirectly to willingness to work in parallel on the Northern Territories and broader bilateral issues.

To involve both Koreas and build mutual trust, the Clinton administration fostered an unofficial Northeast Asia Security

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<sup>97</sup>While the Japanese show no “official” interest, Japanese private expressions of interest in the Taiwan issue vary from hoped-for noninvolvement, to a realistic recognition that Japan will become entangled should problems erupt in the strait, to a more proactive sympathy, including use of Japanese power to deter China.

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Dialogue including all six relevant countries: the United States, Japan, China, Russia, and the two Koreas. The “track-two” attempt included U.S. and foreign officials, albeit in unofficial capacities. This approach was not a success, but not for want of trying.<sup>98</sup> The United States needs to foster contacts in multi-lateral forums between South and North Korea, but attaining this goal depends largely on North Korea’s readiness to do so. Until that happens, America and South Korea are involved with North Korea on several fronts, most prominently in the Korean Energy Development Organization (with others, including Japan) and the Four Party Talks (including China, but not Japan). Japanese attempts to improve bilateral relations with North Korea have not met with success. A breakthrough in bilateral relations would enhance the prospects for multilateral security dialogue and cooperation in East Asia.

### CHALLENGES IN THE NEXT FIVE YEARS

Experiments in unofficial U.S.-China-Japan trilateral dialogue, according to one participant, have been characterized by either two-against-one confrontations or bland discourse.<sup>99</sup> There are other views, however. A second participant in another strand of unofficial trilateral dialogues has characterized dialogue as a useful forum for exchanging views on trilateral security.<sup>100</sup> In the actual practice of international relations, there may be a relatively flexible, implicit triadic dynamic that tends toward stability.<sup>101</sup> When basic interests are challenged, the affected

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<sup>98</sup>One of the main goals of the Northeast Asia Security Dialogue (NEASD) was to create a new forum in which North Korean academics and officials could have regular contact with counterparts from the other five countries. However, for unclear reasons, the North Koreans attended only the first NEASD session. By 1996, NEASD sessions also featured increasingly acrimonious dialogue between the Chinese and the Japanese.

<sup>99</sup>Roundtable Three.

<sup>100</sup>This useful correction was supplied by one of the anonymous readers of this paper. This participant in one of the several strands of trilateral dialogue was not present at Roundtable Three.

<sup>101</sup>Ming Zhang and Ronald N. Montaperto, *A Triad of Another Kind: The United States, China, and Japan* (New York: St. Martin’s Press, 1999), esp. chapters 5 and 6.

party or parties send(s) a series of signals intended to affect and/or limit the actions of the initiating party. This is not a pattern whereby two necessarily gang up against the other.

How well the three countries manage relations with one another will affect the outcome of Washington's five East Asian challenges over the next three to five years:<sup>102</sup>

- Whether America can facilitate the integration of a China characterized by growing nationalism and fragmented authoritarianism into global nonproliferation regimes, the World Trade Organization, and regional structures including APEC and the ARF;
- Whether America can manage a sullen, stagnant North Korea, while simultaneously pursuing deterrence, the North Korean nuclear freeze, Four Party Talks to replace the armistice, and North Korean food aid;
- Whether the United States can foster stability in the Taiwan Strait up to and beyond Taiwan's presidential election in early 2000, America's November 2000 presidential election, and China's expected party and government leadership changes in 2002-3;
- Whether the United States can foster Japanese structural economic change, lest a persistently weak Japan be a brake on Asian economic growth, a target of protectionism when America experiences an economic slowdown, and a jealous partner if America and China are able to build a more constructive "strategic partnership"; and
- Whether the United States can foster a new spurt of Asia-Pacific integration through ASEAN, the ARF, and APEC, thereby overcoming the effects of the Asian financial crisis, the absence of Indonesian leadership in ASEAN, and the expansion of ASEAN and APEC to new members.

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<sup>102</sup>National Security Council Senior Director for East Asia Kenneth Lieberthal outlined most of these five major challenges in a speech to the Japan Society in New York on July 22, 1999.

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The saliency of China-Japan rivalry and U.S.-China tension will depend primarily on whether one or more of these five issues go off track. An isolated, frustrated China, an unraveling North Korea, a China-Taiwan dust-up, an economically challenged Japan, and/or a permanently weak and leaderless ASEAN could negatively affect all three major East Asian relationships: U.S.-China, U.S.-Japan, and China-Japan. Conversely, if all five major issues are well handled, tensions among the United States, China, and Japan will recede, allowing them to better manage other problems.

### RECOMMENDATIONS

Several recommendations follow from this study of China-Japan relations and the implications for the United States:

- Top government leaders in the United States should think trilaterally and, during major bilateral visits involving either Japan or China, keep the other more fully informed and make comments stressing the importance of the other relationship.<sup>103</sup>
- The United States should strengthen the U.S.-Japan security alliance, the “linchpin” of America’s presence in East Asia, thereby promoting American and allied interests in Korea, at sea, and elsewhere, and increasing leverage on China to respect international rules of the road.
- While maintaining its alliances and other bilateral security arrangements in East Asia, the United States should promote regional dialogues and encourage the ARF process.
- However, the United States should move ahead only gradually with official trilateral security dialogue including China and Japan. If and when tried, trilateral dialogue should

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<sup>103</sup>It was the failure to do this during President Clinton’s visits to Japan in 1996 and to China in 1998 that exacerbated tensions with the other party.

be programmed opportunistically on the margins of other international events, probably starting at the subcabinet level or lower.

- To build a basis for future productive trilateral security dialogue, it would be wise to attempt to make progress trilaterally on nontraditional issues, such as environmental or transnational crime issues. Productive trilateral dialogue and action on these issues might help build some useful rules of the road for progress on harder security issues.
- The United States needs to encourage China to treat Japan as a valued partner rather than as a potential rival, and discourage China from its frequent attempts to disparage and marginalize Japan. As appropriate, the United States should suggest to China that Japan be included in trilateral discussions on specific regional issues.
- Process can matter, but the United States and Japan should also accept that absent long-term or permanent solutions to both the Korea and Taiwan issues, it will be hard to achieve progress toward an effective multilateral security framework in East Asia.
- The United States should articulate more frequently its strategy and goals in East Asia, blending the traditionally separate strands of its China, Japan, Korea, and Southeast Asia policies into a coherent whole. There should be two or more major addresses annually by senior administration officials laying out a thoughtful and comprehensive, not an exhaustive, approach to American policy toward East Asia.<sup>104</sup>
- The United States should consider restructuring the State Department to increase high-level attention to East Asia,

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<sup>104</sup>The early Defense Department East Asia Strategic Reviews (1990, 1992, and 1995) usefully signaled that the United States would not disengage from East Asia, as was widely anticipated after the Cold War and after the American military withdrawal from the Philippines. However, this document series, including its 1998 version, addresses too many domestic and foreign political and bureaucratic elites on too many topics and in too much detail. Former Defense Secretary William Perry's speeches on East Asia were a model of clarity of purpose and articulation.

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a task best considered during the transition to the next administration. New deputy undersecretaries for East Asian political-security and economic-global affairs could be created subordinate to new undersecretaries for combined political-security and economic-global affairs portfolios. This move could strengthen the high-level Washington management of high-profile East Asian issues and increase the frequency and utility of high-level exchanges with officials in Tokyo, Beijing, and other East Asian capitals.<sup>195</sup>

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<sup>195</sup>Despite decades of change, traditionally and institutionally, more high-level foreign policy attention is paid to Europe (and the Middle East) than to East Asia. This reality reflects historical interests and values, the web of cross-Atlantic institutions, and language and culture. Exacerbating these problems, the Chinese and Japanese foreign ministries are quite hierarchical and are well endowed at senior levels with officials whose training leads them to expect high-level attention from Washington on serious issues. The Chinese Foreign Ministry, admittedly an extreme case, has about ten vice and assistant ministers, all of whom rank above American assistant secretaries. The solution proposed, creation of new deputy undersecretaries for East Asian political-security and economic-global affairs, envisions staff savings by combining the four current offices of the undersecretaries for political, security, economic, and global affairs into two offices. If implemented, this move would recognize that political and security affairs overlap, as do economics and global affairs, as in the linked economic and global nature of environmental and transnational crime issues. To increase high-level attention to other regional and functional issues, two or three deputy undersecretary positions could be created subordinate to the two new undersecretaries for political-security and economic-global affairs. Unification of these offices would serve to centralize the currently somewhat fragmented policy formulation and implementation process in the State Department. Deputy undersecretaries for East Asian political-security and economic-global affairs would also increase the State Department's stature vis-à-vis Washington political and bureaucratic actors. On an ad hoc basis, senior State Department officials have been delegated to manage difficult issues, such as relations with Russia, the Middle East, and North Korea. This proposal is meant to ensure that there is senior level attention on a permanent basis to a small group of important East Asian issues as well as overall policy formulation.