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The Japan-China-United States Triangle: Interest, Uncertainty, and Choice

Northeast Asia Working Paper Number 1, November 2006
Prepared by Paul Frandano

Institute for the Study of Diplomacy Northeast Asia Initiative Working Group

The Institute for the Study of Diplomacy founded the Northeast Asia Initiative in the conviction that U.S. diplomacy and policy choices in East Asia must be informed by a strategic vision of American interests. The Northeast Asia Initiative Working Group consists of a diverse, non-partisan collection of regional specialists and seasoned foreign policy practitioners who met for the first time on October 5, 2006. The Northeast Asia Initiative is chaired by Ambassador J. Stapleton Roy and staffed by ISD Associate Paul Frandano. The Initiative is part of a broader project of the Institute, America's Role in the World, which seeks to identify the central foreign policy choices, questions, and priorities a new administration will face as it assumes office in 2009.

Whether or not the dramatic rise of China and India portends an "Asian Century," triangular

relations between Japan, China, and the United States will be at the center of U.S. foreign policy and will pose challenges that American policy makers must "get right" in both near and longer terms. With the 2008 elections and foreign policy platforms squarely in mind, the Northeast Asia Initiative working group will strive to identify U.S. interests and policy options with clarity and foresight, envision plausible choices for managing relationships with Japan and China, and detail the policy implications of warming or cooling trends in Sino-Japanese relations and in their other regional relationships. The Working Group will seek in particular to get beyond disagreements over whether friction and rivalry between Japan and China is beneficial or adverse from the standpoint of US interests. The group will focus on clarifying assumptions and identifying policy options that address the main uncertainties, challenges, and problem areas in managing US relations in East Asia.

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INTRODUCTION

This memo is essentially a “memorandum of conversation” recording the substance of the Northeast Asia Initiative Working Group meeting of October 5, 2006. When the Institute for the Study of Diplomacy conceived an Asia initiative as part of its larger “America’s Role in the World” project, its initial impulse was to produce a perspective on the U.S.-China relationship, by consensus the most challenging and important of all 21st century U.S. foreign policy interactions and one a new U.S. administration must “get right” early in its term. Following consultations with members of the Institute’s Board of Directors, the Institute broadened the regional initiative to include Japan, which remains the pivot of U.S. policy in East Asia and China’s rival for regional preeminence. Whether or not to bring the Koreas into the study as a core concern received considerable discussion, both before and during the inaugural meeting. Although the regional and global significance of the Koreas is clear, neither North or South Korea separately nor the peninsula as a whole rise to the stature of Japan or China in U.S. security or foreign policy calculations. The same might be said of Russia, but for a different reason: Russia is simply less active and less visible in this theater. Hence ISD’s initiative remains focused on the trilateral Japan-China-U.S. interaction and on the goal of providing a perspective on the China-Japan relationship as it affects U.S. interests.

I. SUMMARY

The Northeast Asia Working Group discussed the Japan-China-United States triangle from the point of view of each power’s interests, assumptions, and uncertainties in the Northeast Asia region. The working group was unanimous that—barring a complete upheaval in U.S. Northeast Asia policy—fractious Sino-Japanese relations are detrimental to U.S. regional and global interests. Because the primary business of the meeting was expository, the group reached few conclusions apart from characterizing the topography of the trilateral interaction. Relations center on a double tension between contrary impulses. On one side are U.S. and Japanese efforts to treat China as a trading partner and responsible international stakeholder as well as a potential foe whose ascendancy requires hedging. Opposite these are the efforts of China to demonstrate its status-quo intent while seeking to reduce its vulnerability to U.S. and Japanese actions. The group divided on the overall “direction” of Japanese, Chinese, and U.S. policy in East Asia but generally agreed that of the three only China is implementing a strategic vision of where it wants to be a decade hence. The group raised, but formed no conclusions on, such fundamental concerns as “hedging,” Japan as a “normal country,” or the United States as a rising or declining power in Asia. The group deferred discussions of possible policy responses to the next session, which will take up U.S. policy options in the region.

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II. NATIONAL INTERESTS

Although observers and practitioners of international relations are accustomed to speaking loosely of generic “interests” or more rigorously of particular “national” or “national security interests”—often linked to a specific theories of international politics—the Northeast Asia Working Group and this memo use “interest” and “national interest” generically to mean simply the goals or ambitions of a state. This usage does not imply adherence to any specific underlying theory of international relations, although group members from time to time slipped into “realist” usages and modalities.

Commonalities

Each power in the Japan-China-U.S. triangle has an overriding interest in preserving its national security, a consensus view that comes close to going without saying (although, for precisely that reason, the obvious sometimes needs to be said or written). Each government, moreover, identifies economic might as a principal constituent of national power and advances an array of economic security goals as having a crucial bearing on national political solvency and, in China’s case, survival of Leninist single-party rule. Each defines peace, stability, and mutual benefit as goals of its foreign relations.

United States

The working group agreed¹ the foundation of U.S. influence—and hence the cornerstone of

¹ A note on usage: This text is a loosely coordinated working paper. When it applies terms like “agreed” or “recognized” to judgments of the working group, it simply means that those judgments, tabled by group members, were “allowed to stand”—not specifically opposed—by other members then present. Discussion thus yielded a “sense of the group” this paper tries to capture. Consequently, no view expressed herein should be regarded as having been put to a vote or to any other majoritarian rule of order. This paper was also reviewed in draft by members of the working group, each of whom had the opportunity to contest language and offer emendations to the text.

U.S. interests—in Northeast Asia comes from its willingness to project power to preserve its national security and a corresponding willingness to serve as the region’s security guarantor. The economic dimension of U.S. influence is Washington’s strong, consistent support for open markets—the access each member of the triangle enjoys to the markets of the others is an engine of growth that all have an interest in protecting.

Burgeoning economic ties have a domestic political dimension that group members recognized, as is amply demonstrated by a long history of U.S.-Northeast Asia trade disputes over issues such as Japanese cars and steel, Chinese textiles, and U.S. intellectual property. “Trade and economic performance will continue to be viewed at a political level...(and) will have political implications,” domestically and internationally.

Working group members generally agreed that, within the triangle, the United States has a vital interest in:

- A China that is stable domestically and constructively engaged regionally, whether or not the rubric of “responsible stakeholder” is preserved. For the United States and the region, the most compelling issue is responding to China’s rise.
- Sino-Japanese relations that can at least be termed “functional” and preferably “good.” Dysfunctional Sino-Japanese relations were judged to be inimical to U.S. interests.
- A more confident and independent Japan—a Japan that approximates a “normal country” and is not simply a defeated World War II foe that is now a U.S. ally and sometime appendage.
- Maintaining and strengthening the United States-Japan alliance, with particular attention to the way in which officials on

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both sides talk about the alliance and its objects.

- A strengthened United States-Republic of Korea alliance that remains a pillar of U.S. interests in the region. Moreover, Washington prefers functional relations between allies Japan and South Korea.
- Supporting the growing multilateral institutional architectures in East Asia, whether or not the United States is present at every table.

Japan

Group members agreed that Japanese interests similarly issue from overriding national and economic security concerns, which are pronounced as a result of an acute Japanese sense of vulnerability. Fueling Japan's nervousness are the rapid expansion of Chinese power and influence in the region and North Korea's weapons programs.

Tokyo has a core interest in preserving Japan's strong ties of alliance to the United States, if only as a means of easing its deep sense of vulnerability. At the same time, Japan also wants to become a more "normal country," although group members were unsure what to make of that phrase or its content.

- One thing it presumably means is that an independent, self-assertive Japan would venture out from under the "U.S. yoke," but Tokyo has thus far devised no policies to that end.

Japanese leaders also have an important interest in good relations with rival China, but not at the expense of national pride. Regional history ensures that Sino-Japanese relations are strongly bound by the related dynamics of nationalism and face, which to American observers may seem obscure or exotic.

The working group agreed that other vital Japanese interests include:

- Economic security, including access to external markets and to sufficient quantities of energy.
- Maintaining good relations throughout the region and the world, even to the point of U.S. consternation as in the case of Burma (Myanmar).
- Trusting in regional security arrangements to ameliorate many concerns; for example, Tokyo would rather North Korea not have nuclear weapons but rules preemption out, wants to work within the Six-Party framework, and is willing to participate in a collective tightening of economic screws.
- Retaining, to the extent possible, a measure of regional and global preeminence, if only as an economic power.
- Resolving the abduction-of-Japanese-citizens issue as the top priority in relations with North Korea.

China

Working group members discussed Chinese interests and painted what they agreed was a fairly conventional picture. China seeks to:

- Above all reduce its vulnerability to U.S. actions. In particular, Beijing seeks to pacify its periphery and neutralize U.S. efforts to ring China with military relationships.
- "Stay out of the U.S. strategic headlights" by avoiding provocative behavior in the region and beyond.
- Promote "natural economic territories" and other interdependent linkages in Northeast Asia.
- Promote and build bilateral ties with all of China's neighbors, including Japan and

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North Korea, two notable exceptions to Beijing's thriving regional relationships.

- Participate in an ever-widening range of regional groupings without attempting to control them or their agendas.
- Erode regional perceptions of the “China threat,” which entails improving China's overall image and “soft power”—the ability of Chinese institutions and culture to “attract” admiring attachment—through a variety of diplomatic and propagandistic means.

Within this overall regional framework, China continues to press for reunification with Taiwan and simultaneously seeks to minimize Taiwan's diplomatic maneuverability.

Taking stock of its neighborhood, China approaches the Koreans in much the same way as the United States regards Latin America—as its own “strategic back yard” and natural sphere of influence—and consequently seeks a dominant strategic influence on the peninsula. Its view of the North Korea issue is comprehensive and not solely a nuclear derivative.

- Beijing therefore places considerable importance on the Kim regime's survival. This in turn explains a collateral Chinese concern for North Korea's “presentability,” urging Pyongyang to institute far-reaching political and economic reforms and restraining North Korea's “wild side” from self-destructive behavior.

At the same time, Beijing seeks to establish more comprehensive relations with South Korea, in part by probing the U.S.-R.O.K alliance for openings in the hope of luring Seoul out of the “alliance orbit” and closer to China's strategic orbit. Beijing's neighborly interest includes the longer-term goal of Korean unification into a single state, whole and facilitated by China in a phased manner.

Across the East China Sea, Japan remains China's largest source of imports as well as its third largest export market. China wants a stable, functional relationship with Japan. That said, Chinese leaders have asserted, in unyielding terms, their interest in seeing that Japan face up to the history issue, minimize ties to Taiwan and plan no role in its defense, and forgo service as a sword in the U.S. containment armory.

III. ASSUMPTIONS

As powerful as national interest may be in giving impetus to a state's foreign relations, what decision makers assume about their international counterparts, rivals, adversaries, and partners may be still more important in determining the tracks down which policy runs. In Northeast Asia, as Michael Green has pointed out:

Japanese leaders assumed that engagement with the People's Republic of China would lead to economic convergence between the two nations with Japan as the ‘head flying geese’ because of its more advanced economy. Chinese leaders, in contrast, assumed that Japan would remain focused on economic activities and not become a rival for strategic influence.²

Both assumptions were wrong, and the current Sino-Japanese rivalry is a key source of tension in the region.

Assumptions are closely linked to uncertainty: when leaders do not or cannot “know” what they wish to know. When decision makers

² Michael J. Green, “Understanding Japan's Relations in Northeast Asia.” Testimony for the Hearing on *Japan's Tense Relations with Her Neighbors: Back to the Future*. House Committee on International Relations, September 14, 2006.

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cannot get needed information from diplomatic exchanges, intelligence, or other customary sources, they are compelled to paper over knowledge gaps with assumptions. Their assumptions can range from stereotypes reinforced by anecdotes to opinions fortified by more “scientific” evidence such as professional survey results.

Moreover, as the working group recognized, a necessary part of the picture concerns what *should not* be assumed. Policy deliberation might fall into the rut of inherited assumptions uncritically rolled over from one era or set of circumstances to the next. Or having been forced by exigency to *assume* essential pieces of a policy puzzle, decision makers are liable to commit the error of reification: giving their assumptions the same weight and status accorded to well-established fact.

United States

Generally unstated by working group members is the extent to which differences in political systems color U.S. perceptions of China, an impulse conditioned by the Cold-War habit of viewing the world through a “democracy versus Communism” or an “openness versus conspiracy” prism. Partly as a result, U.S. policy makers are prone to assume that any ambiguity in Chinese behavior masks hostile intent. Some officials and commentators may go farther and reify assumed hostility into matters of fact (implicitly or explicitly derived from predictive theories of international relations).

Group members identified another Cold War legacy that works its way into the U.S. assumptions framework: that America’s influence in East Asia is and must continue to be based on a preponderance of power in the region. Consequently, continuing along those lines, the United States must fulfill now the same regional roles it has filled in the past. This means remaining the pivotal power in a regional “hub-and-spoke” structure of

relationships. Several running U.S. assumptions tumble out of Cold War concepts of America’s role in Asia:

- China will approach the United States with “strategic suspicion.” More specifically, regardless of U.S. policy, rhetoric, behavior, concessions, or testimonials from disinterested parties, most Chinese (and all the Chinese Communist Party leadership) will assume the “real” U.S. objective in China is “regime change,” containment, or some other nefarious goal.
- The United States must retain a substantial military presence in the region to anchor an American “hedging” policy, whether by that or any other name. This includes—regardless of post-QDR-2006 redeployment plans—a continued physical presence in both Japan and South Korea
- The North Korea issue will remain a lively one in dimensions that extend beyond the nuclear question.
- Japan will continue to expand its own national capacities and roles, politically and militarily.

U.S. policymakers should assume, the group averred, that the Chinese economy would continue to gallop along at a growth rate of some 10-percent per year. That said, group members also agreed that policy staffs should not be absolved from considering the consequences of a substantially slower developmental pace or from devising suitable positions for such contingencies.

Finally, the group recognized the role of trade in creating China’s global interests. A large portion of Chinese imports and exports are aboard Chinese maritime carriers. As such, the group agreed U.S. (and Japanese) decision makers should anticipate that China’s commercial interests have created a demand signal for the PLA Navy to be out and about,

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in ways more substantial and blue-water than a simple regional defense capability.

Japan

Most working group members have little reluctance in characterizing the relationship between Japan and China as one of “rivalry.” For the first time since 1895, when a rising Japan defeated China in the First Sino-Japanese War, the two countries have comparable levels of national power. As Japan looks out over the region and toward a rising China, it will act on the conviction that it is locked in a struggle for regional preeminence and influence with a long-time rival.

From this central Japanese assumption cascade other apprehensive suppositions:

- Japan assumes the transparency of its good will in the region and sees itself at the aggrieved party.
- At the same time, by moving swiftly to visit Beijing and Seoul in his first week in office, Prime Minister Abe is acting on the assumption that Japan has mishandled the history issue without explicitly coming out and saying so.
- Japan interprets China’s intention in the region as one of overtaking first Japan and then the United States and sees itself as losing out to China’s more skillful diplomacy and political influence.
- The Japanese leadership assumes that American involvement in the region is *not* a given and that—in the face of China’s alluring markets— it must look for ways both to keep the United States in play on Japan’s behalf and to “hedge” against a possible U.S. departure.
- Japanese leaders anticipate that any regional strategy they devise will be closely tied to the United States, regardless of the periodic dissatisfaction of various

Japanese leaders with aspects of the U.S. relationship.

The working group offered no speculation on Japanese assumptions about its Korea relations. In light of burgeoning China-South Korea trade and a Beijing-Seoul alignment on soft positions at the Six-Party table, however, Japan presumably sees the peninsula as another field on which Sino-Japanese rivalry will be played out.

China

Working group members agreed Chinese assumptions in the region begin with a “strategic suspicion” of the United States and conclude with a belief that the United States is implementing a “neocontainment” strategy—most visible in the strategic encirclement of China by U.S. friends and allies—to constrain Chinese growth and influence. To Beijing, the United States is inherently untrustworthy on the big existential question. Beijing assumes it can work with the United States on a variety of issues but in the end sees Washington as a fair-weather friend.

At the same time, Chinese leaders believe that time is unshakably on China’s side and that Beijing’s regional strategy—neutralizing U.S. encirclement, promoting an economic sphere of influence, building good bilateral and multilateral relations in its neighborhood, and undermining regional perceptions of a “China threat”—is working.

But Beijing views Japan as the sole clear exception to its run of successes in the region and assumes a position of blamelessness for the deterioration in relations. Chinese leaders might even claim their North Korea policy as successful insofar as Beijing has played a central role in the six-party talks and in bringing Pyongyang back to the table. But they clearly perceive the Japanese side, and Koizumi in particular, as bearing the major share of responsibility for a problematic relationship.

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Moreover, working group participants tend to agree that Beijing sees Japan as party to the U.S. scheme of constraining China. That said, the views of Chinese policy analysts seem distinctly mixed. Many Chinese also see the United States as a resident constraint on resurgent Japanese nationalism, read in Beijing as “militarism.” One group member cited an oft-heard Chinese sentiment: “We’re not worried about Japan now. We’re worried about Japan when you leave.”

The Chinese leadership thus assumes it will be difficult to stabilize ties with Japan and that strains will remain for some time. That said, given a shared trilateral interest in expanding economic interdependence, Beijing assumes the possibility of putting a reasonably stable floor under Japan relations.

Beijing further assumes that stopping the Yasukuni visits may help but cannot resolve the problem, which springs from structural factors discussed above. Moreover, Chinese leaders see the U.S.-Japanese two-plus-two statements on Taiwan as posing a strategic problem Beijing needs to address both diplomatically and, failing that, with suitable preparations for military contingencies.

IV. UNCERTAINTY

Working group members agreed that, to a significant degree, China and Japan will devise their regional strategies and policies substantially in response to U.S. decisions. Within the Japan-China-U.S. triangle, Tokyo and Beijing define themselves and their choices either in resistance to or cooperation with U.S. plans and interests. The United States is, *pace* Reggie Jackson, the “straw that stirs the (strategic) drink” in East Asia.

The predictability of regional responses to the U.S. lead—not point predictability, but simply the inevitability that any U.S. action will elicit corresponding policy responses from regional leaders—makes the direction and velocity of

U.S. policy in Northeast Asia the region’s key uncertainty. And uncertainty over U.S. intentions in the region creates a cascade of uncertainties over national policies in the region, at both the strategic and tactical levels.

The working group’s discussion of prospective areas of major uncertainty continually circled back to questions that involve U.S. intentions and policies in the region and the reliability of U.S. commitments. The discussion tended to acknowledge the extreme path dependence of intertwined Japanese, Chinese, and American behaviors, policies, interests, and domestic politics.

United States

The working group agreed that the depth of U.S. preoccupation in the Middle East raised far-ranging questions about the attention span of U.S. policy makers, the American policy process, and therefore about the capacity of the U.S. government to direct needed resources to other areas of national interest. This necessarily creates a sense of considerable uncertainty in Northeast Asia about the durability of U.S. commitments and about America’s willingness to bear the costs of serving as the region’s security guarantor.

Similarly, group members identified uncertainties driven by post-election U.S. politics, citing most importantly the rising populist discontent in both parties. In addition, members saw calls for trade protectionism and aggressive immigration control as possibly undermining America’s commitment to free markets.

The working group saw the hierarchical ordering of America’s key relationships in East Asia—and how the resulting structure will be managed—as critical. Specifically, members viewed as uncertain whether the perceived “Japan-centrism” of current U.S. policy would persist as a legacy or give over to a more neutral or China-centric policy. U.S. movement in any direction would produce sizable repercussions throughout the region.

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If “Japan-centrism” were to be inherited from the current administration, a compatible U.S. strategy might be to seek a bifurcated Asia.

- This would entail pulling closer to Japan to deal with Chinese ascendance in ways that might compromise relations with China and those countries that choose to align themselves with Beijing.

Alternatively, the U.S. might seek something closer to an honest broker’s middle path between Chinese and Japanese interests. This struck group members as hardly conceivable in any context resembling the current one.

To most members, questions remained concerning how far the United States wished to go in supporting Japan’s ambition to be a “normal country.” The group saw the double-edged character of Washington wanting Japan take a more active role in Asia, diplomatically and militarily, as an adjunct to the American regional security posture. Although Abe talks about “normal” in terms of a relatively benign capability to, say, dispatch a Japanese military vessel to respond to a U.S. naval distress signal, the real issue, as one member notes, is elsewhere. It has to do with Japan’s ability to deploy “certain forces” under “certain contingencies” in “certain contexts.” Some easy-to-imagine contingencies—in the Taiwan Strait, for example—would provoke outrage in Beijing if not elsewhere in the region.

Some group members raised concern over how the United States will relate to “countries like China”—that is, countries that are so politically and culturally unlike the United States that policy makers may find interactions unduly difficult, disagreeable, and fraught with discomfiting nuance and sensitivity. This question is underscored by the perceived dearth of East Asia talent in various policy offices and agencies of the U.S. government.

Japan

Most of the “known unknowns” that mattered to group members involve Japan’s

desire to be different from what it has been for the last 50 years. Precisely how different is uncertain. The group focused on the myriad possible definitions and characteristics of a so-called “normal country”—along with the as yet unresolved contours of any future Japanese rearmament—as having the most significant consequences for the region and for U.S. interests.

Several important related concerns spill out of this. For example, working group members recognize that the key rearmament-issue subtext is Tokyo’s response to the North Korean nuclear program. Despite Prime Minister Abe’s efforts to head off a national debate over nuclear weapons, some LDP leaders seem determined to force the question.

Nuclear uncertainties add to questions about whether, and by how much, Japan might at some point seek to distance itself from the United States. Members discerned an emerging tendency for Tokyo to be assertive on security issues in ways that sometimes constrain U.S. freedom of action on the same issues. For example, Japan was said to have moved to take positions on North Korea before the United States had taken its own position and, without consulting with the United States, was a key driver of the U.N. North Korea resolution and took the initiative on the kidnapped Japanese.

The group saw uncertainty in Japan’s interest in greater independence from U.S. weapons systems and in relying more on its own defense industry—a tendency that does not augur the end of the alliance but is nevertheless worth noting. It is also a trend that is offset, a member noted, by the considerable cooperation of U.S. and Japanese defense establishments on missile defense issues.

China

Arguably the number-one uncertainty for China is its lack of strategic confidence in the

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United States and the American approach to China, Japan, Korea, and the region at large. Beijing's concern is exacerbated by the vagaries of U.S. elections and the waxing and waning of Congressional influence in China policymaking.

China's opaque policy process renders uncertain what steps the leadership believes it must take to minimize the effectiveness of American hedging. At some point Chinese calculations might call for greater, more deliberate and direct efforts to weaken the U.S. political and diplomatic presence in Asia. This does not yet seem to be in the cards.

For some group members, the contours of Chinese nuclear force modernization are uncertain and might go in several directions that would raise concern throughout the region and the United States. Nuclear modernization might move beyond a one-for-one warhead replacement toward building a larger, more diverse nuclear deterrent or a fleet of attack submarines that, armed with cruise missiles having nuclear warheads, might potentially cruise off the U.S. coast.

The working group agreed that political succession is a major uncertainty in all three countries, and nowhere more so than in China. The 17th Party Congress will meet next year to begin the process of identifying the post-Hu Jintao leadership, and jockeying has already begun. The way in which Hu and his national security team have managed the U.S. relationship will come under peer-level scrutiny.

China's vulnerability to economic shocks and global macroeconomic cycles mark an area of uncertainty for a country as heavily dependent on trade as is China. As one group member pointed out, China has not put in place the robust economic policy instruments needed to manage a major shock—for example, a U.S. recession—and the leadership hasn't really given such steps much attention.

The group did not address—and was probably better off not having addressed—the uncertainties that surround Beijing's effort to manage the domestic social and political strains of rapid economic transformation. Domestic stability is a higher priority than any issue on the foreign policy horizon, none of which now involves existential stakes for China or its leaders. High levels of unemployment, though, may be acutely destabilizing, and party leaders are quick to connect the possibility of disorder to life-and-death stakes for the Party. This year the official media nervously reported that the economy created only 11 million jobs for 25 million Chinese entering the job market.

The group also pointed to China's aggressive diplomacy and economic interaction in the Middle East, Africa, and Latin America, which create uncertainty within the triangle. Moreover, not only U.S. and Japanese officials wonder about Beijing's intentions. So too do leaders in the focus regions themselves and in other, mostly European, countries that have long-established ties to the regions and that compete for the same attention, resources, and commercial opportunities.

Finally, the working group called attention to a variety of Taiwan political and economic contingencies that could pose problems for China. As one member noted, Taiwan remains “the one issue in the world” that could precipitate a major-power war.

V. CHALLENGES AND OPPORTUNITIES

The working group considered a long menu of “challenges” that, if viewed from the reverse side, might just as easily be termed “opportunities.”

United States

The group discussed various formulations of the challenge—or opportunity—posed by China's growing strength and expanded role and by the need for the United States to

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respond in ways that best serve its interests. If that's once again stating the obvious, the obvious here requires a clear statement. "The great challenge for Washington is to devise a policy that advances U.S. interests in adapting to China's new strength and expanded role."

On balance, members agreed that any U.S. effort to limit or offset China's role would damage U.S. interests. "And it wouldn't succeed, so why bother trying?" That said, several voices were raised in support of a U.S. "hedging" policy that strikes others—and the Chinese as well—as giving in to just such a constraining impulse. The question of hedging remained open and will be returned to in the next session.

The most significant U.S. challenge to its Japan relations may simply be a two-step: reaching a coherent, balanced view within the U.S. government of what the Japanese role should be in the alliance, then sitting down with the Japanese to harmonize the U.S. position with their own views.

- Given Abe's fast start with the Chinese, Yasukuni will probably have been worked out by 2009, and a new U.S. administration might be able to focus on ways to be helpful in cementing improved relations between China and Japan.

A similar challenge will be to divine a way of helping Japan and Korea strengthen ties, and to do so without being needlessly confrontational toward China. The group agreed with high confidence that the North Korean nuclear issue would still be with us in 2009. So too would South Korea's relative lack of alarm over—if not warm embrace of—the North's weapons program, the progeny of which Seoul refers to, one member pointed out, as "the Korean bomb" and a heritable deterrent after reunification.

Group members also agreed that being well-positioned in the cross-Taiwan Strait relationship was a key challenge for the U.S.

side. Chinese leaders generally default to a presumption that the United States seeks to hinder closer ties between Taiwan and the Mainland. Washington will have to work to counter this impression. The incoming U.S. administration will need to absorb at the earliest opportunity the centrality—for better *and* worse—of Taiwan in the overall U.S.-PRC relationship.

Finally, one group member made a vigorous pitch for the U.S. government to support speedy, successful conclusions to Free Trade Agreements in East Asia as well as to the Doha Development Agenda. The group member argued such steps were needed helps for the U.S. business community in Asia.

Japan

Japan's most significant challenge naturally mirrors that of the United States. Japan too needs to devise a policy that responds to the expansion of Chinese power and influence in every significant dimension—economically, militarily, diplomatically, and culturally—and to do so in a way that advances Japanese interests. Members of the working group emphasized the significance of the Sino-Japanese cultural rivalry, in which China has had the upper hand for millennia.

Despite the relatively robust state of Japan-U.S. ties, Japan will find managing its U.S. relations to be increasingly difficult, especially as Japan undertakes to become a "normal country" with normal security responsibilities. A working group member offered interesting evidence of Japan's wish to go it alone: Tokyo's puzzling wish to bar its ally, the United States, from the 2005 East Asia Summit in Kuala Lumpur. The reason why? "The Japanese want to be themselves, and they cannot be themselves when we're in the room."

Japanese leaders are also beginning to question the sizable dollar demands the United States makes of Japan for security services. And Japanese defense officials may

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be beginning to chafe at U.S. pressure to “do things”—pick up chores from the overstretched U.S. military—with concomitant foreign policy reactions that may or may not redound to Japan’s interest.

The Korean Peninsula represents a cluster of challenges for Japan. In addition to the nuclear issue and the preservation of relative stability on the peninsula, Tokyo would like to bring to closure the bizarre case of the Japanese abductees. Group members cautioned against underestimating Japanese aversion to dealing with North Korea and thus the difficulty of getting to “yes” with Pyongyang over any significant disagreement.

Finally, Japan also faces a number of hardy perennial challenges that stand apart from the array of international forces in Northeast Asia. These include:

- The need to establish secure energy supplies in a context of heightened Chinese (and Indian) demand and of rising tension in the East China Sea over natural gas reserves.
- A dismal fiscal situation that features the world’s largest annual deficit as a percentage of GDP.
- One of the world’s most rapidly aging populations, and one that, as of last year, was also shrinking.

China

Although China is convinced that both events and time are on its side in Northeast Asia, it nevertheless has a variety of challenges and problem areas that it will have to work in the short term.

Beijing’s primary challenge is the flip side of the U.S. and Japanese response to China’s rise: weakening or breaking what the Chinese perceive to be the strategic encirclement of China. Beijing is further tested by a need to do so by devising steps that reduce China’s

vulnerability to U.S. actions but ensuring that any such measures appear legitimate and non-threatening to its major trading partners, the United States and Japan.

Beijing will also be keeping an eye on the 110th U.S. Congress, which may arrive in a feisty, nationalistic, China-bashing mood, eager to investigate exchange rates, job migration, and trade imbalances. Beijing will presumably mount an energetic effort to mollify America’s “China angst.”

The challenge of stabilizing Sino-Japanese ties is formidable despite the efforts of Hu and Abe to give the relationship a fresh start. New thinking—or certainly a willingness to consider almost anything—may be in evidence, however, in the recent comments of a senior Chinese acquaintance of a working group member, who used the term “co-leadership” to describe potential shared Chinese and Japanese roles in Asia.

The Korean peninsula poses a variety of challenges for China. In particular, Beijing is the principal ringmaster and host of the Six-Party Talks, a venue at which Chinese representatives meet with those of Japan and the United States. As host of the process, Beijing has to manage its participation in a way that protects Chinese interests—particularly in the preservation of stability in North Korea—but also periodically shows sufficient promise of movement to keep all parties involved and energized.

Beijing’s recurrent challenge to bring Taiwan to the negotiating table for “reunification talks” may take on a Pan-Blue coloration as Taiwan elects a new president in March 2008 (Taiwan selects the legislature in the preceding December). KMT standard bearer and presidential frontrunner Ma Yingjiu has promised to sign a peace agreement with Beijing. But even this scenario is fraught with uncertainty: as one group member speculated, what if Ma and Pan-Blue wins and then decline to engage?

VI. LOOKING AHEAD

The group discussed several transnational or otherwise overarching issues that didn't fit neatly into national bins of narrative and that also looked forward to the business of a second meeting. Hence their inclusion here in this concluding section.

At the same time, key aspects of the Japan-China-United States landscape went generally unremarked. Several of these are also raised briefly here, with an eye to the next meeting. The list is far from exhaustive, and nominees for additions are welcome.

Things Said. . .

Three Dynamic Factors. Throughout its meeting, the working group moved in and around three broad trends that are shaping relations in the Japan-China-United States triangle. One of these—Japan's national conversation over rethinking and reconceptualizing its role in the region and the world under the rubric of "normal country"—received substantial attention by the working group. Two others were periodically alluded to but not addressed head on. The first is the U.S. force repositioning now under way in the Pacific, which includes troop drawdowns in Korea and Japan, an expanded presence and major enhancements to facilities on Guam, and a major redeployment of naval forces to the Pacific Fleet. The second is China's aggressive drive for secure access to large quantities of raw materials. In the trilateral arena, this is playing out as a mounting global competition for energy resources—primarily in the Middle East but also in Africa and Latin America—in which each trilateral power is a major contestant. All three of these shaping issues deserve the group's full and focused attention.

Proliferation. The reality in East Asia has changed in ways that demand attention. The working group had a good exchange on WMD proliferation and North Korean

nuclear weapons, with several substantial interventions, mostly in future tense and conditional mood. That was four days before the North Korean test, and at that moment "what if?" became "what now?" As group members observed before the fact, the prospective test threatened to blow the lid off the NPT nonproliferation regime. Members also pointed to the recent U.S.-India civil-nuclear accord as taking a further step in that direction—a step, moreover, that that miffed China, which promptly offered to sell Pakistan up to eight nuclear reactors for \$10 billion. Food for thought in January.

United Nations. Interesting in at least two dimensions: as an arena of Sino-Japanese rivalry (in which China and the Koreans played critical roles in dashing Tokyo's hopes for a Security Council seat) and as an arena of surprising Sino-U.S. cooperation. As one group member observed, "One of the things that's emerged in the Middle East crisis is how important it has been to us to have China as one of the permanent members"—that is, a perm rep genuinely disposed to working with Washington. Even when Beijing was unwilling to support U.S. policies, it continued to work collegially with the American team in ways the French and Russians, for example, would not.

Multilateralism. The group enjoyed a constructive disagreement on multilateralism in Northeast Asia and whether or not the United States ought to participate earnestly in the range of East Asian multilateral forums. Some members pushed out strongly in support of vigorous participation. Others were disinclined, "not want(ing) to depend for U.S. national security on multilateral security organizations such as they exist in East Asia." That said, the clear sentiment at the table was that the United States had fallen behind the multilateral curve in East Asia and was still perhaps over-wedded to the comfortable paradigm of U.S.-centric hub-and-spoke bilateralism.

Oldthink vs. Newthink. In the multilateral discussion as well as at other points in the discussion, the subtext—mostly implicit but surfacing from time to time—was on a need to creatively rethink America’s position, modes, and orders in East Asia as well as analytic assumptions that underlie the U.S. assessments in the region. Several members challenged the group to think creatively and unconventionally about East Asia and the intersection of critical interests there. New power relationships, new economic ascendance, patterns of rise and decline all figure into what, in a Kuhnian universe, might be termed “the end of normal East Asia,” or East Asia as we believe we’ve known it. What might constructively replace the current order?

Rising Powers. The working group had an extremely animated exchange over whether the United States was a rising or declining Pacific power. Emphatic voices around table took issue with the provocative suggestion that the United States was in decline (and that Japan was “dead in the water” and all but finished in terms of regional influence) and produced evidence in the form of positive advances in U.S. influence—in alliance building, in both balancing and engaging China, in regional participation in hedging, and elsewhere. In general, the yeas outweighed the nays and, in addition, called attention to areas that aren’t going so smoothly for China—overreliance on exports, demographic woes as Chinese baby boomers hit their golden years, and others—that might yet cause difficulties.

“Hedging.” Some of the “rising powers” discussion took the form of an exchange on whether hedging, a declaratory U.S. policy, advances or impairs U.S. national interest. Some members of the group saw “hedging” as an unfortunate measure that reinforces Chinese misgivings about the United States and containment. Others saw it as a positive boon both to the United States and to U.S.

partners in the region who fear the growing might of China but must live in its shadow. Those in the working group who had reservations about hedging would like the policy much better if it were not a declared one but were simply muttered of in the corridors of power. In this connection, one observer, referring to the United States playing catch up on multilateralism in the region, noted that, “even though we’re talking about managing China’s rise, (China) may be managing us,” forcing the United States to follow its lead from behind simply to try and stay even with China’s superior diplomacy.

Diplomatic Capacity. This is one of the next meeting’s central topics but an area in which group members have already made important observations. Members uniformly agreed that China has the current diplomatic edge in Northeast Asia and in Asia in generally. One member termed the Chinese “more affable” and “more charismatic” than the Japanese. The Chinese are, by the group consensus, also surpassing both Japan and the United States in getting their own story across in the region and are putting other public diplomacy efforts in the shade. As one member noted, the United States is still seen in Asia as a very strong power, but also as a very bumbling power, without a strategy for the region and with the weakest East Asia expertise in government that any Asian can remember.

. . . Things Left Unsaid . . .

Terrorism. Almost 40,000 words were spoken at the working group meeting, and the term “terrorism” was not among them. M.I.A. Precisely why is difficult to say when all three powers and virtually all other states in the region have suffered from terrorist attack and are—with a few exceptions—cooperating well on the issue.

The Environment. “Environment,” on the other hand, received five mentions: two that had nothing to do with “environmental affairs” and three that did. Cooperation on

environmental issues seems a natural for the region. In the Japan-China-United States triangle the environment is a highly salient issue, and for a different reason in each country—in Japan because its honor and effort have been so heavily invested in the Kyoto Protocol, in China because it is arguably an existential issue that potentially affects the ruling party's survival prospects, and in the United States because its international partners disagree so vehemently with U.S. environmental policy and are waiting for America to assume the lead in an important area of global consensus.

Face, Nationalism, and Domestic Politics.

Not once in the meeting was “face” uttered as a metaphor for pride, honor, shame, or identity. “Nationalism” was heard seven times, six of which referred to the Japanese strain, which seems of most concern in China and other Northeast Asia warrens. Yet nationalism, including economic nationalism, is a significant wildcard in each of the trilateral powers, particularly when viewed through an identity prism and as individual and collective passion operating according to a culturally determined logic. Nationalism is, moreover, an emotion on which demagogues have preyed and have generally enjoyed an open field. In Sino-Japanese ties, a well-documented tendency exists for Japanese Diet members to bandwagon on patriotic issues and for Chinese pols to bluster and engage domestically in political bidding wars that press patriotic buttons. In U.S. politics, economic nationalism may be ready to spring to the fore. As a group, we need to pay more attention.

Economies. “Globalization” was mentioned once in almost 40,000 words. Economics, trade, balance of trade, fiscal issues, finance. . . despite several brilliant interventions, such topics received relatively scant attention as a percentage of the discussion. Perhaps this was because so few group members had the ability to range across such complicated technical

issues with expert command. But the working group came into being precisely because economic issues—China's growing might, Japan's recovery and rivalry with China, China's integration into the globalized world economy—are driving the political issues. The working group needs to think more creatively as a collective, draw out the economic threads, and better connect these to the significant issues already on the table. Everything is connected.

Other Shared Interests. Midway through the meeting, the group lingered for a moment over the topic of shared trilateral interests and possible common agendas. Several popped out, including energy and energy security, a variety of maritime security issues, environment, regional security regimes and confidence building measures, and peaceful resolution of the Korea and Taiwan issues. “Common interests” is a useful area to return to in the next session.

Iraq. The ghost at the banquet, the great unspoken intervening variable. Iraq was mentioned only three times (in the midst of an Iraq war). One citation referred to U.S. commitments, with an allusion to being preoccupied or otherwise tied down in the Middle East. The other references spoke to Japan's Iraq commitments and to President Bush's meeting-and-greeting in Asia despite being weighted down by the Iraq war and other worries of the world. In future working group sessions, Iraq will have to be brought more explicitly into the mix, if only as a constraint on U.S. flexibility in Northeast Asia.

The Last Word. In a 1967 WTOP radio report on “Target Tuesday” at the White House—a weekly luncheon meeting of the Johnson war council that, among other things, selected bombing targets for the ensuing week's Vietnam sorties—Dan Rather quoted a man identified in the broadcast transcript as

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“the 19th century writer F.W. Borum.”³
 (“Borum” was apparently a transcriber’s error in phonetically rendering the name of Frank William Boreham [1871-1959], minister, prolific author, and renowned Australian but hardly a “19th century writer.”) The words Rather quotes, whatever their provenance, hint at the complexity and interdependence, the feedback loops and unanticipated consequences, of policy and policy making, and they just might serve as the bywords for the next session of the Northeast Asia Working Group, which focuses on issues of governmental capacity and policy choice:

*We make our decisions, and then our
decisions turn around and make us.*⁴

³ First Line Report, 6:55 a.m., WTOP Radio, October 17, 1967. *The Pentagon Papers, Gravel Edition*, Volume 4, Chapter I, “The Air War in North Vietnam, 1965-1968,” pp. 1-276. (Boston: Beacon Press, 1971)
<<http://www.mtholyoke.edu/acad/intrel/pentagon4/pent4.htm>> Internet location accessed 2 January 2007.

⁴ Ibid. The quotation is from F.W. Boreham, *Mushrooms on the Moor* (Epworth, London:1919)
<http://jmm.aaa.net.au/articles/5491.htm>frequently
Internet site accessed 2 January 2007.

