A MECHANISM TO STABILIZE U.S.-CHINA-JAPAN TRILATERAL RELATIONS IN ASIA

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China, Japan, and the United States are the most important powers in Asia now and for the future. The relationships among them are the foundation of international relations, peace, and stability in East Asia, but may also become the major source of strategic conflict in the region. What Asia is now and will become in future decades depends very much on the three countries and their relationships.

The early 21st century has been and will continue to be an era of dynamic change for China and Japan, as well as for the rest of Asia. The changes provide some opportunities for all the countries in the region, including the three major powers, and at the same time pose significant challenges. In order to ensure that developments in Asia are going to the right direction—that they promote peace and stability, and manage regional issues, problems, and uncertainties—the U.S., China, and Japan need a long-term and stable mechanism to manage their relationships and regional issues.

The U.S., Japan, and China are the strategic powers in East Asia, and the whole region’s well-being will depend very much on the three countries and their relationship. However, while there have been various talks and processes such as those among Japan, the U.S., and Australia, and among China, Russia, and India, there has not been any mechanism to bring together leaders from Beijing, Washington, and Tokyo to talk about trilateral and regional issues. The region and the era of the 21st century need the most significant players in the region to engage and improve their communication, understanding, consultation, and cooperation in Asia to ensure long-term peace and development in the region. Such lasting development will not occur without formal mechanisms, and among these a China-U.S.-Japan forum will be one of the most important.

I. The background:
Changes in domestic and regional balance of power structures

Among the three bilateral relationships, U.S.-Japanese relations have been structured, stable, and strong since the end of the Cold War, especially since the mid-1990s. Sino-U.S. relations have improved greatly since the late 1990s and have been stable in the past six years during the Bush administration. However, the nature and structure of the long-term bilateral relationship between the United States and China remain uncertain, unsettled, and unclear. Bilateral relations between China and Japan were basically stable from the early 1970s until the end of the 20th century. Since the beginning of the 21st century, however, the relationship has been strategically unstable because of structural changes inside both countries and between the two nations.

Domestic structural change has been profound in Japan, and is reflected in the general public and the new generation of Japanese leaders. Gone are the politicians and citizens who witnessed the Second World War, about which many felt a sense of guilt. (The current Prime Minister, 71 year-old Yasuo Fukuda, is a short-term exception to this trend.) The new generation of Japanese leadership and population wants to “forget” the war, to put it totally behind them. They think that sixty years of apologizing is more than enough, and that Japan should get out from the shadow of the war, and that shadow includes the pacifist constitution imposed by the United States at the end of the war. The new generation of Japanese wants to see Japan
become a “normal power,” “beautiful country,” and “proud country” just like other powers in the world. Therefore, like China, Japan is “rising” and a new Japan is emerging.

China’s domestic structural change is characterized by renewed nationalism among its leaders and the general public, a result of its economic growth and success. The Chinese recognized and admired Japanese economic and technological success during China’s early stage of reforms in the 1980s and the early 1990s. However, whereas the Chinese people derived confidence from the consistent, rapid economic growth of China since the early 1980s, Japan did not move ahead in the 1990s. The Chinese leadership and general public began to feel that they could and should adopt a tougher stance toward Japan on a number of issues between the two countries.

The fundamental structural change between China and Japan is the shifting balance of power between the two Asian giants. China and Japan have been major powers and great civilizations in Asia for thousands of years. For roughly two or three thousand years, until the late 19th century, the balance of power was clear: China was stronger than Japan, which was in no position to challenge or “invade” China. But since Japan undertook reforms and became more open in the mid- and late-19th century, Japan began to develop much quicker than China. By the end of 19th century, Japan had become the only industrialized nation in Asia, while China remained an agricultural state that lagged far behind.

Then, from the Meiji Restoration in 1868 until recently, for a period of slightly more than a century, Japan was stronger than China in almost every respect—economic, technological, military, and political. The initial result of this new balance of power was the wars between the two Asian giants; China lost almost every war it had with Japan since the late 19th and during the 20th century, including the 1894-95 Sino-Japanese War when China lost Taiwan to Japan for half a century, until the end of World War II in 1945.

Now the balance of power between China and Japan has shifted again. It is true that contemporary Japan is still stronger than China in some major areas of national power: its economy, science and technology, military hardware, and management. But China is catching up rapidly. Many in the Japanese government, corporate world, and academia believe that if current trends continue, China may surpass Japan in GDP in about ten years, becoming the largest economy in Asia and the second largest economy in the world. If this prediction comes true, it would change the balance of power in Asia and alter many elements of the Japanese national psyche relating to their own country and China.

Right now, Japan’s only basic advantages over China lie in its economy and its technology. If Japan loses its economic superiority over China, then Japan may not have any leverage over China in the future. The Japanese military is qualitatively stronger than the Chinese military, but in terms of overall military capability Japan does not have a clear advantage over China. China’s cultural, regional, and international influence has always been greater than that of Japan, for China has played a central historical and cultural role in Asia for the past several thousand years while Japan’s cultural influence has never been seen at the regional level. And today China is a permanent member of the United Nations Security Council and enjoys

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good relations with almost all Asian countries, while Japan lacks a permanent seat on the Security Council and has had at least somewhat strained relations with all its neighboring countries—China, Russia, North Korea, and South Korea—in recent years.

These domestic and bilateral structural changes have shifted the foundation of bilateral relations between the two Asian giants, and therefore have changed everything based on that foundation, including the mentality, identity, sense of self, and national pride of the Japanese and Chinese people. These changes have translated into changes in the national strategies and policies of both countries. These changes and trends are continuing and may last for another ten to fifteen years, creating a period of great strategic instability and adjustment for the governments and general publics of both countries.

II. Major issues, problems, and challenges to the three powers

Following then-Prime Minister Shinzo Abe’s visit to Beijing in October 2006, the resumption of high-level contacts between China and Japan, and the visit by Chinese Premier Wen Jiabao to Japan in April 2007 and the recent China visit by Prime Minister Yasuo Fukuda, the strained relations between the two countries appeared to return to normalcy. However, major problems remain. Historical issues have not been resolved; even though they have been set aside by both countries for a while, they will certainly come back to the fore if future Prime Ministers visit Yasukuni Shrine. The Japanese government and public tend to believe that, sixty years after the Second World War, it has apologized enough and that it is time to forge a “new and normal” Japan for the early 21st century. Yet the Chinese, Koreans, and some Americans (including congressmen, senators, and news media), as well as some Europeans and other Asians, oppose visits to Yasukuni Shrine visits by Japanese leaders; denials of the use of “comfort women” by the Japanese military during World War II; and the omission or whitewashing of Japanese war crimes in school textbooks. These historical issues not only provoke emotional reactions from Asian countries, but also prevent Japan from having good or “normal” relations with other countries today and in the future.

Besides the emotional historical issues, the two Asian giants face serious and growing strategic and security suspicions and contradictions which will last into the future. These are the more serious, substantial, and real problems between China and Japan, for it is these problems that determine the nature of the relationship between countries, and which may cause confrontation, conflicts, and competition. These problems directly affect American strategic interests in Asia, and create uncertainty in Washington about its relationship with China. The critical strategic and security challenges that the three powers face today and will face in the coming decades are as follows:

Japan:

- The rising Chinese economy may pose a challenge to Japan’s economic status and well-being, and to Japan’s economic role in Asia and in the world, over the long term.
• The increase in Chinese military spending and the rise of China’s military capability and activity in Asia may appear overwhelming to Japan’s security planners today and in the future. A number of high-level Japanese officials, including former Foreign Minister Taro Aso, former Defense Minister Fumio Kyuma, and other politicians, have called China a “threat” to Japanese security.\(^1\)

• Japan has some specific disputes with China with regard to territory (Diaoyu Islands), Exclusive Economic Zones, and resources in the East China Sea. The two militaries may increasingly engage with each other in the East China Sea and the Western Pacific. Small disputes or “incidents” can quickly escalate when overall strategic and security relations are in bad shape.

• Any crisis between mainland China and Taiwan will present Japan with a difficult security dilemma. As an ally of the United States, Japan may feel the need to get involved in the conflict, thus causing conflict between Japan and China. Even at a time of relative peace, Japan has difficulty managing its relations with Taiwan in the context of its relations with mainland China.

• Japan may face increasingly closer relations between the two Koreas and China, and these neighbors may increasingly pursue a joint strategy to isolate Japan when its relations with Korea and China suffer.

• China’s efforts to promote Asian regionalism, including the growth of Asian economic and security cooperation, may further reduce Japan’s role in Asia and in the world.

• The Chinese and Japanese roles in the United Nations, UN peacekeeping operations, the G-8, and other global institutions have not been institutionalized. Japan and China may engage in more negative and destructive zero-sum competition on the global stage. Can and should the two countries play the same major role in the world or should they play different roles?

China:

• The generational change in Japan’s leadership and general public, and rising Japanese nationalism, and right-wing politics and policies all challenge the foundations of bilateral relations between Japan and China, which were established almost four decades ago. The status quo established in 1970s between China and Japan is laid down by the Joint Communiqué (1972) and Peace Treaty (1978). In these agreements, Japan apologizes for its invasion and damage to China during the war; China accepts the apology; Japan recognizes Taiwan as a part of China and pledges not to maintain official relations with Taiwan; and both countries promise to develop a peaceful and cooperative relationship.

In recent years, some of Japan’s (current) leaders have wished to change the country’s pacifist constitution and have already changed the name of the defense agency to the Ministry of Defense. They want to deploy more military forces to partner with the United States, United Nations, or to operate independently in Asia and the world. But making real changes to the Constitution is not going to be easy. Does this trend represent a “remilitarization” of Japan? Does this development pose a security threat to China and Asia? How should the Chinese view and react to Japanese military and security development now and in the future?

Japan has become more and more involved in the “internal affairs” of China on the Taiwan issue due to the strengthening of its bilateral alliance with the United States, or because of the demand from the United States to support American actions on Taiwan in a crisis. This security and sovereignty issue may become more harmful to Sino-Japanese relations than historical issues, as it has been for Sino-U.S. relations for more than half a century.

In addition to Taiwan, other security concerns can deteriorate into problems. Japan may take a more rigid position or take action to assert control over the disputed islands and sea areas with China. And Japan may be more able to do so because of its naval and air superiority, or because it believes that the United States will protect its security interests.

Japan wants to play a bigger role in Asia and in the world. What role should Japan play? What role should Japan have in Asian economic and security cooperation in a future regional security mechanism, and in the United Nations? Has China accepted or should China accept Japan as a great power in Asia and in the world? Is Sino-Japanese competition inevitable and manageable?

The United States:

Both Japan and China are “rising” and both of the rises pose challenges to the United States. China is rising in its economic and military strength. Japan is attempting to rise in Asia and the world as a “normal nation,” and a “normal power.” For now, this “rising demand” from Japan seems to be acceptable and even desirable to American strategic thinkers, especially to the Bush administration. But some Japanese demands, such as the pursuit of a permanent seat on the UN Security Council, may pose some challenges to the United States.

The experience of recent years proves that when Japanese relations with China and South Korea are in trouble, the United States finds it more difficult to advance its interests and agenda in Northeast and East Asia. A more isolated Japan would not help the United States in Asia.

What role should Japan and China play in U.S. strategy toward Asia? Does the United States want to choose one or the other or does it need both? Does strategic competition or confrontation between China and Japan serve
American interests? If not, what should the United States do to maintain the current balance? The United States needs to decide on a role in the long-term relations between China and Japan in Asia. Are the alliance and “balancer” roles going to serve American and regional interests? Does strengthening the U.S.-Japan alliance conflict with the maintenance of good relations with China? When relations between China and Japan are bad, both of them may need the United States more, in order to counter the other; this may force the United States to support one or the other.

- What is the major goal of U.S. strategy toward Asia? Bilateral alliances or the balance of Asian powers? Unconditional or continual strengthening of bilateral alliances, such as the U.S.-Japan alliance, may cause an imbalance of power in the region.

- To what extent should the United States encourage Japan to play a bigger role in Asia and in the world? Is it in the American interest for Japan to play an ever-bigger role in Asia and in the world? Japan’s activities, such as its recent criticism of the United States over the war in Iraq, may not always please its alliance partner.

- Are there trilateral or multilateral frameworks that the United States can and should promote to ensure a constructive role for Japan and China in Asia and in the world, while maintaining the bilateral alliance system?

III. Potential dangers facing the triangle

In the coming decades, Japan, the United States, and other countries in Asia will face a rising China—rising at least in terms of its capabilities—and China, the United States, and other nations in Asia will face a rising Japan that demands to be a “normal power” in Asia and the world, and that may expand its military capabilities, including the possible production of a nuclear arsenal. And the United States and other nations will face the rise of both China and Japan in various arenas in addition to the rise of India, and perhaps Russia to a certain degree.

If the above issues, trends, problems, and challenges, are not managed properly in this era of dynamic change, something may go seriously wrong between China and Japan. The trends described above may contribute to a number of different scenarios.

China’s military development

China may dramatically increase its military capability and engage in an arms race with Japan or even to a limited degree with the United States in Asia and in the world, and thus alter the balance of power in the region.

China has not engaged in an excessive military buildup, despite years of rapid economic growth and technological development. Although China has increased its military spending at a double-digit rate for more than a decade, the quantity of its weapons systems has not increased tremendously. China’s nuclear weapons and
ICBM arsenal have increased slowly and gradually, with a few more weapons today than twenty years ago. China has developed certain types of conventional weapons such as fighter jets, submarines, and surface ships; and it has purchased a couple of submarines, destroyers, and around one hundred fighter jets from Russia. This buildup has not been especially dramatic and has not caused a shock to the region.

Chinese leaders have decided, as a matter of fundamental strategy, not to engage in an arms race with the United States or any other country in Asia or the rest of the world. China has not increased its military capability too much and has not tried to engage in an arms race as for several reasons.

First, China perceives its security environment positively. Because China’s relations with the United States, Japan, Russia, India, and others have been largely sound or normal, China has not perceived a threat to its national security for decades, except for the threat that the Taiwanese independence movement poses to China’s national sovereignty, security, and unity. Second, China has been focusing on economic development and does not feel it needs to increase military power dramatically. Third, China does not want to challenge or compete with the United States in Asia and in the world, because the United States does not challenge China’s interests and influence in Asia and in the world, except on the Taiwan issue.

However, China may change its national strategy in the future. First, it will accumulate more and more resources to increase its military buildup dramatically. Economically speaking, China today and in coming decades is in the position of the former Soviet Union in the 1970s and 1980s, with the economic and financial resources to engage in a sort of arms race with Japan or the United States.

Second, aside from military capacity, China may feel it needs to do much more in the area of military modernization when it changes its assessment of the security environment, and if it sees that Japan or the United States have both the capacity and the will to threaten China’s security and China’s role in Asia and in the world. China may also feel it needs to react to the rise of military power and militarism of Japan, in order to maintain the military balance in Asia, which currently features a degree of some Chinese superiority over Japan.

Thirdly, China may need a much stronger military capability to compete with the United States if Chinese nationalism leads China to challenge America’s status and role in Asia or in the world, or if America adopts a strategy of comprehensive containment against a rising China.

Japan’s military development

Japan may increase its military force substantially, and go beyond its bilateral alliance with the United States in search of a bigger role in Asia and in the world. Not only may Japan become a strong conventional military power again, but it may also become a nuclear power.

As the world’s second largest economy, Japan certainly has the economic, financial, and technological capability to substantially expand its military power and become a “normal” country, when it feels the need to do so. It may also feel the need
to react to China’s military buildup And it may have to increase its military power substantially if it suspects that the protection afforded by its alliance with the United States is no longer firm or sufficient.

Japan is now on its way to becoming a “political power” in Asia and in the world, following its rise to economic power twenty or thirty years ago. Once Japan believes it has become a regional and global political power, then it may also want to become much stronger military power. Japan does not currently pursue such a strategy, but it may when the situation in Asia changes in the future.

Japan’s potential to become a greater military power has been noticed by certain Chinese, American, and Japanese observers. In a recent issue of *Foreign Affairs*, Eugene Matthews wrote that the December 18, 2001, North Korean spy ship event demonstrated “that Tokyo was suddenly willing to use force,” which suggested a major shift in the attitudes of the Japanese about their country and its defense… rising nationalism has taken hold in one of America’s closest allies. This development could have an alarming consequence: namely, the rise of a militarized, assertive, and nuclear-armed Japan. … Japan is clearly moving in a different direction.2

Matthews argues that Japanese resentment over the United States’s shift of attention to China, coupled with Japan-China strategic tensions, has strengthened the hand of Japanese nationalists who think their country should once more possess military power to rival that of its neighbors. The lack of recognition of Japan in international institutions strikes many Japanese as profoundly unjust, and leads some to wonder whether military rearmament might be one way to help their country get the respect it deserves. In the words of Kitaoka Shinichi, a University of Tokyo law professor whom Matthews cites, “Remilitarization is indeed going on.”3

When Shinzo Abe was about to take office as Japan’s Prime Minister in September 2006, the *New York Times* and other news media published many articles and reports on the rise of Japanese nationalism, represented by Junichiro Koizumi and Shinzo Abe. According to the *Washington Post*, Prime Minister Abe would encourage Japanese citizens “to take pride in their country…and promote the ideal of a proud and independent Japan.”4

Abe had a big vision for the future of Japan. “Rather than getting praised for wrestling a good round of sumo under the rules that foreign countries make, we should join in the making of the rules,” he said in televised debate in September 2006, “…I believe I can create a new Japan with a new vision.”5 The Post further reported that he would implement “a sweeping education bill, strengthening the notion of patriotism in public classrooms in a way not seen since the fall of Imperial Japan,” and would “rewrite Japan’s pacifist constitution to allow the country to again have an official and flexible military.” It claimed that “[t]he rise of Abe, an unabashed nationalist set to be Japan’s youngest post postwar prime minister and its first to be

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3 Ibid, p.81, 83 & 87.
5 Ibid.
born after the conflict, underscores a profound shift in thinking that has been shaped by those threats.\textsuperscript{6}

In a book, \textit{Toward a Beautiful Country}, published before he became Prime Minister, Abe doubted the legitimacy of the tribunal that convicted Japan’s wartime leaders. The \textit{Washington Post} reported, “Abe has crafted a comparatively ambitious vision. Although he is likely to maintain Koizumi’s emphasis on the U.S.-Japan alliance as the basis of national defense, he has also suggested he wants Japan to be a more equal partner… he will strive for a version of Washington’s relationship with Britain, which closely cooperates with the U.S. military but acts on its own as it sees fit.”\textsuperscript{7} “Japan must be a country that shows leadership and that is respected and loved by the countries of the world,” Mr. Abe said in his first news conference as prime minister. “I want to make Japan a country that shows its identity to the world.”\textsuperscript{8} He told reporters that one goal of his administration was to revise Japan’s pacifist constitution, to permit a full-fledged military. Observers noted that Abe seemed to speak forcefully on security issues, and felt a need for Japan to have a larger voice in global affairs.\textsuperscript{9} “Abe recognizes that Japan can no longer be the country it has been,” said Tamamoto Ichita, an LDP legislator and close Abe ally.\textsuperscript{10}

Another \textit{New York Times} article noted that “Mr. Abe calls for taking Japan in amore assertive direction… revising the Constitution to allow Japan to possess full-fledged armed forces.”\textsuperscript{11} The article reported that Japan could “begin adding weapons that once would have been unthinkable, including Japan’s first spy satellite, a troop transport ship now under construction that experts say could serve as a small aircraft carrier, and aerial that would allow Japanese fighter jets to refuel in midair to reach North Korea and other countries.”\textsuperscript{12}

Mr. Fukuda’s vision may be different from Mr. Abe’s, partly because of differences in age and experience. However, Mr. Fukuda’s generation is passing from the scene, and Mr. Abe’s generation will return to power and will become the mainstream of Japanese politics and society.

\textit{Possible strategic competition}

China and Japan may engage in a strategic competition and confrontation in Asia and in the world. China and Japan have been the two major powers in Asia for thousands of years. Even though Japan has a smaller territory than China, India, Indonesia, and some other countries in the region, its population was the second largest for long time, next only to that of China, and now is the third largest after China and Indonesia. The Japanese economy has been the strongest in Asia for more than a century, and its technology has been much more advanced than that of any other country in Asia.
China historically has been the largest country in terms of land size and population. It is the one of the oldest civilizations and for thousands of years has exerted greater cultural influence in Asia than Japan. China used to be stronger than Japan in terms of economy and technology, but fell behind in the past hundred years. Now China is catching up, and it might be only a matter of time before China surpasses the size of the Japanese economy. The quality of Chinese technology is also approaching that of Japan, although the gap is still very large. China’s military is quantitatively stronger than Japan’s military, and China enjoys greater political influence than Japan in Asia and the world.

Thus, within the next decade or two, Asia will have two almost equally powerful giants. China and Japan will compete for economic and technological advantage, and for roles and influence in Asia and in the world. As Kent Calder sees it, “As in the case of Anglo-German naval competition a century ago, technology, regional transition, and domestic politics all deepen the prospect of serious conflict between Japan and China today, in ways that economic interdependence alone cannot resolve.”

The potential for strategic competition and confrontation is influenced by complicated factors between the two Asian giants. First, the history of the past hundred years has left fear and distrust between the two societies. The Chinese always fear that Japan may again threaten and cause damage to China and other Asian countries when Japan has the capability and opportunity to do so. The Japanese perceive China as a historically dominant power in Asia and as undemocratic. Japan therefore fears that China might pose a serious threat to Japan when China gains economic and military power in the future. Second, as two great Asian powers, both China and Japan have a legitimate desire to play a big role in Asia, but so far there is no regional arrangement or system to ensure a role of both countries. Therefore, each feels that it must struggle for the role. And without an accepted system or arrangement, the power struggle is always a zero-sum game.

Competition is both inevitable and positive in the areas of economic and technology. However, if the two countries compete on a strategic level without a stable and manageable framework to provide boundaries, then political and strategic competition may turn into a zero-sum game, just like the strategic competition between the United States and the Soviet Union during the Cold War. This type of competition is not only negative and destructive, but can also be dangerous.

**Territory and resources**

There is a danger of both minor incidents and serious military conflict between China and Japan over disputed islands and resources in the East China Sea and Western Pacific. Some sorts of disputes, like many territorial disputes between nations, are normal or inevitable. However, in an overall confrontational relationship, small disputes, such as the Sino-Soviet and Sino-Vietnamese border disputes in 1960s and 1980s, can cause great uncertainty and lead to crises.

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And if the Sino-Japanese relationship deteriorates seriously, it will not lack for problems that could trigger crises. The disputes over islands and Exclusive Economic Zones and resources could escalate. The Taiwan issue could become a more serious problem between Beijing and Tokyo than the historical issues, if Japan decides to follow the American model to develop political, military, and security relations with Taiwan (either unilaterally or in conjunction with the United States). China may not be able to launch a retaliatory attack on American soil if the United States attacks China in a conflict over Taiwan, but it is easier for China to mount a serious attack on Japan if the latter uses military means to protect Taiwan and attack China or Chinese forces in Taiwan situation.

China is worried about increasing Japanese involvement on the Taiwan issue. Chinese foreign ministry spokesman Liu Jianchao told a news conference on January 5, 2007, that China has “grave concern” regarding the Japanese report that the United States and Japan will discuss a contingency plan for a crisis situation arising in areas around Japan, including the Taiwan Strait. The Kyodo News Agency report quoted several sources familiar with Japan-U.S. military cooperation as saying that the two sides have reached consensus on the necessity for such a contingency plan and will soon begin discussing the details. The two countries have identified Taiwan as a “common strategic objective” and are now working on a joint war plan for the Taiwan Strait.

If Japan and China continue to expand military activities in the East China Sea and Western Pacific, the risk of incidents between their navies and air forces will increase, just as incidents have occurred between the United States and China (most notably, the EP-3 spy plane incident in 2001).

Roadblocks on the way to regional integration

Harsh strategic competition between China and Japan may block the development of an Asian economic and security cooperation mechanism. Asia is a large, complicated, and diverse place, and the long-term peace and development of the region depend much more on regional cooperation and integration than on the success of one power or a few great powers. First, good relationships among major powers are not easy to make and maintain. Second, most countries would not accept indefinitely a peace dominated by a few major powers. Most countries want a regional arrangement in which each state plays a legitimate and proper role, just as in a democratic system within a nation.

Since the early 1990s, Asians have tried hard to develop multilateral cooperation and to foster regionalism and community. A number of forums have been created toward this end, including Asia-Pacific Economic Cooperation (APEC) which is a trans-Pacific forum; the ASEAN Regional Forum (ARF) on regional security; ASEAN Plus Three (APT); and the new East Asia Summit (EAS). All these approaches are still in an early stage of development, and Asia is still far away from real, European-style regional integration and community. However, most Asians

believe that multilateral cooperation and regional integration are the future of Asia, and almost all countries in Asia are committed to some sort of regional multilateralism.

Sino-Japanese strategic competition and confrontation would make Asian integration more difficult, if not impossible. Without the participation of both China and Japan, any economic or security cooperation in Asia will be meaningless. And regional integration will go nowhere if countries in the region are forced to choose between the two giants.

*Relations with the United States*

Overly close bilateral relations between the United States and one of the two Asian giants may weaken the American relationship with the other, and that will greatly increase the difficulty of promoting American interests and the American agenda in Asia and in the world.

If China and Japan engage in strategic rivalry and the United States chooses to support one side, then the U.S. will obviously become a party to Sino-Japanese competition in Asia and in the world. In that situation, as in the Cold War during the 1950s and 1960s, surely the Chinese side would suffer more than either the United States or Japan if the U.S. sided with Tokyo, but American interests would also suffer greatly. As Kent Calder observes, “The ultimate danger is that Japanese diplomatic isolation in the Western Pacific, coupled with the clear security challenges that Tokyo faces, and its ongoing internal political shifts, could drive Japan either toward an assertive and counter-productive unilateralism, or toward an unhealthy, overly militarized variant of the US-Japan alliance that will greatly intensify tension within Asia.”

Minxin Pei and Michael Swaine observe that, “[m]ore broadly, an intensified rivalry could divide Asia by driving a wedge between the United States and Japan on one side, and China and much of the rest of Asia on the other.” Even if the United States does manage to remain aloof from a China-Japan rivalry, it is not in Washington’s interest for Asia’s two most powerful and influential states to engage in a deteriorating relationship that could that could hamper or even reverse growth, create instability, and even lead to a new cold war. Intense and overt Sino-Japanese competition would severely limit the U.S. ability to maneuver in the region.

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IV. Common strategic interests of the United States, China, and Japan in Asia

The above situations obviously are not desirable for Asia in the 21st century. But nor are they inevitable, as they run counter to the fundamental, long-term, common strategic interests of the three countries.

Economic development

The most obvious common interest between the U.S., Japan, and China is economic development and cooperation. They are already major economic partners, bound together by trade and commercial integration. The United States is China’s largest trade partner, and Japan the second largest. China is America’s second largest trading partner, and Japan is the third largest. China has become the largest trade partner of Japan, and the United States is Japan’s second largest trade partner. If any one of the three wants to maintain its economic development and national well-being, good relations with the other two are critical and fundamental.

Combined, the three economies are fundamental to the development and well-being of Asia and world. The United States, Japan, and China, with 2006 gross domestic products of $13.2 trillion, $4.3 trillion, and $2.7 trillion respectively, account for almost half of total world GDP. As of 2006, the three countries were the world’s three largest economic powers, in terms of exchange rates. Therefore, the economic development and policy of any one of the three would not only tremendously affect the other two, but also the whole of Asia and the world. As Kent Calder puts it:

Few major trilateral relationships in the world today are more strategic—or more tortured—than that among Japan, the United States, and China. Together, the three nations produce nearly half of global GDP, consume more than 40% of the world’s energy, account for a quarter of the population and international trade on earth, and rank one, two, and three in global oil imports. In international finance the Pacific triangle provides both the key global currency, and over 40% of the world foreign exchange reserves. 

The common economic interests of the three countries are: (1) maintaining sound economic development, because one’s economic downturn would have a tremendous impact on the others; (2) adopting sound economic and fiscal policies to promote economic development; (3) improving the market and rule of law system; (4) protecting intellectual property rights; (5) promoting free trade and open markets; and (6) maintaining the stability of currencies, and controlling inflation and deflation.

Each of the three countries has its own problems and works to manage its own economy, the economic development of other countries, and the economic development of the whole world. Former Deputy Secretary of State Robert Zoellick’s “responsible stakeholder” concept is also very much in play in the regional and global economic arena.

Maintaining regional peace and stability

Regional peace and stability includes some basic characteristics: (1) the avoidance of conflicts and confrontations among the major powers; (2) a stable balance of power in the region; (3) the avoidance of chaos, the prevention of security crises, and the management and resolution of regional security conflicts; (3) the establishment and maintenance of a security mechanism in which major and lesser powers have a proper and satisfactory role to play; (4) the prevention of the proliferation of weapons of mass destruction (WMD); (5) the containment of regional and international terrorism and extremism.

Those are the major security issues, problems, and challenges that the United States, China, and Japan will face in the 21st century. The three countries increasingly share common interests and positions toward these major security problems and challenges, and they all have an important and legitimate role to play in enhancing peace and stability in the region. All the world’s major powers are stakeholders in this sense. In his talks with visiting Prime Minister Shinzo Abe in Beijing in October 2006, Chinese President Hu Jintao said that “China hopes Japan can continue to move ahead as a peace-loving country and play a constructive role in regional and international affairs.”

Managing new and non-traditional challenges

As Asia and the world become increasingly integrated, new issues, tasks, and challenges are emerging at an unprecedented rate. The issues and challenges that the United States, Japan, and China must address together are: (1) environmental protection—Asia and the world are facing deteriorating natural conditions including global warming, desertification, water scarcity, pollution, dust, poor air quality; (2) energy supply and the search for new energy sources; (3) integration of different cultures and civilizations and relations between different religions and ethnic groups, such as Islam in Asia and in the world; (4) AIDS, SARS, avian flu and other fast-spreading public health problems in Asia and in the world; and (5) immigration, smuggling, illegal drugs, transnational crime, and other law enforcement issues.

Social and cultural exchanges

The long-term positive relationship between countries lies ultimately with the individual members of each society. Rapid social changes, globalization, and information flow have increased demand for integration of societies and the need for states to manage and encourage cross-border ties.

The United States, China, and Japan face increasing social movement across their borders. Tourism, education, academia, media, and business are expanding interaction among the three major nations. In recent years, more than 4 million people annually have traveled between Japan and China, more than 1 million between the United States and China, and a couple of million between the United States and Japan. The numbers will surely continue to increase, especially when the United States and Japan relax their visa restrictions for Chinese tourists, and when economic

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development in China enables more Chinese to travel abroad. In 2005, 21 million Chinese citizens traveled abroad, and the World Tourism Organization predicts that China will become the largest source of tourists within fifteen years.

Promoting this social exchange is in the common interest of the three countries, and constitutes the foundation for their long-term relations. But even this path to better relations is fraught with difficulty, because poor relations and negative propaganda among the three countries in the past centuries have established many negative images in the publics’ perceptions of the others. It will require decades-long effort by all three nations in their education, media, and exchanges to overcome the negative public images and attitudes about the others.

V. A working model, strategy, or solution

It is generally stated and believed that the governments of the United States, China, and Japan desire good, positive, constructive and stable relations among themselves. This has been a strategy of the three powers for decades and will continue to be a desirable goal for decades into the future. The question is, how can this common strategic goal be achieved?

1. A zero-sum game will not be beneficial to any party in the globalized 21st century. Rather, a cooperative approach serves everyone’s interests and is a desirable strategic choice. Finding a common agenda, developing a cooperation mechanism, and setting common goals should be the purpose of strategic efforts by the three countries.

It is one hundred percent certain that in the 21st century, no single power will be able to dominate Asia and the world, and no single power will be capable of forcing others to accept its own interest, rule and point of view. Cooperation, consultation, partnership are essential in the relations of major powers and constitute the only road toward regional peace, development, and stability. A unilateral approach is no longer sufficient to make or maintain peace and stability, as the case of Iraq clearly demonstrates. Bilateral alliances may be part of the framework, but such alliances are not fair to third parties (including other major powers), and would not be trusted fully by those outside of the alliance, whether it is the U.S.-Japan bilateral alliance, or a Sino-Russian one in Asia, or a French-German alliance in Europe. Therefore, trilateral and multilateral cooperation—in addition to bilateral relations and alliances—are the best way to achieve long-term regional peace and stability.

2. Current bilateral mechanisms between the United States and Japan, the United States and China, and China and Japan are important and should be continued and enhanced. However, bilateral mechanisms alone are insufficient to address the strategic and security issues among the three countries in Asia.

The United States, China, and Japan have largely established the framework by which they manage their bilateral relations. This framework includes high level visits, summits, and working committees or groups. In the strategic/security arena, there are regular bilateral “security dialogue” or “security consultation” mechanisms to discuss
security-related issues among defense and foreign ministry officials in each of the three bilateral relationships. These bilateral mechanisms have been utilized on a regular basis, except for the cut-off of high-level visits and summit meetings between China and Japan in the past four years due to conflicts over historical issues.

These bilateral mechanisms are well-established and operate smoothly. For example, the bilateral “security dialogue” or “strategic dialogue” between China and Japan, and between China and the United States, take place every six months, and each time officials engage in a few full days of discussions. However, these dialogues can still be improved.

First, nothing can substitute for summit meetings between top leaders of the countries. Cutting-off high-level talks is never a prudent approach. So China, Japan, and the United States should never halt their high-level engagement for any reason in the future.

Second, aside from security dialogues and consultation, there must be certain bilateral agreements and mechanisms to manage specific security issues between the countries. For instance, although the Sino-U.S. Military Maritime Consultative Agreement is not perfect, it is a good model to address real issues, such as the prevention and management of incidents in the course of naval and air force activities at sea. China and Japan still do not have such a substantive mechanism. It is very dangerous for two neighboring countries whose militaries operate in such close proximity to lack an incident-preventing and -managing mechanism. Failure to create such a mechanism could enable minor incidents to escalate uncontrollably into serious conflict.

The established bilateral mechanisms also need improvement and institutionalization. The political will to utilize these tools must be developed. Not picking up an incoming phone call in a crisis situation, prevents the mechanism from serving its purpose. Disputes over the 1999 embassy bombing, and especially the EP-3 spy plane incident, might have been handled differently if if consultative mechanisms had been used correctly and there was a phone conversation between high-level officials or officers. The Chinese leadership should authorize its high-level officials and officers such as the foreign minister and the defense minister to at least pick up the incoming phone call from high-level officials and officers of other countries in times of crisis, and to at least allow them to listen to others and report what they have heard, before the “collective leadership” makes its decisions.

3. Therefore, a trilateral mechanism among the United States, China, and Japan is needed now and in the future, to augment existing bilateral arrangements, including bilateral alliances.

A trilateral approach is needed because when any two of the three countries discuss their security concerns and matters, they say something related to the third. In order to have better understanding about the third party, it is useful to have the third party present sometimes, so that the three parties can talk directly to each other about the matters important to them. Otherwise, the two parties may proceed based on some misunderstanding about the third, and the third party would always harbor suspicion about the other two parties.
The second major reason for a trilateral or multilateral framework is that events in recent years suggest that a bilateral approach is no longer sufficient to reach national goals and deal with regional problems.

Bilateral relations between the United States and Japan have been strong since the Defense Guidelines were set forth in 1996, and U.S.-China relations in the past six or seven years have been described as the “best ever” in the thirty years since President Nixon’s visit to China in 1972. Bilateral relations between China and Japan are basically sound, except for the recent lack of high level contact a year and half ago. However, the strong bilateral relationship has not been a great help to Japan and the U.S. in achieving their policy objectives in Asia. The alliance has not helped the U.S. much in dealing with North Korean nuclear issue, the most immediate and serious security problem that the U.S. had in the region for years. The alliance has not fostered better relations with another major player and U.S. alliance partner, the Republic of Korea. And the alliance has had little to do with relatively good relations between the U.S. and China in recent years.

Neither has the strong bilateral relationship helped Japan to promote its status and influence in Asia and in the world. Japan has become more isolated in Northeast Asia at the same time that it is enjoying its strongest-ever bilateral relations with the United States. A prime example is Japan’s recent unsuccessful bid for a permanent seat in the United Nations Security Council.

And if we examine international relations over the past century, we see that the recognized roles of major powers in regional affairs and the international system were seldom established by unilateral or bilateral decree, but rather by multilateral consensus (although the major powers played a critical role in the process). The United Nations, European Union, and World Trade Organization provide good examples of such multilateral processes today. Bilateral arrangements can provide for a country’s security, but they do not establish proper and legitimate role of countries in a region and in the world. Therefore, a bilateral approach alone would not be sufficient to establish a stable and satisfactory system in Asia, a system in which the major powers play proper roles. In order to have and maintain a stable order in East Asia, regional powers must pursue a trilateral or multilateral approach to establish and maintain a balance of power that recognizes and ensures the proper role of its major members, as well as bilateral arrangements, including alliances.

Each of the three governments has some reservations about such a trilateral strategic or security dialogue. China for a long time resisted the idea on the grounds that the close U.S.-Japan security alliance obviated the need for a U.S.-Japan-China trilateral dialogue. China thought that the U.S. and Japanese positions would be the same and that the trilateral talks would become, in effect, bilateral.

But now Chinese policymakers have become more supportive of a strategic or security dialogue among the three countries, because they realize that whether China regards the United States and Japan as one party or two parties on security issues, the three countries face many security issues, problems, and challenges that merit discussion and cooperation. Energy security is one of these issues, and no one can or should expect that either Japan or the United States will always represent the other on
such strategic and security matters. Each country has its own ideas on these important matters, and each country should state its position in its own words.

The Japanese sometimes actively support such a trilateral approach, but have remained quiet about the idea at other times. The current Japanese position is unclear, even though some Japanese officials are quite supportive. The Japanese government may be waiting for the United States to take a clear position on the issue before it makes known its own position on the matter. Lately, Japan has become more suspicious about any trilateral mechanism among the U.S., Japan, and China, because Japan is afraid of being more isolated in the multilateral process. The recent passage by the U.S. Congress of a resolution on the “comfort women” issue leads Japan to fear that the U.S. may align itself more with China, not Japan, on historical and other issues. And recent developments in the Six-Party Talks on the North Korean nuclear issue have given some Japanese the impression that Tokyo can be more marginalized in a multilateral process in East Asia.

The most reluctant party seems to be the United States, under the current presidential administration. The Bush administration argues that since the U.S. alliance with Japan is as strong as ever, U.S. relations with China are good and engagement between Americans and the two Asian powers is robust at all levels, a trilateral mechanism is not needed.

The second U.S. argument against a trilateral mechanism is that it would be too risky. Some officials at the State Department and on the National Security Council, and especially at the Pentagon, believe that a trilateral approach among the United States, Japan, and China might cause some damage to the close bilateral alliance between the United States and Japan. Therefore, the United States is better off not pursuing a trilateral approach.

This kind of thinking is short-sighted. Although relations are good today, that does not mean they will be always good. And countries should talk not only in times of crisis or conflict, but at both good and bad times because issues, problems, challenges, misunderstandings, and misinterpretations occur at all times. Therefore, they need to talk together on the issues concerning all of them.

Second, a U.S.-Japan-China trilateral dialogue is not risky, because the strategic or security dialogue is merely an exchange of views and ideas on issues of concern. It is not an alliance. Trilateral dialogue on strategic and security issues does not take the place of bilateral agreements and arrangements on security commitments, basing agreements, the stationing of troops, financial contributions, and the legal matters of those arrangements. The function and aim of a trilateral strategic or security dialogue is to promote better understanding and cooperation; it does not replace and cannot replace the function of bilateral alliances. And a trilateral dialogue pursues the same goal as a bilateral alliance: to promote peace and security in the region and in the world.

The United States and European countries are allies via NATO, and NATO has a consultation mechanism with Russia. This is a kind of trilateral mechanism between the United States, Europe, and Russia, even if the first two sit there as one party. It has not worked perfectly in reaching mutual understanding, but it does help with
communication, consultation, and engagement among the three parties.

4. The United States, China, and Japan can expand their bilateral strategic/security dialogue and establish a ministerial-level or vice ministerial-level trilateral strategic/security dialogue mechanism, or a working level, annual or semi-annual system. When the time is right, a regular summit meeting of the three countries should also be established. The summit could take place on the sidelines of the annual APEC meeting or G-8 meeting.

The U.S.-Japan-China strategic or security dialogue can take many different forms. It can be established as a formal and regular trilateral meeting at the foreign and/or defense ministers’ level, or vice ministers’ level, or it can start at a working level. It can also take the form of an annual summit meeting between the leaders of the three countries on the sidelines of the annual APEC meeting and/or G-8 meeting. It can be at the ministerial level when all three foreign ministers attend the ARF annual meeting in Asia. Certainly there can and should be some regular “working level” meetings to prepare the summits or ministers’ meetings.

5. The functions or tasks of the trilateral mechanism should include:

(a) Coordination, consultation, and cooperation on Korean issues. The Korean peninsula is and will remain the most challenging security problem in East Asia for some time. Any meaningful trilateral or multilateral cooperation in East Asia must focus on the Korean issue, at least in the near future. The issues will be North Korea’s nuclear and missile programs, and the threat of proliferation. It would take at least several years of uneasy negotiations via the Six-Party Talks to resolve the nuclear issue peacefully, and even then the DPRK missile program, non-proliferation, inter-Korean relations, DPRK-Japan relations, and DPRK-U.S. relations will remain difficult problems to solve. The United States, China, and Japan should work closely with South Korea and other countries and international organizations to encourage North Korea to give up its nuclear weapons program, return to the global nuclear non-proliferation regime, improve its relations with the outside world, and take some positive steps to improve its domestic economic situation.

(b) Exchanging information and concerns on capabilities and intentions, so as to promote transparency and avoid unnecessary misunderstanding, suspicion, and miscalculation among the three powers.

(c) Setting up an incident and crisis management mechanism among the three countries in Asia, along the lines of the maritime security mechanism between the U.S. and China that was established in the late 1990s.

(d) Making efforts to reach consensus, agreement, or understanding on acceptable and comfortable levels of military development, so that there can be a structure of strategic assurance among the three powers in Asia. Arms control should be the long term goal of the U.S.-China-Japan
trilateral forum, because it is a fundamental way to stabilize the strategic and security relations among major powers.

(e) Exchanging views and reaching consensus on regional and global issues such as North Korea, Iran, terrorism, non-proliferation, energy, the environment and human security issues in Asia and in the world.

(f) The United States can also encourage China, Japan, and Korea to reach some consensus on historical issues. The three countries can exchange views on historical issues, and find ways to manage and resolve the problem.

6. If the three powers cannot establish a trilateral mechanism, or the Americans insist that they should not, then a multilateral Northeast or East Asian security mechanism would be the place to address the strategic and security concerns among the three countries and other nations.

Here there are two options. The first is the Six-Party Talks, which discuss and try to resolve the North Korean nuclear issue. For many years, Japan, South Korea, Russia, and the United States have indicated their interest in institutionalizing the talks over the North Korean nuclear issue into a standing mechanism for Northeast Asian security cooperation. China had been reluctant because it believed that North Korea would not like the idea, and that such a move could jeopardize the resolution of the nuclear issue.

However, since North Korea tested a nuclear device in October 2006, the Chinese mood toward North Korea has undergone substantial change. China still hopes to move the Six-Party Talks forward in order to resolve the North Korean nuclear issue. But if the process cannot go on or cannot reach the goal of the denuclearization of the Korean peninsula, then China is more ready than before to go ahead with the other parties to form a multilateral security mechanism in Northeast Asia. That mechanism can be a six-party forum if North Korea wants to join in, or it could also include only China, South Korea, Japan, the United States, and Russia, if the DPRK does not want to participate. The February 13, 2007 agreement of the Six-Party Talks established a working group to discuss means of engaging in multilateral dialogue on security issues in future.

The possible new six-party or five-party structure can still discuss the North Korean nuclear and missile issues. It can and should also address other issues concerning Northeast Asian security, such as terrorism, energy and environmental security, the protection of sea lines of communication, and military transparency.

Perhaps the five countries should wait for another year or so to see whether the Six-Party Talks can make significant and lasting progress in resolving the North Korean nuclear issue. If it is clear that the process has stalled, then the other five countries should move ahead to form a Northeast Asian security mechanism. The development of Northeast Asian security cooperation should not be hostage to the DPRK forever.
It is encouraging that the Bush administration takes a positive approach toward Northeast Asian security multilateralism. Speaking during the ARF meeting in Kuala Lumpur in July 2006, Secretary of State Condoleezza Rice urged Northeast Asian nations to consider “security structures” for their region, and the need for a “robust dialogue on Northeast Asian security.” Rice called for “a new regional dialogue” that could help soothe historical irritants, increase security, and create “a better basis for enhanced prosperity throughout the region.”

In addition to a broad multilateral organization, the U.S., China, and Japan can also engage in a trilateral process at other occasions or forms. In the event that progress toward a regional structure is slow or stops altogether, the ASEAN Regional Forum (ARF) provides a workable venue for the development of a trilateral mechanism.

The ARF is currently the only official multilateral security forum in East Asia. It comprises all East Asian countries, including the DPRK, the United States, Russia, India, and the European Union. This eclectic membership signifies a lack of focus on the region, and the ARF has not made substantial progress in promoting regional security cooperation in East Asia. Most of the members, such as ASEAN countries and China, do not want to move too quickly or go too far, and the United States has not showed a strong commitment to the process. However, countries can do something to improve the ARF, and the United States, China, and Japan can use it as an occasion to have a trilateral dialogue on security and strategic issues, just as China, Japan, and the ROK have developed a trilateral approach through the ASEAN Plus Three (APT) process in the past decade.

As APEC has shown, a multilateral mechanism is one way to avoid zero-sum unilateral domination or bilateral rivalry, and at the same time to provide opportunities for countries to play a leading role in regional and global affairs. In a multilateral setting, major powers such as the United States, China, and Japan can play a leading role and put forth their ideas when they host the meeting. In the European Union, for example, major powers such as Great Britain, France, Germany, and Italy all have the opportunity to play a leading role when they assume the rotating EU presidency. This practice, also followed by APEC, obviates the need to compete for “leadership” in a zero-sum game. As Kent Calder has written, “Multilateralism clearly helps defuse nationalism, which lies at the heart of Sino-Japanese tensions, by blurring zero-sum bilateral rivalries. Given both rising strategic dangers and political uncertainties—involving Japan and China, while transcending them—a broad Northeast Asia Strategic Dialogue is very much needed.”

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