

**U.S.-CHINA RELATIONS AND
MANAGEMENT OF THE U.S.-JAPAN ALLIANCE**

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LIST OF ABBREVIATIONS

CBM	Confidence-Building Measures
CBO	Congressional Budget Office
JDA	Japan Defense Agency
GDP	Gross domestic product
LDP	Liberal Democratic Party
MOD	Ministry of Defense
NDPG	National Defense Program Guidelines
PRC	People's Republic of China
QDR	Quadrennial Defense Review
SDF	Self-Defense Forces

INTRODUCTION: POLICY DEBATES CONCERNING CHINA AND IMPLICATIONS FOR JAPAN

As China emerges as a great power in East Asia, strategic debates concerning the nation are seemingly intensifying both in the United States and Japan. These debates are not only deeply related to the future course of the U.S. stance toward a rising China, but will also have a strong impact on Japan's corresponding choices. U.S. policy toward China has always been one of the most important variables for Japan as it shapes its own attitudes, and this can have a drastic impact on Japan's decisions, sometimes to the extent of changing the course of its plans.¹

In 1971, for example, the Nixon Administration's surprising announcement that the United States would begin the process of normalization of diplomatic relations with the People's Republic of China was a severe shock to Japan because it had maintained diplomatic ties with Taiwan. As a result, Japan made a dramatic policy shift whereby Prime Minister Kakuei Tanaka visited Beijing in 1972. While the United States took years to conclude normalization talks, Tanaka achieved this during his six days in the Chinese capital.² It was also the United States that encouraged Japan to accelerate its negotiations with China on the Japan-China Treaty of Peace and Friendship, which the two countries signed in 1978 after a long stalemate.³ The United States based its attitude on the assumption that such moves by Japan and China would help counter the expansion of the Soviet Union's diplomatic influence.

¹Robert S. Ross, *U.S. Relations with China* (Chapter Four of *The Golden Age of the U.S.- China-Japan Triangle 1972-1989*. edited by Ezra Vogel, Yuan Ming, and Akihiko Tanaka, Harvard University Asia Center) 79-108.

²Akihiko Tanaka, *Nicchu Kankei (Japan-China Relations) 1945-1990* (Tokyo: Daigaku Shuppankai, 1991) 61-83.

³Ross 93-94.

After the end of the Cold War, the context of the U.S. and Japanese grand strategies toward China changed. U.S.-China policy, however, remains a very critical variable when Japan shapes its equivalent. Along with China's rise as a great global power, this trend could even intensify further in the foreseeable future.⁴

Based on the above, this paper will attempt to illustrate how the U.S. approach toward China will evolve in the medium and long term and how these changes will affect the course of Japan's China strategy.

The first chapter will cover ongoing strategic debates on China in the United States and analyze their prospects in the coming years. Particular attention will be given to two competing perceptions or approaches: one emphasizes the engagement aspect of China policy, and other puts relatively more weight on hedging against China. Generally, these two approaches are complementary, and may be ultimately compatible. A major question is what the best policy mix of these two elements is, and this debate has sometimes been heated inside the U.S. government.⁵ As China emerges as a great power, this debate is likely to continue or even intensify.

The first chapter will also explore how the United States intends to utilize its long-standing alliance with Japan as a tool to better deal with the rise of China. Although there has been a common perception in the U.S. government that the alliance with Japan is an important vehicle for the stable and deep U.S. commitment to the Asian region, there seem to be slightly

⁴Interviews by the author with more than 20 Japanese government officials and Diet members conducted between March 2001 and September 2006. The individuals interviewed were in charge of foreign and security policy both in the government and Liberal Democratic Party (ruling party).

⁵Patrick Tyler, *A Great Wall, Six Presidents and China* (New York: Public Affairs, 1999). For another book that treats same topic, see James Mann, *About Face, a History of America's Curious Relationship with China* (Knopf Publishing Group, 1998).

different views about how much the United States should emphasize the “Japan card” in dealing with China.⁶

For those who believe that the U.S. government should pay more attention to hedging against China rather than cooperating, further strengthening security and strategic cooperation with Japan would be a higher priority.⁷ The current Bush Administration, especially the Pentagon, has been pushing this approach, while it adopts similar attitudes toward building relations with Australia, Singapore, and India, which the administration regards as potentially critical strategic partners in the Pacific region.⁸

For those who believe that deepening engagement and seeking more cooperation with China is the more urgent task, however, explicitly emphasizing the U.S.-Japan alliance in relation to China does not look like a wise choice. Such people argue that doing so would be likely to intensify skepticism in China and may offset the positive effects of U.S. (and also Japan’s) cooperation with China.⁹

Rising tension between Japan and China over economic and historical issues is also one of the factors stimulating the competition between the hedging and engagement options. Regardless of which approaches they support, most U.S. policy makers do not wish to see Japan-

⁶For the Bush Administration’s official position on this, see the speech by Secretary of State Condoleezza Rice) at Sophia University in Tokyo in the spring of 2005. She emphasized that the U.S. alliance with Japan is the key base on which the United States can consistently commit to the Asian region.

⁷Aaron Friedberg (Professor at Princeton University, former deputy assistant for national-security affairs to Vice President Cheney), personal interview by the author, *Nihon Keizai Shimbun*, morning edition, 15 February 2006: 9.

⁸Personal interviews by the author with several senior U.S. government officials in charge of national security strategy. See also *Quadrennial Defense Review (QDR) Report* by the U.S. Department of Defense, issued in February 2006.

⁹Personal interview by the author with Brent Scowcroft (former National Security Adviser to President George H.W. Bush), *Nihon Keizai Shimbun*, morning edition, 15 February 2006: 9.

China relations deteriorate. Yet, there seems to be a slight difference of temperature between the supporters of the two different strategies.

Though supporters of the hedging approach prefer to see stable and good Japan-China relations, they are inclined to accept some degree of tension, if such tension is inevitably caused by U.S. and Japanese hedging against China. On the other hand, supporters of deeper engagement tend to be more wary of provoking China by flaunting the U.S.-Japan alliance.

Which element will have more influence in shaping U.S.-China policy in the long run, hedging or engagement? In whichever case, the basic character of the U.S. grand strategy may not necessarily differ drastically; the United States will likely utilize both hedging and engagement toward China, while maintaining a strong U.S.-Japan security alliance. Having said that, the prospect of competition between the hedging and engagement approaches in the U.S. government will still have some impact on Japan's strategy, and this cannot be ignored. This paper will try to analyze the correlation between the future trend of the U.S. approach toward China and the direction of Japan's strategy.

The second chapter will focus on another, potentially much more crucial, variable for U.S.-China-Japan triangular relations. This is the prospect for the U.S. capability to maintain a strong and long-term military commitment to Asia, in the context of hedging against the rise of China. In the Quadrennial Defense Review (QDR) Report, issued in February 2006, the Department of Defense outlined its plan to shift U.S. naval forces to the Pacific, with particular attention to China's military expansion.

There seems to be quite a wide gap, however, between the intentions of the Department of Defense and the actual resources available to execute its long-term plan. There are several constraints, including the growing budget deficit of the federal government and the burden of the

global war against terrorism, as well as uncertainty over the evolution of U.S. public opinion regarding this issue.

If the U.S. capability to sustain a strong military commitment to Asia were to weaken in the long term, this may affect the future power balance in North East Asia, as China emerges as a great economic and military power in the region. This paper will look into the possibility of this scenario and examine its implications for the future direction of Japan's strategy.

Last, by taking account of the major variables mentioned above, the paper will analyze what kind of future grand strategy Japan would be likely to adopt, facing the rise of China as a great power. Prime Minister Shinzo Abe, who succeeded the very popular Junichiro Koizumi, intends to mend Japan-China relations with a more pragmatic approach than his predecessor.¹⁰ Abe is in favor of close policy coordination with the United States, too. Yet, there is still a potential risk that the U.S.' and Japan's China policies will become inconsistent with one other and that the effectiveness of these policies will be largely undermined. I will make note of these risks and put forth several policy proposals to prevent them from arising.

¹⁰*Nihon Keizai Shimbun*, morning edition, 9 October 1006: 3.

CHAPTER 1

THE DYNAMISM OF U.S. POLICY TOWARD CHINA

Hedging

People who emphasize hedging in dealing with an emerging China tend to believe that China's future behavior is very unpredictable and that there is great uncertainty as to whether it will become a partner for the United States and other major powers, including Japan.¹¹ This does not necessarily mean that all of these people are hardliners, but they believe that there may be various sources of future unpredictability within rapidly growing nations with huge populations like China.¹² Analyses by former Bush Deputy Secretary of State Richard Armitage reflect those views. "We also have to hedge against the possibility that China doesn't come out as we want.... Nobody, including China, knows the answer [whether China will become a shared-value partner].... I don't think anyone can answer that question. Even the Chinese leadership doesn't know how they're going to turn out." His assumption is that the rise of China is not going to be "a gentle straight line," even if China really intends to achieve peaceful emergence. This is "because China has to conquer many, many problems such as energy, the environment, demographics," he says.¹³

Some more optimistic observers argue that the Chinese economy is now heavily integrated into the global economy and that this deep interdependence will help to avoid serious confrontations between China and other major powers.

¹¹Richard Armitage (former deputy Secretary of State in the George W. Bush administration), personal interview by the author, *Nihon Keizai Shimbun*, morning edition, 14 January February 2006: 2.

¹²Not only certain security policy experts believe this, but prominent futurist Alvin Toffler has similar views. Personal interview by the author.

¹³Armitage interview.

Those who favor a hedging approach, however, look back at history and point out that economic interdependence has not always prevented nations from going to war with one another.¹⁴ William Schneider, chairman of the Pentagon's Defense Science Board, is one of those experts. "There was a famous economist before World War I, in 1914, who wrote an article about why Germany and Britain would never go to war, because of their strong trade relations. Germany was Britain's largest trading partner. But of course, they did go to war, because people often go to war for reasons that have nothing to do with economic interest," Schneider cautioned.¹⁵

If his thesis is correct, it means that the deep economic interdependence between the United States and China will not ensure that the two countries can avoid confrontation. Germany was not the only case in the past. In December 1941, Japan attacked Pearl Harbor despite its heavy dependence on imports of oil from the United States.¹⁶

For active hedging supporters, one of the major sources of concern is the Taiwan Strait. Though tension in the strait has eased somewhat recently, China will not exclude the use of force as a means to realize unification of its "motherland" and continues to build up military power in the area. This gives a rationale to those who insist that the hedging aspect of China policy is very important to maintain stability and peace in the Pacific, where the United States has strong stakes.

Richard Lawless, former deputy under secretary of defense for current Bush administration, warns that: "Taiwan faces significant challenges. The PRC's [People's Republic

¹⁴John Mearsheimer (professor at the University of Chicago), personal interview by the author. Also see debate between Mearsheimer and Zbigniew Brzezinski (former National Security Adviser to President Jimmy Carter), *Foreign Policy* January-February 2005.

¹⁵William Schneider (Chairman of the Pentagon's Defense Science Board), personal interview by the author, 17 January 2005.

¹⁶About Japan's policy decision process before it went into war in 1941, see Michael Barnhart, *Japan Prepares for Total War* (Ithaca, NY: Cornell University, 1987).

of China] ambitious military modernization cast a cloud over Beijing's declared preference for resolving differences with Taiwan through peaceful means."¹⁷

U.S. concern over the Taiwan issue will not easily diminish, since the United States has to face the risk of major war against China if a crisis breaks out in the Taiwan Strait. Several U.S. officials have emphasized that, if Taiwan were under attack from China, the United States is willing, or will be forced, to be involved in some way, though the level of its commitment may differ depending on how the conflict is triggered.¹⁸ According to Dennis Blair, former commander-in-chief of the U.S. Pacific Command, the United States is most likely to intervene militarily if China attacks Taiwan without any provocation.¹⁹

Another driving force of the U.S. hedging approach toward China is the recently growing concern over China's long-term strategic intentions, not limited to Taiwan, but also in a more global context. Some senior U.S. officials think that China has been expanding its military budget very rapidly without sufficient explanations about its motivations and intentions.²⁰ China is also stepping up its diplomatic offensive toward a variety of energy-rich countries that have quite hostile relations with the United States. These include Iran, Sudan, and Venezuela,²¹ and this behavior causes skepticism among U.S. policy makers, thus encouraging the hedging aspect of U.S.-China policy.

¹⁷Richard Lawless (deputy Undersecretary of Defense), testimony to Congress 6 February 2004.

¹⁸Several senior U.S. officials, personal interviews by the author, 2004-2005. For example, one U.S. official handling security policy asserts that "we will definitely have to become involved if some conflict breaks out in the Taiwan Strait."

¹⁹Dennis Blair (former Commander-in-Chief of U.S. Pacific Command), personal interview by the author 28 April 2004.

²⁰Schneider, personal interview by the author.

²¹About China's approach to Middle Eastern countries, see Daniel Blumenthal, "Providing Arms," *Middle East Quarterly* April 2005.

“I wouldn’t necessarily put [China’s military build-up] exclusively in the context of Taiwan. What I am suggesting is there is something much broader and much more fundamental going on here,” advocates a senior U.S. defense official, explaining the driving force of China’s rapid military expansion.²²

One of the most symbolic examples, reflecting deep skepticism in the Pentagon, was a meeting between Donald Rumsfeld, former secretary of defense, and Hu Jintao, the then Chinese vice president (now president) at the Pentagon in 2002. According to U.S. officials, Rumsfeld strongly criticized China’s military cooperation with some Middle Eastern nations, saying that such cooperation would destabilize the Middle East. When Hu denied some of those allegations, Rumsfeld suddenly got frustrated, saying that the United States had good intelligence [about China’s arms sales], and demanding that they be stopped.²³

More importantly, some senior U.S. officials are concerned that potential instability in China’s social and political systems may become an unpredictable external threat. Andrew Marshall, director of the Office of Net Assessment at the Pentagon, who is a prominent strategist, explains that he is paying close attention to how any bottlenecks in China’s growth may affect the nation’s future external behavior. These bottlenecks include a shortage of clean water, demographic imbalances, and growing energy consumption.

Marshall says that China has been growing very rapidly economically, but with a one-child-policy: “China is aging rapidly on the one hand, and there is the substantial gender imbalance.... They also have a huge water problem.”²⁴ Marshall is concerned that China has

²²Senior U.S. defense official, personal interview by the author and other reporters, 28 May 2004.

²³U.S. officials, personal interviews by the author.

²⁴Andrew Marshall (director of Office of Net Assessment at the Department of Defense), personal interview by the author, *Nihon Keizai Shimbun*, morning edition 19 April 2006: 6.

great internal uncertainty, and, therefore, suggests that the United States and other countries should follow a hedging strategy to get ready for any unpredictable outcomes inside China. The assumption is that, if and when China becomes more vulnerable internally, it may tend to become even tougher externally, since it cannot afford to compromise with other countries as easily as it can now.

“The hope [of engagement policy] is that this will lead, ultimately, to a more democratic and normal power. We don’t know that that’s the way it will actually end up, and so we have to hedge against [the possibility of its] not turning out quite so well,” Marshall said.²⁵ These hedging strategists do not necessarily discount the need and importance of active engagement, but they think that an effective hedging policy will be more helpful in dealing with China’s unpredictable future.

Japan in the Context of Hedging

Major policies representing the hedging dimension can be separated into two categories. One is to expand U.S. strategic cooperation with allies and friendly countries in the Pacific; the other is to increase military deterrence capability against China. Whichever course may ultimately be chosen, the United States regards the U.S.-Japan alliance as a critical and helpful tool in achieving its policy goals.

As to U.S. alliance networks, the United States has already been making active efforts to strengthen security and diplomatic cooperation with major Pacific allies, such as Japan, Australia,

²⁵Marshall interview.

Singapore, and India.²⁶ In particular, the United States attaches high priority to boosting its security cooperation with Japan, and both countries actually have shown significant progress. In October 2005, they agreed on major transformations of the U.S. military in Japan and a new security framework, by which the U.S. military and Japan's Self-Defense Forces (SDF) intend to enhance joint operation capabilities and to expand the division of labor between them in order to improve preparedness to better deal with a possible crisis in Asia.²⁷

Neither the U.S. nor the Japanese government ever clearly refers to the rise of China as the main motivation for such arrangements, believing that such remarks will provoke China and generate a counterproductive ripple effect. Several U.S. and Japanese officials who are involved in this process, however, acknowledge that "the rise of China" is the overwhelming factor that encouraged both countries to enter into closer security cooperation. One former U.S. official who dealt with this process asserts that the "China factor was almost everything" in leading the United States and Japan to such an agreement.²⁸

Thus, it is quite safe to conclude that the United States perceives the U.S.-Japan alliance as a critical tool in the hedging strategy against China. More concretely, what type of cooperation does the United States expect from Japan to hedge against China? Senior government officials from both the United States and Japan cite two major contributions that the

²⁶QDR Report, February 2006. Also see, Evan Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," *The Washington Quarterly* Winter 2005-2006; Robert Kaplan, "How We Would Fight China," *The Atlantic* June 2005: 49-64.

²⁷U.S.-Japan Security Consultative Committee Document, *U.S.-Japan Alliance: Transformation and Realignment for the Future*, 29 October 2005; U.S.-Japan Security Consultative Committee Document, *United States-Japan Roadmap for Realignment Implementation*, 1 May 2006.

²⁸U.S. and Japanese government officials who are familiar with internal discussions on this matter. Personal interviews by the author, August – December 2006.

United States expects from Japan.²⁹ One is the expansion of reconnaissance and surveillance activity by Japan's SDF. The SDF has four destroyers equipped with Aegis naval weapons systems and more than 100 P3 patrol planes. According to those officials, another contribution that the United States expects is the SDF's active logistical support of the U.S. military if a crisis, such as a conflict in the Taiwan Strait, breaks out in the region.

As for increasing military deterrence capability, the United States has already put forth its grand design in the above-mentioned QDR Report. The report defines China, India, and Russia as "key factors in determining the international security environment of the 21st century." It expresses particularly strong concern about China, warning that "China has the greatest potential to compete militarily with the United States," while it defines India as "a key strategic partner."³⁰

Based on this analysis, the QDR outlines U.S. defense strategy to shift its major naval power toward the Pacific; the U.S. Navy will always deploy more than six aircraft carriers and 60 percent of its submarines in the Pacific.³¹ The U.S. Navy currently has 12 aircraft carriers in total and six mother ports both in the Atlantic and the Pacific. But it plans to reduce the total number of aircraft carriers to 11 in the future, so the QDR strategy means quite a significant shift of U.S. naval forces toward the Pacific.

Japan's potential role may not be limited to security cooperation, but may also include strategic planning. Armitage, who is known to be a strong supporter of a closer U.S.-Japan alliance, is the one who explicitly expresses his expectations in this respect. "The two strongest economies in the world, Japan and the United States, have to accommodate the rise of China and

²⁹Senior U.S. defense official, personal interview by the author, 5 October 2005; several Japanese officials, personal interviews by the author, 2005-2006.

³⁰QDR Report, 2006: 28-29.

³¹QDR Report: 47.

the rise of India. We have to get together and figure out how we are going to do it, and then we have to work,” he says.³² One specific area where the United States and Japan can cooperate will be in energy strategy, including how both countries can maintain the security of sea lanes from the Middle East to Asia.

Engagement

There are many people inside the U.S. government who believe that putting higher priority on the engagement aspect of the policy would be more effective in dealing with the rise of China. They believe that an ideal mix of both elements is to put more weight on engagement than hedging.³³

Again, they never neglect the need for hedging, and it could be said that the major difference between supporters of hedging and supporters of engagement is rhetoric and nuance rather than substance. Yet, this difference of “temperature” sometime becomes a factor that cannot be ignored when handling a delicate China policy.

Among those who put greater emphasis on deeper engagement, there are two major common assumptions.

First, they feel that China’s main priority for the foreseeable future is to achieve sustainable economic development and to create a favorable international environment for achieving that goal. Second, they believe that the Chinese economy is being increasingly

³²Armitage interview.

³³Colin Powell (Secretary of State), testimony to Congress 3 March 2004.

integrated into the global economy and that this will dissuade China from taking a confrontational stance against the existing great powers.³⁴

There are several indications that seemingly support these assumptions. The first is China's flexibility in solving border disputes. China has solved 17 out of 23 territorial disputes since 1949, and, in most cases, took less than 50 percent of the contested land. Moreover, China made eight compromises of this kind in the 1990's, when the nation was emerging as a rapidly growing power in Asia.³⁵

China's behavior toward international organizations and the global market has also been changing. From the mid-1960's to the mid-1990's, China became a more active participant in international organizations; the number of its memberships in international organizations approached 80 percent of the United States, Japan, and India.³⁶ The nation's average tariff rate dropped from more than 40 percent in 1992 to slightly less than 20 percent in 1997.³⁷

If U.S. policy makers stand on the above assumptions, that China is becoming more willing to behave benignly toward other countries and to accept international norms as it is integrated with the rest of the world, it could be rational for them to put greater emphasis on engagement than on hedging.

Prominent supporters of this idea include very influential figures in the U.S. foreign policy arena, such as Henry Kissinger (former secretary of state in the Nixon and Ford

³⁴Scowcroft, interview; Assistant Secretary, Bureau of East Asian and Pacific Affairs, Christopher R. Hill's testimony in June 2005 also emphasized the significance of China's rapid economic growth for other countries.

³⁵Taylor Fravel (Assistant Professor at the Massachusetts Institute of Technology), "Regime Insecurity and International Cooperation," *International Security* Fall 2005: 46-83.

³⁶Alastair Iain Johnston (Professor at Harvard University), "Is China a Status Quo Power?" *International Security* Spring 2003: 5-56.

³⁷Johnston.

Administrations), General Brent Scowcroft (former national security advisor in the Ford and senior Bush Administrations) and Collin Powell (former secretary of state in the current Bush Administration).³⁸ Scowcroft, for example, believes that there is little danger of China's becoming a U.S. adversary in the foreseeable future, unless the United States treats them as an enemy. "They [China] depend on our market, and we depend on them to buy bonds so that we can run these big deficits. So there is growing interdependence.... If we treat them like an enemy, they will [become an enemy]. We can't make them a friend. But, I don't see anything that would lead me to conclude that inevitable conflict/confrontation is out there," Scowcroft emphasizes.³⁹

Even in the Pentagon, there are people who favor more engagement with China's military. Several retired U.S. Navy officials admit that "there are many uniformed military officials in the Pentagon who don't agree with Secretary Rumsfeld's cautious attitude toward military exchange with China."⁴⁰ When states go war, it is uniformed personnel who have to go to the battlefields, so in general, they instinctively tend to welcome Confidence-Building Measures (CBM) to reduce mutual miscalculations with potential adversaries.

During the Clinton Administration, some top civilian defense officials also shared these views. William Perry and William Cohen, both of whom served as secretary of defense under Clinton, proposed several new initiatives aimed at the Chinese military to enhance U.S.-China military exchange. When Perry visited Beijing in 1994, the United States agreed with China's

³⁸About the role played by Kissinger in U.S.-China relations, see also Tyler; James Mann, *About Face*. As for Powell's position, see his testimony to Congress 3 March 2004.

³⁹Scowcroft interview.

⁴⁰A retired senior Navy official who dealt with Asian strategy, personal interview by the author, 2005.

military to expand military exchanges such as information-sharing. Perry also proposed “joint exercises for the purpose of cooperating in relief operations.”⁴¹

In addition, Cohen, who succeeded Perry, proposed having “joint table-top-exercises,” in which U.S. and Chinese military officials would sit together and examined how they could cooperate in crises such as natural disasters.⁴² Although China did not accept either proposal at that time, these efforts by the U.S. side showed that the engagement aspect of China policy is not only limited to the economy and diplomacy, but exists in the military arena as well.

In the Bush Administration, the power balance between supporters of engagement and hedging seems to be more fluid and complicated. During his presidential election campaign in 2000, Bush defined China as a “strategic competitor.” After the terrorist attack of September 11, 2001, his administration started to improve its relations with China, spurred mainly by counter-terrorism cooperation.⁴³ Later, in the fall of 2002, the nuclear crisis in the Korean Peninsula broke out, and this added pressure on the administration to cooperate even more closely with China. One U.S. official predicts that “it may be the case that the Bush Administration’s attitude toward China will keep softening, as the administration is swamped with the Iraq situation.”⁴⁴

On the other hand, it is also true that Bush has allowed the Pentagon to keep pursuing an active hedging strategy, as noted above. The hedging and engagement approaches have been

⁴¹William Perry (former Secretary of Defense), personal interview by the author, 12 December 2005.

⁴²William Cohen (former Secretary of Defense), personal interview by the author, 9 January 2005.

⁴³Bonnie Glaser (Senior Associate at the Center for Strategic and International Study), personal interview by the author, 29 April 2004. Also see Michael Swaine (Senior Associate at Carnegie Endowment for International Peace), “Reverse Course? The Fragile Turnaround in U.S. - China Relations,” *Policy Brief*, Carnegie Endowment for International Peace, February 2003.

⁴⁴U.S. defense official, personal interview by the author, 12 December 2003.

coexisting and competing in the Bush Administration. This is not an exceptional phenomenon; similarities can be observed in successive past administrations since Nixon in this regard.

Japan in the Context of Engagement

Not only supporters of hedging, but strong supporters of engagement also hope to see a more robust U.S.-Japan security alliance in general. Both share the same basic line of Japan policy. There is a slight difference, however, between hedging and engagement supporters about how the United States should adjust the U.S.-Japan security alliance vis-à-vis China.

Stronger engagement supporters think that the United States and its allies should not give the explicit impression to China that they will join together to pressure or deter the nation.⁴⁵ For engagement supporters, a higher policy priority should be to accelerate the smooth integration of China into the international system. To achieve that end, they think it is important to ease China's caution toward existing international systems and major powers, which formulate those systems.

A typical example is Scowcroft's view about whether the United States and Japan should work more closely to deal with China. "I don't agree [with such an idea]. I think psychologically that's the wrong thing to do.... it's natural for us to coordinate and work together. But if it looks like we're ganging up on China, that's exactly the wrong thing to do."⁴⁶ This view is in sharp contrast to that of Armitage, who openly insists that the United States and Japan should upgrade their diplomatic and security cooperation to deal with the rise of China.⁴⁷

⁴⁵Medeiros.

⁴⁶Scowcroft interview.

⁴⁷INSS Special Report, *The United States and Japan: Advancing Toward a Mature Partnership* (Institute for National Strategic Studies and National Defense University, 2000). This document is known as the "Armitage

This certainly does not mean that supporters of engagement are generally reluctant to strengthen the U.S.-Japan alliance. Most U.S. policy makers and influential figures like Scowcroft believe that a stronger U.S.-Japan alliance is better for the United States if it is to maintain wider policy options.⁴⁸ The major difference between supporters of engagement and supporters of hedging is the extent to which the United States and Japan should display and actually utilize the strength of the U.S.-Japan alliance to deter China's challenge. Naturally, supporters of engagement are less willing to do so, assuming that such a display would provoke China and would be counterproductive to their objectives.

Supporters of engagement believe that Japan's more important role is to help the United States to integrate China. They put higher priority on urging Japan to maintain stable and calm relations with China than on urging Japan to help the United States to deter China. Supporters of engagement tend to believe that Japan's most important role is to continuously assist China's economic reform and to further sustainable growth. This is because such assistance will help minimize the risk of failure of U.S. engagement approaches toward China.

Rising tension between Japan and China, which is being caused by issues including energy exploration and wartime history, is a serious source of concern for U.S. policy makers, regardless what kind of China policy they favor. This is because they think that worsening Japan-Sino relations will be counterproductive not only for stability in Asia, but also for U.S. interests in the region. Anti-Japanese sentiment in China may stimulate Chinese nationalism and destabilize the domestic situation there, thus complicating U.S. strategy toward China from many aspects.

Report," since Armitage was one of the authors. One senior U.S. government official explains that this report is "the bible for U.S. policy toward Japan" in the Bush administration.

⁴⁸Scowcroft interview.

Having said that, the shapes of the prisms through which U.S. policy makers watch Japan-China relations seem to differ slightly depending on their position on U.S.-China policy. Those who push the strong engagement approach tend to have more frustration relative to supporters of the active hedging approach. This is because supporters of engagement naturally tend to emphasize harmony and cooperation as compared with supporters of hedging.

Reflecting such frustrations of engagement supporters, Christopher Hill, assistant secretary of state, bluntly expresses his concern about Japan's history issue. "We very much want to see a good relationship between Japan and its mainland neighbors in Korea and China. It is of no interest to the United States that China and Japan should have problem." About the issue of the Japanese prime ministerial visits to Yasukuni Shrine, he says: "I am not an elementary school teacher and I am just not giving advice to people on that. People older and more mature than I can make their own decisions," implying that he expects Japanese prime ministers to decide not to make such visits.⁴⁹

Before Bush visited Kyoto in the autumn of 2005, some U.S. officials recommended that, at his meeting with Koizumi, Bush should tell the Japanese prime minister that the United States is concerned about the Yasukuni issue.⁵⁰ According to Japanese government officials, the two leaders talked about the matter for some 20 minutes at lunch after the official meeting, but the press was not informed of this fact.⁵¹

This does not mean that supporters of hedging do not get alarmed by rising tension between Japan and China, but that their context and logic are a little different. Supporters of

⁴⁹Christopher Hill, interview by Japanese reporters, 5 January 2006.

⁵⁰Anonymous sources, personal interview by the author, spring 2006.

⁵¹Japanese officials, personal interviews by the author, spring 2006.

hedging tend to pay more attention to how Japan-China rivalry will affect the future distribution of power in Asia, and, hence, what kind of impact it may have on U.S. national interests in Asia.

They worry, for example, that the history issue between Japan and China may weaken Japan's comparative competitiveness in Asia and consequently help China to expand its diplomatic influence in the region. One U.S. government official who supports the hedging approach believes that, if Japan cannot take effective measures to deal with the history issue, "China will continuously use the history card to isolate Japan in Asia and weaken the U.S.-Japan alliance. This is not good for U.S. interests either."⁵²

Any Impact on Japan's Strategy?

The Bush Administration is seemingly attempting to integrate the two different approaches, hedging and engagement, into one coherent policy, and the 2006 National Security Strategy shows evidence of this.⁵³ The Strategy outlines policy to accommodate China into the international system by urging them to be "a responsible stakeholder," while it endorses the hedging approach as well.

So far, the extent to which the two different approaches will evolve into a unified strategy under the Bush Administration is not clear. Judging from the complexity of U.S.-China relations, it is likely that the next U.S. administration will repeat the same pattern. Then, what is the implication of this competition for Japan's long-term strategy vis-à-vis China?

⁵²Former Bush administration official, personal interview by the author, 17 December 2003.

⁵³James J. Przystup and Philip C. Saunders, *Vision of Order: Japan and China in U.S. Strategy* (Institute for National Strategic Studies, June 2006).

As long as both hedging and engagement share the same basic approach, which is to maintain a strong U.S.-Japan security alliance, the ripple effect of the competition between them on Japan's strategy would not be so huge. If the competition intensifies to the extent that the U.S. administration cannot maintain a coherent China policy, however, it will affect Japan's strategy. This possible scenario will be covered in Chapter 3.

CHAPTER 2

CAN THE UNITED STATES SUSTAIN

A STRONG MILITARY COMMITMENT TO ASIA?

In Chapter 1, this paper mainly analyzes two major approaches driving U.S. China policy. Although there is a debate over what is the best combination of hedging and engagement elements in this policy, most U.S. policy makers agree that the United States should maintain a strong military commitment to Asia to better hedge or engage a rising China.

The next major question is to gauge the long-term U.S. capability to carry out its intentions. If this capability weakens in the foreseeable future, options for U.S.-China strategy, as well as Japan-China policy, may be constricted.

For the United States to maintain a strong commitment to Asia, at least two kinds of resources will be required. The first is physical resources, such as the defense budget and military forces. The second is political support to sustain such a commitment. In other words, the U.S. government needs to ensure strong public support in order to continuously pay the costs and take the risks necessary to maintain a strong military presence in Asia.

Constraints to Physical Resources

Even with military operations in Iraq and Afghanistan, current U.S. defense spending is relatively small in terms of its share of the gross domestic product (GDP). During the Korean (1953) and Vietnam (1968) conflicts, total defense spending was some 14.2 percent and 9.4 percent, respectively, of the GDP; in 2007, this figure is likely to be only about 4.5 percent.⁵⁴ In

⁵⁴Steven M. Kosiak (Center for Strategic and Budgetary Assessment), *Testimony to the U.S. Senate Budget Committee*, 6 February 2007.

this respect, the burden of defense spending on the U.S. economy as a whole is not so great as in the past. Some supporters of heavy defense outlays, therefore, insist that the United States can afford more in this regard.

The trend over the past few years, however, is not indicating such an optimistic prospect. From FY 2000 to 2006, the regular “non-war” defense budget rose by about 22 percent after inflation.⁵⁵ This increase, which does not include funding for wars in Iraq and Afghanistan, pushed the level of defense spending above the peacetime average during the Cold War.⁵⁶ Unclear prospects in the two present conflicts are also a heavy burden for federal spending.

More importantly, pressures to reduce the federal budget deficit will be constraints on defense spending. According to a prediction by the Congressional Budget Office (CBO), the federal budget deficit will increase to more than \$2 trillion over the next decade, even under optimistic projections.⁵⁷

In order to tackle this serious deficit issue, in February 2007, the Bush Administration announced its intention to reduce the budget deficit very drastically starting in FY 2008 and to bring the budget into the black by FY 2012. Within the budget, mandatory programs such as Social Security and Medicare are likely to increase constantly, as the baby boomers reach full retirement age starting around 2010. Therefore, pressure on defense spending will increase, leaving less room for further drastic expansion.

The structure of defense spending is also showing some constraints. Operation and maintenance spending is rising constantly due to the pressure to improve the quality of life in the

⁵⁵ Stephen Daggett, *Defense Budget: Long-Term Challenges for FY2006 and Beyond* (Congressional Research Service Report for Congress, 20 April 2005).

⁵⁶Daggett.

⁵⁷Congressional Budget Office, *An Analysis of the President’s Budget Proposals for Fiscal Year 2006* (CBO, March 2005).

military, and this trend will likely continue. Since the Korean War, this expenditure per troop has increased at a yearly average of 2.6 percent above inflation.⁵⁸

Even if the U.S. government ensures a certain growth of defense spending every year, the increase of these fixed costs may offset it. For example, the FY 2006 defense budget request was \$131 billion more than that in FY 2000, but \$77 billion (almost 60 percent) of this was in the “Military Personnel” and “Operation and Maintenance” accounts.⁵⁹ Increases of these spending items are not directly linked to the QDR’s plan to expand naval forces in the Asia-Pacific, which is mainly aimed at better hedging against China’s military expansion.

Whether the United States can maintain a strong military commitment to the Asia-Pacific will largely depend upon the future posture of the naval and air forces. In February 2006, in order to execute the QDR plan, the U.S. Navy outlined a requirement for a fleet of 313 ships, which included 11 aircraft carriers, 66 submarines, and 62 guided missile destroyers. Yet, in addition to federal budget constraints, the rising cost of shipbuilding makes this plan more difficult for the U.S. military to afford. It is widely believed that the Navy’s budget projections for shipbuilding associated with the 313-ship fleet plan largely underestimate the sharp rise in the costs of shipbuilding in recent years.⁶⁰

In short, although the Bush Administration has the clear intention to strengthen the U.S. military commitment to the Asia-Pacific region, there is the serious danger that the U.S. military cannot ensure the necessary funding to execute its defense plan. There is a significant gap between the resources that the U.S. military requires and what is actually available.

⁵⁸Daggett.

⁵⁹Daggett.

⁶⁰Robert O. Work (Center for Strategic and Budgetary Assessments), *Testimony to the U.S. House Armed Services Committee Projection Forces Subcommittee*, 30 March 2006.

Domestic Political Support

The prospect of political support for a deep U.S. military commitment to the Asia-Pacific does not look encouraging either. According to a public survey conducted by The Chicago Council on Global Affairs in 2006, 53 percent of Americans think that the current number of overall U.S. military bases overseas is appropriate, while only 15 percent support more.⁶¹

When specifically asked about the preferable scale of the U.S. military presence in East Asia, 30 percent of the Americans polled answered that the presence “should be decreased”; this is much higher than the 8 percent who thought it “should be increased.” Those Americans who believe that the current level is appropriate, at 57 percent, comprised the majority.⁶²

More importantly, the American people’s willingness to support military intervention to contain conflicts in Asia seems to be wavering. In the same survey, when asked if a confrontation between China and Taiwan is a critical threat to U.S. vital interests in the next 10 years, only 18 percent of Americans answered “yes.”⁶³ As for the Korean Peninsula, 45 percent of Americans are in favor of using U.S. troops if North Korea invades South Korea, while 49 percent are opposed.⁶⁴

Responding to these survey results, several former Bush Administration officials still believe that the American people would eventually support U.S. military intervention in the event of a war between Taiwan and China.

“The average American person generally doesn’t know where and what Taiwan is. But, if China attacks Taiwan, through massive reports by media, Americans will know Taiwan is a

⁶¹The Chicago Council on Global Affairs, *The United States and Japan: Responding to the Rise of China and India* (Result of a 2006 Multination Survey of Public Opinions).

⁶²Chicago Council.

⁶³Chicago Council.

⁶⁴Chicago Council.

democracy, while China is not. And, consequently, they will support defending democracy,” one of those former U.S. officials predicts.

It is true that results of public surveys cannot necessarily predict the future behavior of the American public in the event of a war in Asia. If military conflicts break out between China and some democratic states or region, the American public might possibly perceive it as a “war between democracy and authoritarianism” and will show strong support for U.S. military interventions.

We can, however, ascertain at least one clear implication from the results of the public survey conducted by The Chicago Council. That is, the U.S. administration cannot take strong political support for granted in any attempt to maintain a deep and strong military commitment to the Asia-Pacific region.

CHAPTER 3

SCENARIOS FOR JAPAN'S STRATEGY VIS-A-VIS THE RISE OF CHINA

Implications of Two Major Variables

Surrounded by nuclear powers such as China, Russia, and a hostile North Korea, Japan is most likely to continue relying on the “U.S. security umbrella” for its survival, at least for the foreseeable future. Whether Japan’s leaders are willing to do so or not, Japan has few policy options other than closely coordinating its grand security strategy with the United States.⁶⁵ Naturally, Japan’s strategy toward China is not an exception. In this respect, the trend of U.S.-China policy and the future of the U.S. military commitment to the Asia-Pacific continue to be very important variables for Japan’s approach to China.

This is not necessarily a new pattern. Since the 1970’s, Japan-China relations have been affected by U.S. policy and U.S.-China relations. It was the change of U.S. policy that pushed Japan toward diplomatic normalization with China in 1972 and 1979. China’s attitude to Japan was also affected by U.S.-China relations. China became more eager to accelerate security and political cooperation with Japan when U.S.-China relations became tense over the Taiwan issue in 1981-83 and the Tiananmen incident in 1989-92. At those times, China sought to improve relations with Japan in order to minimize its isolation in the international community and reduce its vulnerability to both Soviet and American power.⁶⁶

Therefore, when Japan’s leaders attempt to shape medium- and long-term grand strategy toward China, they naturally try to take account of two crucial variables. The first of these relates

⁶⁵Shinzo Abe (former Prime Minister of Japan), his first speech to the Diet, 29 September 2006.

⁶⁶Ross 108.

to the future trend of U.S.-China policy: will the U.S. government define China as a “strategic partner,” as it did in the late 1990’s, or as a “strategic competitor”?

The second variable is more fundamental – that is, will the United States be willing, or able, to remain fully committed to the Asia-Pacific militarily, given the various constraints mentioned in the previous chapter?

As for the future trend of U.S.-China policy, it is likely that ongoing competition between supporters of the engagement approach vs. supporters of the hedging approach will continuously affect its direction. The competition may even intensify, as China’s influence on the global economic and political system expands.⁶⁷ It is not clear how the balance of the two dimensions will evolve in the medium and long term.⁶⁸ Besides the U.S. factor, China’s future behavior is also a very crucial and unpredictable issue.

There has been a certain pattern in U.S.-China relations since the 1970’s. Many past U.S. presidents started with very tough or ambitious plans vis-à-vis China. But, as they faced a variety of difficult challenges in foreign policy, they gradually inclined toward more cooperative relations, eventually ending up with quite pragmatic approaches.⁶⁹ Both Nixon and Reagan were known to be anti-communist when they were elected, but they eventually signed two of the three joint communiqués that are the very important foundations for U.S.-China relations.

Even after the end of the Cold War, this pattern was repeated. China’s rapid economic growth since the mid-1990’s and cooperation with counter-terrorism efforts after 9/11 are the

⁶⁷About the impact of China’s rise on U.S. policy dynamism, see, David Lampton, “Paradigm Lost,” *The National Interest* Fall 2005.

⁶⁸About the competition among different approaches toward China, see Aaron Friedberg, “The Future of U.S.-China Relations,” *International Security* Fall 2005.

⁶⁹Scowcroft, interview; David Lampton (professor at Johns Hopkins University), personal interview by the author, 28 October 2005; see also Tyler.

major anchors that helped to moor U.S.-China relations. Clinton took a very tough stance on the human rights issue in his first term, but later he pursued the establishment of a strategic partnership with China.

The attraction of a growing market helped China to offset the loss of its geo-strategic importance after the collapse of the Soviet Union. Following 9/11, counter-terrorism became another pillar of U.S.-China cooperation, and it furthered the improvement of U.S.-China relations under the Bush Administration.⁷⁰ According to Michael Armacost, former undersecretary of state and U.S. ambassador to Japan, past history tells us that it generally takes at least 18 months after inauguration for a new U.S. administration to get its China policy on a pragmatic track.⁷¹

It is uncertain, however, if this “from-tough-to-pragmatic-pattern” of U.S.-China policy will be repeated in the medium term, due to changes in the global strategic framework after the Cold War. During the Cold War period, China was virtually a strategic partner for both the United States and Japan to counter the threat from the Soviet Union. U.S.-China-Japan triangular relations still fluctuated within this Cold War framework, but the amplitude of that swing was not too extreme, since the three countries shared similar strategic goals.

At present, there is no such common framework in which the U.S.-Japan security alliance and China can stand on the same strategic ground. As mentioned in Chapter 1, some U.S. government officials foresee a gradual divergence of the grand strategies between the U.S.-Japan security alliance and China.

⁷⁰Glaser, interview; Swain.

⁷¹Michael Armacost, personal interview by the author, 24 December 2003.

In recent years, cooperation with regard to the North Korean issue, counter-terrorism after 9/11, and active economic exchange have served as major centripetal forces of U.S.-China ties. They do not, however seem to be strong enough to ensure stable development of the relations in the medium and long term.

As to the North Korean issue, strong skepticism still remains inside the U.S. administration about the extent to which China is really willing to pressure North Korea to solve the situation.⁷² Counter-terrorism cooperation is unlikely to diminish in the near future, but it may run out of steam eventually, unless China keeps providing visible supports.⁷³ On the economic front, China is likely to keep emerging as great power, but several projections warn that China's rapid economic growth may not be sustainable in the long run.⁷⁴

How about the second variable: the prospect of U.S. military commitment to the Asia-Pacific region? In Chapter 2, this paper made note of two potential constraints that might force the United States to reconsider its strong military commitment, regardless of whether or not it is willing to do so. One is budgetary constraints, and the other is uncertainty of domestic political support for such a commitment.

Japan's national security strategy has been based on the premise that the United States will maintain a strong military presence, so that Japan will be able to rely on the U.S.-Japan Security Treaty in the case of some contingency. If the United States were to be forced to reduce its military commitment to the Asia-Pacific region, Japan would have to review its grand strategy as well.

⁷²Former Bush administration official, personal interview by the author, December 2006.

⁷³Former Bush administration official, personal interview by the author, January 2006; see also Daniel Blumenthal, "Providing Arms."

⁷⁴John Whalley and Xian Xin, "China's FDI and Non-FDI Economies and the Sustainability of Future High Chinese Growth," *National Bureau of Economic Research* May 2006.

The potential impact of this second variable on Japan's strategy could be much greater than that of the future trend of U.S.-China relations. This is because any reduction in the U.S. military commitment will certainly weaken the long-term durability of the U.S.-Japan security alliance, while a change in the future trend of U.S.-China relations will not necessarily have an effect in this regard.

What Are Japan's Options?

Having these variables, what are the strategic options that Japan is likely to adopt to deal with a rising China? At this moment in history, it is unknown how the rise of China will turn out, and it may be rather premature to anticipate Japan's reaction to it. It might be possible, however, to analyze what the likely scenarios are. This paper presents three such scenarios and attempts to examine under what conditions Japan might consider each one.

Hedging Against China with the United States

Largely due to then Prime Minister Koizumi's visits to Yasukuni Shrine, Japan-China relations stagnated from 2001 to 2006. After his successor, Prime Minister Abe, went to China in October 2006, the situation started to thaw, but there is still tension over issues such as energy exploration in the East China Sea and territorial disputes involving the Senkaku Islands.

Yasukuni also remains a potential source of friction, since Abe has not ruled out the possibility of a visit this year.⁷⁵ From the long-term perspective, Japan's government is becoming increasingly nervous about China's military build-up, while China seems to be more

⁷⁵*Nihon Keizai Shimbun* 9 October 2006: 3.

concerned about the expansion of U.S.-Japan security cooperation and the development of the capabilities of Japan's Self-Defense Forces.⁷⁶

Having ambiguous Japan-China relations, at least for the foreseeable future, it is most likely that Japan will continuously attempt to enhance its hedging capability against China by strengthening U.S.-Japan security cooperation since this is the most credible and efficient choice for Japan to deal with an unpredictable outcome.

Japan actually has already been walking this policy tightrope. A typical example is the agreement by the two countries on the transformation and realignment of the U.S.-Japan alliance in October 2005.⁷⁷ This new accord is aimed at enabling the U.S. military and Japan's SDF to enhance inter-operability and encourage joint contingency planning. It also outlines plans to establish a joint operations coordination center at Yokota Air Base near Tokyo so that the U.S. military and Japan's SDF will be able to respond more efficiently to possible contingencies.

Six months prior to this agreement, the United States and Japan also issued their first joint statement on common strategic objectives. In it, both countries defined encouraging the peaceful resolution of the Taiwan issue as a common goal of the U.S.-Japan alliance.⁷⁸ It was virtually the first time for the United States and Japan to publicly demonstrate their willingness to commit themselves to maintain peace and stability in the Taiwan Strait, and it made China more nervous about Japan's eagerness to deepen the U.S.-Japan security alliance.

Japan's government will launch official consideration about the issue of the exercise of collective self-defense under the Security Council of Japan, which will be established in April

⁷⁶Defense of Japan 2006, Japan Defense Agency (available from the JDA website).

⁷⁷U.S.-Japan Security Consultative Committee Document, *U.S.-Japan Alliance: Transformation and Realignment for the Future*.

⁷⁸U.S.-Japan Security Consultative Committee Document, *Joint Statement* 19 February 2005.

2008.⁷⁹ Currently, the Japanese government interprets the Constitution as not allowing the exercise of collective self-defense, while the Bush Administration has insisted that such a prohibition could be an obstacle for Japan's global role and the expansion of the U.S.-Japan security alliance.⁸⁰

In the Japanese political arena, debate over collective self-defense has recently intensified. In October 2005, the Liberal Democratic Party (LDP), Japan's major ruling party, endorsed its original draft of a new Constitution, which would pave the way for Japan to exercise the right to collective self-defense.⁸¹ Not only the LDP, but also its major opposition, the Democratic Party, is reportedly considering allowing such a change under some conditions.⁸²

Though it is likely that the process of the Constitutional revision will take at least several years, these trends indicate that there is quite a broad consensus between Japan's two major parties for further expansion of the U.S.-Japan security alliance.

Domestic Japanese support of the U.S.-Japan security alliance seems to be solid, too. According to a poll conducted by the Yomiuri Newspaper in November 2006, 66 percent of the Japanese think that the U.S.-Japan Security Treaty is useful for the security of Asia; this is the highest figure since 2000.⁸³ When asked about the U.S. military presence in Japan, 46 percent of the Japanese insisted that the "current level [of U.S. military presence] should be maintained," an

⁷⁹*Yomiuri Shimbun* (Daily Yomiuri Online), 28 February 2007.

⁸⁰For example, Collin Powell, then Secretary of State, said that Japan should reconsider Article 9 of its Constitution if the nation wants to be a member of the U.N. Security Council. See *Nihon Keizai Shimbun*, evening edition, 13 August 2004: 1.

⁸¹*Yomiuri Shimbun*, morning edition, 29 October 2005: 12.

⁸²*Asahi Shimbun*, morning edition, 25 November 2006: 4.

⁸³*Yomiuri Shimbun*, morning edition, 2 December 2006.

8 percent increase over 2005.⁸⁴ This trend is partly due to the recent nuclear crisis in the Korean Peninsula, but the rise of China may be another factor.

The solid domestic support for the U.S.-Japan security alliance makes it more comfortable for Japan's government to pursue the option of "hedging against China with the United States." The fact that the Bush Administration is pushing a strong alliance with Japan has been also supporting this trend.

Independent Defense Strategy

This is the option for Japan to reduce reliance on the U.S. security umbrella and pursue a relatively independent defense strategy vis-à-vis China. Needless to say, this option is not a realistic approach under current conditions; and, even in the near future, it does not look very feasible. As mentioned above, Japan's government has been pursuing a policy line of hedging against China by strengthening the U.S.-Japan security alliance, and Japanese public opinion generally supports this approach.

There seem to be many constraints for Japan to choose an independent course. Japan's SDF does not have any offensive capability such as air-to-ground or ballistic missiles or bombers. The capability of the SDF to carry out a frontal deployment is very limited. Under Japan's "pacifist" Constitution, it is still possible for Japan to build up its defense capability, as it has done in past decades, but the Constitution restrains the SDF from establishing any strong offensive capability.

This does not mean, however, that there are no potential factors that might induce Japan to have an appetite for this option in long run. Such factors might include the drastic reduction of

⁸⁴*Yomiuri Shimbun*, morning edition, 2 December 2006.

the U.S. military commitment to the Asia-Pacific region. If Japan feels that heavy reliance on the U.S.-Japan security alliance will not be sustainable in the future, it might attempt to hedge against such risk by considering alternative options, whether or not they are realistic choices at present. Besides that, the future direction of U.S.-China strategy, i.e., how much emphasis the United States will put on hedging, could affect Japan's rational choices.

In December 2004, the Japan Defense Agency (JDA) released the first National Defense Program Guidelines (NDPG) since 1995. The guidelines specifically cautioned about China's military build-up for the first time, emphasizing that "we will have to remain attentive to its [China's] future actions."⁸⁵ Based on this perception, Japan's government, in the related Mid-Term Defense Program (FY 2005 to 2009), outlined a series of defense plans that would expand its capability to respond to invasions of Japan's offshore islands and violations of Japan's airspace.⁸⁶

Japan's recent move to upgrade the JDA to the Ministry of Defense (MOD) is a symbolic, but significant, change. It will allow the newly established ministry to convene cabinet meetings and to submit new legislation on its own.⁸⁷ Though the direct motivation for Japan to take these measures is not to set the stage for an independent security strategy, it could be safe to say that China's rise and its rapid military build-up is one of the driving forces behind these measures.

The North Korean issue might also be a catalyst to stimulate debate on the extent to which Japan should have an independent defense capability in the future. These debates include

⁸⁵Japan Defense Agency, "National Defense Program Guideline (NDPAG) for FY2005 and After," 10 December 2004.

⁸⁶Japan Defense Agency, "Mid-Term Defense Program (fiscal year 2005 to 2009)," 10 December 2004.

⁸⁷The Japan Times (online), 14 December 2006.

whether Japan should consider a “nuclear option” and the development of preemptive-attack capability, both of which have been regarded as taboo for long time, as a part of its self-defense.

Reacting to the North Korean nuclear test in October 200, top aides to Prime Minister Shinzo Abe, including Foreign Minister Taro Aso and Shoichi Nakagawa, the policy chief of the LDP, called for Japan to hold a debate on whether to develop nuclear weapons.⁸⁸ Afterwards, Abe clearly ruled out any possibility that Japan’s government would pursue a “nuclear option,” but the formers’ remarks reflected the view of some LDP politicians, who think that Japan’s defense capability may not be sufficient to deal with new challenges.

As for preemptive attack capability, right after the North Korean missile tests in July 2006, the then Defense Agency chief Fukushima Nukaga said that, “if Japan were attacked by a missile, it is not in the spirit of the Constitution to sit still and die,” suggesting Japan needed to consider developing such a capability.⁸⁹

As noted, this debate emerged as North Korea accelerated its nuclear program. In December 2004, the National Institute for Defense Studies, the policy research arm of the MOD, issued a classified report on a similar topic, under then Defense Agency chief Shigeru Ishiba.⁹⁰ This 44-page report considered what kinds of options were theoretically possible for Japan to launch a preemptive attack on an “enemy country’s missile bases”: the first was to attack by cruise missiles; another was to use bombers. Currently, Japan possesses neither of these deterrents.⁹¹

⁸⁸Voice of America (Web edition), 31 October 2006.

⁸⁹Agence France-Presse, 21 July 2006.

⁹⁰*Yomiuri Shimbun*, morning edition, 25 March 2007: 1

⁹¹*Yomiuri Shimbun*, morning edition, 25 March 2007: 1

On the foreign policy side, instead of just following U.S. diplomacy, Japan's leaders are becoming more active in establishing new strategic frameworks, which may help Japan to expand its latitude on the diplomatic front. In addition, Japan has started to strengthen strategic ties with India and Australia and is attempting to enhance cooperation with China's neighbors including Central Asian countries and Mongolia.⁹²

In January 2006, Japan and India agreed to set up a new framework to accelerate strategic dialogue at the ministerial level. Two months later, the two nations also decided to hold annual meetings both at the foreign ministerial and vice-foreign ministerial levels, in order to push forward bilateral strategic cooperation. As for Central Asia, Japan hosted a foreign ministers' conference with nations from this region in June 2006 and agreed to expand intra-regional cooperation in areas such as energy, counter-terrorism, and disaster prevention.

These are part of efforts to offset the expansion of China's diplomatic influence and do not signify that Japan is aiming at keeping more distance from the United States. Japan generally has maintained close consultation, or even coordination sometimes, with the United States in establishing these strategic ties. It could be argued, however, that Japan has started to act more independently on the diplomatic front, compared to the Cold War period when it basically followed U.S. strategy.

Again, it should be emphasized that there are virtually no major policy makers in Japan who advocate pursuing the option of an independent defense strategy. Japan's government understands that such an option is neither feasible nor realistic, and they also know that the

⁹²As for India, see Joint Statement of Japan and India, *Toward Japan-India Strategic and Global Partnership* 15 December 2006. As for Central Asia and Mongolia, former Japanese Prime Minister Junichiro Koizumi visited Uzbekistan, Kazakhstan, and Mongolia in August 2006, and agreed to expand bilateral cooperation.

United States would not tolerate such a move.⁹³ Therefore, as long as a strong U.S. commitment to Japan's security is assured, this option will not emerge as a mainstream policy line.

Bandwagon with China

Samuel P. Huntington, prominent professor of government at Harvard University, believes that Japanese alliance behavior has been basically bandwagon instead of hedging against great powers.⁹⁴ Based on that premise, he predicts that, if U.S. involvement in Asia declines, Japan will eventually come to accept the renewed dominance of China in the region.⁹⁵

Under current circumstances, such a scenario seems to be unlikely for several reasons. First, Japan and China do not share the same democratic systems and values. War history is another serious obstacle for real reconciliation between the two peoples. In addition to this, the emergence of nationalism in both countries may intensify rivalry between them. According to a poll conducted by the Cabinet Office of Japan in October 2006, 61.6 percent of the Japanese do not feel an affinity for China.⁹⁶ Another poll conducted in major Chinese cities in February 2007 showed a similar result; 61 percent of the Chinese answered that they do not like Japan.⁹⁷

Second, potential conflicts of national interest – such as a territorial dispute in the East China Sea and rising energy competition – may be additional obstacles for Japan to pursue the bandwagon approach to China.

⁹³Senior Japanese government officials, personal interviews by the author, from March-August 2006.

⁹⁴Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (Simon & Schuster Paperbacks, 1996) 237.

⁹⁵Huntington.

⁹⁶Cabinet Office website.

⁹⁷*Yomiuri Shimbun*, 5 April 2007: 2.

Then, is the bandwagon approach totally unrealistic for Japan even in the long run? Or, if there is a possibility of such a scenario, under what circumstances would Japan be inclined to consider this option?

As discussed above, so long as the U.S. security commitment to Japan is assured, it is reasonable to assume that Japan will likely to stay with the safest and most efficient option: hedging against China with the United States. If the U.S. military commitment were to decline, Japan might start to seriously consider the second option: an independent defense strategy.

Yet, pursuing an independent defense strategy is not only risky and provocative; it would also require sizeable monetary and human resources. If, however, Japan cannot rely on either the U.S. security umbrella, or pursue an independent defense strategy due to domestic and external constraints, it is possible that the bandwagon option may emerge. The demographic challenges, including the decline of the birth rate, and serious budget deficits could be among major domestic constraints.

The recent trend in Japan-China relations indicates that the two nations may be able to work together better in spite of remaining diplomatic obstacles. As for Japan, Prime Minister Abe's advisers explain that, though Abe is not willing to unilaterally compromise with China on major issues including "past history," he is aware that repairing Japan's relations with its neighbors is critical for Japan to ensure a strong position in Asia.⁹⁸ When Abe took office as prime minister, he had already decided that China and South Korea would be the destinations of his first foreign visits. These visits took place in October 2006. It seems likely that Abe will

⁹⁸Liberal Democratic Party (LDP) Diet members close to Abe, personal interviews by the author, August 2006.

continue to act pragmatically to maintain momentum for the further improvement of the two bilateral relations.⁹⁹

Obviously, Abe is not a supporter of the bandwagon option at all, but he is known to be a strong believer in a robust U.S.-Japan alliance. According to Abe's inner circle, he is not willing to compromise on Yasukuni, and he intends to stick with a "strategy of ambiguity" on that issue, which means that he will not reveal whether or not he has visited the shrine.¹⁰⁰

Having said that, it could be argued, at least, that Abe's performance has shown that there is significant potential for better Japan-China relations even under current circumstances. During Abe's first visit to Beijing, Japan and China agreed to launch a cooperative study of their mutual history.¹⁰¹ As a result, a joint study group was set up and held its first meeting in December 2006.

Abe met with Chinese President Hu Jintao again in November 2006, and they decided to establish a new ministerial framework, in which ministers from both countries would meet regularly to discuss economic and trade cooperation.¹⁰² In the same month, Japan and China agreed to hold ministerial-level defense talks in Tokyo in the fall of 2007, for the first time in four years. In addition, Chinese Defense Minister Cao Gangchuan will visit Japan and will meet with his Japanese counterpart Fumio Kyuma.¹⁰³

Recent signs of improvements in Japan-China relations do not necessarily mean that there is a potential for Japan to accept the bandwagon option in the future. The biggest and most unpredictable variable for Japan's future choice is the behavior of China. Will China rise as a

⁹⁹LDP member close to Abe, personal interview by the author.

¹⁰⁰LDP member, personal interview by the author.

¹⁰¹*Nihon Keizai Shimbun*, 9 October 2006:1.

¹⁰²*Nihon Keizai Shimbun*, 18 November 2006:1

¹⁰³*Sankei Shimbun*, 30 November 2006: 5.

benign great power with a certain degree of domestic democracy? If this were the case, it might help to make the bandwagon option look less risky and painful for Japan.

CONCLUSION

How to deal with the rise of China is a crucial and long-term policy item for both the United States and Japan. As long as the two countries share the same objectives, which would be to avoid serious turbulence and chaos in the process of China's emergence, it is obvious that they need to coordinate their China policies closely to achieve their common goals more efficiently. This will be even more important when both countries' China policies interact more deeply as the result of a strengthened U.S.-Japan security alliance. Lack of a solid policy-coordination mechanism may not only reduce the effectiveness of U.S. and Japanese policies, but might also cause serious strategic inconsistency between the two nations.

Coordinating U.S. and Japanese China policies is not an easy task, because the policy-making dynamism on both sides is complex and fluid. There are many players in each country involved in shaping China policy. As for the United States, there has been competition between the hedging and engagement approaches, and this could conceivably intensify in the long run in parallel with the rise of China. On the Japan side, though Prime Minister Abe is improving Japan-China relations after six years of stagnation, there are still many landmines in the territory between Tokyo and Beijing, and these could foil his pragmatic approach.

The more fundamental question is whether a robust U.S.-Japan security alliance is sustainable. There is the potential risk that the United States, due to a variety of fiscal and political constraints, might not be able to maintain the current strong military commitment to Asia and the Pacific. If the U.S. security commitment to Japan and other Asian allies were to weaken, this would have a significant effect on Japan's grand strategy toward the rise of China.

Japan's security strategy has been based on the premise that Japan strictly limits its SDF to a defensive role (the shield), while the U.S. military provides the offensive capability (the

halberd). Most Japanese policy makers believe that this division of labor with the United States is the best mechanism to deal with the rise of China. Any drastic decline in the U.S. security commitment to Asia, however, might induce Japan to pursue more risky and provocative alternative options.

For the United States and Japan, therefore, there is a need to strengthen mechanisms to share strategic perspectives and to coordinate their policies even more. It is likely that the United States will be swamped with Iraq and the Middle Eastern situation in the near future. The United States and Japan should launch serious discussions about how they can cooperate to sustain the strong U.S. military commitment to Asia, and Japan needs to consider what it can do to prevent any future deterioration in this regard.

This could be approached by enriching existing frameworks such as the U.S.-Japan Strategic Dialogue, but the mechanism has to include the following elements at least:

1. Sharing analysis and net assessments about how we perceive the rise of China and how we analyze the comparative advantage of the U.S.-Japan security alliance in this context;
2. Closer consultation to ascertain medium- and long-term common strategies specifically for China; and
3. Evaluating the results of each others' China policies on a regular basis.

Furthermore, it is preferable that these tasks be complemented by an exchange among individuals associated with U.S. and Japanese think-tanks.

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