

The China–Japan–US Triangle

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I am honoured to deliver this year's lecture to celebrate the memory of George Ernest Morrison, an extraordinary adventurer, journalist and adviser to the Chinese government who in his own inimitable way rendered great service to relations between China and Australia. My wife, Charlotte Ikels, and I have discovered what you know – that the pleasures of life in Australia are some of the world's best kept secrets. We have enjoyed our three weeks at The Australian National University, which has the world's best journal of contemporary China, the world's best assemblage of Indonesia specialists, and a large community of distinguished academic and government specialists on East and Southeast Asia and the Western Pacific.

This evening I will discuss relations between China, Japan and the United States since World War II. I will look at the three periods of critical changes in their relations – 1947 to 1951, 1969 to 1978 and 1989 to 1993 – before turning to consider in more detail the three bilateral relationships in the current period of uncertainty. I draw heavily on a series of conferences that I organized with Chinese scholars, led by Professor Yuan Ming of Peking University, Japanese scholars, led by Professor Tanaka Akihiko of Tokyo University, and Western scholars.

If I were talking about contemporary Europe, I might focus on the European Union and NATO. Although ASEAN and APEC have contributed greatly to reducing tensions and

increasing regional cooperation in Asia, in the decades immediately ahead these multilateral institutions cannot become strong enough to respond to emergencies and maintain a regional security framework. I will concentrate on what I believe to be the most critical factor for maintaining regional stability in East Asia over the next few decades – the relations between the three great powers in the region: China, Japan and the United States. Their cooperation in regional and global organizations is a very important but somewhat distinct topic that I will not try to cover tonight.

For the first time in modern history, Asia now has both a strong China and a strong Japan. The United States is not an Asian country, but is deeply involved in Asian affairs. US ships travelled to Asia even before America became a nation, and US territory has faced the Pacific since early in the 19th century. Since 1941 the United States has made deep and enduring security commitments to Asia, and since 1977 its trade across the Pacific has surpassed its trade across the Atlantic.

China, Japan and the United States all have strong unique traditions and equally strong national pride. The United States is, like Australia, a new nation formed from immigrants. We have scarcely two centuries of history while Chinese and Japanese civilizations count their history in millennia. China and the United States are large continents with considerable cultural and ethnic diversity, while Japan is insular and relatively homogeneous. The United States achieved modernization through private enterprise and individual initiative under a democratically elected government, while Japan and China made their breakthroughs to modernization through government planning, strategic national investment and authoritarian leadership. The American nation was democratic from the beginning; Japan has been transformed from an authoritarian state into

a democracy. China, although increasingly open, pluralistic, market oriented and democratic in the villages, is led by a small elite in the Communist Party. China and Japan are neighbours, while the US capital is far away. The Chinese and Japanese languages are based on Chinese characters, while the United States uses the alphabet. Although these three countries are expanding their base of shared understanding, they have nothing comparable to the common bond that European countries acquired from Roman law, the alphabet, Christianity and centuries of relations between nation states.

1947–1951

It is remarkable how quickly and completely China and the United States, which had been allied against a common enemy in World War II, became adversaries. In 1946–47, two major related events occurred: the start of the Cold War between the United States and the Soviet Union, and the outbreak of the civil war between the Chinese nationalists and Communists.

In retrospect it was perhaps not inevitable in 1946 that China and the United States would become enemies. Both Western and Chinese historians have found turning points at which leaders on both sides might have avoided all-out confrontation. Some Chinese historians argue that if the United States had been more receptive, Mao Zedong might not have leaned so heavily toward the Soviets. Some US historians argue that if Mao had responded more positively to overtures from US Ambassador Leighton Stuart, the US government might have retained working relations with the Communists. Had Mao not entered the Korean War, the United States might not have protected Taiwan, and relations with the United States could have resumed sooner. Had the UN troops in Korea not crossed

the 38th parallel, and had the United Nations heeded China's warnings about what would happen if troops moved toward the Yalu, total confrontation with China might have been avoided.

But the United States and the Chinese Communists had already been leaning away from each other before 1947. Anti-Communism was strong in the United States even in World War II when there was limited cooperation with the Soviet Union. Chinese Communists strongly opposed imperialism and neo-imperialism even when they cooperated with the nationalists and the United States. The Chinese Communists had worked with the Russians since the early the 1920s, and in the 1930s and 1940s the United States had far deeper relations with Chiang Kai-shek and his government than with the Communists.

No leaders took the key decisions that might have avoided confrontation between China and the United States. Neither American nor Chinese leaders had the knowledge or vision they acquired some two decades later to seek a way to cooperate against the Soviet Union. With the entry of Chinese volunteers into the Korean War, the totalistic battle between Communism and the "free world" was joined and was not to be concluded until after 1969.

In 1947 the enmity between Japan and the United States changed with equal rapidity. In 1945 the Allied Forces occupying Japan conceived the noble mission of preventing another world war by making deeper and more fundamental changes than were made after World War I. Believing that democracies do not cause war, they wanted to build strong roots for democracy. The Allied Occupation decided that the role of the Emperor would be only symbolic; the military would be disbanded; Diet members would be elected democratically and have vastly increased powers; a peace constitution would be introduced;

the *zaibatsu* (financial groups) that had provided the economic engine for militarism would be split up; labour unions would be strengthened; and textbooks extolling militarism would be replaced by others supporting democracy. It was the world's most massive effort to change a nation. For seven years, forces that at their peak included half a million troops worked to strengthen democratic roots.

Having fought battles against fierce Japanese soldiers, the troops that first landed on Japan still thought of the Japanese as the enemy. Many wanted to exact revenge for the sneak attack on Pearl Harbour that had killed many of their fellow soldiers. But relations between the Allied forces and the Japanese began to improve within months. The Japanese, taught to expect that the occupying troops would rape their women and kill their children, were surprised when the troops passed out sweets and chewing gum to Japanese children. Western forces were surprised that an enemy they had seen as devious and villainous turned out to be courteous, cooperative and sometimes even loyal. Many Japanese civilians who had felt suppressed and deceived by their own military believed that the Allied Occupation provided a chance for Japan to change, and that by cooperating with the Occupation they could speed Japan's recovery and the end of the Occupation.

But what really altered US–Japan government relations was the Cold War and Sino-Soviet collaboration. In 1947, as George Kennan laid out the strategy for containing Communism and as the Chinese Communists won crucial battles against the nationalists, General MacArthur and his staff in Tokyo began to see that the Japanese might be useful allies in the war against Communism. To be sure there were differences of views between those who wanted to push to the hilt the purging of war-time leaders and the dismantling of the *zaibatsu* and those who felt that moderation was required to give Japan the economic

capacity to serve as a Western ally.

It is remarkable how rapidly US–Japan relations deepened between 1947 and 1951. Having renounced the use of military means to achieve its ends, Japan did not send troops to Korea but did provide logistical support, a wide variety of rear services and the transport of supplies and personnel. This September Japan and the United States will celebrate the 50th anniversary of the peace treaty that brought the Occupation to an end and structured an alliance that has remained firm ever since, even after the end of the Cold War.

From 1951 to 1971, Japan tried to build up trade with China. In this aim it was thwarted by US leaders who wanted to constrain trading with the enemy and by Chinese leaders who would not permit deep economic ties without political ties. In order to maintain the alliance with the United States, Japanese leaders were forced to limit trading and political relations with China.

1969–1978

A key starting point of Chinese Communist Party foreign policy analysts has been to identify the main enemy and then identify potential collaborators against that enemy. The main enemy in World War II had been Japan, in 1947 it was the nationalists and after 1950 it was the United States. In 1969, after threats of invasion from the Soviet Union in two border clashes, China concluded that Russia was its main enemy. The Chinese government decided to improve relations with Western Europe, Australia, Canada, and even the United States, to reduce the danger of Soviet attack.

Nixon and Kissinger, who could initially determine China policy with no consultation, believed China could be a useful ally against the Soviet Union and could help

resolve the Vietnam War. Thus began one of the most fascinating diplomatic efforts in the latter half of the 20th century. Zhou Enlai and Henry Kissinger, backed by Mao and Nixon, began to lay the basis for strategic cooperation against the Soviet Union.

When Kissinger secretly flew to China and announced that Nixon would soon visit, Japan felt betrayed. Japan had, under US pressure, fought China's entry to the United Nations and restrained its trade with China. Now, without notifying Japan, US leaders were rushing to Beijing. Japanese analysts explained that the hostilities between the two countries in the 1930s had resulted from intense competition in the Chinese market and that Kissinger's secrecy was designed to give US business a head start as China began opening up to the outside world. In fact Kissinger and Nixon in 1971 not only failed to notify the Japanese, but they failed to notify their own State Department. The real reason they kept their plans secret was because a leak might enable the Taiwan lobby in the United States, working with Congress, to spoil plans for the visit. Nixon shrewdly calculated that the excitement of his visit would pull Congress along and that with such firm anti-Communist credentials he would not be accused, as the Democrats had been in the late 1940s, of being soft on Communism.

Once Nixon's visit was announced, Japan was no longer constrained from improving its relations with China and sought to gain prompt access to the Chinese market. Eisaku Sato, then the longest serving prime minister in Japanese post-war history, had such bad relations with China that he could not have achieved rapprochement. Sato was promptly dumped and replaced by a new prime minister, Tanaka Kakuei, who could work with China. To make sure that Japan did not fall behind the United States in the Chinese market, Japan completed the normalisation of relations with China in scarcely more than a year.

There followed, from 1971 until 1989, an unusual period – the first time in history – when all three nations enjoyed good relations with each other. Once a geopolitical strategy brought them together, economic, cultural, academic and local community relations between the three countries began to expand, slowly at first and then at an increased pace.

The growth of trust between China and the outside world paved the way for China's 1978 policy of reform and opening. To advance modernisation China wanted a benign trading environment in which it could acquire technology and management skills and expand export markets. It is no accident that China announced this policy the same month that China and the United States announced their agreement to normalise relations, and that normalisation and China's reform and opening both began in January 1979.

1989–1993

The basis for cordial relations between the three nations ended with the collapse of the Soviet Union and the end of the Cold War. After China's crackdown on the Tiananmen Square democracy movement on 4 June 1989, the United States introduced sanctions and relations deteriorated.

The collapse of the Soviet Union and the end of the Cold War terminated the strategic rationale for the Sino-American and Sino-Japanese friendships. The end of the Cold War also led to an increased assertion of US values in foreign policy. As Henry Kissinger pointed out, US foreign policy has long involved some mixture of geopolitical strategy and assertion of US values. Theodore Roosevelt, for example, had a tough-minded geostrategic vision, and Woodrow Wilson asserted American values. During the Cold War, many US liberals believed that supporting dictators to achieve geopolitical aims was a

betrayal of US values. The collapse of the Cold War destroyed the rationale for supporting dictators.

After the Tiananmen Incident, television viewers around the world came to think of Chinese leaders as tyrants. China became the target of America's new determination to stand up for something it believed in.

The Japanese public was also upset by China's crackdown on the protest movement but was far less moralistic than the American public. Because of their own atrocities in China, the Japanese knew they were not in a strong position to lecture China about morality. Acutely aware of the costs of chaos, which they had witnessed in China in the 1930s, Japanese leaders were sympathetic with Chinese desires for order. They also placed a higher priority on economic interests. In response to global opinion, Japan did restrain trade and technology transfers to China, but was more prepared than the United States to be forthcoming to China.

The US president, George Bush, was more concerned with preserving working relations with China than was the US public. In deference to public opinion, Bush was overtly cool toward Chinese leaders, but quietly supportive of Japanese efforts to improve relations with China. China was eager to reduce the sanctions on trade and technology transfer, and saw an opportunity to weaken foreign constraints by expanding relations with Japan. Thus while formal state-to-state relations between the United States and China were on hold from 1989 until 1994, the relationship China had with Japan was far less affected. In fact Japanese leaders decided this would be an opportune time for the Emperor to have a safe and productive visit to China. The visit of Emperor Akihito in 1992 went well. His carefully worded apologies appeared to lay the basis for continued good relations with

China.

By 1994, however, as other countries began to resume relations with China, Japan no longer had such a special role to play. The difficult issues that had troubled Sino-Japanese relations, particularly Japan's World War II record, came to the fore again.

The post-1993 period has been a less stable and more troubled time for relations between all three countries. Let us examine each side of the triangle.

Sino-Japanese Relations

The tensions between Japan and China erupted most visibly in 1998 when President Jiang Zemin visited Japan. The rare visit of the paramount Chinese leader could have been an occasion for great strides in the relationship, as Deng Xiaoping's visit to Japan had been in late 1978. The foreign ministries of Japan and China tried to put a good spin on Jiang Zemin's visit, but in the media and among the public, especially in Japan, it was considered a major failure. Why did the visit fail?

One reason was that it was such a striking contrast to the enormously successful visit of Kim Dae Jong immediately preceding Jiang's visit. Originally Jiang was scheduled to visit Japan before Kim Dae Jong did, but China announced that because of serious flooding at the time, Jiang Zemin felt he must postpone the visit. When he was in Japan, Kim Dae Jong had an enormous impact on relations between Korea and Japan. Part of the time he spoke in Japanese. He publicly thanked his Japanese friends who worked to save his life when the Korean spy agency, the KCIA, kidnapped him in Japan and prepared to kill him. He announced that it was time to look forward, not backward, and that Japanese and Koreans must learn to work together. After this visit the Japanese public, as reflected in

public opinion polls, considered Kim Dae Jong the greatest Asian leader of the time. Although Japan's occupation of Korea and the way Japanese textbooks treated this period continued to stir feelings in Korea, attitudes and relations between the two countries underwent a sea change as a result of Kim Dae Jong's visit.

Jiang Zemin's speeches in Japan a few weeks later reflected the bitter anger that Chinese leaders and public feel about Japan's failure to make a full accounting of its atrocities. Jiang pointedly criticised Japanese political leaders who visited the Yasukuni Shrine to pay respect for Japanese soldiers who died in the war. He repeatedly demanded further apologies, even at a dinner given for him by Emperor Akihito. Jiang, who had not been well briefed on Japanese attitudes, found out too late that the Japanese had become increasingly annoyed with his attacks. His approach was a striking contrast with Kim Dae Jong's, who was ready to put the past behind him. The Japanese made a written apology to Kim, but Prime Minister Obuchi decided not to offer Jiang a written apology – Obuchi's popularity in Japan shot up as a result.

The confrontation during Jiang Zemin's visit was a culmination of issues that had been simmering between China and Japan since 1993. From China's perspective, Japan's failure to apologise for its war crimes, as Germany had done, heightened suspicions that Japan was plotting to become a strong independent military power. The Chinese media frequently denounced the speeches of right-wing Japanese politicians that belittled the atrocities in Nanjing, the Japanese textbooks whitewashing Japanese aggression, and the visits by Japanese politicians to the Yasukuni Shrine. In 1995, on the 50th anniversary of the end of World War II, when the Chinese press ran a major campaign calling on the Chinese people never to forget Japan's atrocities, the Japanese became more pessimistic

about the future of Sino-Japanese relations.

The decision by the United States and Japan to review and reaffirm their security treaty in 1994–95 strengthened the belief of many Chinese that the two countries were uniting against a rising China. These fears were heightened in 1996 when President Clinton visited Japan to announce the reaffirmation of the treaty after the two years of intensive discussions. Some Chinese think tanks argued that the Japan's purpose was to acquire high-level military technology from the United States in preparation for going independent militarily. Chinese criticisms upset the Japanese and strengthened the hand of the small group in Japan who wanted a stronger military.

Many Japanese business leaders, aware of Chinese sentiments, have made long-term investments in China that had not been initially profitable. As investments became profitable, local Chinese governments increased the *zashui*, literally miscellaneous taxes, which some foreigners translate as extortion. When the Chinese government revised the central tax code, reducing the capacity of local governments to give tax breaks, many Japanese firms complained that local governments went back on promises about the size and duration of tax holidays they had used to attract Japanese investment.

From Japan's perspective, its generous aid packages to China, far larger than Japan gave to any other country and far larger than any other country gave to China, were a partial atonement for World War II atrocities and a substitute for reparations to which China had renounced its claims. Some Chinese officials understood Japan's generosity but it was not communicated widely to the Chinese public. With China's economy growing by approximately 10 per cent a year and the Japanese economy stagnating, many Japanese have wondered why they should continue to give aid. When China ignored Japanese requests to

halt nuclear testing, Japan threatened to cut off aid until China stopped testing. The Chinese government protested so vehemently that Japan reluctantly resumed aid, but before long China stopped nuclear testing and signed the test ban treaty.

Japan's willingness to take a "low posture" toward China began to change in the mid-1990s. While older Japanese felt deep remorse about World War II, many younger people wondered why they should be apologising again and again for something that happened before they were born. The Dutch had done horrible things in Indonesia, Americans had killed native Indians and the British had committed atrocities in their colonies. World opinion no longer demanded that they continue to apologise. Why must only Japan be asked to apologise? Many Japanese became cynical about Chinese demands, viewing them as manipulations to whip up anti-Japanese feeling in China and elsewhere in Asia or as a bargaining tool to obtain more aid, better terms for investment and greater transfers of technology.

Even more importantly, changing Japanese attitudes to China reflected a reappraisal of China's potential. In the 1950s and 1960s, most Japanese did not share the belief of US officials that China was enormously dangerous, for in the two previous decades they had witnessed Chinese weaknesses – political and economic as well as military. As recently as the late 1980s, Japanese businesspeople spoke with condescension about China's economic capacities. By the mid-1990s, after several years of double-digit Chinese economic growth, Japan looked at China quite differently. For the first time in modern history, Japan could imagine a powerful Chinese state with a powerful military. As the only major country that had denounced its right to produce atomic weapons and develop offensive military capacities, Japan could imagine China using military intimidation to achieve its political

goals.

Japanese and Chinese perceptions of each other are not only shaped by their World War II history and concerns about each other's military capacity, but at a deeper level by their historical views about their proper place in the world. The Chinese have long believed China to be the great civilisation of Asia and that Japan is a less civilized offshoot. Japan's century of domination, beginning with its victory in the Sino-Japanese War of 1894–95, led many in Japan to feel that the two countries' positions on the hierarchy of civilizations have been reversed. Many Chinese find Japanese successes and sense of superiority an affront. China would now like to resume what it considers its rightful place as the leading civilisation of Asia. This will require some adjustment on both sides.

Despite growing tensions, the trade, investment, cultural, academic and local community exchanges between the two countries have continued to grow. Paradoxically, economic and cultural relations are particularly strong in areas where Japanese imperialism was deeply rooted – in the northeast, where Japanese imperialists established Manchukuo, and in Shanghai, where they enjoyed the privileges of an international settlement. Local community exchanges to preserve goodwill are sometimes less than open about annoyances on both sides, but the vigour of these exchanges and the businesslike relations that go on despite changes in the overall political mood, help provide a buffer during times of political tension.

Sino-American Relations

In US presidential elections, the challenger attacks the incumbent party for its foreign policies as well as for its domestic politics. US presidents have found they need to work

with China, but because US attitudes to China have become more negative, they are accused of being too close to China. In the 1992 presidential election, Bill Clinton challenged President George Bush for coddling the “butchers of Beijing”. After becoming president, Clinton initially remained true to his campaign rhetoric, announcing he would not grant most-favoured-nation status to China the following year unless China made progress in human rights. Soon Clinton realised, just as previous presidents had, that he needed China’s cooperation on many issues, including trade, North Korea and nuclear proliferation. In May 1994, little more than a year after taking office, and despite a State Department report that China’s had made no progress with human rights, the president announced the continuation of China’s most-favoured-nation status. The policy of engagement with China that had begun with President Nixon has continued almost uninterrupted for some three decades because each president has recognized that it is in America’s national interest.

The drama of Tiananmen, China’s rapid growth and the realisation that China may within decades be the world’s second-largest economy, with a strong military, have made China a salient issue in US politics. China has become a lightning rod for human rights organizations, anti-abortion groups and labour unions, to say nothing of the Tibetan and Taiwan lobbies.

The anti-China coalition in US politics has brought together strange bedfellows. On the left are those critical of China’s human rights record, of its oppression of Tibetan and other minorities and of its labour practices. On the other end of the spectrum is the Christian right that opposes Chinese abortion practices and its restrictions on Christians and missionaries, the Taiwan lobby, the Tibetan lobby and those who stand for a strong US defence posture. Many of these groups are relatively small but determined single-issue

lobbies. The American business community has so many interests it cannot focus on China all the time, but when a major issue comes to the fore, it can be very effective in mobilising strong political support. On the two big issues it has really cared about in the past decade – the continuation of China’s most-favoured-nation status in 1994 and China’s entry to the World Trade Organization in 2000 – it rallied support and easily defeated the coalition of small anti-Chinese pressure groups.

For the Chinese government, the main issue in the bilateral relationship has been US support for Taiwan. Without America’s support, Taiwan is much more likely to work out an agreement with the mainland. With its support, Taiwan might gain the confidence to declare independence, a possibility totally unacceptable to China’s most fundamental instincts about nationhood. The totalitarian military style of Chiang Kai-Shek and his son Chiang Ching-Kuo had never endeared these leaders to US liberals, but by 1987, as opposition parties were allowed and military emergency rules were abolished, US opinion toward Taiwan greatly improved. After the Tiananmen Incident two years later, the contrast between Taiwanese democracy and mainland totalitarianism gave Taiwan great leverage in US public opinion.

After Lee Teng-Hui became Taiwan’s first locally born president, he began pushing for more independence and greater international recognition. Mainland Chinese feared that the United States would alter its acknowledgment of the “one China” principle and provide security to Taiwan, allowing it to declare independence. Since the normalisation of their relations in 1979, China and the United States had an understanding that high-level Taiwan officials would not be allowed to visit the United States. When the US government allowed President Lee Teng-Hui to stop in Hawaii on transit to Mexico in May 1994, it imposed

such severe constraints on his activity that Lee used the occasion to generate enormous sympathy from the US public. The next year the US Congress almost unanimously supported Lee's visit to his alma mater, Cornell. The Chinese government expressed grave concern about the growth of the Taiwan independence movement, and to show its seriousness shot missiles off the coast of Taiwan. The United States, convinced that its credibility as a defender of Asian security would be at risk if it did not respond, sent two aircraft carrier task forces to the vicinity of Taiwan. This incident forced both China and the United States to consider seriously the consequences of collision. Broad consultations followed, and the relationship reached new heights when President Clinton visited China for nine days in 1998.

Despite the warming of the relationship at the official level, US domestic criticism of Chinese human rights practices continued. Views of China were reinforced when the Cox Committee made allegations of Chinese thefts of US military technology. When the United States bombed Kosovo, China was very concerned that the reason given – domestic suppression of minorities – could be used to justify military action against China for its suppression of the Tibetans. Thus China's mood was already very tense when the United States bombed the Chinese embassy in Belgrade – a bombing Americans cannot believe was intentional and the Chinese cannot believe was accidental.

Tensions revived after George W. Bush became president. The Chinese, already concerned by his campaign rhetoric that China should be treated as a competitor, were upset by his approval of substantial military sales to Taiwan, his announcement that he would do what was necessary to support Taiwan, and his plans for missile defence systems. The mid-air collision between a US spy plane and a Chinese fighter jet near Hainan island in April

provoked strong patriotic responses both in China and the United States.

In the past decade, China has continued to expand domestic freedoms and the rule of law. US criticism of China's human rights violations, its policy on Taiwan or Tibet and its treatment of religious groups has at times protected individual Chinese under attack from their government but is more often counterproductive in pushing the Chinese government to crack down further to prevent further opposition.

In short, the end of geopolitical cooperation, the crackdown in Tiananmen Square, and the sustained growth that has created visions of Chinese power has led to a new uneasy period after the long period of positive relations between 1971 and 1989. The mutual worries and frustrations have restricted the improvement of relations, but the recognition of deep common interests in an increasingly interdependent world has thus far placed limits on the deterioration of relations.

US–Japan Relations

In the 1990s economic tensions between Japan and the United States have been greatly reduced. In the late 1980s, the Japanese economy seemed so vigorous that Japanese were buying up property around the world and challenging the United States' dominance in high technology. Many Americans, not only manufacturers and bankers, but the American public, feared America's position would be overtaken by Japan. This fear was reflected in the antagonism between US and Japanese trade negotiators.

By the early 1990s, US automotive and semiconductor industries had regained their momentum, the US software industry had extended its global leadership and Japan's economy was sliding deeper into the doldrums. The fear of Japanese economic power

subsided and so did the depth of sentiment toward what were considered unfair Japanese trade practices. Furthermore, these trade issues were increasingly being taken up in multilateral trade negotiations, reducing the pressure on bilateral negotiations.

In 1994, as the Japanese government started the planning cycle for its next mid-term defence plan and began discussing the revision of the security guidelines, Japanese officials were very troubled because US commitments were unclear and they feared that the United States, which had already weakened its commitments after the end of the Vietnam War, would continue to pull out forces. Japanese officials began to consider hedging their bets, and some US officials were concerned that Japan might assume it could no longer count on US forces and speed up its independent capacities, weakening the alliance.

In 1994 there was also an urgent reason to solidify US–Japan security cooperation. The United States was putting pressure on North Korea to close its nuclear reprocessing facilities, and North Korea was threatening a military response. The United States and Japan therefore intensified their security discussions, not only on how to respond to the North Korean threat, but also on how to establish a long-term security framework for Asia. These talks involved Japanese and US defence and foreign relations specialists at various levels in the government. Early in autumn 1995, Secretary of State Warren Christopher and Defence Secretary William Perry met with their Japanese counterparts and confirmed a security alliance that would remain robust. The new rationale was not to prepare for an enemy but to provide regional stability and to respond to emergencies such as terrorism and piracy. In the spring of 1996, President Clinton travelled to Tokyo to formalize the agreements reached at the lower levels. Even though Japanese politics in the 1990s was in a state of flux, the commitment to the security alliance across the political spectrum was adequate to provide

the necessary political underpinnings.

Japan announced that its forces would continue to be strictly defensive, but that the defence perimeter would be widened to include the area surrounding Japan. Advances in missile technology have meant that effective defence will require interception before missiles hit Japan. In the Korean War, Japan transported supplies and forces to Korea, but since then it has been unclear what role Japan would play in an emergency on the Korean peninsula. The new risks of conflict in the region have led Japan to clarify its role in the region in such an emergency.

In the Gulf War, oil-dependent Japan was severely criticized for being slow in supporting the United States. In the late 1980s, particularly, when the Japanese economy was strong, the US public would not have tolerated the risking of US lives in a conflict, especially in Asia, if Japan's only contribution was financial. This mobilized Japan into contributing to UN peacekeeping forces, but it remains reluctant to send troops abroad.

In the US–Japan security dialogues in 1994–96, the only discussion involving China concerned how to bring it into a cooperative framework for regional security. There was no discussion about how to respond to China as an enemy. It is true that in the 1990s, Japan has grown increasingly uneasy about the expansion of Chinese military capacities. When President Clinton visited China in 1998 without stopping in Japan, and without mentioning the relationship with Japan while in China, many feared that the United States was allying with China instead of Japan. Weak US reaction to North Korean missile launchings added to Japanese fears of abandonment.

Japan's uneasiness about America's long-term intentions and increasing Chinese military capacities has been compounded by its own domestic political and economic

gridlock. Japan is still the dominant economy in Asia, whether measured by gross national product, technological development, overseas investment, foreign trade or participation in international economic and financial gatherings. But the Japanese are growing increasingly concerned about the prospects for domestic industries, as Japanese companies shift production to lower-cost destinations in China, including production in heavy industry and high technology. The success of scientists of Chinese ancestry working abroad but keeping in touch with scientists in China, and the expansion of research centres and scientific training programs in China, have heightened Japanese concerns about their capacity to compete in the long run.

When the new US administration announced increased emphasis on US–Japan relations, many Japanese worried that high US expectations of Japan might lead to disappointment with Japan’s inability to overcome domestic political gridlock on key issues. Some Japanese remain concerned that America’s efforts to increase Japan’s participation in the missile defence system could cause problems for its relationship with China. But they appreciate that the increased attention from high-level US officials and expanded dialogue has reduced the expectation gap by lowering US hopes that Japan will expand its contribution to regional and global security.

Prospects

You might argue that I have been describing not a triangle but three separate bilateral relationships. This may be a fair characterisation, for until now most officials in the three countries have thought bilaterally. But I hope it is clear from my comments that the fates of the three countries are interlinked and that we need to give more thought to the triangle.

The visits of President Clinton to Japan in 1996 and to China in 1998 illustrate the problems of thinking only bilaterally. Clinton's visit to Japan caused anxieties in China and his visit to China caused anxieties in Japan, making cooperation on key issues more difficult. More high-level consultations should have been held with the other nation before and after the visits.

Issues concerning the Korean peninsula will require close consultation between Russia and many other regional powers but especially between these three powers. If tensions on the peninsula continue to ease, a key issue will be the decrease of US forces in Korea and Japan. If the United States can maintain good relations with China as North Korea opens up, it should be possible to continue a US force structure in Korea and Japan that China would not consider threatening.

Missile defence will be a key issue in the years ahead as technology moves from research and development to deployment. It is unrealistic to expect that technological advances will be halted. Any American leader, confronted with the question of whether to invest in a technology that can help defend the American people, is likely to make the investment if the technology is promising. For China, a missile defence system would be anathema if it gave Taiwan the assurance that it could go independent or if it persuaded the United States that the existence of Chinese missiles could no longer deter US attacks on China. If China feels confident of its ability to deter Taiwan from declaring independence and the United States from launching attacks on China, then limited missile defence systems could help stabilise the region. If not, then China is likely to speed up weapons development, and Japan may then respond, leading to an unstable and therefore highly dangerous arms race. It follows that it is critical to work out arrangements where both China

and Japan can feel confident of their capacity to deter outside threats.

Some of the greatest threats to rational foreign policy arise from domestic politics in each country. China is confronted with 100 million migrants, a growing body of unemployed workers laid off from state enterprises, public outrage at corruption and weak welfare nets. Leaders who worry about keeping public order and who know that ideology has lost its unifying force may be tempted to stir up anti-foreign, nationalist feelings. Sophisticated Chinese media managers no longer need to rely on crude anti-foreign denunciations. They can fan the fires of nationalism simply by widely circulating outrageous statements by US Congress members and quotations from Japanese textbooks that belittle atrocities against China. Thus far China has been restrained in criticizing the new Bush administration's sales of weapons to Taiwan, its plans for missile defence, and Bush's announcement that he would do what is necessary to defend Taiwan, but it is unclear how long the restraint will continue.

In the United States, concern about China's growing military capacities, its spying on US high technology, the jailing and execution of dissidents and members of religious groups, and crackdowns in Tibet can mobilize US public opinion, especially if combined with dramatic television footage. When coordination with other countries seems slow, US leaders confident about US military and technological superiority may be tempted to make unilateral decisions that respond to the public mood.

Japanese politicians, frustrated at continued Chinese criticism and the excessive presence of US military bases, are tired of taking a low posture to China and the United States. Will constitutional revision and continued Chinese military build-up lead Japan to expand its military capacity or to go nuclear? Will continued political gridlock and

economic stagnation cause the Japanese public to turn to outspoken anti-foreign leaders such as Ishihara Shintaro?

The danger is that domestic political extremism in one country could stimulate extremist responses in the other countries and spiral out of control.

What are the chances that these domestic problems could lead to instability and conflict between the three powers? I believe the risk is small. Chinese leaders have learned the lesson of 1919 when massive demonstrations against Japan turned quickly to demonstrations against the government for its inability to stand up against Japan. They are likely to work to keep domestic protests in bound. Even young Japanese know where militarism led Japan in the 1930s and where good foreign relations and access to global markets brought them after the war. In the United States, democratic forces may be slow to respond to excesses, but the capacity of informed government officials, intellectuals, the business community and national politics to counter extremism remain strong.

On many issues the interests of China, Japan and the United States are alike, providing powerful motivation for leaders pursuing their national interests to work together. All three countries need stability to boost economic investment and trade and build cooperation for controlling environmental degradation, counteracting terrorism, smuggling and piracy, limiting proliferation and maintaining regional peacekeeping. Leaders of these countries acting rationally are likely to continue to work together to maintain stability while building a stronger regional order.

The challenge for the US–China–Japan triangle is to create the positive synergy that the three nations enjoyed from 1971 to 1989, in the absence of a common enemy. The United States and Japan should use their alliance to expand trust and cooperation with

China so that all three powers can adjust and share responsibility as China continues to grow and as its role continues to expand.

It is now a different era than in 1971–89. No longer can a small number of leaders make key decisions without broader public discussion. I am optimistic that the three countries can achieve this synergy, not only because it is in each country's interests. I am optimistic because I believe that businesspeople and academics in the three countries can help shape public opinion and help overcome the narrow domestic political pressures that have the potential to pull us apart. But there are still enough risks that we need all the assistance we can get, from public and private sources, and from large nations and small.