

“The New US-Japan Relationship: Security and Economy”

RIETI, Tokyo, May 24, 2001

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The following remarks are my opinion. The Pacific Forum is part of CSIS, a non-profit organization, but is located in Honolulu. We produce *Comparative Connections* and *PacNet*.

Where is the US-Japan relationship going? We have a chance to reinvigorate the relationship as we did with the 1996 pact between Prime Minister Hashimoto and President Clinton. The Nye-Armitage report suggests that revision of the Defense Guidelines should be the floor or foundation of the new US-Japan relationship. To understand what all of this means, what is the relationship *not* going to become?

First, I do not think that either President Bush or Prime Minister Koizumi will turn the US-Japan relationship into an anti-China alliance. Nevertheless, a strong US-Japan relationship will put restrictions on China's movements by making clear our interests, which is positive. We should look at how revising the Guidelines can foster positive developments in China.

Second, the US is not deputizing Japan to take over the American security role in Asia. The US has some concerns that only the US can protect and the same goes for Japan. But both countries can achieve their goals more effectively through cooperation.

Third, the US should not push Japan to embrace collective defense, change its constitution, or remilitarize. Sure, the US should be clear about what it wants Japan to do, which will require a strategic dialogue and a determination of military roles and missions. But Japan must be the one that decides whether reinterpretation is good for Japan.

At a recent conference on US-Japan relations in the US, the panel's conclusion was that it would be wrong for the US to pressure Japan to either push or restrain Japan in reviewing the Japanese constitution. The US must recognize that it is Japan's choice, support Japan's decision, and support debate on the subject.

The *New York Times* and *Washington Post*, rather erroneously, say that the US is shifting its foreign policy toward Asia and China is the new focus. It is true, however,

those new ideas on the division of labor and the revolution in military affairs are being floated at the Pentagon. The following are issues that the US and Japan need to talk about:

First, the US and Japan need a true strategic dialogue. What does 'strategic dialogue' mean? It means that both countries express their concerns. In the past, Americans have acted as if a 'dialogue' meant the US would tell Japan what to do and that was the end of the discussion. Today, there is a need to discuss the two countries' diverging approaches, especially toward China.

The US and Japan do share a common long-term vision regarding China: we want a China that is fully integrated into the international community, a more open China, and a China that has a greater role in the region (not one that sees roles as a zero sum game). How to reach this long-term goal?

China is not a 'strategic partner.' You need common values to be partners. Calling China a 'strategic competitor' was not helpful either, but Mr. Bush has stopped using that term since he became president. The Bush Administration does not want confrontation with China, a fact that was demonstrated by the way the US dealt with the spy plane crash.

There were bound to be tensions between the US and China. The following items almost guaranteed tensions: the upcoming arms sales to Taiwan, Lee Teng-hui's visit to the US, and the return of the Congressional debate on normal trade relations (NTR) with China. But the key is how the US and China can re-establish the relationship after things cool down, between this July and October. That's the main question.

Ultimately, the US's relationship with China will be like Japan's relationship with China: cordial and marked by an incentive to cooperate, but potential problems will remain possible. A new generation of leaders is coming in China. Our responsibility is to create a good mood in China to encourage the new generation to be more capitalistic.

The US must walk a fine line. The key is to send a consistent message to Beijing. For example, Lee Ten-hui is a private citizen now and, as long as he is not political, Japan should be the one that decides if he can visit Japan or not. If a country had tried to dictate who could visit China, the Chinese would have condemned it as "interference in one's internal affairs." China has to understand that Japan will do what is good for Japan. Meanwhile, Japan should not tie its own hands. But Foreign Minister Tanaka is still learning.

The next item that needs examination by the two countries is missile defense and the related issues of proliferation and arms control. Bush and Rumsfeld have lumped theater missile defense and national missile defense into the single rubric of “missile defense,” which does confuse things. It may be unfair, but no politician gets votes by increasing vulnerability to rogue states and the Republicans must commit to missile defense at least in principle. Jim Kelly and Paul Wolfowitz have made trips to Asia and Europe to explain the American position on missile defense.

Now the Chinese have an option on the US position on missile defense: they can flatly say the whole thing is bad or they can sit down and talk. But I am afraid that if China waits too long to talk, they will lose their chance to influence the debate, especially since the Russians have a lot of leeway to cut a deal.

On to Korea: the US, Japan, and Korea should work toward forming a ‘virtual alliance.’ This would not be a formal alliance, but a virtual one where the three countries would build on the two bilateral relations with the US. For this reason, I am concerned about the textbook issue. Koreans are unhappy because they found the courage to put history behind them. It is necessary to address the psychological needs of the Koreans.

Indonesia is also important. If democracy takes hold there, it would be unstoppable in Asia. But if democracy fails, it will have setbacks. Indonesia’s leadership is in trouble, but Japan and the US can help.

Finally, we must deal with US-Japan economic issues. The good news is that Japan says it wants reform, at least rhetorically. We must send a signal of cooperation, so we don’t go back to the way it was in the early 1990s.

To sum up, the US-Japan relationship is in good shape and we have a historic opportunity to build on the relationship. It will require work and a clear vision of where we want to go.

Question & Answer

Q: You said that China was more confrontational than the US was during the spy plane incident, but we have to remember the embassy bombing.

Cossa

After the spy plane incident, as well as after the embassy bombing, China played the nationalist card. Why? The PRC is concerned about the Chinese youth's fascination with the West and they wanted to instill some skepticism. But there are ways of dealing with this game playing: When Japanese Foreign Minister Kono told China that if they kept criticizing Japan, aid to China might be reduced, it got China's attention.

Q: Is there a US position on Japan's regional initiatives?

Cossa

That element is missing from US foreign policy statements. I think the US overreacted to the AMF idea. The US should support the ASEAN plus three and I think Bush will come out in support of it. Also, the US must be clear about what it wants from APEC.

Brad Glosserman, Editorial Board, The Japan Times

The Treasury Department is still filling staff positions, so you won't see movement on economic policy for a while. Treasury has a tight grip on policy.

Q: How do you see the future of Chinese politics and internal control? We have arms control regimes, but China does not join them. Meanwhile, they are improving their technology. How can the US and Japan address this issue?

Cossa

We have made some progress. China committed itself to MTCR guidelines. And China has established laws coincident to the MTCR. The question is will China follow its own laws?

In terms of control, Jiang is no Deng Xiaoping, but "Party commands the gun." The fact that Jiang was able to handle the spy plane incident from Latin America shows that he feels secure. We shouldn't underestimate Jiang or overestimate the military.

Q: Can you comment on US force restructuring?

Cossa

When all is said and done, a lot more will be said than done. There is no substitute for forward presence. From a war-fighting view, the US does not need so many troops

deployed, but from a deterrence perspective, a dialogue between the US, Korea, and Japan is needed. The number 100,000 is not sacred. The keys are setting roles and sustaining the alliance.

Glosserman

The 100,000 lines are already starting to blur.

Q: Indonesia is complex and must be dealt with as a whole.

Q: Is the US approach toward Indonesia (and Myanmar) right?

Cossa

It is sometimes said, "Since the downfall of the USSR, the only country still driven by ideology is the US." US policy toward Myanmar is forcing that country to turn to China. We need a balanced policy, but Indonesia will fall apart without its military. The good news is that the US has smart people in the room, like Mr. Wolfowitz, on Indonesia.

Q: US policy on the environment, steel, etc. seems more focused on US interests than on promoting rules.

Cossa

National interest and domestic politics drive policy. This is true for most all countries.

Glosserman

In the US, the bilateralism-vs-multilateralism debate is still being fought.

Q: What role does Chinese public opinion play?

Cossa

We can challenge China if it tries to shape public opinion in a way that is disingenuous.

Q: Can the Internet in China change Chinese politics?

Cossa

The Internet won't have an immediate effect on politics in China, but I am sure people at METI's counterpart in China use the Internet, which is giving them a broader view. It will take 10 or 20 years for it to have an impact though.

Q: Will businesses influence US policy toward China?

Cossa

Business has been a voice of reason on NTR, for example, but if the spy plane is not returned, the rhetoric will sharpen. Business can raise the cost of conflict but cannot prevent it.

Q: How could we handle China's status as a developing country in the WTO?

Cossa

It is a serious concern. It would be fantasy to believe that there are two discrete groups of countries—developed and developing—and that China is in the same class as, say, Bangladesh.

Glosserman

China is not in the WTO yet, so it is an academic question. Trade negotiators will work out the details. The dispute settlement mechanism seems to be working.

Q: What do you see for Japan's economic future? What should Japan do?

Cossa

We are not on the verge of a trade conflict between the US and Japan, but the seeds are there.

Glosserman

The US wants a strong Japan. Now there is a greater consensus on what needs to be done, less hectoring.

-The RIETI editorial department is responsible for this article.