Japan's China Perceptions and its Policies in the Alliance with the United States

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CONTENTS

I. Introduction

II. Is China a Security Threat?

III. Elite Perceptions of China as a Security Threat

IV. Capability and/or Intent

V. Other Kinds of Threat from China

VI. Other Issues of Particular U.S. Interest

VII. Toward a Pacific Security Community Involving China

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I. Introduction

The People's Republic of China is now a major economic and military actor in the international relations of the Asia Pacific region, and thus we cannot afford to ignore China in reviewing the U.S.-Japan alliance. The Chinese economy has been growing rapidly over the past decade and a half, at an annual rate of about 10 percent, and it is expected to sustain a similar pattern of growth for the foreseeable future. Beijing's defense spending has also been increasing every year at a double-digit level for some time. Consequently, China's domestic and foreign policies will from now on significantly influence the course of international relations in this region, and perhaps elsewhere as well.

Will China develop into a peaceful, status-quo power, or will it continue expanding its military strength to establish a new hegemony in the region? Will it try to resolve the Taiwan question and its territorial issues in the South China Sea in peaceful or in military ways? Will

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its economic growth lead to more pluralism and greater political liberalization in its society, or will its authoritarian leadership manage to keep a tight lid on such societal changes for years to come? Will China be able to distribute the benefits of its growing economic pie more evenly across the nation, or will the income disparity between the rich coastal regions and the rest of the country continue to widen, thereby increasing the possibility of internal disorder and chaos? And what will happen if China cannot keep enlarging its economic pie?

While much will no doubt depend on the internal dynamics of the Chinese political economy, external factors will be no less important in shaping China's behavior in the post-Cold War era. In particular, the United States and Japan, working together, are in a good position to affect the future course of China. The United States is the only military superpower today, and Japan is the largest creditor nation in the world. The world's two largest economies are tied together in a mutual security alliance. Indeed, Washington and Tokyo would be able to maximize their influence over China if they could effectively coordinate their policies and thereby send consistent, coherent signals to Beijing. But should they fail to coordinate their policies, and instead send out conflicting signals, then China will capitalize on these divisions and play the two countries against each other to promote its self-interests to the detriment of the bilateral alliance across the Pacific.

Unfortunately, the past record of U.S.-Japan policy coordination over China leaves much to be desired. The most notable example is President Richard Nixon's sudden announcement of rapprochement with China on July 15, 1971, made "over the head of Japan." More recently, in 1990, Japan resumed its development assistance loans to China; too quickly, in the eyes of U.S. officials, after the June 1989 Tianamen Square Incident. Generally, American and Japanese approaches to such important China-related issues as Taiwan, human rights, and trade have been subtly different – different enough to deserve serious consideration from the standpoint of better alliance management. In a somewhat exaggerated way, Hisahiko Okazaki, former Japanese ambassador to Saudi Arabia and Thailand, states: "Japan and the United States had followed an identical policy toward China until Henry Kissinger made a secret trip to Beijing more than 25 years ago. Since then, however, Tokyo and Washington have been unable to see eye-to-eye on policy. The two sides have yet to bridge their differences."[1]

While part of this problem comes from the inconsistent nature of U.S. policy toward China, reflecting intra-governmental and inter-branch politics,[2] much of the problem may have to do with differences in dominant Japanese and American perceptions about China. According to the theories of cognitive behaviorism, decision makers act only on the basis of what they perceive; policies, therefore, are inseparable from perceptions.[3] So long as the Soviet threat still existed, China was seen as a card to be played in Cold-War politics (particularly for the United States). Therefore, Washington and Tokyo could maintain basically friendly relations with China from the early 1970s to the mid-1980s. But the end of the Cold War and the disappearance of the "common enemy" have changed the picture altogether.[4] Now China is an important player in its own right and needs to be treated as such. Under these circumstances, Japanese and American perceptions of China have become more important in explaining their countries' policies.

This study, therefore, will first examine Japan's perceptions of China, including threat perceptions, in comparison with those of the United States, with a view to exploring the extent to which Japan's China policies may be compatible and consistent with America's China policies. We will also explore a framework through which the two countries could seek and carry out their common policies toward China. Today, both Washington and

Tokyo largely agree on the idea of emphasizing a broad engagement with China. But "engagement" is not clearly defined. A ranking Chinese official has been quoted as saying: "Engagement can mean a battle in a war, or it can mean the beginning of a marriage. We are not clear which it is. Moreover, other words are often used: 'containment, sanctions.' So we are puzzled."[5] We will need a framework or concept that gives substance and coherence to engagement policies and that can facilitate effective U.S.-Japan policy coordination in managing relations with China. "Without a glass in which to pour the water of engagement and cooperation," writes one analyst, "policy toward China risks becoming little more than a messy spill of competing interests and objectives, with nothing to give it shape."[6]

II. Is China A Security Threat?

With the demise of the Soviet empire in 1991, Americans needed a new external threat. For a time, Japan, as the country thought by many Americans to present a serious threat to the U.S. economy, filled that need.[7] But soon after Japan's economic bubble burst and the country went into a prolonged recession in the early 1990s, America's attention turned to China as a new security threat. There were a number of reasons in addition to the 1989 Tianamen square incident, in which political freedom was physically suppressed by tanks and rifle fire. One was a highly publicized 1993 World Bank report which predicted that by the year 2002, China would overtake the United States as the largest economic power based on a PPP (purchasing power parity) calculation that included the GNP (gross national product) of Hong Kong and Taiwan as well as that of China.[8] Another was the apparent Chinese preoccupation with enhancing its military capabilities, which seemed to run contrary to the disarmament trend in the United States and the former Soviet Union. From 1989 to 1995, Chinese defense spending increased at an enormously high rate every year (14.9 percent in 1989, 14.6 percent in 1990, 13.8 percent in 1991, 12.2 percent in 1992, 13.5 percent in 1993, 22.4 percent in 1994, and 14.6 percent in 1995).[9] The relatively hard-line position China has taken with respect to various territorial disputes with its neighbors in recent years may also have reinforced this new image of China as a potential security threat. In 1992 China passed a law declaring that the Senkaku (Diao yu-tai) Islands and virtually the entire South China Sea were under Chinese sovereignty, and in early 1995 it was discovered that the Chinese had occupied Mischief Reef close to the Philippines.[10]

China's nuclear testing in the 1990s and its military exercises near Taiwan in spring 1996, intended to influence the presidential election there, can be mentioned as additional factors that may have influenced the image of China as a potential security threat, not only in the United States but in Japan as well. China resumed its nuclear testing in 1990 despite a strong international public opinion against it and continued testing about twice a year until the summer of 1996. In early March of that year, China conducted three ballistic missile tests off the coast of Taiwan and also began live-fire naval and air exercises in the Taiwan Strait.

Until very recently, not many Japanese had thought of China as a potential security threat, despite its geographical proximity to Japan. This may or may not have to do with the guilt some Japanese people still have for Japan's war-time aggression toward China, or it may be because of the cultural affinity they feel toward that country. Another relevant factor

may be that most Japanese have not been used to thinking in military-strategic terms, at least in the postwar period. But the recent Chinese nuclear tests and military exercises seem to have increased the image of China as a potential security threat in Japan, particularly among the general public.

According to the Yomiuri/Gallup public opinion polls taken in Japan and in the United States in early 1997, 39.1 percent of the Japanese respondents (as compared to 40.6 percent of the American respondents) named China as a potential security threat (see Appendix). Three years earlier, in response to the same question, only 18 percent of the Japanese (as compared to 35.6 percent of the Americans) responded that China was a potential threat.[11] This suggests that China's rising economic and military power and its assertive stance on territorial disputes (which had already become apparent by the early 1990s) were not as relevant as the recent Chinese nuclear tests and military drills in shaping Japanese perceptions of the potential threat posed by China. It is important to note in this context that Japan suspended its grant aid to China in August 1995 after Beijing conducted its second nuclear weapons test of that year. Japanese government officials also expressed concern about China's missile tests and military exercises off the coast of Taiwan, though the Japanese responses were apparently too mild from the U.S. government's standpoint.[12]

III. Elite Perceptions of China as a Security Threat

While public-opinion polls may be useful in understanding general opinion trends in society, they do not necessarily reflect the committed or influential views of the elite who directly or indirectly influence policy decision-making. Very often, public opinion follows the flag, even in democratic societies; recall that the American public's view of China changed almost overnight after President Nixon's sudden announcement on July 15, 1971, about his planned visit to China in the following year. Hence, we shall examine elite views of China in the United States and Japan in comparative perspective.

There are hot debates going on in the United States and to a lesser extent in Japan about the so-called "China threat." One such debate was published in the March/April 1997 issue of Foreign Affairs. Richard Bernstein and Ross Munro represented the view that the China threat is real and serious as "China is seeking to replace the United States as the dominant power in Asia."[13] They assert further:[14]

> Since the late 1980s, Beijing has come to see the United States not as a strategic partner but as the chief obstacle to its own strategic ambitions. It has, therefore, worked to reduce American influence in Asia, to prevent Japan and the United States from creating a "contain China" front, to build up a military with force-projection capability, and to expand its presence in the South China and East China Seas so that it controls the region's essential sea lanes. China's sheer size and inherent strength, its conception of itself as the center of civilization, and its eagerness to redeem centuries of humiliating weakness are propelling it toward Asian hegemony.

They also emphasize that while China's official defense budget of $8.6 billion is not

awesome (compared to about $265 billion for the United States and about $50 billion for Japan), its actual defense spending is "at least ten times the official figure, which does not include the cost of the People's Armed Police (a kind of reserve force), nuclear-weapons development and soldiers' pensions; purchases of fighter jets from Russia; proceeds from arms sales and income from army-operated businesses and industries, etc."[15] Berstein and Munro conclude by saying that "a strong Japan, in genuine partnership with the United States, is vital to a new balance of power in Asia."[16]

The contending view is expressed by Robert S. Ross, who argues that China does not present a security threat, "not because China is a benign status-quo power, but rather because it is too weak to challenge the balance of power in Asia and will remain weak well into the 21st century."[17] His major arguments are as follows:[18]

> China is a revisionist power, but for the foreseeable future it will seek to maintain the status quo – and so should the United States ... Even if China does pursue significantly military advancements, its rivals will not be standing still. Given its head start and cooperation with Japan and other regional allies, the United States could maintain its current defense posture, and the South China Sea would remain an "American lake" ... In developing power-projection capability, China would risk a U.S.-Japanese arms buildup, leaving itself relatively weaker while diverting scarce funds from the pressing military objectives, such as securing its coastal waters.

In short, Ross cautions against an alarmist view of China and suggests that the United States should maintain a "business-as-usual" stance vis-à-vis China.

Bernstein and Munro's view suggests the necessity of containment, while the view represented by Ross supports the policy status quo. A third view suggests active engagement with China because China could become either a peaceful and friendly country or a hostile and aggressive country depending on how it is treated by the United States and other nations. This view is reflected in a 1996 report by The American Assembly entitled "China-U.S. Relations in the Twenty-First Century: Fostering Cooperation, Preventing Conflict." The report emphasizes the following points, among others:[19]

1. The United States should welcome China as a strong and prosperous partner.
2. China desires U.S. support and cooperation in its modernization efforts.
3. America's highest priority should be to establish a new overall relationship with China marked by greater mutual confidence.
4. The United States should engage in a sustained strategic dialogue with its allies and with China to reduce Chinese suspicions.

A similar view is expressed in a 1996 report published by the National Committee on American Foreign Policy, Inc. entitled "Developing a Peaceful, Stable, and Cooperative Relationship with China." Its central thesis is that China is a major military power and, therefore, should be brought into a cooperative security regime:[20]

> China has the largest military forces in the Asia Pacific region. Since the start of the 1980s, China has given priority to civilian economic growth. In the

> 1990s, however, the Beijing regime has begun to give increased attention to military modernization, which has been facilitated by its successful economic expansion. In the decade ahead, the Chinese government will continue to pursue military modernization in a gradual but systematic way. The Chinese military establishment now commands increasingly serious attention from the entire Asia Pacific region. In the decades ahead, China will continue to increase its capabilities as a major, modern military power, and future peace and stability in the entire Asia Pacific region will therefore depend fundamentally on the kinds of security relationships that develop between China and the United States and between China and other major powers in the region.

In this view, the military power of China per se is not necessarily a security threat, but it could become one unless China is brought into a cooperative regime. While the current official policy of the United States supports engagement with China, it contains elements of all three different views of China introduced here (often reflecting White House-congressional differences or conflicting actions among executive branch agencies), and that is exactly why it appears confusing to China.

Now let us turn to the views of China held by the Japanese elite. The U.S. debate on the China threat has triggered considerable discussion among Japanese intellectuals, encouraging a number of publications directly or indirectly related to this topic, including a book entitled *Chugoku wa kyoika* (*Is China a Threat?*), edited by Satoshi Amako, which came out in June 1997.[21] However, despite the growing perception among the Japanese public of China as a potential security threat, as reflected in the polls mentioned above, few among the Japanese elite are concerned either about Chinese military power in general or about China as a security threat in the narrow military-strategic sense of the term, i.e., China invading Japan or launching missile attacks on Japan. While some of them may be worried about Japan somehow getting involved in the conflict between China and Taiwan, the Bernstein/Munro view of Chinese military power is not widely shared among them. For instance, many China specialists in Japan downplay the Chinese military threat and worry instead about other kinds of threat from China.

Ikuo Kayahara contends that China's military power at present is far from comparable to the military power of the United States or even that of Russia. The main problems, in his view, are the lack of transparency concerning Chinese military spending and uncertain political conditions in that country, which tend to contribute to the image of China as a potential security threat.[22] Calling China a kind of "military Bonapartist" state, Mineo Nakajima does express wariness about China trying to rationalize expansion of its military power with the excuse of the threat of a Japanese militarism that does not exist. But at the same time, he is not seriously worried about China threatening Japanese security. He does not think China will be able to sustain its military expansion, because of increasing economic interdependence with the rest of the world and because of the possibility of the country breaking up due to worsening internal problems.[23]

Ryosei Kokubun explains the rising perception of the China threat in Japan and abroad in terms of China's military spending, its actions in the South China Sea, its arms sales to regions in conflict, and, until recently, its nuclear tests. He also discusses the increasing influence of the military in Chinese politics and the need on the part of the Chinese leadership to control the military. But, as with many other Japanese Sinologists, he is not concerned about the military threat from China in the narrow sense of the term. Like

Nakajima, he also refers to the possibility of China breaking up.[24]

Tatsumi Okabe believes that China cannot throw away its old "Realist" vision of building a strong military state, primarily because it had the humiliating experience of having been virtually colonized by major imperialist powers. China is extremely jealous of its national sovereignty and feels insecure unless it is expanding its military power. China is hyper-sensitive to any sign of power-political encirclement. Therefore, only after China has really enjoyed for some time the fruits of being truly independent and prosperous in a peaceful environment will it relax its Realist worldview.[25]

Okabe and a number of other China experts in Japan tend to believe that a strong China may be less threatening to Japan than a weak China. According to them, China may experience serious domestic conflicts and even political disintegration due to its numerous internal problems, sending millions of refugees to neighboring countries, including Japan. Such internal unrest and crisis could spill over to other potentially unstable countries in Asia.[26] Hidenori Ijiri lists China's present and potential problems: economic overheating, mismanagement of macroeconomic policy by the political center, a tug of war between central and local governments, poor transportation and other infrastractural deficiencies for business, energy shortages, widespread corruption, de facto purchase and selling of land, food shortages as a result of cultivated-land reduction, increasing peasant riots against local governments, uncontrolled flows of labor from rural areas to big cities as a result of widening income disparities between inland and coastal areas, a "floating" pool of itinerant surplus laborers, unpaid workers in state-owned heavy-industry firms and a resulting increase in labor strikes, and independence movements among various ethnic minorities.[27] In any case, there is near-consensus among Japan's China scholars that the military and economic capabilities of China have been largely exaggerated in American estimates, and they are especially skeptical of the kind of view presented by Berstein and Munro. Japanese government officials largely share this dominant view among China specialists in Japan, as reflected in the *Diplomatic Bluebook* [28] and the *Defense White Paper*.[29]

IV. Capability and/or Intent

We have reviewed various American and Japanese perceptions of the Chinese security threat. While there is a danger of over-simplification, we can classify them in terms of perceived presence or absence of sufficient military capability and intent (or willingness) as shown in Fig. 1.[30]

Fig. 1 China Threat Indicators

	Lacks Intent	Has Intent
Has Capability	II Capability but not Intent	I Both Capability and Intent
Lacks Capability	III Neither Capability nor Intent	IV Intent but not Capability

According to this classification, the Berstein/Munro view would belong to the upper-right-hand cell, No. I. This view, which represents Realist and power-political thinking, holds that since China has both capability (at least potential capability) and intent to threaten us, containment is a viable policy response. The Ross view would belong to the lower-right-hand cell, No. IV. While this view is also an extension of Realist thinking, it suggests that since China is not yet capable of threatening us, we should not create incentives for China to expand its military power; the status quo is, in this view, not necessarily bad. The view expressed by The American Assembly and the National Committee on American Foreign Policy might belong to cell No. II, in the upper left hand. This view represents "Liberal" thinking; it recommends engagement with China, arguing that "Chinese intentions remain fluid and that premature adoption of belligerent policies risks creating a self-fulfilling prophecy – treat China as an enemy, and it will become one."[31] The Japanese views introduced in this paper would belong to either cell II or cell III in the sense that they do not presuppose the Chinese intent to present a security threat to Japan in the narrow sense of the term.[32] In a recent meeting with President Jiang Zemin of China, Prime Minister Ryutaro Hashimoto expressed a similar view when he said that "Japan does not anticipate a military conflict taking place around Taiwan."[33]

If cell I represents the reality, then containment may indeed be a viable policy option. Even in such a case, though, a combination of containment and engagement may also be feasible. To the extent that cell I does not yet represent the reality, we will need to prevent China from moving in that direction. In this sense, cell IV, "Intent but not Capability," is not a desirable situation for us, because "where there is a will, there is a way." On the surface, cell III would appear to represent the best possible state of affairs, but any outside pressure

on China to keep this situation or to move in that direction would be counterproductive because, as we discussed earlier, China is highly jealous of its national sovereignty and feels insecure unless it is increasing its economic and military power for the moment. Moreover, cell III may not necessarily be a desirable situation if it means a weak state unable to prevent internal unrest and political disintegration. Consequently, cell II may represent a better situation and certainly the best policy option for us, i.e., for Japan and the United States to help China remain in that situation or move in that direction by providing a cooperative and friendly environment in which China can feel secure and content. This option becomes particularly relevant if, as H. Lyman Miller argues, "Beijing's foreign policy behavior has largely been reactive, not assertive and cautious, not adventurist" and "the strategies by which Beijing has pursued national strength have been shaped and skewed most fundamentally by the realities of China's external context."[34]

While internal factors might also become salient under certain circumstances in shaping China's foreign-policy behavior, maintenance of a non-hostile international environment for that country is certainly a prerequisite condition. This does not necessarily mean, however, that the United States and Japan should let China do whatever it may want to do. It may mean that while generally maintaining an accommodating policy toward China, we should be sending consistent signals that aggressive actions have to be restrained. In this context, David B. Denoon and Wendy Frieman write, "It appears that one objective worth striving for is consistency of policy over time, and conveying clearly to Beijing that the international community will resist if the PRC's behavior is aggressive."[35]

The above view may be close, at least in spirit, to what James Shinn calls "conditional engagement with China," intended to "preserve American vital interests in Asia while accommodating China's emergence as a major power," which contains ten principles: (1) no unilateral use of offensive military force; (2) peaceful resolution of territorial disputes; (3) respect for national sovereignty; (4) freedom of navigation; (5) moderation in military force buildup; (6) transparency of military forces; (7) nonproliferation of weapons of mass destruction; (8) market access for trade and investment; (9) cooperative solutions for transnational problems; and (10) respect for basic human rights.[36]

In June 1997, Japan and the United States produced an interim report that included draft security arrangements in the event that the United States becomes involved in conflicts in the Asia Pacific region excluding Japan. Subsequently, in September 1997, they announced new defense-cooperation guidelines, revising the 1978 guidelines along the lines of the interim report. The interim report and the new guidelines had repercussions in China and elsewhere as well as in Japan, as people thought that Japan would now be expected to assist U.S. operations "in areas surrounding Japan," even outside the Japanese territorial waters and air space, a departure from the traditional Japanese interpretation of the bilateral security arrangements.[37] China could interpret this as a manifestation of "containment," because potential conflict zones could be considered to include a new Korean war or a China-Taiwan dispute. Should Japan have resisted these new arrangements and instead tried to "loosen" bilateral its ties with the United States?"[38] The substance of the new guidelines can be supported on the following grounds:

1. The guidelines have added specific substance to the basic framework of the U.S.-Japan security treaty in the context of the post-Cold War period and do not necessarily represent a policy departure;

2. A viable and stable U.S.-Japan security relationship is in the interest of China and other Asian countries as well as the two allies, and the new arrangements will help sustain such a relationship;
3. The new guidelines help increase the transparency of the U.S.-Japanese alliance;
4. They show that in a contingency, Japan would assist the United States outside Japan's territorial waters and airspace only with regard to non-combat operations; and
5. By clarifying what the two countries would do in case of a contingency, the guidelines convey a clear signal that aggressive behavior will be resisted, in line with the suggestion by Dennon and Frieman.

It is also important that the new arrangements emphasize a common U.S. and Japanese goal of maintaining "a prosperous and stable region." This is easier said than done, but the United States and Japan would do well to ensure China's understanding of their new security arrangements by maintaining frequent dialogues with Beijing. Obviously, China wants to retain the option of using force to prevent Taiwan from declaring itself an independent state. But a peaceful settlement of the Taiwan question, which both Japan and the United States want, remains a Chinese option as well. Therefore, the United States and Japan are in a position to encourage more direct and regular communication between Beijing and Taipei as well as a greater flow of personnel, goods and capital across the Taiwan Strait, while at the same time signaling Taipei to be cautious not to provoke China unnecessarily.[39]

Making maximum confidence-building efforts through bilateral and multilateral channels, including the ASEAN Regional Forum (ARF), might also help in alleviating whatever concerns China may have about the true intention of the new U.S.-Japan security arrangements. But for the purpose of contributing to the same cause, it would also be very important for Japan and the United States to demonstrate their genuine interest in helping China tackle those of its domestic problems that require international assistance and cooperation.

V. Other Kinds of Threat from China

The earlier discussion on Japanese and American perceptions of the Chinese security threat suggested that the Japanese perceptions of such threat are somewhat broader, including, for instance, the threat of China's internal disintegration pouring Chinese refugees into Japan and other neighboring countries. Many Japanese are also concerned about the threat posed by China's environmental degradation. It may be true that these perceived threats have not yet become issues in U.S.-Japan relations, and they have not been placed on the agenda of official bilateral discussions. But these other kinds of threats deserve due attention and consideration in coordinating the two countries' policies toward China. The reason is obvious: To the extent that Japan is concerned, if not preoccupied, with these other kinds of threats, they will be reflected in Tokyo's overall policies toward Beijing, thereby inevitably affecting U.S.-Japan interactions over China.

1. China' s Internal Disintegration

A weak China may be more threatening to Japan than a strong China, we noted above, in the sense of not being able to prevent a major political disintegration resulting in outflows of Chinese refugees. We have lately seen many publications in Japan concerned with such a possibility. *Chugoku daibunretsu* (*China's Major Disintegration*) by Naotake Kawamura[40] is one such example. While most of these publications are journalistic in nature, serious China specialists, including Mineo Nakajima, Yujiro Murata, Akio Takahara, and Masaru Hishida, also bring up this and related subjects in their recent publications. We earlier mentioned many possible causes of China's internal unrest; Kawamura adds one other factor: the return of Hong Kong and its possible political impact in China. But possibly the most important among these potential causes is the growing income gap between the rich and poor regions. As shown in Table 1, there is a significant disparity between the Eastern Region (including Beijing, Shanghai and Canton) on the one hand and the Central and Western Regions on the other in terms of per capita gross domestic product (GDP). The possibility of serious social unrest is said to be particularly high in the Western Region, which includes Xinjiang and Tibet, where ethnic and economic grievances overlap.[41] According to a 1995 opinion survey whose respondents represented 30 different Chinese ethnic minority groups, 63.3 percent of the respondents had a sense of being left out and felt a loss of psychological balance as a result of the growing income disparity between the Eastern and Western Regions. A total of 33 percent said the income gap made them frustrated about their minority-group status, and 35.6 percent said there was a possibility of social uprisings in the areas of heavy minority-group concentration.[42]

Table 1

Per Capita GDP in China's Eastern, Central and Western Regions (Yuan)

Year	Eastern Region	Central Region	Western Region	Central/ Eastern(%)	Western/ Eastern(%)
1978	466	312	257	67.0	55.2
1985	1,022	707	573	69.2	56.1
1990	1,922	1,270	1,090	64.2	54.7
1991	2,259	1,358	1,203	60.1	53.2
1992	2,819	1,602	1,386	56.8	49.2
1993	3,854	2,046	1,751	53.1	45.4
1994	5,352	2,878	2,320	53.1	43.3

Source: Akio Takahara, "Chuo-chiho kankei no tenkai to chugokujin no kikikan ("The Development of Central-Regional Relations and Chinese Crisis Perceptions") in Satoshi Amako, ed., *Chugoku wa kyoika* (*Is China a Threat?*) (Tokyo: Keiso Shobo,1997), p.205.

2. China's Environmental Degradation

In its eagerness to achieve and sustain rapid economic growth, China has largely ignored the effects of economic development on the environment. If China continues its current growth pattern, its environmental situation will further deteriorate, to the extent that it will pose serious threats to the regional and global environments. Cynics refer to China as "the department store of environmental problems."[43] In fact, China's sulfur emissions may already be causing acid rain in Japan and Korea.[44] Naturally, Japan is much more concerned about China's environmental problems than the United States is at the moment. According to Ming Wan, China's economic growth affects the environment on three levels: "On the national level, environmental impacts include air pollution, resources depletion, deforestation, soil erosion, solid-waste pollution, and water shortage; on the regional level, transborder air pollution, maritime pollution, and diminishing stock; and on the global level, global warming, depletion of ozone layer and diminishing biodiversity."[45]

China depends on high-sulfur coal, which accounts for 75 percent of the country's primary energy use, but it has only a limited amount of sulfur-removal equipment.[46] This is one major reason why China's air pollution problem is very serious, as indicated in Table 2 below.

Table 2
Air Pollution in China
(Unit: microgram/cubic meter - air pollutants)

	1983	1984	1985	1986	1987	1988	1989	1990
Shanghai	205	217	233	270	290	305	289	280
Beijing	384	400	375	356	367	375	369	393
New York	54	62	68	59	60	61	65	56
Tokyo	54	64	56	58	60	55	47	56

Source: *The United Nations World Yearbook*, 1992. Reprinted in Hajime Tozaki, "Chugoku ni okeru kankyo mondai to Nihon no senryakuteki taio" ("Environmental Problems in China and Japan's Strategic Response") in Amako, op. cit., p.318.

China does have environmental policies and regulations, but they are not effectively implemented. The reasons for this are many, including (1) low public consciousness about environmental protection, (2) lack of freedom on the part of citizens to participate in environmental politics, (3) insufficient incentives for enterprises to adopt more energy-efficient technologies, and (4) lack of market incentives for environmental protection; firms find it easier and cheaper to pay fines than to pay the cost of reducing their pollution.[47]

3. Helping China Cope with its Domestic Problems

How can Japan help China minimize the possibility of major social uprisings leading to an internal disintegration, and how can Japan help China reduce its environmental degradation? Are there any ways Japan and the United States can cooperate in these areas?

The fear on the part of much of the Japanese elite about China's internal disintegration could be unrealistic and unfounded. Satoshi Amako, for instance, argues that Chinese leaders are competent to avoid such a disaster.[48] That may be so, but it is difficult to prove one way or the other. While Japan obviously cannot intervene in China's internal affairs for the purpose of reducing income disparities among different regions, it can at least provide indirect support by helping China sustain its economic growth. If China's economic pie is not expanding, the plight and frustration of the people in the Central and Western Regions will only get worse. It may well be that the assumption of a strong China being better than a weak China has been one of the reasons behind the generous development assistance Japan has rendered to the Chinese.

But simply helping China achieve further economic development will also lead to further deterioration of its environmental conditions. Thus, it would be in Japan's own interest to help China cope with its environmental problems at the same time. Japan is now beginning to use its official development assistance (ODA) to transfer environmental technologies to China, including de-sulfurization and de-nitrification technologies and environmentally efficient steel technology.[49] Such assistance could be usefully expanded. Moreover, Japan could allocate more of its ODA for improving China's transportation systems and other infrastructure to facilitate more regionally balanced domestic economic growth, which, in turn, might help narrow inter-regional income disparities and also avoid further concentration of environmental degradation in the rapidly growing Eastern Region.[50]

What should America's role be? Washington cannot extend ODA to China because of laws banning such assistance to a Communist country. But expanding American (as well as Japanese) trade and investment relations with China would generally contribute to its further economic development. Making investments in the Central and Western Regions would also help reduce China's inter-regional income gaps. It is true that neither corporate America nor corporate Japan would normally be interested in investing in low-growth areas. In this context, Japanese ODA disbursed for use in building China's internal transportation systems and other infrastructures might help induce such private-sector investments. Japan's aid programs have often been criticized for providing benefits only to Japanese corporations. In fact, "Japanese concessional lending (which exceeded $1.4 billion in fiscal 1995 alone) has provided considerable business opportunities for other foreign companies as well,"[51] including American companies, while "The White House has encouraged Tokyo to take the lead in extending aid to China, and Tokyo has been willing to oblige."[52] Japan's ODA could also be extended to Japanese and American NGOs working in China in environmental and other humanitarian activities.[53] The United States and Japan have Common Agenda projects dealing with environmental and other global issues, and China's environmental problems might also be brought into this framework.

VI. Other Issues of Particular U.S. Interest

If China's internal disintegration and environmental problems are among the threats perceived by the Japanese, China's attitudes toward human rights and trade (especially intellectual property rights) are of particular concern to America. On human rights and trade, Washington and Tokyo largely share basic interests and values, but their approaches have not exactly been uniform, or even convergent, and this has created bilateral tensions and given opportunities to Beijing to pit one capitol against the other. Generally speaking, Japan's approach to China has been more "consistently accommodative" and "softer" than that of the United States, preferring to offer China "positive" rather than "negative" incentives. In other words, Japan has mostly been playing "good cop," while the United States has largely been playing "bad cop." Under the circumstances, Japan has often been criticized as "free-riding" on America's tough, pressuring diplomacy.[54]

Washington has indeed been more vocal about China's human-rights abuses, threatening to link the annual renewal of China's MFN (most-favored-nation) trading status to improvements in human-rights conditions. On the other hand, Japan has been more or less silent and generally very cautious. Accordingly, "since the Tianamen Square Incident," writes Kokubun, "China has from time to time appeared to use the 'China card' and get closer to Japan, or has tended to ask Japan to play a go-between role for improving its relations with the United States."[55]

A similar divergence in the two countries' approaches can be seen over trade issues with China, including the issue of Beijing's enforcement of intellectual property rights. In 1995 Washington threatened to impose 100 percent penalty tariffs on $1 billion in U.S. imports of Chinese goods. But Tokyo remained silent and neutral in the dispute, even though Japanese, too, had suffered from Chinese counterfeiting and copyright infringement. Tokyo was said to be "equally reticent" a year later, when the U.S. government criticized Beijing for not living up to the agreement on intellectual property rights it had signed in the wake of the 1995 controversy.[56]

Hence, the status quo of U.S.-Japan relations over China leaves much room for improvement. While the two countries may not always be able to take exactly the same stance, a coordinated approach should be taken so that, at the very least, they do not to contradict each other. For instance, Japan would do well to articulate its concerns whenever an infringement of any intellectual property rights takes place in China and to express its support for similar U.S. concerns. But at the same time, it is understandable for Tokyo not to approve the 301-type pressure tactics that have repeatedly been used against China contrary to the spirit of WTO (World Trade Organization) rules outlawing "unilateral measures." In this context, we find a "proper" Japanese statement in the 1997 Report on the *WTO Consistency of Trade Policies by Major Trading Partners*, by the Industrial Structure Council:[57]

> There have been a large number of intellectual property rights infringement cases in China, including many counterfeits of Japanese products. We will need to monitor events closely to ensure appropriate enforcement.

> In addition, there is a bilateral agreement between the United States and China which was made under the U.S. Special 301 procedure whose objectives are to counter infringement of intellectual property rights, including confiscation of counterfeit software products and closure of associated production facilities. Regarding this agreement, the United States has continued to argue that China does not live up to the agreement. We think China should strictly adhere to its commitments, so long as it is agreed upon, and should also disclose the record of its implementation to the public in a more detailed and open manner. We also think the United States should reconsider whether such a forcible method of negotiation under the threat of unilateral sanction is appropriate and effective.

To sum up, it would be essential for the United States and Japan to send firm and consistent signals to China against any infringement of intellectual property rights, but the threat of imposing unilateral sanctions may be inappropriate and even counterproductive. The same advice may as well be given on human-rights abuses in China. Toshiyuki Shikata, a former Japanese Defense Agency official, echoed this view when he stated, "In its relations with China, Japan should not compromise with regard to human rights and democracy, both of which Japan believes are universal values. However, this should not lead to interference in China's internal affairs."[58]

The American Assembly report mentioned above makes a recommendation in a similar vein: "The threat of imposing sanctions is not a useful tool in advancing respect for human rights in China, and in fact is often counterproductive. Without necessarily resorting to sanctions, especially serious violations of universally accepted human rights require a strong response."[59] This is echoed in the 1996 report by the National Committee on American Foreign Policy, also referred to earlier: "The lesson of the past seven years, since the Tianamen crisis of 1989, is that threatening or carrying out sanctions or confronting China publicly and relentlessly on the human rights issue produces few positive results and often seems to be counterproductive. In fact, a case can be made that U.S. policies on the human rights issue in China during recent years have not only been ineffectual, but for the most part they may well have strengthened Chinese hard-liners and Chinese nationalism at many levels of society and prevented or delayed the resumption of political dialogue at the highest levels."[60]

In addition to the avoidance of threatening tactics in bilateral negotiations, we may also suggest that the United States and Japan make better use of multilateral forums in dealing with human rights and trade issues with China. "Human rights concerns can be pursued within the established human rights framework of the United Nations," states The American Assembly report, also suggesting that "China should be encouraged to sign and ratify the international human rights instruments and to facilitate monitoring by international humanitarian organizations, such as the International Committee of the Red Cross."[61] Similarly, intellectual property rights and other trade-related issues would be better handled within the multilateral framework of WTO. But in order to make China adhere to WTO rules, it must first be admitted into that organization. For some time, a kind of "chicken-and-egg" debate has been going on: The United States has long contended that China should not be admitted until after it learned how to observe the free-trading rules of WTO, while Japan and the European Union have more or less argued in support of an early accession of China to the international organization. In the American thinking, this issue has often been attached to the human rights issue, as well. Since the fall of 1996, the difference between

Washington and Tokyo on China's WTO accession has somewhat narrowed, if not disappeared, because President Clinton and Prime Minister Hashimoto both expressed support for China's early accession during the APEC summit and their respective bilateral talks with Jiang Zemin. In March 1997 the WTO Working Party on the Accession of China produced a new draft protocol showing agreement on the preamble, the general provisions of implementation, the uniform administration of China's trade regime, etc. The most important test will be whether or not the United States and China can reach agreement on remaining substantive matters (including the issue of giving China a developing-country status) when the top American and Chinese leaders visit each other's capitals in fall 1997 and spring 1998.[62]

All of these factors suggest that the United States and Japan should each try to understand the other's position and strike a proper balance between "soft" and "tough" approaches (or between "carrots" and "sticks," as it were) and between bilateralism and multilateralism in dealing with China. In our earlier discussion on the Chinese security threat, we also implicitly suggested a balance between "narrow" (military-strategic) and "broad" conceptions of security. Now another kind of balance is in order, a balance between "short-term" and "long-term" perspectives.

If we think of the human rights and other issues in China from a short-term perspective, our attention will naturally be focused on current violations, thereby prompting us to adopt hard-line or punitive policies. If, on the other hand, we adopt a long-term perspective, we may prefer a more accommodative approach. Take the human rights issue, for example. From a short-term perspective, we may want to put pressure on the Chinese leadership to correct present abuses of human rights in that country. From a long-term perspective, however, we may pay more attention to the possibility that if we help China maintain its economic growth and become a rich country, Chinese society may eventually become more open and democratic, making its government more respective of human rights. Generally speaking, more Japanese than Americans seem to take this long-term view, which may also be called a "gradualist" perspective. According to the Yomiuri/Gallup public opinion polls cited earlier, 57.1 percent of the Japanese respondents think China's economic development will promote democratization in that country, as compared to 27.7 percent of the American respondents who replied in the same way (see Appendix). If we adopt this gradualist view, we may be more concerned with helping China sustain and further achieve economic development than with whether China may or may not currently live up to American or Japanese human rights and other standards. But at the same time, we cannot afford to completely neglect a short-term, or "immediate compliance," perspective on some of the current problems in China. In the case of environmental problems, especially, accelerated economic development would only worsen the situation if it were not properly handled. In short, we need both short-term and long-term perspectives, and we need to maintain a healthy tension between them.

At any rate, balanced thinking is required in dealing with China and in attempting to coordinate Japanese and American policies toward China. This does not necessarily mean that the two countries should always take joint actions, but it will at least be necessary for them to work out a division of labor that will not send conflicting and inconsistent signals to China. This brings us back to the crucial point, made at the outset of this paper, that we need a common framework through which we can effectively coordinate our China policies.

VII. Toward a Pacific Security Community Involving China

In managing relations with China, it would be counterproductive for the United States and Japan to emphasize containment for fear of the so-called "China threat." In view of what China has gone through in modern history, Chinese leaders are understandably obsessed with a traditional geopolitical notion of national security based on military strength, even in this post-Cold War era of increasing international interdependence. Any obtrusive outside pressure to arrest their armament efforts might have an opposite effect of reinforcing their Realist worldview and justifying the continuation of their current policy, thereby creating, in a self-fulfilling prophecy, a militarily dominant China to be feared by other countries. Consequently, Washington and Tokyo would do well to focus on engagement, striving to create a basically friendly and accommodative external environment for this giant nation. The important thing to aim at is the reduction of China's potential " intent," as opposed to its "capability," to initiate aggressive military hostilities. The United States and Japan would be well-advised to make serious confidence-building efforts through bilateral and multilateral channels, necessary though it may be for them to keep a blueprint for contingency operations.

But without a coherent concept or framework through which to explain (as well as manage) their alliance and their China policies, it will be difficult for Washington and Tokyo to credibly sell their benign intentions to Beijing. They could repeatedly state their joint goal of building "a prosperous and stable environment" in the Asia Pacific region, but to doubting ears, it will likely sound like little more than lip-service. It is recommended, therefore, that Washington and Tokyo begin using the concept of the "security community" as both the basic organizing framework for the U.S.-Japan alliance in the Asia Pacific region and as its ultimate goal.

According to Karl Deutsch, who originally conceived of the idea, a security community is a group of people or countries where common social problems or conflicts of interests can be resolved by processes of "peaceful change," i.e., without the use or threat of force.[63] Germany and France, for example, used to fight freguent wars, but in the post-World War II period they have not fought each other at all, and there is currently no fear or expectation of war between them. In other words, Germany and France have become part of a security community, and such a community is now said to involve all members of OECD (Organization for Economic Cooperation and Development), a group of advanced, industrialized countries.[64] The United States and Japan are part of that community; there is no expectation that even their most serious bilateral economic conflicts will escalate into an armed struggle.

As Bruce Russett and Harvey Starr observe, the creation of such a community both requires and encourages "strong economic ties and links of social communication," "the achievement and continued expectation of substantial economic benefits to all the members," and "the widespread acceptance in all countries of the value and institutions of constitutional democracy,"[65] all of which characterize the OECD countries and their relations. So if Washington and Tokyo were to articulate a joint goal of building a security community in the region, they would be announcing that they would like to make Asia and the Pacific a war-free zone and that for this purpose they would help promote interdependence, prosperity, and democracy in the region – without giving any impression of containing China or any other country. Furthermore, they could demonstrate the coherence of the

security-community concept by showing that its basic components are conceptually and practically interrelated. Interdependence, or strong economic ties and links of social communication in the form of close trade and investment (as well as information networks), could help promote economic growth leading to prosperity, which would in turn help promote democratization in the long run.[66] Democratization would contribute to peace because, according to the theory of democratic peace, democratic countries do not fight wars among themselves.[67] Peace, in turn, would contribute to democratization as well as to economic interdependence and prosperity, both of which might also end up contributing to peace.[68]

The security-community framework would help Washington and Tokyo better coordinate their policies toward China because it would enable them to interrelate various policies under a common concept. By holding in check stronger American Realist impulses, the framework might also help maintain a healthy tension between Realist and Liberal approaches, as a result making Washington and Tokyo more sensitive to each other's perceptions, approaches, and policies. A better coordination of China policies between the two countries would naturally have favorable effects on their bilateral alliance, although, conversely, the continuation of viable mutual security relations would be a precondition for any effective Japanese and American coordination of their China policies under the security-community framework.

True, the goal of making the entire Asia Pacific region a security community may not be so easy to achieve. But it is not a pipe dream, either. Already in the region, the United States, Canada, Japan, Australia, and New Zealand may well constitute a security community, because, as economically advanced democratic countries, they are no longer likely to resort to the use of force for resolving conflicting interests and policies among them. South Korea, a new member of OECD, may now be added to this group (though, obviously, the North Korean situation is still very precarious). Some of other countries in the region are not hopelessly far from joining this incipient security community. For instance, there is no longer much fear or expectation of war among Indonesia, Malaysia, the Philippines, Singapore, and Thailand, which constitute the core of ASEAN (the Association of Southeast Asian Nations), even though a few of them still face possible internal unrest. These countries are also unlikely to wage war against the Asia Pacific members of OECD mentioned above. The same thing may be said about a few of the Latin American countries facing the Pacific, particularly Mexico and Chile. The important thing is that dynamic economic growth has been taking place in many countries of this region, and it is closely related to growing intra-regional trade and investment ties.

A viable strategy for expanding the security community on the Pacific Rim will involve further promotion of economic development and international/transnational interdependence as well democratization in this region. It may not necessarily require creation of new multilateral security institutions such as NATO or OSCE (Organization for Security and Cooperation in Europe), although confidence-building and other cooperative-security measures and efforts will certainly need to be further strengthened and expanded through various bilateral and multilateral channels, including the ASEAN Regional Forum. China may remain outside this new security community for the foreseeable future. Nonetheless, the American and Japanese articulation of the goal of creating a Pacific security community including China will have an important "announcement effect" on China's future foreign policy in the region.

APPENDIX

YOMIURI/GALLUP PUBLIC OPINION SURVEYS

The Yomiuri Shimbun carried out its public opinion surveys on U.S.-Japan relations in late January 1997 (2,030 people polled) and also asked Gallup to conduct a matching survey in the United States from late January to early February 1997 (1,032 people polled). Presented below are two out of 16 major questions and the Japanese and American responses to those questions:

1. Which countries and regions do you think are likely to pose a security threat to Japan (the United States)? Mark any number of countries or regions given below.

	Japan	U.S.A.
Africa	1.2	5.4 (%)
Bosnia, Serbia, etc. (former Yugoslavia)	3.8	24.4
Central America	2.2	7.9
China	39.1	40.6
Eastern Europe	1.1	5.4
The Middle East	14.1	49.5
North Korea	55.0	22.6
Russia, etc. (former Soviet Union)	34.7	32.6
South Asia	2.0	16.5
Southeast Asia	2.7	14.3
U.S.A.	13.9	NA
Japan	NA	12.7

2. Do you think China's economic development will promote democratization in that country?

	Japan	U.S.A.
Yes	57.1	27.7
No	18.5	51.7
Neither	19.2	8.8
No answer	5.3	11.8

Sources: Yomiuri Shimbun, March 17, 1997, pp. 16-17. (translated from Japanese)

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Hideo Sato is senior adviser to the rector of The United Nations University, Tokyo, and is president of the Japan Association of International Relations. He was the founding dean of the University of Tsukuba's Graduate School of International Political Economy and previously served as an associate professor of political science at Yale University and as a research associate at the Brookings Institution. Sato completed his undergraduate studies at the International Christian University in Japan and received a Ph.D. in political science from the University of Chicago. He has authored many books and articles on foreign policy and has been actively involved in advisory activities for Japanese governmental and private organizations. Sato's recent writings include "Challenging Dominant Trends in International Political Economy," Journal of International Political Economy, University of Tsukuba, March 1997, vol.1. no.2.; Leadership Sharing in the New International System: Japan and the United States, edited with I.M. Destler (University of Tsukuba, 1996); and Managing US-Japanese Trade Disputes: Are There Better Ways? edited with Wendy Dobson (Ottawa: Carlton University, 1996).

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