1 Getting the Triangle Straight: China, Japan, and the United States in an Era of Change

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Compared with South Asia, the Middle East, and other parts of the world plagued by political instability, violence, pervasive poverty, death, and destruction, East Asia offers a stark contrast as a region that is the dynamic center of the world economy and that is at peace, or at least not at war. This reality is rendered all the more remarkable by the fact that this is an area where the interests of three great powers—China, Japan, and the United States—intersect. There are dangers of course. North Korea and Taiwan in particular are potential triggers for armed conflict, which, were it to occur, would in one way or another involve all three of these countries. Perhaps even more worrisome is the fragility of the global financial system, posing as it does the ever-present danger of renewed economic turmoil, increased protectionism, and the weakening of a relatively free trade regime that makes it possible for China, Japan, Korea, and the countries of Southeast Asia to pursue successful export-led growth policies.

China, Japan, the United States, and other countries in East Asia face the same essential strategic question of how to keep the region at peace and sustain the economic vitality that not only is raising the living standards of people in East Asia but, in the globalized system in which we live, is contributing to improving the lives of people around the world. Successfully responding to this strategic challenge is no easy task, to be sure, but it is far preferable to the alternative faced in other parts of the world where there is still a need to figure out how to bring about political stability, economic growth, and the termination of war.

It is not surprising that the attention of policymakers and of media opinion makers should be drawn more to crisis situations than to the less headline-grabbing issues of how to manage relations among the great and the lesser powers of East Asia—not surprising, but worrisome nonetheless. East Asia is too important to be treated with a kind of benign neglect, approached with the easy assumption that since the region is at peace and is economically vibrant, what has worked in the past to keep it that way can be relied upon to do the same well into the future.

This is especially true for relations among the United States, China, and Japan. The consequences for the region and for the world of China's remarkably rapid transformation are at this point impossible to gauge. China's rise to great power status by definition upsets the status quo. That does not make conflict inevitable, but whether there is conflict or cooperation will depend on how policymakers respond to the history-changing reality of China's emergence, or rather reemergence, as one of the world's most powerful countries.

In terms of domestic politics, economics, and social structure, both Japan and the United States are undergoing transformations more far-reaching than anything either of them has experienced for decades. Though still the world's singular military superpower, the United States' unilateral moment has passed. The distribution of national power—a combination of economic strength, military capability, political will, and diplomatic skill—among the United States, China, and Japan is shifting. And it is doing so in a regional and global environment that itself is changing in dramatic ways. A new and complex multilateral international system is in the process of formation, but its structure is as yet inchoate; the old world order is gone and a new one has not yet been created.

Bilateral relationships within the China-Japan-US triangle, and the trilateral relationship itself, are free of major discord at the current time, but it would be facile to assume that they necessarily will continue to be so. Managing relations among the three great powers of the Asia Pacific so as to deepen and expand cooperation and reduce the dangers of discord will test the abilities of the leaders of all these countries—none more so than that of the United States.

Paying Attention to Asia

Upon assuming the presidency in January 2009, President Barack Obama moved quickly to ratchet up the level of US attention to East

Asia—consulting more closely with the nations in the region, reassuring the Japanese and South Koreans of the administration's commitment to maintaining strong alliances with both of them, and signaling its intention to engage much more closely with the countries in Southeast Asia. In February 2009, within weeks of the administration coming into power, Secretary of State Hillary Clinton made her first overseas trip, choosing East Asia as the destination for a whirlwind tour that took her to Tokyo, Jakarta, Seoul, and Beijing. She made Japan her first stop in order to reassure the Japanese that the new administration attached as much importance to the US-Japan relationship as had its predecessors. In Seoul, she reaffirmed America's commitment to its alliance with South Korea, warning North Korea that any hostile action against the South would be met by a firm and united response. In Beijing, she stressed the importance of Sino-American cooperation, especially in dealing with global issues, commenting publicly that human rights concerns would not be allowed to get in the way of working with the Chinese on pressing political and economic matters.

Secretary Clinton took a detour between Tokyo and Seoul to visit Jakarta, President Obama's childhood home, the most populous Muslim country in the world, a fledgling democracy, and a key regional player in ASEAN. The ASEAN countries had been critical of President George W. Bush and Secretary of State Condoleezza Rice for their apparent lack of interest in cultivating relations with the region; Secretary Clinton promised that things would be different under the Obama administration. She quickly followed through on that promise when, at a meeting with the 10 ASEAN foreign ministers in July 2009, she signed the ASEAN-sponsored Treaty of Amity and Cooperation. Though involving no binding commitments on the part of the United States, accession to this nonaggression pact sent a clear signal that the Obama administration intended to take Southeast Asia seriously and give it more high-level attention than had the previous government in Washington.

Secretary Clinton's trip to Asia came at the very beginning of the administration, when expectations were high about the foreign policy changes the Obama administration would bring about and when the new president's popularity both at home and abroad were at record high levels. By the time President Obama made his own visit to the region, in November 2009, the situation was far more complicated. The purpose of the trip was to attend a summit meeting of the Asia Pacific Economic Cooperation (APEC) organization in Singapore, with additional stops in Tokyo, Shanghai, Beijing, and Seoul.

As with Secretary Clinton's visit, the hierarchically conscious Japanese were pleased that they were first on the president's schedule. But the Tokyo visit came as the United States and the new Hatoyama government were at loggerheads over what to do about an agreement that the Liberal Democratic Party (LDP) government had signed with the United States in 2006—after more than a decade of negotiation—to relocate an American military base away from a congested area in Okinawa. President Obama tried to keep this dispute from dominating media coverage of his short stay in Tokyo but, unlike when Secretary Clinton visited a few months earlier, there was now a new government in Tokyo that had come into office advocating change—including a change in the way the United States and Japan manage their bilateral relationship.

Back at home, what the media seemed to find most significant about the president's trip to Tokyo was his bowing deeply to the emperor, something many commentators and Republican members of Congress claimed was demeaning. In fact, it was nothing other than a gesture of politeness and respect that evoked no negative comment anywhere in the region and was hardly remarked upon at all until people became aware of criticism of it in the United States.

President Obama's visit to China did not go over well with the US media either. He was criticized for allowing the Chinese government to stage-manage a public forum in Shanghai so as to avoid any questions being raised that might prove embarrassing to the government. He was also attacked for not publicly raising the issue of human rights and China's treatment of dissidents.

In reality, President Obama was no different from his predecessors in this regard. Once in power, President William Clinton quickly walked away from his campaign commitment to make most-favored-nation treatment of China dependent on its human rights behavior. And George W. Bush, for all his talk about spreading democracy everywhere, did not say a word publicly about the Chinese government rounding up dissidents or putting them under house arrest during his visit there in 2005. Nor did he hesitate to warn the Taiwanese that US support of democratic movements and self-determination did not extend to tolerating a Taiwanese move toward independence. But historical memory is in short supply among pundits and politicians out to score points against the sitting president.

By the end of his first year in office, President Obama had little to show in the way of concrete policy accomplishments in East Asia. There had been no progress in getting North Korea to stop its nuclear weapons program. Security relations with Japan were strained because of a dispute

over repositioning American forces in Okinawa. Strategy toward China seemed to be based on the hope that, if the United States treated China as a geopolitical as well as an economic partner, China would behave as a "responsible stakeholder" that would provide "strategic reassurance" to the United States, to use expressions coined in the first case by the Bush administration and in the latter by the Obama administration.

But to expect a lot of progress on specific and difficult issues in a new administration's first year is to expect too much. What is most important about President Obama's first year in office is that he changed the climate of opinion about the United States throughout East Asia. Although it did not draw headlines back home, his meeting with the leaders of the 10 ASEAN countries during his visit to Singapore—a first for a US president—his decision to open a dialogue with the military regime in Myanmar, and his emphasis on close consultation with both South Korea and Japan in evolving his North Korea policy have been welcomed as signaling a higher level of engagement with the region and a move away from unilateralism. Making the United States popular once again in the region and raising expectations that the United States is serious about engaging deeply with the countries in East Asia are no mean accomplishments for a government that has been in power for less than a year. It is an impressive beginning. But it begs the question of whether the Obama administration is going to be successful in managing the difficult issues that it faces in relations with China, Japan, and the rest of the region.

The Context and the Challenge

The United States, China, and Japan are each in a transformative period in their history with respect to their domestic affairs, foreign policy orientations, and relations with each other. Each is trying to define anew its role in the world, and they are doing so at a time when the world order itself is being transformed.

Recovery from the global financial crisis will not return us to the world in which the United States reigned supreme, either economically or politically. There is no going back to a system in which prosperity was sustained by easy money, excess consumption, and huge budget and trade deficits. American personal saving rates ranged close to 10 percent in the postwar years up to the mid-1970s, but they subsequently moved toward zero and finally, in 2008, into negative territory. The saving was done by China, Japan, and oil-rich Middle Eastern countries, which recycled that

money back to the United States for Americans to borrow so that they could buy more products made by China and Japan and more oil from the Middle East.

This global system has now crashed. Americans have already begun to save more. That trend doubtless will continue and will bring personal spending more into line with personal income, with profound effects on both the American and the world economy.

Countries such as China, Japan, and others that have depended on exports to the United States as the driving force in their export-led growth strategies will have to make major adjustments in light of decreasing American demand for their products. This inevitably will mean greater emphasis on intra-Asian trade and investment for all Asian countries. Japanese, Korean, and ASEAN trade with China already exceeds that with the United States, and the gap is bound to grow wider.

Many of the exports from other Asian countries to China, it needs to be pointed out, consist of components for products that are assembled in China for export to the United States and to other countries. The US market will remain critically important for all Asian economies, but its relative importance will continue to decline, especially as the Asian middle class grows larger and consumes a larger share of the products produced by Asia's cross-border production networks.

The United States, for its part, will have to adopt policies that reassure foreign holders of American treasury bonds—particularly China and Japan, which are the largest holders of those bonds—that the value of their holdings is secure.

Leverage, of course, is not all on one side. China's huge holdings of US Treasury bills creates something of an economic equivalent to the theory of mutually assured destruction that is applied to the balance of nuclear terror: China could impose devastating damage on the US economy by disposing of these assets, but not without creating substantial distress to its own economy. Japan is in a similar situation, though its heavy dependence on the United States for its security makes it more unlikely than in China's case that it would take actions that the United States would perceive as hostile. Nonetheless, the reality that the United States depends on foreign financing of its government deficit changes the dynamic between the United States and the countries whose willingness to buy that debt is crucial to America's economic wellbeing.

Change in East Asia obviously encompasses much more than just trade and finance. Environmental degradation, pandemics, competition for energy resources, North Korea's development of nuclear weapons capability,

the threat of nuclear proliferation, China's growing military capabilities, and Japan's groping for a new foreign policy vision all go into the dynamic mix that is transforming East Asia. That has led some analysts to argue that the region needs a new security "architecture."

The architecture imagery, however, seems far too grandiose for what is needed and what is feasible in East Asia. For the United States, the key feature of the postwar East Asian architecture has been a hub-and-spokes arrangement of bilateral security alliances. There is no reason to believe that this will not or should not continue to be the case for many years to come. There has been a proliferation of regional organizations and there is much talk about the emergence of an East Asia community, but it is questionable whether all this innovation on the multilateral front amounts to something that can usefully be considered as the basis for a new architecture.

It is important to be realistic about what regional institutions can achieve. The Six-Party Talks in Northeast Asia that were created to try to get the North Koreans to give up their nuclear weapons, for example, have been notable mainly for their failure to achieve their objective. It is hard to fathom what a five-party format—the United States, China, Japan, South Korea, and Russia—would seek to achieve or indeed what this talk shop would actually talk about.

The so-called East Asia community is a "community" characterized by deep distrust among its key members—China and Japan in particular—by political systems that range from democratic to autocratic, by large disparities in levels of economic development, and by religious and cultural diversity. The United States should welcome the development of regional institutions that can help bridge these differences, as President Obama has done.

It also should take a relatively relaxed attitude toward the emergence of an East Asia community. Unlike the EU, community in East Asia is developing as a multilayered set of regional institutions. There are the Six-Party Talks, the ASEAN Regional Forum, the East Asia Summit, APEC, and several functionally specific organizations. For the United States, the need is not for more architecture. The challenge is to pay attention to the region, deal with it in a flexible and imaginative manner, and participate actively in multilateral institutions where it is appropriate to do so. But more than anything else, the United States needs to manage its bilateral relations with China and Japan skillfully and get the triangular relationship with China and Japan straight.

China's Rise, America's Response

Ever since Richard Nixon initiated the process of normalizing relations with the People's Republic of China in 1972, there has been basic continuity in America's China policy. Whether Republican or Democrat, every American president from Nixon to Obama has taken the position—some only after initially promising to reverse the supposedly soft China policy of the previous administration—that it is in the vital national interest of the United States to deepen economic and political ties with China and to encourage it to become fully enmeshed in the international system. Each administration has also emphasized the importance of maintaining strong alliances, especially with Japan, to enable the United States to retain military and political preeminence in East Asia. A major purpose of that preeminence is to prevent China from securing a hegemonic position in the region.

But while the basic strategy, often described as entailing a combination of engagement and hedging, has not changed for nearly four decades, China itself has been transformed. It has made a truly great leap forward, becoming virtually overnight a major force in the economy of the East Asian region and that of the world and one of the leading players on the international political stage. China's GDP was US$390 billion in 1990; it had risen to about US$5 trillion by 2010. Because its phenomenal growth has been driven by exports, China has rather suddenly become a leading trading partner for the United States, Japan, South Korea, ASEAN, and the European Union. The United States is China's largest export market, and Japan is second.

But China is still a developing economy. It is the third biggest economy in the world in terms of nominal GDP and shortly will surpass Japan to become second only to the United States. In terms of per capita income and the living standards of the great majority of its huge population, however, China is a poor country. Even under the best of circumstances, it will take decades for its people to reach the living standards enjoyed by Japanese or Americans. The temptation to extrapolate current growth trends well into the future seems virtually irresistible, even though we know that what cannot go on forever will not go on forever. It is worth remembering that only a little more than 20 years ago, the conventional wisdom was that the 21st century would be Japan's century.

But uncertainties notwithstanding, China is joining the ranks of the world's great powers. The policies it pursues will have a profound impact on the global economy, on regional security, and on the international system.

History is replete with examples of interstate conflicts spawned by the competition between rising new powers seeking to expand their influence and established powers endeavoring to hold on to their power position. However, it is not inevitable that China's rise should have such a destabilizing impact. China does not seek to impose its ideology on other countries, as did the Soviet Union. It does not deny the legitimacy of existing international institutions but rather wants to be an active participant in them. And Chinese leaders appear far more skeptical than many foreign observers that China will become a superpower in the sense that the United States is anytime in the near future.

Ever since Deng Xiaoping set China on the path of rapid modernization, China's rulers have been unwavering in giving priority to domestic development, keenly aware that China has many years to travel and many obstacles to overcome before it becomes a truly prosperous country. China needs a stable international environment in order to accomplish its development goals, and it has been seeking in recent years to create that environment by pursuing a pragmatic and sophisticated foreign policy. The hallmarks of that policy are efforts to develop cooperative relations with the United States, defuse tensions with Japan, avoid controversies with Southeast Asian countries over territorial disputes in the South China Sea, engage with existing international institutions, and convince the world that it has no intention to use its increasing power to upset the existing international system.

Still, whatever China's intentions may be, the reality is that its emergence as a great power changes the status quo. That is true whether it harbors hegemonic ambitions or not, whether it looks forward to acquiring the power that would position it to challenge the United States for influence in the world or instead sees its interests as lying in the evolution of an international system characterized by cooperation between China and the United States.

China makes no secret of its determination to become a great power in all dimensions. Its goals contrast sharply with those of Japan, whose peaceful postwar rise did not challenge US power. Japan's rise to great power status was unidimensional. Japan became a great economic power while foreswearing the option to become a political and military power as well. China has no such inhibitions. Its strategic thinkers are not like the Japanese, who tend to think reactively, trying to gauge what Japan should do to maximize its advantages in the world as they find it. The Chinese are more like Americans, inclined to think strategically about how to shape the world order to achieve their objectives.

American policymakers should have no illusion about this reality. China's acquisition of great power status will to some degree come at the expense of American power. Even more importantly, the United States does not have the power to decide whether or not China is going to acquire great power status.

This is a reality that American policymakers seem to be reluctant to accept. The two phrases coined by successive deputy secretaries of state under President Bush and President Obama to characterize the US views of China's rise imply that it is somehow within America's power to decide whether the world will "accept" China's rise. For Deputy Secretary Robert Zoellick, it was China as a "responsible stakeholder" in the international system. For his successor, James Steinberg, it is "strategic reassurance."

The idea that China's rise can best be accommodated within the existing international system if China develops important stakes in the institutions of that system makes a great deal of sense. But what does it mean to be a "responsible" stakeholder? And who is to decide whether it is acting in a responsible manner or not, or what to do about it if it does not? China is certain to claim that its behavior is "responsible"—it is hardly likely to admit that it is irresponsible. But, being "responsible," as Zoellick used the word, can have only one meaning: that the United States will decide what is responsible and what is not. The Chinese are not likely to agree that the United States should be the judge of what constitutes responsible Chinese behavior. Nor is it apparent what the United States can do if China does not behave "responsibly." This catch phrase seems to be rooted in the unrealistic assumption that the United States is in a position to decide whether the world order is going to accommodate China's rise.

Even more problematic is the concept of "strategic reassurance." According to Deputy Secretary Steinberg, "Strategic reassurance rests on a core, if tacit, bargain. Just as we and our allies must make clear that we are prepared to welcome China's 'arrival' . . . China must reassure the rest of the world that its development and growing global role will not come at the expense of [the] security and well-being of others. Bolstering that bargain must be a priority in the US-China relationship. And strategic reassurance must find ways to highlight and reinforce the areas of common interest, while addressing the sources of mistrust directly, whether they be political, military or economic."[1]

There are a lot of weighty words in this statement, but they do not add up to much more than an American assertion of its right to decide whether China's "arrival" will be welcomed or not. The bargain that Steinberg seems to offer is that the United States will acquiesce to a growing global role for

China as long as China provides strategic reassurance to the United States. But China is going to "arrive" whether the United States welcomes it or not. Moreover, if strategic reassurance involves "addressing the sources of mistrust directly," does that mean that the United States is prepared to offer strategic reassurance to China about Tibet, Taiwan, ballistic missile defense, Internet censorship, or any other of a number of issues that make the Chinese apprehensive about US policy? And if China somehow provides the strategic reassurance the United States is looking for, does that then mean that the United States will look the other way when China engages in behavior that it finds repugnant, in the way it deals with minorities within its own borders for example or in its persecution of dissidents?

As a great power, China will have great power ambitions. There is no hedging strategy that can prevent that from happening. The United States needs to guard against a false sense of confidence that it has the power to decide whether or not China will become a great power. It also should avoid exaggerating China's strengths. In terms of living standards, technological development, and many other indicators, China is not among the top-ranking countries. The idea that a Sino-American "G2" can be a key element in resolving regional and global problems grossly exaggerates China's power. And the view that the United States should temper its criticism of Chinese policies that it finds inimical to American interests and values out of a desire not to incur China's wrath is similarly misguided. In dealing with an increasingly powerful China, the United States needs to pursue a policy mix that seeks avenues for cooperation with China across a whole gamut of issue areas and that at the same time strives to maintain a balance against Chinese power—not to punish it for misbehavior, but because a stable international order requires balance among the powerful.

The United States and Japan: The "Cornerstone" Shifts

Japan has been in a deep funk ever since the early 1990s, when the Cold War ended, its real estate and stock market bubble burst, and the long-ruling LDP realized that, after achieving Japan's more than century-long goal to catch up with the West, it had no idea what to do for an encore. Japan stumbled through a "lost decade" averaging a 1 percent annual growth rate. The government's response to the economic crisis was a fiscal policy that was not expansionary enough to jumpstart the economy but was large enough to balloon the government deficit. Corruption scandals

multiplied, ensnaring not only leading politicians but senior bureaucrats as well. Japan's lifetime employment system came under severe stress as companies shifted to recruiting more contract and part-time workers. The banking system tottered on the verge of collapse under the weight of huge amounts of nonperforming loans. Public confidence in government and key social institutions plummeted, as did hopes for the country's future.

In 2001, a maverick LDP politician, Junichiro Koizumi, tapped into a reservoir of voter frustration to engineer a kind of intra-party coup, becoming president of the party and prime minister by rallying the support of the LDP's rank and file against the party's bosses. Koizumi's message that there could be no economic growth without structural reform, his attack on the leaders of his own party as the "forces of opposition," his charisma, even his lion-mane hairstyle, all struck a positive chord with a public that finally had become fed up with the LDP's traditional political game. Koizumi became the most popular prime minister in Japanese history.

Once he left office in 2006, however, the LDP lost little time in trying to turn back the clock to play politics the old-fashioned way. Despite their best efforts, however, they could not revive a system that had been gravely weakened by Koizumi's reforms and that the public opposed. Over the next three years, Japan had three LDP prime ministers—Shinzo Abe, Yasuo Fukuda, and Taro Aso. The LDP enjoyed a large majority in the Lower House but it was in the minority in the Upper House as a result of its losses in an election held in the summer of 2007. Fearing that the party would lose its Lower House majority the next time the voters had the opportunity to express their preferences, the LDP delayed calling an election for as long as possible. Finally, just weeks before the full four-year term of those elected to the Diet in 2005 would have ended, Prime Minister Aso dissolved the Lower House.

When voters cast their ballots on August 30, 2009, they confirmed the LDP's worst fears. As they headed to the polls, there was little indication that they felt enthusiastic about the opposition Democratic Party of Japan (DPJ), but the enthusiasm for political change was palpable. Some DPJ candidates had campaigned on Barack Obama's slogan of "change you can believe in." Japanese voters seemed to be moved by a somewhat different sentiment: "change, believe in it or not."

The election gave the DPJ 308 seats and only 119 to the LDP, a precipitous drop from the 303 seats the latter had held prior to the vote. From the end of World War II until 2009, the LDP had been the only party to win a majority of seats in the Lower House. The DPJ's victory therefore was unprecedented. On September 16, 2009, power transferred to a new government led by

Yukio Hatoyama as prime minister. Tellingly, only two DPJ cabinet members, Hirohisa Fujii, the minister of finance, and Naoto Kan, the head of the National Strategy Bureau (who replaced an ailing Fujii as finance minister in January 2010), had previous cabinet experience. A team of untested, largely younger politicians now took the reins of power.

The DPJ had been elected on a platform of change and it began almost immediately upon taking power to begin the process of implementing promises the party had made in its campaign manifesto: to change the government's decision-making processes to make them more transparent and reduce the discretionary authority of the bureaucracy; to center decision-making responsibility on the elected politicians in the cabinet; to reorder domestic policy priorities to emphasize direct payments to consumers rather than indirect support through investments in roads and other infrastructure projects; and to modify the country's foreign policy.

Upon taking office, the Hatoyama administration did not have a clearly defined foreign policy strategy or vision of the role it sees Japan playing in international affairs. Moreover, as a result of decades of one-party dominance, there was no system in place in Japan to help facilitate a smooth transition from one ruling party to another. There was no transition team, no intelligence briefings for the incoming administration, little access to the hard data in the possession of the bureaucracy on economic and foreign policy issues, and very little time between winning the election on August 30 and forming a cabinet on September 16.

Inexperience showed. The prime minister and other key cabinet ministers made contradictory and uncertain statements about the government's policies with respect to both the US alliance and relations with China and other East Asian countries. The United States, in turn, overreacted.

President Obama had been elected on a platform promising change, and he moved quickly once in office to make change happen—taking initial steps to close Guantanamo and to withdraw troops from Iraq, canceling plans to place a missile defense system in Eastern Europe, and seeking dialogue with Iran and Syria and with North Korea. But political change in Japan was another matter entirely. The Obama administration did not hide its irritation with the Hatoyama government's decision to take a fresh look at an agreement that had been reached between the LDP government and the United States to relocate a US Marine air station in Okinawa, or with Prime Minister Hatoyama's call for the creation of an "East Asian Community," which some in the administration believed reflected a desire to downgrade the US-Japan alliance in favor of closer ties with China and other Asian states.

The US-Japan discord over the relocation of the Marine air base is still unresolved at the time of this writing. No matter how it is finally settled, however, there is no question that it has sowed a considerable amount of ill will toward Prime Minister Hatoyama among the officials who deal with Japan in the Obama administration and that it has taken a toll on the Hatoyama government's attitude toward the Obama administration as well.

Neither Prime Minister Hatoyama nor his foreign minister, Katsuya Okada, was adept in the way they handled this issue. There was too much thinking out loud about possible alternatives to the relocation agreement that had been concluded by the Bush administration and the LDP government in 2006, too many half-baked or totally unbaked ideas floated that only made the situation more confusing.

But the lack of sophistication of the DPJ's leadership in dealing with foreign policy is not the primary reason for discord between the United States and Japan over this basing issue. Whether the Hatoyama government lasts or not, whether the DPJ stays in office for several years or not, Japanese foreign policy and the dynamics of Japan's relations with the United States are changing. Americans are fond of referring to the alliance with Japan as the "cornerstone" of US policy in East Asia. It is an apt metaphor because a cornerstone just sits there; it is inanimate and reliable, something you can confidently build upon. But the Japanese cornerstone is shifting.

Japan can be deceptive for those who do not look below the surface at the currents that are churning Japanese society and influencing how people think about their country and about the world in which they must live and survive. Japan is going through a major political transformation, one important aspect of which is a generational shift in political leadership.

DPJ politicians are mostly young, and the LDP, now that so many of its incumbents have been defeated, is beginning to turn to younger candidates as well to try to revive its fortunes. This younger generation brings with it a more cosmopolitan perspective than has been the norm for Japan's political class. Many of them have studied in the United States or for other reasons have had experience living abroad. For the most part, they do not have the stomach for old-style machine politics; they are more comfortable talking about national and global policy issues than about how to get the pork barrel to roll more largesse into their constituencies.

Young or old, whether in the DPJ or LDP, the great majority of Japanese politicians accept that alliance with the United States is in Japan's vital interest. But younger politicians have not inherited that complex of attitudes of gratitude and injured pride that so many older politicians who experienced

the American Occupation and its aftermath exhibit. Nor do they believe that relations with Asian neighbors necessarily need to be seen through the prism of Japan's relations with the United States.

Ever since the Meiji period, when Yukichi Fukuzawa argued that Japan had to "get out of Asia," the Japanese people have debated whether to give priority to relations with Asia or with the West. But for younger politicians, and for a considerable number of older ones as well, the idea that Japan has to choose one or the other does not ring true. Close relations with the United States are vital for Japan, but so too are close relations with China. The leaders now in power in Tokyo, and even more so those who are going to succeed them, take the view that it is Japan's leaders and not America's who are to decide the terms of Japan's Asian engagement. In an important sense, it is far easier for American officials to talk with Japan's younger politicians, especially those who have lived in the United States and are English speakers. But American officials are used to dealing with an older generation of Japanese political leaders for whom the preservation of Japan's "special relationship" with the United States was seen as the nation's primary foreign policy goal. They need to recognize that that is no longer the case and that the dynamics of the relationship are changing.

For the eight years of the Bush administration, both American and Japanese officials crowed that US-Japan relations had never been better. And that is certainly true for the relationship between officials in the Bush administration and those in the Japanese government who constantly reassured them that this was indeed the case. But it was not true for the Japanese public. The belief that Japanese policy is subservient to the United States, that Japanese foreign policy is made in Washington even as Washington pays less and less attention to Japan, grew stronger over the past decade. When Yasuhiro Nakasone was prime minister in the 1980s, the "Ron-Yasu" relationship between him and President Ronald Reagan was widely seen by Japanese as a source of leverage for Japan. But to many Japanese, all Prime Minister Koizumi's close personal relationship with President Bush seemed to have accomplished was to get Japan to send Self-Defense Forces to support the United States in an unpopular war in Iraq. There is a serious reconsideration of Japan's foreign policy currently underway in Tokyo. The Obama administration is doing far too little to tune in to this debate and too little to reach out beyond Japanese whom American officials know well to engage people who now are in power and those who have influence with those in power in a strategic dialogue about the alliance's future and about the region.

Prime Minister Hatoyama and President Obama share a similar worldview in the importance they attach to so-called nontraditional security threats—global warming, environmental degradation, pandemics, and other issue areas that provide opportunities for meaningful cooperation between the United States and Japan. There is also an essential commonality in their views of China. The DPJ government is enthusiastic about deepening relations with China, but this is less of a departure from the policies pursued by recent LDP governments than some people are wont to assume. Political leaders in both the LDP and the DPJ are well aware that Japan's prosperity is increasingly dependent on its economic relations with its Asian neighbors and with China in particular. Like the United States, Japan is deepening economic ties with China and at the same time striving to maintain a balance of power in the region. Given Japan's constraints—constitutional restrictions on the roles and missions of its military, severe budgetary conditions that have frozen defense spending, and continued public opposition to a larger Japanese regional security role—Japan's hedging strategy toward China depends on maintaining a strong security alliance with the United States.

The Obama administration has ratcheted up the economic dialogue that the Bush administration had initiated with the Chinese into a more encompassing "Strategic and Economic Dialogue." It needs to initiate an equally high-level and broad-based dialogue with Japan. Japan should not be taken for granted. The United States cannot afford to put relations with Japan on a kind of autopilot and expect to avoid a lot of turbulence. The US-Japan relationship will change, but whether that change results in a stronger alliance or not depends on the leadership exercised by both Washington and Tokyo.

Getting the Triangle Straight

The urgent tends to drive important but less urgent issues to the bottom of the president's inbox, where they sit until some event compels his attention and forces a policy response. Those at the center of East Asia policymaking in the Obama administration need to push back against this tendency. The Obama administration needs to engage closely with China and Japan, both of which are in the midst of a period of dynamic change. It needs a well-thought-through strategy for dealing with China and Japan, bilaterally and trilaterally, if the president is to avoid finding himself constantly caught up in a game of catch-up, reacting tactically to events after they occur rather

than thinking strategically about how to further American interests in a region that is the center of the global economy and that is undergoing far-reaching political, social, and economic change.

The challenge posed by East Asia is fundamentally different from what President Obama confronts in the Middle East, South Asia, and other areas where a sharp break from the failed policies of the Bush administration is imperative. The legacy of previous administrations' policies toward China and Japan is a positive one upon which President Obama can build his own East Asia strategy. But build he must.

China is far more powerful today than it was just a few years ago. American policy must respond to that reality, accepting China as a major player not only in regional but also in global economic and political affairs, while also balancing China's growing power. Balance requires robust alliances in the region and a willingness to take a strong stance toward China on issues where it is called for. The United States should not underestimate the historic importance of China's emergence as a major power; nor should it exaggerate its strengths. Engagement and balance both need to be made part of the policy mix in US policy.

In some ways, Japan poses more of a problem for the Obama administration than China does. Senior Obama administration officials understand how significant China's rise is and recognize the importance of engaging in a strategic dialogue with China across a whole range of bilateral, regional, and global issues. The same cannot be said for the administration's handling of relations with Japan. An administration whose president was elected with a commitment to change has reacted negatively and in a shortsighted manner to political change in Japan. This may be because the issues at stake have not seemed important enough to engage the attention of the president himself, and thus their handling has been left in the hands of officials who are too invested in policies inherited from previous governments. The Hatoyama government got off to a shaky start with its key leaders lacking both governmental decision-making experience and deep knowledge of important issues. But insisting that the Japanese government, which came to power in opposition to the LDP, should ignore its campaign pledges to satisfy the United States—or believing that the application of enough public pressure by American officials will cause the Japanese government to accept US demands—will only make it more difficult to manage what is a crucially important relationship for both the United States and Japan.

Neither the Obama administration nor preceding governments have given enough attention to developing trilateral relations with China and Japan. The pattern has been to focus on bilateral ties and to give short shrift

to a trilateral dialogue and little attention to the development of trilateral programs. There is a need for a new approach.

For one thing, bilateral relations have a way of refusing to stay bilateral. In the interconnected world in which we live, those relationships are more akin to a game of billiards than they are to the more familiar chessboard of international politics. Billiards is a two-person game in which when one hits a ball it hits another, setting that ball in motion and moving other balls on the table. It is an apt metaphor for international politics, where what may be intended as a solely two-party interaction, whether between the United States and China, the United States and Japan, or some other combination, takes on the characteristics of a multiparty game. As the United States deepens its relations with China, it has to reassure Japan that this does not amount to a downgrading of the US-Japan relationship, that America's relations with China and with Japan are a positive-sum and not a zero-sum game.

Conversely, as the DPJ government of Prime Minister Hatoyama emphasizes its desire to strengthen relations with China and to build an East Asia community, there is a need for Japan to reassure a suspicious Obama administration that this does not amount to a downgrading of the US alliance or an effort to build a regional structure that excludes the United States. The only way to do that is to enhance a strategic dialogue between Japan and the United States, not just on bilateral issues but also on regional and global issues and on policy toward third countries such as China.

There are limits to what a trilateral dialogue can achieve. Many of the most important issues in US relations with China and Japan are bilateral in nature. And many of those that are not bilateral involve the interests of other countries as well. Institutionalizing a China-Japan-US "G3" is no more desirable than a US-China "G2." The South Koreans would be concerned about being left out and anxious about how trilateral consultations might impinge on their own interests. Nor is it necessarily the case that China and Japan would welcome trilateral consultations that might result in the United States taking a position that tilts toward one of the other two parties. In addition, the United States would need to be careful not to let such consultations draw it into taking sides on controversial issues that it would rather avoid being drawn into, such as the Sino-Japanese territorial dispute over the Senkaku (Diaoyu) Islands.

There is an important role, nonetheless, for a trilateral dialogue among China, Japan, and the United States. These are, after all, the three most powerful countries in East Asia, with many common interests that could be furthered by coordinating their policies. Japan's pollution control

technology, for example, is among the world's best. A joint China-Japan-US program to combat water and air pollution in China, for example, could make an important contribution to dealing with an issue that not only affects the health of the Chinese population but also has an adverse impact on nearby countries as well.

There is also considerable merit in convening a regularized trilateral dialogue on hard security issues. Strengthening the US-Japan alliance, which should be a goal of the Obama administration, should be pursued in a manner that does not provoke Chinese suspicions that the US objective is to enlist Japan in a containment strategy against China.

Trilateralism should be only one of several approaches used to foster dialogue among the United States and countries in East Asia. But it should be one of them. It is especially important that the United States and Japan, whose alliance is the core element in the East Asian international order, engage in a much deeper and broader dialogue on a range of bilateral, trilateral, and multilateral issues. The importance of skillfully managing relations with a rising China is well understood by Washington. Regrettably, the equally important need to pay greater attention to skillfully managing relations with a changing Japan is not as well understood.

President Obama, in a major policy address in Tokyo in November 2009, referred to himself as America's first "Pacific president." Given his personal history it is quite natural that he should look out at the world across the Pacific as much as he does across the Atlantic. Throughout Asia, people get the sense that Obama is interested in Asia and is comfortable dealing with people there. His emphasis on consultation and dialogue, his recognition of the limits of American power, and his respect for the opinions of others provide the foundation for a new positive era in US relations with China and Japan and with the East Asian region as a whole.

But getting the China-Japan-US triangle straight will require a commitment of time, energy, and resources greater than what the administration invested in its first year. The opportunities to strengthen this trilateral relationship are there. Leadership from the top is required to realize them.

Notes

1. James Steinberg, deputy secretary of state, US Department of State, "Administration's Vision of the US-China Relationship" (keynote address at the Center for a New American Security, September 24, 2009), www.state.gov/s/d/2009/129686.htm.