



April 2005

All Not Quiet on the Eastern Front

By James R. Lilley

Nationalistic competition between Japan and China could undermine progress on economic and security concerns in east Asia. U.S. diplomacy has an important role in preventing that.

Japan and China have been at each others' throats for centuries over who dominates the western Pacific, and particularly Taiwan and Korea. Like the long-seated rivalry between France and Britain in Europe, China, as the continental power, and Japan, as the island power, have engaged in repeated pitched battles over the years. On sea, land, and in the commercial arena, the two countries have used everything from piracy and intrigue to coups to advance their own ends.

Until the late nineteenth century, China was clearly the dominant player. But then a modernized Japan defeated a waning China, seized Korea and Taiwan, and occupied most of China. Even after Japan's military defeat in 1945, China was initially handicapped by the domestic catastrophes inflicted by its new Communist rulers, while the Japanese economic behemoth dominated. Only after Deng Xiaoping adopted the open-door policy in the 1980s did that begin to change. After more than two decades of rapid economic growth, China is rapidly replacing Japan as the major economic force in east Asia. China is already Japan and Taiwan's largest trading partner, and it has increasing economic influence in Korea. A proposed regional free-trade agreement is likely to further enhance its economic clout at the expense of Japan.

James R. Lilley (jlilley@aei.org) is a senior fellow at AEI and a former U.S. ambassador to China and South Korea. A version of this article appeared in the *Wall Street Journal* on April 13, 2005.

Throughout history, the United States has played a key role in the power struggle between these two Asian giants. In the nineteenth century it favored Japan, then the United States allied itself with China against Japan in World War II. Today Washington has strong ties to both Asian countries, and how the United States plays its hand could have a crucial impact on the outcome. Whether the two countries can put aside their differences to continue down the path toward a prosperous, stable, and successful east Asia, or whether the region is torn apart by destructive competition and tension due to military build-ups, will partly depend on how America handles the situation.

The current disagreements over a permanent seat for Japan on the UN Security Council, the territorial disputes between Japan and China over the Senkaku or Diaoyutai Islands, and between Japan and South Korea over Tokdo or Takeshima Islands, as well as China and Korea's fixation with Japan's distorted version of its own imperialistic history in its textbooks, are all manifestations of deep historic animosities and distrust. Japan has been bludgeoned unmercifully by China and Korea for its brutality during its invasions and occupations in the twentieth century. Some of this vituperation reflects genuine emotion, but it also reflects an attempt to put Japan on the defensive while at the same time gobbling up its goods and superior technology.

The recent series of large anti-Japanese street protests in major Chinese cities has dramatically increased tensions. The Chinese want to block any

political rise of Japan by keeping it out of the UN Security Council. China wants to checkmate Japanese attempts at power projection by attacking its new role over the sensitive issue of Taiwan. China also plays on lingering anti-Japanese feelings among Asian states to hit Japan when its economy is still weak.

U.S. Involvement

As China's rapid military modernization, improving power-projection capabilities, and persistent sovereignty claims make Asians nervous, it is only natural that they should turn to the United States as the only military power that can protect them against China. The United States has naval facilities in Singapore, active security treaties with Thailand, the Philippines, Korea, and Japan, and security guarantees for Taiwan. This forms a ring of commitments and deployments around China that Beijing perceives as a containment policy engineered by Washington. The reality, of course, is that many in the U.S. policy establishment describe the relationship with China as the most important in the world, stressing common economic goals, cooperation on anti-terrorism, and the many other issues where the two countries can work together. America does not want to take sides in sovereignty claims involving a few uninhabited islands, nor does the United States need to join the bitter condemnations of Japan over its World War II behavior.

The Reagan and subsequent Bush administrations gave Japan top priority in their strategic calculations on Asia. Republican platforms in 2000 and 2004 placed Japan first in the listing of foreign-policy objectives in Asia. Reality, however, clearly has changed this as China has required more attention and the stakes with Beijing are demonstrably higher. China consumes much more time and is a media monster, both negative and positive.

That is amply demonstrated by the events of the past few years. For instance, the United States did not mistakenly bomb the Japanese Embassy in Belgrade in 1999 or collide with a Japanese fighter aircraft over Hainan in 2001. Nor did Washington send carrier battle groups off Taiwan in 1996 to neutralize a Japanese threat to Taiwan. On all those occasions, the object of American concern was China rather than Japan.

China's entrance into the World Trade Organization took years to negotiate and generated some dramatic publicity, as did ill-conceived and abortive attempts in the

Whether China and Japan can put aside their differences to continue down the path toward a prosperous, stable, and successful east Asia, or whether the region is torn apart by destructive competition and tension due to military build-ups, will partly depend on how America handles the situation.

United States to deprive China of most-favored-nation trading status if it did not shape up on human rights. In contrast, our tortured negotiations with Japan over trade and security have so far been an endless slog through the thicket of Japanese protectionism and unfair trading practices. However, America's rage toward Tokyo during the 1980s has subsided as Japan wallows in continuing recession and China looms as the bigger economic challenger.

Japan, like India and Brazil, is a major regional power that deserves a permanent seat on the UN Security Council, although not necessarily with veto power—at least initially. Increasing U.S.-Japanese security cooperation is, in part, a reaction to China's expanding military power and Beijing's inability or unwillingness to rein in North Korea's nuclear-weapons ambitions.

Although the dynamism of economic cooperation and the growing role of the global supply chain have great potential to bring together former adversaries and reduce the chances of war, the road will

be fraught with struggle and confrontation. The power of nationalism can be whipped up to undermine progress, as is now in danger of happening, especially in China.

But the record of prosperity and stability and the prospect of a better life for the people of Asia should, in the long run, prevail over a cynical, but emotional preoccupation with territorial sovereignty and historic antagonisms.