

Washington DC Forum: Tensions between China and Japan

William Selig

December 19, 2012

Deputy Director, UPF Office of Peace and Security Affairs, Washington, DC, USA

Washington DC, USA - UPF's Office of Peace and Security Affairs held forum on the theme of "Tensions between China and Japan: Could the Senkaku / Diaoyu Islands Territorial Dispute Spin Out of Control?" at The Washington Times on December 19. The main points of the discussion were as follows:

- China's motivation behind the Senkaku/Diaoyu dispute is to prevent a rebellious precedent from forming.
- The chance of a serious security crisis or new "Cold War" forming from this dispute is unlikely, though several nations have an investment in ensuring stability.
- There are a number of nonviolent options to resolve the Senkaku/Diaoyu dispute.

Chinese Motivation: China's motivation behind the Senkaku/Diaoyu dispute is to prevent a rebellious precedent from forming.

The motives for agitation behind the island dispute, beyond a common desire to survey and utilize potential natural resources, differ between Japan and China. Japan views maintaining the islands as a way to solidify its national influence in the region and project its strength, as well as provide a security buffer against an expanding China via U.S. security cooperation obligations. China fears that allowing the Japanese to seize the island would set a dangerous precedent for protesting Chinese control of territories. This may prompt territories such as Taiwan and Tibet, areas that China claims or controls, to initiate their own protests for self-control. China's revived agitation over the Senkaku/Diaoyu islands provides the country an opportunity to rally nationalist support for Chinese self-determination, and solidify their control of other territories appropriately.

Security Risk: The chance of a serious security crisis or new "Cold War" forming from this dispute is unlikely, though several nations have an investment in ensuring stability.

The seriousness of the security situation is an uncertain concern. Many argue that China is building up its military forces for aggressive expansion, rather than exclusively for defense, and radical forces in Japanese politics such as Tokyo governor Ishihara may push for more aggressive action on Japan's side, or seek to escalate the conflict as an excuse to push for relaxed restrictions on Self Defense Force (SDF) operational capability. General consensus among the discussion group was that outright violence was too contradictory to the interests of both sides and their allies to be of significant concern. China has an opportunity to prove to the international community that it can act according to internationally accepted rules and standards by resolving the dispute peacefully with Japan and Taiwan as partners. On the other side, U.S. political and economic investment in the region make it unlikely that Japan will be permitted any truly overt aggressive maneuvers without the aid of its ally.

Possible Solutions: There are a number of nonviolent options to resolve the Senkaku/Diaoyu dispute.

Suggestions included a joint resource survey of the islands and surrounding territory, and if resources were found a joint development agreement. Another solution was a peace park or war memorial acknowledging the actions and sacrifices made by both nations and their allies during World War II to be constructed on the islands, establishing them as a site of peaceful exchange and dialogue. Finally, there was the suggestion of an analysis of the dispute by the international community using neutral definitions and legal precedents, to be conducted by a neutral third party. If necessary, this would lead to international adjudication. All nonviolent suggestions were received positively by UPF representatives.

A noteworthy suggestion was the possibility that Japan might sell the islands to China. Should Japan's economic situation be compelled to do so while China's economic strength continues its ascent, Japan could choose to sell the islands to raise cash for the nation. The idea was considered by participants, though doubt was expressed due to the historical controversy surrounding such a decision.

Participants: (moderator) Dr. Alexandre Mansourov, visiting scholar, U.S.-Korea Institute at Johns Hopkins SAIS; Col. Yoshihiro Iseri, Military Attaché, Embassy of Japan; Tenzin Dickyi, U.S. Department of State, Bureau of Democracy, Human Rights and Labor; Adelina Martins, Charge d'affaires, Embassy of Timor-Leste; Sonia Maia, Second Secretary, Embassy of Timor-Leste; Dustin Damon and Andrew Lyboldt, National Intelligence University; Justin Bresolin, Intern, Korea Economic Institute; Dr. Yoko Moskowitz; Kenneth Freelain, Host and Producer, International Definition TV Program; (host) Dr.

Antonio Betancourt, Director, Peace and Security Affairs, UPF International; Dr. Mark P. Barry, advisor, UPF; and Dr. William Selig, Deputy Director, Peace and Security Affairs.

Background: China claims discovery and control of the islands as far back as the 14th century. In 1895, after its defeat in the First Sino-Japanese War, the Chinese ceded the islands to Japan. Around 1900, the Japanese government gave permission to businessman Koga Tatsushirō to build a fish processing plant. In 1932, the government sold three of the islands to the Tatsushirō family. By 1940, the business failed and the islands were abandoned. At the end of WWII, with Japan's surrender, the islands came under the jurisdiction of the United States. In 1972, the U.S. returned the islands to Japanese control. Also in 1972, the Taiwanese and Chinese governments officially began to declare ownership of the islands. In the 1970s, the son of Koga Tatsushirō, the family that had owned the fish plant, sold four islands to the Kurihara family. After that, the Japanese government paid the Kurihara family an annual fee to rent the islands. One of the islands is rented by Ministry of Defense and is used by the U.S. military to practice aircraft bombing. On September 11, 2012, the Japanese government nationalized the islands by purchasing them from the Kurihara family for about \$26 million. Since the transaction was announced, violent protesters have taken to the streets in China and Japan.

DISCUSSION: Dr. Alexandre Mansourov, visiting scholar, U.S.-Korea Institute at Johns Hopkins School of Advanced International Studies (moderator), structured the discussion as follows:

1. Why is the issue being raised now? A few years ago, the Sino-Japanese territorial dispute was barely mentioned. What has changed in the past year to bring such heated debate to the point of violent protests in the capital cities of Japan and China?
2. Why should it be important to the United States and what are the policy implications to our nation's economic, military, and political strategy?
3. What recommendations can our roundtable participants propose to the Universal Peace Federation that can be brought to our worldwide network of Ambassadors for Peace?

Why is the issue of the territorial dispute between Japan and China being raised now?

Essentially, both nations have maintained a quiet policy to agree to disagree, however, troubles began last summer when 14 Chinese were arrested by the Japanese after landing on one of the islands and publicly claiming it for China. As anti-Japanese protests spread across China, the Japanese government quickly decided to formally purchase the islands from their private Japanese owners. In September, tens of thousands of Chinese, some carrying portraits of Mao, poured into the streets in anti-Japan protests. Hundreds of Japanese-model cars were trashed. In October, China boycotted the IMF's annual meeting in Tokyo. In December, a Chinese military surveillance plane flew over the islands. Japanese fighter jets were sent in, but the Chinese plane was gone by the time the jets arrived.

Japan's electoral campaign was being waged during this period of tension and nationalistic pride. On Dec. 16, the Liberal Democratic Party (LDP) won a resounding victory in the Diet. The new Prime Minister, Shinzo Abe, ran on a platform that called for sovereignty over the islands. In his first post-election interview, he said Japan would not cede "one millimeter" of the islands to China.

The participants suggest there are powers in Japan which support the LDP as part of a strategy to change Japan's pacifist constitution and expand the authority and upgrade the Japan Self-Defense Forces into a full-scale military force. Currently, the SDF is confined to the islands of Japan.

Dr. Mansourov postulated that if the drama about the territories was just an election ploy to get the LDP elected, then now that the elections have passed, the issue may die out by itself.

Andrew Lyboldt, National Intelligence University, does not believe the issue will fade away anytime soon. A strong sense of nationalism in China and Japan has come to the surface and will be played out in different ways. Along with the recent elections in Northeast Asia, a new generation of leaders with more hawkish backgrounds makes this transition a particularly sensitive period.

Dr. Antonio Betancourt, director, Office of Peace and Security Affairs, raised the issue of Japan's recent troubles in the context of the energy crisis. There was a nuclear disaster at the Fukushima Daiichi power plant after an earthquake and tsunami in 2011. As a result, Japan is phasing out using nuclear power as a primary energy source. Japan is looking for alternative energies. "If the shipping lanes are interdicted, and if the forecasts about the gas and oil resources near the disputed islands are verified, then the territorial dispute could become an issue of national strategic value, and Japan would be forced to do whatever it has to make sure that the Islands remains part of Japan's territory, including a strong response to China."

Justin Bresolin, from the Korea Economic Institute believes the resources may have played a part in making the disputed islands a hot-button issue, but he doesn't see it as a major factor. "There's so many

other lines to pursue for energy,” including a project with Mongolia. Plans are underway to bring solar and wind power produced in the Gobi desert to cities in Japan. He also referred to purchases by Japan of natural gas from the U.S.

Participants expressed concern that the territorial dispute could become a chapter in a new Cold War. Dr. Mansourov gave the example of the Berlin blockade (1948-49) when the Soviet Union blocked access to Berlin. In response, the Western Allies organized an airlift to carry supplies to the city. Dr. Mansourov said this “sounded the opening shots of the Cold War between the two superpowers, so here’s my question, if this territorial dispute is allowed to continue, will we look back in 10 or 20 years, and see this as the opening chapter in the new Cold War?” He asked, “Is this a harbinger of an upcoming confrontation between the superpowers and depending on which way it’s resolved, will it determine how all future confrontations be resolved? Japan is an ally of the United States, and so if it chooses to challenge China, will the United States come to its assist its ally?”

Dr. William Selig, deputy director, Office of Peace and Security Affairs spoke about the history of animosity between China and Japan, mentioning, for example the invasion of Manchuria and the Nanking Massacre. “With so much bloodshed between these two nations, would it take much to ignite a spark that would lead to conflict?” What’s referred to as the century of humiliation that China suffered under Japanese imperialism has created a groundswell of emotion just under the surface as a result of China’s defeat in its wars with Japan.

Dr. Yoko Moskowitz, a Japanese-born US citizen said, “China is an expansionist power. It wants not only economic hegemony, but also political hegemony. China bypassed Japan in 2010 as the second largest economy. We need to understand the Asian mind. These are extremely competitive, hard driven people.”

Dr. Moskowitz explained that last summer when the territorial dispute hit the headlines, it was the governor of Tokyo, Shintaro Ishihara who called on the government to buy the islands. Governor Ishihara is “a right-wing strong macho type man and dangerous to Japanese foreign policy.” She believes both countries are “trying to use this dispute politically,” but where as Japan is trying to secure its own safety and protect its resources, China’s motivation is clearly “to expand their territory.”

Dr. Betancourt spoke about the changing ideological factors in this issue. “There was a time in the PRC and Taiwan,” he said, “when political forces overruled the economic forces but now there are powerful economic forces within the government in China and in the private sector in Taiwan who look very closely at this problem. They are concerned that this dispute will have major economic and financial repercussions. The impact will not only affect China’s economy, but all over the world. China’s economic footprint is embedded in almost every country in the world from Europe to South America.”

Why should this issue be important for the United States and what are the policy implications?

The region of the territorial dispute is one of the most important trade corridors in the world. There must be freedom of navigation in the South China and East China seas. These sea-lanes impact many nations besides China and Japan including, India, Vietnam, Philippines and Malaysia.

Mr. Lyboldt emphasized the important relationship the U.S. has with Japan. The alliance is more crucial today than ever, especially in light of North Korea and China. The Treaty of Mutual Cooperation and Security between the United States and Japan (signed January 19, 1960) is the bedrock of relations between the two nations.

Dustin Damon, National Intelligence University agreed that the U.S.-Japan security alliance ties our nations together. If there is a military conflict, the U.S. is obliged under the alliance to intervene. This past September, U.S. Secretary of Defense Leon Panetta told Xi Jinping, General Secretary of the Communist Party of China that U.S. policy is that the Senkaku islands are covered by the U.S.-Japan security alliance, and the U.S. is obliged under the alliance to intervene if there is military conflict.

In addition to the alliance issue, Mr. Lyboldt raised the importance to maintain stabilization of the area and the worldwide implications to the global economy.

Asia is a region of vital importance to the United States. That’s why the Obama Administration is orchestrating its “Asia Pivot.” What happens in Japan and China, especially in the economic realm has major impact on the United States and all our allies. As much as we are ready to support Japan and maintain our treaty obligations, the U.S. is also a good friend of China and would not want to hurt that relationship. China is the world’s second largest economy and America’s second largest trading partner.

Dr. Mansourov said, “We cannot let U.S.-Chinese relationships take a major hit and suffer as a result of the deterioration in Chinese Japanese relationships on the issue of the islands.”

Mr. Bresolin expressed further concern about the impact of the territorial dispute on the regional economics affecting not only China, but the countries that trade with China. “It could have very serious implications.” China has enormous import and export trade with Japan, South Korea, and all of the other South Asian nations.

Dr. Mansourov said, “If there’s any disruption there in trade and investment and economic relations caused by the escalation of this territorial dispute then all of our economies will suffer.”

Kenneth Freelain, Host and Producer of the International Definition TV Program, raised concern about the defense and strategic issues. Last September, the U.S. announced plans to deploy an advanced radar system in Japan in response to North Korea’s missile arsenal. The U.S. and China are allies and have worked out two U.S.-China Joint Statements (issued in November 2009 and January 2011). The U.S. welcomes China’s role in maintaining peace in the world, and likewise China has welcomed the United States as an Asia-Pacific nation. The U.S. is walking a tightrope to maintain a fair-handed approach in order to satisfy both nations.

Dr. Betancourt expressed an important concern about China. He pointed out that the U.S. “has been the long-term protector of the maritime sea lanes of communication along with the British Empire, but mostly in the last 50 years the U.S. has held that role.” He said, “many experts in the U.S. do not see China as a fair player equal to the U.S. in the protection of the sea lanes of communication keeping them open in fairness for every one.”

Dr. Mansourov said, “The principle of freedom of navigation is an important global value worth defending and if China can guarantee the freedom of navigation, then the world community will have to accept them. However, it may take more than a single generation to be convincing because of the long record of very different behavior. Will PLA Navy’s newly inaugurated aircraft carrier group be used to shutdown the sea lines and make sure only the Chinese ships enjoy the freedom of navigation in the high seas around China's shores or not?”

In conclusion, the territorial disputes are important to the United States because of their connection with (1) the alliance of global stability; (2) the health of the U.S.-China relationship; (3) a robust global economy; and (4) global common values including freedom of navigation.

How can the question of the territorial disputes be resolved?

For the final part of the roundtable discussion, the participants dealt with the important issue of resolution. Is there a historical precedence for this sort of problem? What is a best-case scenario?

Mr. Lyboldt questioned if the two sides could join forces and come to an amicable arrangement to divide the land or resources so that it would be a win-win scenario? It could be through bi-lateral discussions or perhaps through the International Court of Justice, the judicial organ of the United Nations.

Dr. Betancourt made an interesting comparison between China and the U.S. and made a recommendation. He said, “China is in today’s global markets and trade what the U.S. was back since the middle of the 19th century in which we were the major supplier of products and commodities to the world. The economic growth and development in Europe and the rest of the world was thanks to the supplying engines of the US across America. So it’s not in China’s interest to commit economic suicide. There are economic voices within China which should not be underestimated. These are powerful groups who defend Chinese economic interests. The logical move is to mobilize our economic interests —U.S., Japan, Korea, and Asian allies who are intertwined with the Chinese economy and work with them to bring restraint on these countries so things don’t get out of hand. In other words, let the economic partners, who are the stakeholders, flex their muscle to keep the political players in line.

Dr. Mansourov raised the military option. “Do you believe that a military solution is impossible?” Although many wars have been started over disputed territories, none of the participants felt it was probable, and quickly dismissed the possibility.

Mr. Bresolin said, “A full-scale conflict would be so catastrophic to all the players that I think it’s highly unlikely. If war does break out, it would not be because of this issue but because a bunch of other issues.” He said, “I personally believe that the absolute worst-case scenario would be a naval standoff between the People’s Liberation Army and the Japan Self-Defense Forces. There would be a lot of saber rattling and maritime trade would come to a halt.”

Dr. Betancourt echoed Dr. Moskowitz’ early remarks regarding Japan’s right wingers who have been maneuvering for the past 65 years to change the SDF into an actual military force. “They have not been able to do it. They needed an issue. They are using Chinas real military build up, plus a defense issue close to their home such as the disputed islands and created an artificial conflict that would justify the

mobilization of the masses of the people on the street to call their congressmen and diet members to support a change of the military structure and strategy of the nation.”

Dr. Mansourov said this same explanation was given by the Rodong Sinmun, the official mouthpiece of the (North) Korean Workers’ Party.

Dr. Moskowitz pointed out that the Liberal Democratic Party took 294 of the 480 seats that were up for grabs in Japan’s recent election. That means that since they hold the majority of the seats they can pass any kind of law they want.

Adelina Martins, Charge d’affaires, and Sonia Maia, Second Secretary of the Embassy of Timor-Leste shared an important lesson about the power of diplomacy. The nation of Timor-Leste, a country in Southeast Asia, declared its independence from Portugal in 1975, whereupon it was invaded and occupied by Indonesia. Thanks to the United Nations, an agreement was finally worked out and the nation became independent and a member of the UN in 2002.

Dr. Mansourov said, “This is a great example of how a little guy in a very small country was able to confront one of the largest countries in the world and reach a settlement to the mutual satisfaction of both sides essentially through the appeal to the international community.”

Another proposal to resolve the dispute made was if Japan could sell these Islands to China? Dr. Mansourov explained the story of how Russia sold the territory of Alaska (known as Russian America) for \$7.2 million to the United States in 1867. It was the period after Russia had fought a war with Turkey and was badly in need of cash to pay its bills. Alaska had no particular value to Russia at that time, so the deal was made.

For discussion purposes, could Japan find itself in such dire economic straits (maybe not today, but in 10-20 years) because of its various problems—energy, aging population, slow economic growth, sinking birthrate, radiation—and turn to China and make a deal to sell the islands? It would have to calculate not only the value above ground, but the oil, gas, mineral, and fishing potential value below the ground and in the sea.

Another creative idea emerged after lively discussions. Could not an East Asian Economic Community amalgamation be created (in the future) to capitalize on the increasing gross national trade investment and cooperation? It could be modeled after the North American Free Trade Agreement (NAFTA), which is a trilateral trade bloc between Canada, Mexico, and the United States. A trade agreement for the China Sea could benefit all the nations.

Dr. Betancourt described the work of the Universal Peace Federation, the host organization of the roundtable. He said the goal of the UPF is to work towards a world characterized by interdependence, mutual prosperity and universal shared values. The UPF has offices in more than 150 nations and has a successful track record of bringing competing parties to the negotiating table. The UPF, he said, could act as an honest broker in any such facilitation and negotiations.

China is aggressively investing all over the Western Hemisphere and around the world, including in Colombia, the home nation of Dr. Betancourt. China now has the capital and the U.S. has the technology. Dr. Betancourt said we must cultivate a culture that promotes a mutual exchange for the benefit of both parties.

In conclusion: The military scenario was dismissed as too catastrophic and improbable, but several nonviolent options were proposed: (1) Bilateral discussions between China and Japan. (2) Mobilize the financial stakeholders and get them to exert influence. (3) Japan sells the islands to China. (4) Develop an East Asian co-prosperity community scenario. (5) The intervention of a third party in the role of a mediator, for example, Timor-Leste or India.