
**The Japan-U.S. Dialogue
U.S.-China “New Cold War”?:
Implications for Japan and the United States**

Conference Papers

February 15, 2019
Tokyo, Japan

Co-Sponsored by
The Global Forum of Japan (GFJ)
The Japan Forum on International Relations (JFIR)
Carnegie Endowment for International Peace

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Rules of Proceedings

Keynote Speech: 10 minutes

Allocated time for a keynote speech is 10 minutes.

One of the staff members will ring a bell to let you know the remaining time.

- The first bell-----1 minute remaining for your presentation
- The second bell-----The end of your presentation

Comment: 5 minutes

Allocated time for a comment is 5 minutes.

One of the staff members will ring a bell to let you know the remaining time.

- The first bell-----1 minute remaining for your presentation
- The second bell-----The end of your presentation

Free Discussions: 2 minutes

Allocated time for a comment is 2 minutes.

One of the staff members will ring a bell to let you know the remaining time.

- The first bell-----1 minute remaining for your comment
- The second bell-----The end of your comment

Thank you for your cooperation.

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1. Program

<p>日米対話 米中「新冷戦」? : 日米にとっての含意 2019年2月15日 / February 15, 2019 アイビーホール、東京 / IVY HALL, Tokyo 共催 / Co-sponsored by 公益財団法人 日本国際フォーラム / The Japan Forum on International Relations (JFIR) グローバル・フォーラム / The Global Forum of Japan (GFJ) 米カーネギー国際平和財団 / Carnegie Endowment for International Peace (CEIP)</p>	
開会挨拶 / Opening Remarks	
16:00-16:10	
開会挨拶 (5分間) Opening Remarks (5 min.)	渡辺 蘭 GFJ執行世話人 / JFIR副理事長 WATANABE Mayu, President, GFJ / Vice President, JFIR
セッション I / Session I	
16:10-17:15 「際限のない戦略的対立は必然なのか？」 "Are We Destined for Unbounded Strategic Rivalry?"	
議長 Chairperson	神谷 万丈 防衛大学校教授 / GFJ有識者世話人 / JFIR理事・上席研究員 KAMIYA Mataka, Professor, National Defense Academy of Japan / Academic Governor, GFJ / Director and Superior Research Fellow, JFIR
基調報告A (10分間) Keynote Speaker A (10 min.)	川島 真 東京大学教授 KAWASHIMA Shin, Professor, the University of Tokyo
基調報告B (10分間) Keynote Speaker B (10 min.)	エヴァンス・リヴィア オルブライト・ストーンブリッジ・グループ上級顧問 Evans REVERE, Senior Advisor, Albright Stonebridge Group
コメントA (5分間) Commentator A (5 min.)	飯田 将史 防衛研究所主任研究官 IIDA Masafumi, Senior Fellow, National Institute for Defense Studies
コメントB (5分間) Commentator B (5 min.)	マイケル・スウェイン カーネギー国際平和財団上級研究員 Michael SWAINE, Senior Fellow, CEIP
コメントC (5分間) Commentator C (5 min.)	佐橋 亮 神奈川大学教授 SAHASHI Ryo, Professor, Kanagawa University
コメントD (5分間) Commentator D (5 min.)	マイケル・チェイス ランド研究所 (ワシントン事務所) 上級政治学者 Michael CHASE, Senior Political Scientist, RAND Cooperation
自由討議 (25分) Free Discussions (25 min.)	出席者全員 All Participants
17:15-17:20	パネリスト座席移動
セッション II / Session II	
17:20-18:25 「経済戦争か地域協力が？」 "Economic War or Regional Cooperation?"	
議長 Chairperson	細谷 雄一 慶応義塾大学教授 HOSOYA Yuichi, Professor, Keio University
基調報告A (10分間) Keynote Speaker A (10 min.)	ジェームズ・ショフ カーネギー国際平和財団上級研究員 James SCHOFF, Senior Fellow, CEIP
基調報告B (10分間) Keynote Speaker B (10 min.)	伊藤 亜聖 東京大学准教授 ITO Asei, Associate Professor, the University of Tokyo
コメントA (5分間) Commentator A (5 min.)	ニコラス・セーチェーニ 米戦略国際問題研究所日本部副部長・上級研究員 Nicholas SZECHENYI, Deputy Director, Japan Chair, CSIS
コメントB (5分間) Commentator B (5 min.)	森 聡 法政大学教授 MORI Satoru, Professor, Hosei University
コメントC (5分間) Commentator C (5 min.)	カーラ・フリーマン ジョンズ・ホプキンス大学ポール・H・ニッツェ高等国際関係大学院外交政策研究所エグゼクティブ・ディレクター Carla FREEMAN, Executive Director of the SAIS Foreign Policy Institute
コメントD (5分間) Commentator D (5 min.)	大庭 三枝 東京理科大学教授 OBA Mie, Professor, Tokyo University of Science
自由討議 (25分) Free Discussions (25 min.)	出席者全員 All Participants
総括セッション / Wrap-up Session	
18:25-18:35	
総括 (10分間) Wrap-up (10 min.)	ジェームズ・ショフ James SCHOFF 神谷 万丈 KAMIYA Mataka
[NOTE] 日本語・英語同時通訳付き / English-Japanese simultaneous interpretation will be provided.	

2. Biographies of the Panelists

【U.S. Side】

Evans REVERE

Senior Advisor, Albright Stonebridge Group

Evans REVERE is a Senior Advisor at the Albright Stonebridge Group. He is also Nonresident Senior Fellow at the Brookings Institute, where he focuses on the Korean Peninsula. During a distinguished career as one of the U.S. Department of State's top Asia hands, he served as Acting Assistant Secretary and Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs. His diplomatic career included service at the U.S. Embassy in Seoul and also in China, Taiwan, and Japan. His commentaries on North Korea and on Asian affairs are highly sought after by leading media outlets in the United States, Asia, and Europe. Mr. REVERE is a graduate of Princeton University, a U.S. Air Force veteran, and a member of the Council on Foreign Relations. He is fluent in Chinese, Japanese, and Korean.

Michael SWAINE

Senior Fellow, CEIP

Michael SWAINE is a Senior Fellow at the Carnegie Endowment for International Peace, and one of the most prominent American analysts in Chinese security studies. Formerly a Senior Policy Analyst at the RAND Corporation, Swaine is a specialist in Chinese defense and foreign policy, U.S.-China relations, and East Asian international relations. He has authored and edited more than a dozen books and monographs, as well as many journal articles and book chapters in these areas, directs several security-related projects with Chinese partners, and advises the U.S. government on Asian security issues. He received his doctorate in government from Harvard University.

Michael CHASE

Senior Political Scientist, RAND Cooperation

Michael S. Chase is a Senior Political Scientist at RAND, an adjunct professor in the China Studies and Strategic Studies Departments at Johns Hopkins University's School of Advanced International Studies (SAIS). A specialist in China and Asia-Pacific security issues, he was previously an associate professor at the U.S. Naval War College (NWC), a research analyst at Defense Group Inc. and an associate international policy analyst at RAND. He is the author of the book "*Taiwan's Security Policy*" and numerous chapters and articles on China and Asia-Pacific security issues, of which some have appeared in journals such as *Asia Policy*, *Asian Security*, *China Brief*, *Survival*, and the *Journal of Strategic Studies*. CHASE holds a Ph.D. in international affairs and M.A. in China Studies from SAIS.

James SCHOFF

Senior Fellow, CEIP

James SCHOFF is a Senior Fellow at the Carnegie Endowment for International Peace. His research focuses on U.S.-Japan relations and regional engagement, Japanese security policy, and the private sector's role in Japanese policymaking. He previously served as Senior Adviser for East Asia Policy at the U.S. Office of the Secretary of Defense, and as Director of Asia Pacific Studies at the Institute for Foreign Policy Analysis (IFPA). Prior to IFPA, he was a Program Officer in charge of policy studies at the United States-Japan Foundation, following six years living in Japan and other parts of Asia working in the fields

of business, education, and journalism. SCHOFF's publications include "*Uncommon Alliance for the Common Good: The United States and Japan after the Cold War*" (Carnegie, 2017) and "*What Myanmar Means for the U.S.-Japan Alliance*," (Carnegie, 2014).

Nicholas SZECHENYI *Senior Fellow and Deputy Director, Japan Chair, CSIS*

Nicholas SZECHENYI is a Senior Fellow and Deputy Director of the Japan Chair at the Center for Strategic and International Studies (CSIS). His research focuses on U.S.-Japan relations and U.S. strategy in Asia. Prior to joining CSIS in 2005, he was a news producer for Fuji Television where he covered domestic politics and U.S. foreign policy in Asia. He holds an M.A. in international economics and Japan studies from the Johns Hopkins University School of Advanced International Studies (SAIS) and a B.A. in Asian studies from Connecticut College.

Carla FREEMAN *Executive Director of the SAIS Foreign Policy Institute,
Johns Hopkins University*

Carla Freeman is an Associate Research Professor in China Studies at the Johns Hopkins University School of Advanced International Studies (SAIS). She conducts research on Chinese foreign and domestic policy with a current focus on regional dynamics, including China and its periphery, nontraditional security, and China's role in international organizations. Her career has included directing the program in civil society and community sustainability at The Johnson Foundation, and various academic positions at the University of Wisconsin-Milwaukee, University of Wisconsin-Parkside, Beloit College, and Alverno College. FREEMAN received a PhD in International relations and Asian Studies from Johns Hopkins SAIS, where she also completed a master's in international economics and China Studies. She is the Editor-in-Chief of the academic journal "*Asian Perspective*," published by Johns Hopkins University Press.

【Japanese Side】

WATANABE Mayu *Vice President, JFIR / President, GFJ*

Graduated from Chiba University. Received M.A. in Education from the Graduate School of the University of Tokyo in 1997. Joined the Japan Forum on International Relations (JFIR) in 2000 and appointed Senior research fellow in 2007, during which period she specialized in global human resource development and public diplomacy. Appointed Executive Director in 2011 and assumed Senior Executive Director in 2017. She has served as Vice President since 2018. Concurrently serving as President of the Council on East Asian Community (CEAC).

KAMIYA Matake *Professor, National Defense Academy of Japan /
Academic Governor, GFJ / Director and Distinguished Research Fellow, JFIR*

KAMIYA Matake is concurrently adjunct research fellow at the Japan Institute of International Affairs and Member of the Board of Directors of the Japan Association for International Security. He served as Distinguished Research Fellow at the Centre for Strategic Studies: New Zealand, during 1994-1995, and as editor-in-chief of Discuss Japan - Japan Foreign Policy Forum from 2013 to 2016. He has published

extensively on international relations, Asia-Pacific security, U.S.-Japan security relations, and Japanese foreign and security policies including Japan's non-nuclear policy. He is co-editor of *Introduction to Security Studies*, 5th edition, (Aki-shobo, 2018), the most widely read textbook on security studies in Japan (Chinese and Korean translations have been published). His English-language publications include "The U.S.-Japan Alliance: Enhancer or Brake on Japan's power?" (*Japan's World Power*, Routledge, 2018), "Strong, but Worrying: The U.S.-Japan Alliance in the Trump Era" (*The National Committee on American Foreign Policy*, 2017), "Realistic Proactivism: Japanese Attitudes Toward Global Zero" (Stimson Center, 2009), and articles in *The Washington Quarterly* and *Arms Control Today* among others. He is a graduate of the University of Tokyo, and Columbia University (as a Fulbright grantee).

KAWASHIMA Shin

Professor, the University of Tokyo

He teaches the history of international relations in East Asia at Komaba Campus. He was educated at the Tokyo University of Foreign Studies (B.A.1992) and the University of Tokyo (Oriental history, M.A., 1992 and Ph.D, 2000). He taught at Hokkaido University's Department of Politics, Faculty of Law during 1998-2006 before moving to the University of Tokyo in 2006. He served as a visiting scholar at the Academia Sinica in Taipei (Institute of Modern History, 1995-96), the Beijing Center for Japanese Studies (vice director, 2000-2001), National Chengchi University in Taipei (department of history, 2005) and Beijing University (department of history, 2005), and Awarded Japan Scholar at Woodrow Wilson International Center for Scholars (2009). He has studied Chinese diplomatic history based on Chinese diplomatic archives. His first book, the *Formation of Chinese Modern Diplomacy* (Nagoya University Press, 2004), was awarded the Suntory Academic Prize in 2004.

IIDA Masafumi

Senior Fellow, National Institute for Defense Studies

He holds a B.A. in Policy Management and M.A. in Media and Governance from Keio University, in addition to an M.A. in East Asian Studies from Stanford University. He has held various positions within NIDS, and most recently was assigned as Senior Staff to the Defense Policy Bureau within the Japanese Ministry of Defense (MOD). Additionally, he has completed a term as a Visiting Scholar with the Center for East Asian Studies at Stanford University in 2010 and with the China Maritime Studies Institute at U.S. Naval War College in 2014. Professor Iida has focused his research primarily on China's foreign and security policies and in particular, the growing maritime implications of this relationship within East Asia.

SAHASHI Ryo

Professor, Kanagawa University

He received his B.A. from International Christian University and his Ph.D. with honor from the Graduate Schools for Law and Politics at the University of Tokyo. He also studied at Department of Political Science, University of Illinois at Urbana-Champaign. His early academic career as faculty started with the University of Tokyo and Australian National University. He joined Kanagawa University in 2010. He teaches also at University of Tokyo and Sophia University, and serves as Research Fellow, Japan Center for International Exchange. He has been Visiting Associate Professor, Walter H. Shorenstein Asia Pacific Research Center, Stanford University and Shigeru Yoshida Chair, Instituto Tecnológico Autónomo de México (ITAM). He also served adjunct Senior Research Fellow at Sasakawa Peace Foundation, Tokyo Foundation-German Marshall Fund of the United States Partnership Fellow, and Guest Researcher for First Special Committee Research Office, House of Councilors.

HOSOYA Yuichi***Professor, Keio University***

Received his M.I.S. from the University of Birmingham and Ph.D. from Keio University. He is also Senior Researcher at Nakasone Peace Institute (NPI), The Japan Institute of International Affairs (JIIA) and at the Tokyo Foundation for Policy Research (TKFD). Served as Visiting Professor and Japan Chair at Sciences-Po in Paris (2009–10), Visiting Fellow at Princeton University (2008–2009). His research interests include the postwar international history, British diplomatic history, Japanese diplomacy, and contemporary international security. He was a member of Prime Minister's Advisory Panel on Reconstruction of the Legal Basis for Security (2013-14), a member of Prime Minister's Advisory Panel on National Security and Defense Capabilities (2013) and of the Advisory Board of the National Security Secretariat (2014-16).

ITO Asei***Associate Professor, the University of Tokyo***

He obtained PhD in Economics from Graduate school of Economics, University of Keio, Japan. His research covers the Chinese industrial development, China's outward FDI activities, and innovation in China and Asia. He is the author of *Industrial Clusters in Contemporary China: "The Workshop of the World"* and *A Bottom-up Economic Development* (the University of Nagoya Press, 2015, in Japanese) and *China Unmanned Aerial System Industry Report 2017: An emerging industry from an emerging economy* (the Institute of Social Science, University of Tokyo, in Japanese), and one of co-editors of *China's Outward Foreign Direct Investment Data* (University of Tokyo, 2014, in English) and *Understanding Contemporary China: Lecture Series* at the University of Tokyo (University of Tokyo Press, 2014, in Japanese).

MORI Satoru***Professor, Hosei University***

He also serves as a senior fellow of the Japanese government's National Security Secretariat and is also a senior fellow at the Nakasone Yasuhiro Peace Institute. He is a graduate of Kyoto University and received his LL.M. degrees from Kyoto University Graduate School of Law and the Columbia University Law School. After serving as a career diplomat at the Japanese Foreign Ministry (1996-2001), he obtained his Ph.D. from the University of Tokyo and was a research fellow at the Center for Comparative Law and Politics, University of Tokyo (2006-08). He joined the Faculty of Law at Hosei University as a tenured associate professor in 2008 and assumed professorship in 2010. During his sabbatical leave, he was a Visiting Fellow at the Sigur Center for Asian Studies, George Washington University (2013-15) and Visiting Researcher at the Woodrow Wilson School of Public and International Affairs, Princeton University (2014-15). He is currently undertaking research on themes such as U.S. strategy in the Indo-Pacific, the U.S. defense innovation and its implications for U.S. allies, and technology and international relations.

OBA Mie***Professor, Tokyo University of Science***

Graduated from International Christian University in 1991. Received M.A. in 1994 and Ph.D. in 2002 from the University of Tokyo. Served as Visiting Research Fellow, Institute of Defense and Strategic Studies (IDSS) at Nanyang Technological University in Singapore (2004), Academic Associate, Program on U.S.-Japan Relations at Harvard University (2006-2007), and Associate Professor, Tokyo University of Science (2007-2014) before assuming current position in 2014. Her major is International Relations and the politics in Asia-Pacific. Her current research interests include the development of regionalism in this region as well as theories of regional integration and regionalism.

(In order of appearance in the "Program")

3. Presentation Papers

Evans REVERE
Senior Advisor, Albright Stonebridge Group

U.S.-China Relations: A New Paradigm and the U.S.-Japan Alliance

I. A New Center of Gravity in U.S.-China Relations

- A break with the past
- Previous basis for U.S.-China relations
 - Bipartisan support
 - Manage differences, engagement, expand the scope of bilateral cooperation, encourage Beijing to play a constructive role, “responsible stakeholder”
- A new center of gravity
 - But a new consensus?
 - Misgivings about strategy/goals
- New paradigm building for some time
 - Defections from the consensus
 - Business community, security experts
 - Across the spectrum
- The Trump factor
 - “America First”
 - Nationalism
 - Zero-sum mentality
 - The diplomacy of resentment

II. The China Challenge

- The Pence “indictment”
- Perceived threats to the rules-based international order
 - The military dimension
 - South China Sea, East China Sea, Taiwan
 - Military modernization, budget growth, new capabilities, new ambitions
 - Economics and Trade
 - “We’re number two!”
 - Ten years to number one
 - Trade deficit, forced technology transfer, cyber espionage, trade barriers, the return of state enterprises, disaffected U.S. investors
 - Impact on U.S. businesses, government
 - Is there a Chinese “private sector”?

- The Huawei problem
 - BRI
- Xi Jinping and the Party
 - Revival of authoritarianism
 - Crackdowns galore: human rights activists, labor and women’s groups, lawyers, environmental activists, the Internet, basic freedoms
 - “McCarthyism with Chinese characteristics”
 - Uighurs
 - AI and authoritarianism
 - Reassertion of central authority
 - Leader-for-life Xi
 - Echoes of an earlier era
 - A troubling question: Is a China led by the Chinese Communist Party fundamentally incompatible with the rules-based liberal international order?

III. Pitfalls and Dangers

- Demonization; creating an atmosphere of necessary confrontation
 - Worst-case analysis leads to worst case planning leads to...
 - Military confrontation
 - SCS, ECS, Taiwan
 - Arms race
 - Matching capabilities
 - The INF problem
- Forcing regional actors/allies to “choose sides”
- Trade war and global/regional supply chains
 - What’s the goal?
 - Can we really force systemic change in China’s economy?
 - Is “decoupling” realistic in a modern, globalized economy?
 - Does the U.S. seek to block China rise?
- Creates atmosphere of uncertainty for investors in region
- Leads to loss of cooperation on key regional and global issues: environment, terrorism, Korea, etc.

IV. Recommendations for the U.S.-Japan Alliance

- For the U.S:
 - Remember: Our allies live in the neighborhood
 - Consider implications of trade war for allied economies, particularly Japan, and regional supply chains
 - Unintended consequences
 - Remember: An attitude is not a strategy

- Getting the first is easy; developing the second, not so much
 - Develop a *shared* strategy with key allies, including Japan
 - Unilateralism and “America First” rhetoric is undermining allies’ confidence in U.S. leadership
 - Beware the danger of encouraging hedging
 - China’s unfair trade practices, opaque military and security ambitions, rapidly growing military budgets, and attempts to intimidate neighbors are legitimate concerns
 - Dealing with them forthrightly should not rule out cooperation in other arenas.
 - Beware of zero-sum calculations
 - Strike a balance between pressing our concerns and pursuing areas for cooperation
 - Concerns over human rights, authoritarianism, crackdown on activists and the Internet are also legitimate
 - These should be part of regular dialogue with Beijing
 - But confrontation with China or creating impression U.S. is seeking to prevent China’s rise is unlikely to help advance dialogue on these issues
- For Japan:
 - Be clear in consultations with Washington where Japan’s interests lie
 - Urge Washington to develop a shared/integrated strategy towards China – a strategy that reflects Japan’s interests
- For the United States and Japan:
 - Make clear our determination to respond to China’s territorial ambitions
 - Reaffirm defense commitments
 - Continue to develop forces/capabilities to defend interests
 - We cannot ignore China’s rising capabilities
 - Seek opportunities to work with China/PLA – CBM dialogues, SAR, and crisis management exercises, etc.
 - Develop a shared/integrated strategy towards the PRC
 - Make clear to China that improvements in China-Japan relations will not come at expense of U.S.-Japan ties

James SCHOFF
Senior Fellow, CEIP

“U.S.-China and a New Cold War: Economic Conflict or Regional Cooperation?”

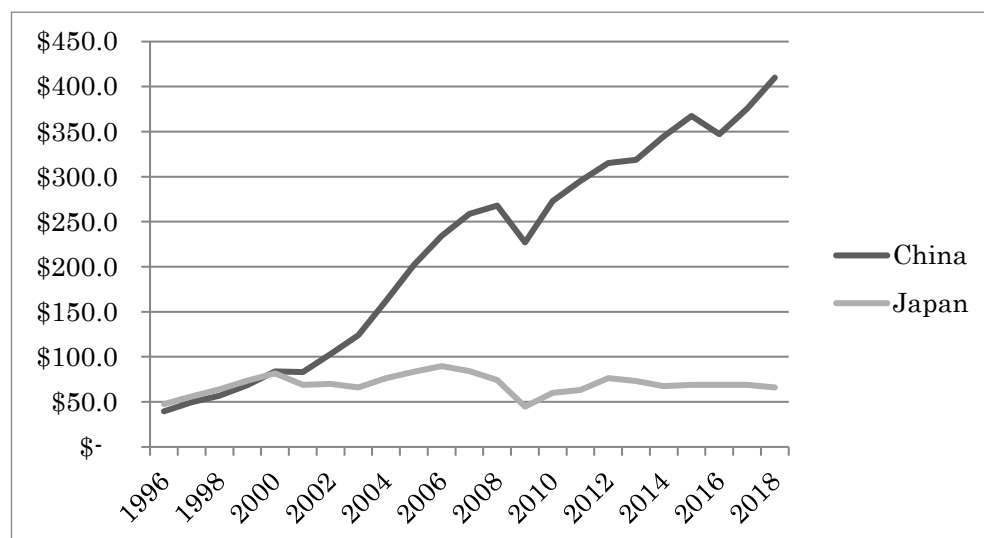
Scoping the Issue:

U.S. policy makers have criticized China’s economic management and trade practices for well over a decade, worried about the potential damage they were inflicting on the U.S. economy and workforce. In 2006 Senator Chuck Schumer (D-NY) and Lindsey Graham (R-SC) sponsored a bill that would have levied a 27.5 percent tariff on all Chinese imports unless the yuan was substantially revalued, but later withdrew the legislation after China pledged to address U.S. complaints. Among U.S. grievances were unfair subsidies to state owned enterprises (SOEs), currency manipulation, restricted markets, and theft of intellectual property (IP).

Many analysts at that time downplayed the danger of a rising U.S. trade deficit with China, noting the benefit to American consumers of cheaper Chinese imports that were arguably just replacing imports from other Asian countries, which had shifted final assembly to China. Moreover, China’s rising middle class was becoming an important market for U.S. goods and commodities, and there was reason to expect that China’s economy would increasingly resemble that of other industrialized countries as it matured. Japan’s economy also benefited greatly from China’s growth.

But even as China’s economy grew to become among the world’s largest and most influential, its unbalanced trade continued amid allegations of IP theft, mercantilism, and a drive to dominate the most consequential technologies of the 21st century. China’s economic and technological power has transferred mere trade complaints into a broader sense of strategic rivalry with significant national security risks and some commercial opportunities for the allies.

US Trade Deficit in Goods (in \$bns) from 1996 to 2018



Source: US Census Bureau <https://www.census.gov/foreign-trade/balance/index.html> (2018 is estimated)

What's at stake for the United States:

- Macro performance of China's economy and the performance of some of China's largest companies can have a significant impact on U.S. national interests in both the short and long term. At stake are U.S. economic health and growth, private firms'/farmers' prosperity, technology leadership, military and global competitiveness, and U.S. foreign policy influence. This is true regardless of which direction China's economy takes (i.e., there are both potentially positive and negative impacts from either growth or deterioration in China's economy).
- The worst development for U.S. would be strong Chinese economic growth and technological innovation at the expense of the United States and U.S. firms. This has the greatest potential for U.S. experiencing mostly negative aspects of Chinese growth over the long term.
- It is this dynamic/fear that a growing number of Americans and U.S. policy makers believe has been happening since China's admission to the WTO (although data generally shows a mixed picture, suggesting that some of China's gains have been at the expense of certain U.S. firms and workers, while the U.S. has also benefited in certain areas).¹
- A more open and rules-based form of Chinese capitalism could benefit both countries, including boosting Chinese FDI in the United States, though some U.S. businesses and

¹ For negative impacts, see Salman Ahmed, et al, "U.S. Foreign Policy for the Middle Class: Perspectives from Ohio," John Glenn College of Public Affairs at The Ohio State University and Carnegie Endowment for International Peace, 2018.

<https://carnegieendowment.org/2018/12/10/u.s.-foreign-policy-for-middle-class-perspectives-from-ohio-pub-77779>. For benefits, see "The China Footprint," produced by Marco Polo and The Paulson Institute, <https://macropolo.org/china-footprint/> accessed January 24, 2019.

workers would still suffer from the competition. Competition in dual-use technologies and writing rules of the road for new technologies (and rules on data usage/privacy) will continue to be contentious.

Recent developments:

What accounts for souring US views of China?

- There is imbalance in trade (some displaced from rest of Asia), SOE subsidies & other “unfair” practices
- IP theft, espionage, military growth and expansion (a real and potentially threatening change)
- US economic inequality exacerbates the problem, creates political pressure (China an easy scapegoat).
- Tariff policy is aimed here...to force China to change (level playing field) or push realignment of supply chains to other parts of Asia and US (as punishment/incentive for China to change)
- The Trump administration launched multi-pronged attack:
 - 1) Super 301 and Section 232 tariffs on the one hand, to protect industry and pressure Beijing to agree to major changes to economic structure and behavior; and
 - 2) Efforts to protect technology edge via restrictions on inward FDI (CFIUS and FIRRMA), export control (ECRA) and pending Commerce guidelines for special treatment of “emerging and foundational technologies,” and government/military procurement restrictions (NDAA).
- U.S. business community and members of Congress have not liked Trump’s tariff approach, but as the new House Ways & Means Chairman (Richard Neal, D-MA) said: “As controversial as the China tariffs have been, this administration does currently have the attention of China’s economic policy makers...[creating] a unique opportunity...to secure meaningful and significant changes from China in the way China competes,” arguing against “a quick and easy deal” that does not secure “a fundamental reset of the U.S.-China trade relationship.”

Current and future risks:

- A sharp drop in near-term growth for China can adversely affect the U.S. economy and certain firms in particular (e.g., ~20% of Apple revenue is from Greater China, and earnings guidance on Jan 2 w/ drop of up to 10% of revenue in Q1 nearly all attributable to lower iPhone sales in China, & shares drop ~7%).

- There is also a broader ripple effect, as we saw Apple's decline hurt other firms like Taiwan's Foxconn, which eliminated 50,000 seasonal jobs as a result, causing broader pain. The agriculture sector will suffer too, with long-term implications.
- Also longer-term inability to finance U.S. deficit spending. Only benefit might be fewer resources to compete militarily, diplomatically, and in terms of technology innovation.
- On the flip side, a Chinese economic revival at the expense of the United States (in terms of hollowing out of key U.S. industries, reducing competitiveness, locking in Chinese technical and economic standards globally) will harm the U.S. economy and erode its military advantages.

Current and future opportunities:

- In China, the so-called "reform camp" thinks that the U.S.-China conflict is an opportunity to help overcome political obstacles and promote economic reform in China (i.e., utilize *gaiatsu*). This could bolster development of good global governance standards and positively influence other countries in Central, South, and Southeast Asia.
- Balanced economic growth in China helps the U.S. and Japanese economies (certain firms and business sectors particularly). It also allows China to contribute to external financing and infrastructure investment (some is politically driven, but some also adheres to higher standards and co-financing with Asian Development Bank is on the rise...can we promote more?).
- Introducing "green" economic growth policies in China could have a major positive impact on the global environment and assist with mitigating climate change.
- U.S.-Japan consultations on U.S. bilateral trade negotiations with China (as a subset of US-Japan-EU discussions re: WTO reform and pressing for structural change and behavior change re: China's economy) can be useful. We need to work in concert with allies and partners to prioritize negotiating points and share information for evaluating progress.
- In this sense, strong-arm (punitive) U.S. negotiating tactics vis-à-vis Japan on trade are counterproductive and should instead be a "win-win" bilateral dialogue that approximates a TPP-like U.S.-Japan arrangement.

4. Appendix: Introductions to Co-sponsoring Organizations

(1) The Global Forum of Japan (GFJ)

Objectives and History

The Global Forum of Japan (GFJ) originates from the Japan Chapter of the Quadrangular Forum (QF), which was established in 1982 in Washington to serve as an informal promoter of the exchange of policy-oriented views and opinions among Japan, US, Europe, and Canada. As the Cold War ended and its aftermath faded away, QF ceased its activity in 1996. The Japan Chapter of QF survived the vicissitudes and developed into the Global Forum of Japan (GFJ) as an independent institution of Japan for international intellectual exchanges. Since then, GFJ has been active as a hub for international exchanges with the global intellectual community at large.

Organization

The Global Forum of Japan (GFJ) is a private, non-profit, non-partisan, and independent membership organization in Japan. Business Member, Political Member, and Academic Member support its activities as Governors and Members. The Secretariat is housed in The Japan Forum on International Relations. GFJ is currently headed by ITO Kenichi as Chairman, WATANABE Mayu as President, and TAKAHATA Yohei as Vice President and Executive Secretary. The membership is composed of 10 Business Members including the 4 Governors, TOYODA Shoichiro, MOGI Yuzaburo, ISHIKAWA Hiroshi, and YAGUCHI Toshikazu; 10 Political Members including the 4 Governors, KAKIZAWA Mito, SUEMATSU Yoshinori, SUZUKI Keisuke, and FUNADA Hajime; and 56 Academic Members including the 3 Governors, ITO Go, KAMIYA Mataka, and TAKAHARA Akio.

Activities

- (1) e-forum “Giron-Hyakushutsu (Hundred Views in Full Perspective)” operated on the website of GFJ
- (2) Monthly held meetings of “Foreign Policy Luncheon” and “Diplomatic Roundtable”
- (3) PR and Enlightenment through publication of “Bulletin,” the website, mail magazine, etc.
- (4) “International Dialogues” convened 3 to 4 times a year on policy-oriented issues with counterparts invited from various parts of the world. Recent International Dialogues are as follows:

Years and Months		Themes	Counterparts
2019	Jul.	The Japan - Indo-Pacific Dialogue “Free and Open Indo- Pacific Initiative and Maritime Order”	Pathfinder Foundation (Sri Lanka) "Routledge Studies on Think Asia"
2018	Dec.	The Japan-Russia Dialogue “Possibility of Japan-Russia Cooperation in an Increasingly Complex Northeast Asianew”	The Far East Branch of the Russian Academy of Sciences (FEB RAS)
	July	The Dialogue with the World “ GEOECONOMICS and The 21st Century World and Japan”	The Japan Forum on International Relations (JFIR)
		The Strategic Dialogue with Central Asia “Strategic Prospects of Regional Cooperation and Security in Central Asia”	The Japan Forum on International Relations (JFIR)
	Mar.	The Japan-U.S. Dialogue “China Risks and China Opportunities – Implications for the ‘Free and Open Indo-Pacific Strategy’ –”	Carnegie Endowment for International Peace (CEIP) (U.S.)
	Feb.	The Dialogue with the World: Eurasia 2025	The French Institute for International and Strategic Affairs (IRIS) (France)
2017	Aug.	“Central Asia + Japan” Dialogue “Prospects on the Current and Future Japan-Central Asia Relations	Ministry of Foreign Affairs of Japan
	Jun.	Japan-ASEAN Dialogue “Changing Regional Order in the Asia Pacific and Japan-ASEAN Cooperation”	The S. Rajaratnam School of International Studies (RSIS) (Singapore), Nanyang Technological University / The University of Social Sciences and Humanities, Vietnam National University (VNU-USSH) (Vietnam)
	Mar.	Japan-U.S. Dialogue “The Japan-U.S. Alliance in the Era of the Trump Administration: Crossroads or Continuity?”	Institute for National Strategic Studies, National Defense University (INSS) (U.S.)
	Feb.	Japan-China Dialogue “Prospect of Japan-China Cooperation in Aging Society”	Shanghai International Studies University / Shanghai Academy of Social Sciences / Fudan University (China)

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(2) The Japan Forum on International Relations (JFIR)

The Japan Forum on International Relations, Inc. (JFIR or The Forum) is a private, non-profit, independent, and non-partisan organization dedicated to improved understanding of Japanese foreign policy and international relations. The Forum takes no institutional position on issues of foreign policy, though its members are encouraged not only to analyze but also to propose alternatives on matters of foreign policy. Though the Forum helps its members to formulate policy recommendations on matters of public policy, the views expressed in such recommendations represent in no way those of the Forum as an institution and the responsibility for the contents of the recommendations is that of those members of the Forum who sign them alone.

The Forum was founded on March 12, 1987 in Tokyo on the private initiative of Dr. OKITA Saburo, Mr. HATTORI Ichiro, Prof. ITO Kenichi, and 60 other independent citizens from business, academic, political, and media circles of Japan, recognizing that a policy-oriented research institution in the field of international affairs independent from the government was most urgently needed in Japan. On April 1, 2011, JFIR was reincorporated as a “public interest foundation” with the authorization granted by the Prime Minister in recognition of its achievements.

JFIR is a membership organization with four categories of membership, namely, (1) corporate, (2) associate corporate, and (3) individual. As for the organizational structure of JFIR, the “Board of Trustees” is the highest decision making body, which is in charge of electing the “Directors” and of supervising overall activities of JFIR, while the “Board of Directors” is an executive body, which is in charge of the management of day-to-day operations of JFIR.

<p>■Board of Trustees</p> <p>ARIMA Tatsuo HAKAMADA Shigeki HATTORI Yasuo HIRONAKA Wakako HIRONO Ryokichi INOUE Akiyoshi ISHIGAKI Yasuji KUROYANAGI Nobuo OHYA Eiko SAKAMOTO Masahiro SATO Ken WATANABE Toshio YAMAGUCHI Norio</p>	<p>■Board of Directors</p> <p>ITO Kenichi <i>Chairman</i> WATANABE Mayu <i>Vice President</i> HANDA Haruhisa <i>Director</i> ITO Go <i>Director</i> ITO Masanori <i>Director</i> KAMIYA Mataka <i>Director</i> KIKUCHI Yona <i>Director</i> MORIMOTO Satoshi <i>Director</i> TAKUBO Tadae <i>Director</i> YANO Takuya <i>Director</i></p> <hr/> <p>■Auditors</p> <p>NAITOH Masahisa WATANABE Kenichi</p>
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The Forum’s activities are composed of such pillars as “Policy Recommendations,” “e-Forum” “Research Programs,” “International Dialogues & Exchanges,” “Participation in International Frameworks,” “Information Gathering,” and “PR and Enlightenment.” Of these pillars of activities, one important pillar is the “e-Forum: Hyakka-Seiho” which means “Hundred Flowers in Full Bloom” (<http://www.jfir.or.jp/cgi/m-bbs/>). The “e-Forum,” which started on April 12, 2006, is open to the public, functioning as an interactive forum for discussions on foreign policy and international affairs. All articles posted on the e-Forum are sent through the bimonthly e-mail magazine “Meru-maga Nihon Kokusai Foramu” in Japanese to about 10,000 readers in Japan. Furthermore, articles worth attention for foreigners are translated into English and posted on the English website of JFIR (<http://www.jfir.or.jp/e/index.htm>) as “JFIR Commentary.” They are also introduced in the e-mail magazine “JFIR E-Letter” in English. “JFIR E-Letter” is delivered bimonthly to about 10,000 readers worldwide.

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(3) Carnegie Endowment for International Peace (CEIP)

The Carnegie Endowment for International Peace is a unique global network of policy research centers in Russia, China, Europe, the Middle East, India, and the United States. Our mission, dating back more than a century, is to advance peace through analysis and development of fresh policy ideas and direct engagement and collaboration with decisionmakers in government, business, and civil society. Working together, our centers bring the inestimable benefit of multiple national viewpoints to bilateral, regional, and global issues.

In 2006, Carnegie launched a revolutionary plan to build the first global think tank. Since then it has transformed a hundred-year-old American institution into one well-equipped for the challenges of a globalized world. Today, Carnegie has research centers in Beijing, Beirut, Brussels, Moscow, New Delhi, and Washington. The network is supervised by an international board of trustees, and its research activities are overseen by a global management group.

The scholars of each center are drawn from the region and write in the local languages, while collaborating closely with colleagues across the world. The result provides capitals and global institutions with a deeper understanding of the circumstances shaping policy choices worldwide as well as a flow of new approaches to policy problems.

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