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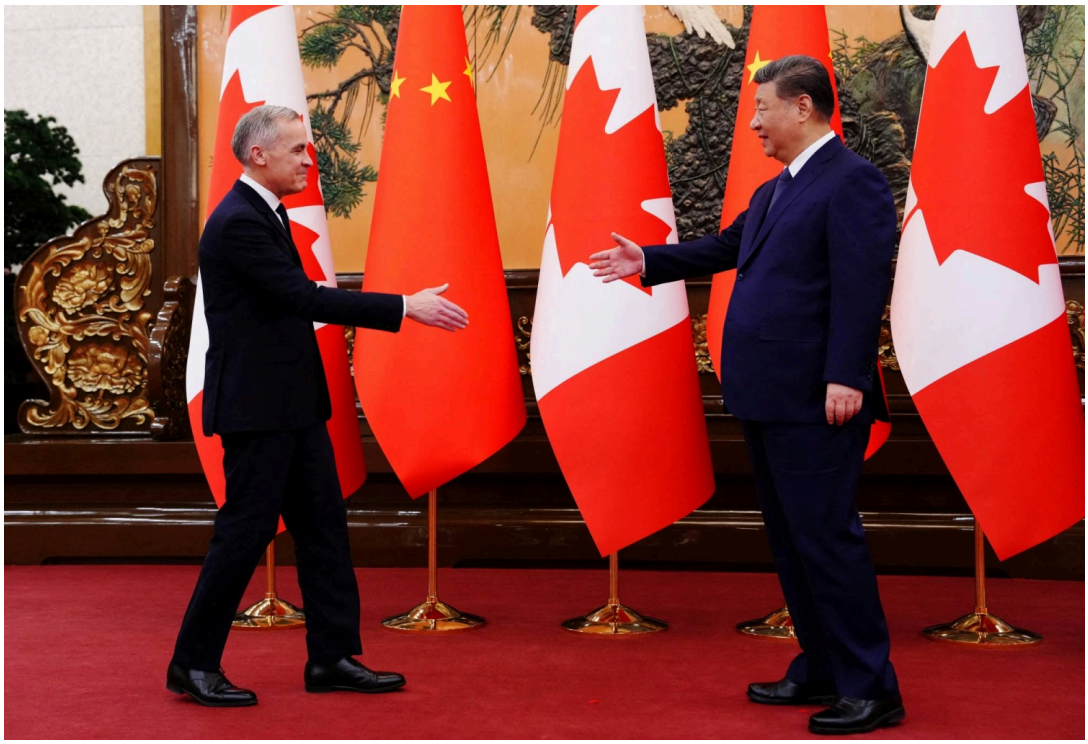
# Lessons for Japan from Canada's 'reset' with China

Ottawa's Beijing pivot tests Tokyo's strategic calculus amid growing Indo-Pacific tensions



Canadian Prime Minister Mark Carney meets with Chinese leader Xi Jinping in Beijing in January. Tokyo faces a more acute strategic challenge than Ottawa, balancing engagement with Beijing while strengthening regional deterrence capabilities. | POOL / VIA REUTERS

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As Chinese Foreign Minister Wang Yi arrives in Ottawa this week, Canada is attempting what Prime Minister Mark Carney has described as a "reset" with China — an effort to stabilize a relationship strained by disputes over technology, human rights, election interference allegations and Taiwan. For Japanese Prime

Minister Sanae Takaichi, this moment is instructive.

Canada's rapprochement follows Carney's Davos speech in January 2025 saying there's been a "rupture" in the rules-based international order as the world's great powers — most notably the U.S., China and Russia — abandoned it to pursue their own narrow national interests. Yi's visit comes despite fresh public warnings from China's ambassador cautioning Canadian parliamentarians against visiting Taiwan. Engagement is proceeding even as Beijing reiterates its red lines.

Japan shares some of Canada's structural realities. It has deep economic interdependence with China and exposure to economic coercion, including the weaponization of supply chains, rare earths and, most recently, tourism. But Tokyo's strategic environment is more acute. Japan sits astride key sea lanes of communication, hosts major U.S. bases and would be directly affected by any Taiwan contingency — code for a conflict, blockade or other military incident involving Taiwan and mainland China.

Unlike Canada, Japan cannot treat Taiwan as a distant diplomatic abstraction. Geography alone prevents that, as does Taiwan's central role in semiconductor supply chains and its place in the First Island Chain. This chain stretches from the Northern Territories to the Philippines — a defensive perimeter that, if controlled, could keep China's adversaries out of the Indo-Pacific through the positioning of naval, submarine and missile systems.

The question for Tokyo is not whether to engage China. It must. The question is how to sustain engagement while reinforcing deterrence and reducing vulnerability.

Recent events illustrate both the possibilities and limits of diplomacy. After a deadly mine accident in China reportedly claimed about 90 lives, Takaichi sent condolences to the Chinese people. Beijing had done the same after Japan's March 11, 2011,

Tohoku earthquake and tsunami, expressing sympathy and providing fuel assistance during Japan's energy crisis. Such gestures do not resolve strategic rivalry, but they sustain a minimum level of political civility. In an era of sharpened competition, preserving that baseline matters. Humanitarian diplomacy creates space for harder conversations.

The harder conversation centers on Taiwan. On Nov. 7, Takaichi said a Taiwan contingency "would require Japan's Self-Defense Forces to be involved." Beijing reacted sharply, accusing Tokyo of interfering in China's internal affairs and reviving militarist tendencies.

Yet Takaichi's remark did not represent a policy shift. Successive Japanese governments have maintained that peace and stability in the Taiwan Strait are critical to Japan's security. The logic is straightforward. U.S. forces based in Japan would almost certainly be involved in a Taiwan crisis. Chinese military operations would likely affect Japan's southwestern islands. Critical sea lanes for Japanese energy imports pass near Taiwan. A major conflict there would not bypass Japan, nor would South Korea, Southeast Asian states, India, North America or the European Union escape the effects on the regional and global economy.

Retracting the statement would not change these realities, nor would it reassure Beijing. It would instead raise questions in Washington and among regional partners about Japan's reliability. Clear articulation of risk can strengthen deterrence by reducing ambiguity about consequences.

At the same time, clarity must be paired with discipline. Japan's interest is not rhetorical escalation but strategic stability. That requires acknowledging two uncomfortable truths.

First, China is indispensable to Japan's economy. It is a leading trading partner, a manufacturing hub and a significant consumer

market. Wholesale decoupling is neither feasible nor desirable. Second, China has demonstrated a willingness to use trade and regulatory pressure to signal displeasure. Australia, Lithuania, South Korea and Canada have all experienced forms of economic retaliation following political disputes with Beijing. Japan itself has faced rare-earth export disruptions, among other coercive measures.

The policy challenge is therefore structural. The question for policymakers in Tokyo is how to preserve mutually beneficial economic ties while reducing exposure to coercion.

Canada's current outreach reflects its own domestic and geopolitical calculations, including frustration with U.S. unpredictability. But Canada's security exposure differs from Japan's. Ottawa can diversify trade incrementally while relying on continental defense arrangements. Tokyo's security is directly entangled with U.S.-China dynamics in the Western Pacific. Security substitution is not an option.

Historical precedent offers guidance. After the June 1989 Tiananmen Square crackdown, U.S. President George H.W. Bush privately wrote to Chinese leader Deng Xiaoping emphasizing that the U.S.-China relationship was too important to abandon. Bush condemned the violence publicly while quietly preserving high-level channels. The episode illustrates a durable principle: Sustained dialogue and principled disagreement are not mutually exclusive.

For Japan, a refined strategy should rest on three mutually reinforcing pillars.

First, Tokyo should deepen operational coordination with the United States and other like-minded partners, including Australia, India, South Korea and key European states, on economic resilience, supply chain redundancy and crisis planning. Beijing is

unlikely to welcome such coordination, but credible collective preparedness reduces the effectiveness of coercion and lowers the risk of miscalculation. Quiet, scenario-based planning with Washington is not provocative; it is prudent alliance management.

Second, Japan should persist in building structured communication mechanisms with China itself, even if progress is incremental and often unreliable. Military-to-military hotlines, maritime and airspace incident protocols and regular senior-level diplomatic dialogues cannot eliminate risk, but they can reduce accidental escalation. Beijing may resist transparency, yet continued effort signals professionalism and keeps channels open in moments of crisis. Attempting such mechanisms is not naivete; it is insurance.

Third, Tokyo should pursue selective, rules-based economic engagement with China while accelerating diversification in sensitive sectors. Cooperation in areas such as climate technology, public health and aging-society innovation aligns with Japan's domestic priorities and China's policy needs. At the same time, Japan should protect critical technologies, expand alternative sourcing for key inputs and work with partners on common standards for export controls and investment screening. The objective is redundancy rather than rupture: Maintain robust trade while ensuring no single partner can impose prohibitive costs.

This approach accepts enduring competition without treating it as total confrontation. It also recognizes that China's leadership faces its own constraints, including slowing growth, demographic pressures and concerns about regional encirclement. Understanding these drivers does not require endorsing Beijing's actions; it sharpens strategic calculation.

Japan cannot control the trajectory of U.S.-China relations, nor can it prevent future tensions over Taiwan. What it can control is the coherence of its own policy, which requires steady alliance

management, consistent messaging and sustained diplomatic outreach.

Canada's reset may yield incremental stabilization or prove fleeting. Either way, Japan's course must reflect its geography and its alliance commitments. Takaichi should neither retract her Taiwan remarks nor amplify them for domestic applause. Strategic clarity is best delivered calmly and consistently, not theatrically.

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