Japan-China Relations:
The Good, the Bad, and … Japan-China Relations

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The quarter started well with a series of high-level visits marking the 30th anniversary of the normalization of Japan-China relations. National People’s Congress Chairman Li Peng came to Japan and Japanese Prime Minister Koizumi Junichiro met PRC Premier Zhu Rongji on Hainan Island.

But the ever-present force of history resurfaced April 21 when Prime Minister Koizumi visited Yasukuni Shrine to pay homage to Japan’s war dead. Less than a month later, the Shenyang incident, in which Chinese police entered the Japanese consulate and forcibly removed North Korean asylum-seekers, turned into a diplomatic cause célèbre. And prominent Japanese political leaders again waded into the debate over the constitutionality of Japan possessing nuclear weapons.

Both governments, conscious of their respective investments in the anniversary year, worked to keep relations on track. Agreement was reached on the raising of the mystery ship sunk by the Japanese Coast Guard in China’s exclusive economic zone (EEZ). And, after holding firmly to its position that the actions of the Chinese police at the Shenyang consulate did not violate the Vienna Convention, Beijing offered Japan face-saving talks aimed at developing guidelines to prevent a similar recurrence. At the same time, Japan’s growing trade with and investments on the mainland served to cushion relations during the rough patches of the quarter.

High-Level Visits – A Good Start…

On April 2, Li Peng began an eight-day visit to Japan. Li proclaimed that the year 2002, commemorating the 30th anniversary of the normalization of Sino-Japanese relations, should be dedicated to deepening feelings of friendship among the youth of both countries. The following day, Li met with Japanese Foreign Minister Kawaguchi Yoriko, Lower House Speaker Watanuki Tamisuke, and Upper House President Inoue Yutaka. At the Foreign Ministry, Kawaguchi took up the mystery ship issue, telling Li of the strong support in Japan for the raising of the ship, while making it clear that she wanted to avoid making the ship a diplomatic issue. (See “Smother Sailing across Occasionally Rough Seas” Comparative Connections, Vol. 4, No. 1). Li replied that if the issue were handled in accordance with international and domestic law, he was “personally optimistic” about a resolution. In a luncheon address, Li told Japan’s business leaders
that complementarities in the economies of the two countries would serve to accelerate growth in Japan, while assuring the audience that China’s economy “will never become a threat to Japan.” In an exclusive interview with the Asahi Shimbun, Li expounded on the development of bilateral relations, noting that from time-to-time problems will unavoidably emerge, but, if dealt with carefully and with a long-term, big-picture perspective, they can be resolved.

Koizumi’s April 12 speech at the Boao Asia Forum on Hainan Island, “Asia in a New Century – Challenge and Opportunity,” set out a broad framework for Asia policy, resting on the three values of “freedom, diversity, and openness.” The prime minister noted that China’s leaders and the Chinese people together are “advancing the cause of reform and openness,” and Japan, “as a friend of China, has been supporting such efforts.” Koizumi went on to declare that while “some see the economic development of China as a threat, I do not.” China’s dynamic development created both challenges as well as opportunities for Japan. Thus, he saw the “advancement of Japan-China economic relations, not as a hollowing out of Japanese industry, but as an opportunity to nurture new industries in Japan and to develop their activities in the Chinese market.”

Following the speech, Koizumi met with PRC Premier Zhu Rongji. The discussion focused on developing a mechanism to resolve trade and financial tensions. The two leaders agreed to establish a Japan-China Economic Partnership. In addition to working-level discussions on various issues, vice ministers responsible for foreign policy, economics and trade, finance, and agriculture would also meet once each year. The partnership would seek to avoid, through dialogue, the politicization of economic issues, such as last year’s long-running safeguards controversy.

The Yasukuni Interlude: Back to History

Former Chief Cabinet Secretary Koga Makoto, currently chairman of the Association of Bereaved Families of the War Dead, led a delegation to China and South Korea to discuss lingering issues related to Koizumi’s 2001 visit to the Yasukuni Shrine. He was accompanied by Nonaka Hiromu, also a former Chief Cabinet Secretary, and met with China’s Foreign Minister Tang Jiaxuan. Tang spoke to the delegation of his hopes for a peaceful August that would have no negative impact on September’s 30th anniversary of the normalization of Sino-Japanese relations, in effect asking that the prime minister not repeat last August’s visit to the Shrine.

Eight days later, on Sunday morning April 21, Koizumi visited the Yasukuni Shrine. The event was front-page, above-the-fold, headline news. In defending his decision, the prime minister argued that paying respects to the war dead was only “natural.” Koizumi announced that he did not want to resurrect last year’s debate over the propriety of a visit to Yasukuni either shortly before or after the Aug. 15 commemoration of the end of the war. In this context, Koizumi believed the Spring Festival presented the best opportunity for him to visit the shrine tranquilly as an expression of his true inner feelings. Japan’s present prosperity, he noted, was built on the sacrifices of the war dead, and the “most
important thing for a political leader was to ensure prosperity by never again resorting to war.”

Beijing had a different view of the visit. Foreign Ministry spokesperson Zhang Qiyue made clear that China opposes visits to the shrine by Japanese leaders “at any time and in whatever capacity.” Vice Minister for Foreign Affairs Li Zhaoxing called in Japanese Ambassador Anami Koreshige to express China’s “strong dissatisfaction and resolute opposition” to the visit, which served to undercut previous explanations the prime minister had made on the subject of history. Meanwhile, in Tokyo, China’s ambassador to Japan, Wu Dawei, called on Vice Minister for Foreign Affairs Takeuchi Yukio. Wu told the vice minister that the visit had “deeply wounded the feelings of the Chinese people.” China was “resolutely opposed” to Japan’s political leaders visiting the Yasukuni Shrine.

On April 29, President Jiang Zemin told a New Komeito delegation, led by Kanzaki Takenori, who carried a personal letter from Koizumi to Jiang, that he considered the visit “absolutely unacceptable.” Jiang observed that, following the uproar last August, Koizumi had traveled to China, visited the Anti-Japan War Memorial, and met again with Jiang at the APEC meeting in Shanghai. As a result, Jiang had thought the issue was over. But now “the unthinkable” had again occurred. Jiang went on to say that the Chinese had thought the prime minister to be a man of honor and cautioned that Koizumi should not take this matter lightly. However the prime minister looked at the Yasukuni issue, Jiang made clear that China saw it as “a state-to-state” issue.”

Evidencing China’s displeasure, Beijing postponed the scheduled April 27-30 visit of Defense Agency head Nakatani Gen and called off the PLA Navy port call scheduled for May in Tokyo. In making the announcement, the Chinese Foreign Ministry found the visits “inappropriate under the present circumstances.” The People’s Daily under the headline, “Japan Must Confront History,” argued that Koizumi had miscalculated that, by paying homage at a time other than Aug. 15, he could escape the condemnation of China and Asia.

Jiang’s words also drew a restrained response from Tokyo. Government sources were quoted as saying Jiang’s rebuke was understandable given his position and that Beijing understood that the visit was a reflection of the prime minister’s deep personal beliefs. The Foreign Ministry likewise took the Chinese blast in stride, asserting that the strong response was “expected”; the real test would be China’s actions.

Even as the Yasukuni controversy played out, Zeng Qinghong, director of the Chinese Communist Party’s Organization Department and confidant of Jiang Zemin, accompanied by Li Jiangquo, party secretary of Shanxi Province and Meng Jianzhu, party secretary of Jiangxi Province, arrived in Oita Prefecture on April 25. Two days later, Kanzaki’s New Komeito delegation arrived in Beijing. At the same time, discussion between Tokyo and Beijing continued over the raising of the mystery ship.
**Mystery Ship**

On Dec. 22, the Japanese Coast Guard intercepted and exchanged fire with an alleged DPRK ship operating within Japan’s EEZ. The ship fled, entered China’s EEZ, where it sank. It became a political issue in Japan as well as a diplomatic issue between Japan and China.

Early on, Beijing insisted that Japan pay careful attention to China’s interests and concerns in efforts to identify and raise the mystery ship. On April 18 and 19, working-level officials from Japan’s Foreign Ministry and Coast Guard traveled to Beijing to inform the government of Japan’s plans to send divers to the site in early May.

On May 13, the coast guard revealed that exploration of the ship had yielded weapons, including rocket launchers, a machine gun, and an automatic rifle, along with the remains of two bodies. The coast guard also said that it wanted to begin operations to raise the ship in June, following consultations with Beijing.

On June 25, the salvage ship, *Shinyo Maru*, left Kagoshima for the salvage site after Japan and China reached an agreement; operations began June 26. China’s request for compensation for Chinese fisherman affected by the salvage operation remained under discussion in Tokyo as salvage operations began.

**Shenyang Incident – 14 Days in May**

On the afternoon of May 8, five North Koreans – two men, two women, and a child – rushed past Chinese guards attempting to enter the grounds of the Japanese consulate in Shenyang. China’s People’s Armed Police pursued and forcibly removed the two women and the child from the consulate grounds. The two men who entered the visa section were also forcibly removed. On May 22, the five North Koreans left China for Seoul via Manila.

The incident quickly became a cause célèbre between the two countries, a diplomatic version of *Rashomon* with respect to what happened, why, what was said by whom to whom, and when. The incident soon became a political issue between competing factions within the LDP with respect to China policy and, following a series of personnel and money scandals, again put the Foreign Ministry in the crosshairs of Japan’s political leadership.

The incident became front-page headline news the next morning in Japan. Temperatures in Tokyo jumped later that day when television news carried a video of the incident. The initial line taken by diplomatic sources in Tokyo was that the Chinese police had entered consular grounds without permission and infringed on Japanese sovereignty, contravening the Vienna Convention. On the evening of the 8th, the minister of the Japanese Embassy, Takahashi Kunio, lodged a protest with the Chinese Foreign Ministry and asked that the persons taken from the consulate be returned. Prime Minister Koizumi
called for the incident to be thoroughly investigated and carefully handled so as not to harm the Japan-China friendship.

Meanwhile, sources in Beijing were making it clear that China would oppose any return of the detainees. Moreover, Beijing regarded the apprehension of the intruders as an action taken to protect the consulate and thus in accord with China’s obligation under the Vienna Convention.

On May 10 Foreign Minister Kawaguchi called in the Chinese ambassador and, along with renewing the request for the return of the detainees, asked for an apology from Beijing as well as guarantees that such events would not take place in the future. The Japanese government regarded the incident as a clear violation of the Convention and, from humanitarian considerations, asked the five persons be returned. At the same time, the Foreign Ministry set up a task force to deal with the incident and the next day dispatched an inquiry team to Shenyang.

According to the Chinese version of events, while the two women were “dragging and scratching” the guards, the two males had forcibly entered the consulate grounds, one elbowing his way past the police guard causing a bloody nose. At that point, the vice consul came out of the consulate. The police then asked the vice consul if they could enter the consulate and remove the intruders; the official gave his permission and the police then entered the grounds. Inside the consulate’s visa section, the police again asked if they should take away the two men. The Japanese official “bowed and nodded in agreement and said ‘yes’ in Chinese.” Later, when the police asked if they should take away all five intruders, the Japanese official, after a cell phone conversation with higher-ranking officials, gave his approval, “bowed” to the police, and “said ‘thanks’ in Chinese repeatedly.”

China’s Foreign Ministry spokesperson Kong Quan told reporters that the guards, acting in a post-Sept. 11 environment, had risked their lives to protect the consulate and its employees from “unidentified” intruders. Japan should understand and appreciate their “sense of responsibility”; instead, what has been witnessed is the “overreaction of the Japanese side.”

The Japanese Foreign Ministry, in its report of the incident, refuted the Chinese version and asserted the consular went so far as to attempt to physically block the removal of the five individuals from the police box outside the compound. However, with requests for an apology and for a return of the five detainees being firmly rebuffed by Beijing, Tokyo began to shift its position.

On May 14, Prime Minister Koizumi told the Upper House that, while the government would continue to ask for a hand-over the detainees, it was essential that humanitarian considerations be realized. According to Foreign Ministry sources, Japan’s bottom line was that they not be returned to North Korea but rather be allowed to depart China for a third country. In the face of Beijing’s refusal to consider either an apology or the return
of the detainees, Tokyo was moving to disentangle the fate of the five individuals from the dispute over the Vienna Convention.

A less flattering picture of Japanese humanitarian concerns made front-page news that morning. Both Sankei and Yomiuri reported that at a May 8 embassy staff meeting, Ambassador Anami instructed staff that they should be prepared to turn away asylum-seekers. While recognizing such actions could “evolve into a humanitarian issue,” the ambassador was of the opinion that it was “better not to be involved in trouble.”

The issue also played into Japan’s domestic politics. The opposition Democratic Party sent its own fact-finding team to China to investigate the incident. The opposition’s report revealed additional unflattering facts, most notably a handshake between a consulate official and the head of the police detachment during the incident and a telephone call from the consulate to provincial authorities to thank them for resolving the incident. The Foreign Ministry’s report of the incident failed to mention these details. The Democrats got little thanks for their efforts. Deputy Chief Cabinet Secretary Abe Shinzo called them a “Chinese mouthpiece.” Koizumi labeled the Democrats’ efforts “masochistic.”

Within the LDP, the pro-Taiwan, Eto-Kamei faction criticized the Foreign Ministry’s handling of the incident and attacked China for breaking into the consulate and abducting the asylum-seekers. Faction leader Eto charged the Foreign Ministry with conducting “a diplomacy of prostrating before China.” China, he observed, has “a genius for telling lies.” Meanwhile, the Hashimoto faction, originally formed by former Prime Minister Tanaka Kakuei, who had normalized relations with China, urged consideration of the anniversary year.

Also calling for calm, Vice Premier Qian Qichen told a group of visiting Japanese newspaper editors that there have been “larger problems” that the two countries were able to resolve successfully and that the present matter did not require “high-level discussion.” Deputy Chief Cabinet Secretary Abe told a television audience that Japan’s “top priority” was the human rights of the five asylum-seekers. He went on to say, “That’s more important that saving our face.”

The denouement came unexpectedly on May 22, when the five North Koreans left Beijing for Seoul via Manila. In Tokyo, Kawaguchi told reporters that the government had been asking that China give priority to “the fulfillment of the humanitarian needs of the five people.” The government believed “China has considered the Japanese request in its decision this time.” Koizumi expressed satisfaction with the humanitarian resolution of the incident, even if it had to end ambiguously without Japan being able to interview the asylum-seekers. Japan’s protests relating violations of the Vienna Convention remained unresolved.

**Economic and Commercial Relations**
Neither the Yasukuni Shrine nor the Shenyang incident slowed the expansion of Japan’s economic and commercial relations with China during the quarter. From automobiles to computers, Japan’s private sector continued to move toward the mainland, attracted by China’s low-cost labor and market potential. Also, Prime Minister Koizumi’s speech at the Boao Forum and the subsequent agreement with Zhu Rongji to establish the Japan-China Economic Partnership in order to avoid the politicization of trade issues provided encouraging political reinforcement to the rapidly expanding economic relationship.

Indicative of the rate of expansion were preliminary trade figures for 2001, released by the Ministry of Finance in mid-April. In 2001, imports from China increased 13.8 percent over 2000 to a figure of ¥7.15 trillion – the first time imports went over the ¥7 trillion mark, bringing imports from China close to the level of imports from the United States. Meanwhile, exports to China hit ¥3.88 trillion, up 10.8 percent from 2000. The margin of increase in both categories was the largest ever. At the same time, the Cabinet Office released the results of a corporate survey in which 72 percent of respondents listed China (excluding Hong Kong) as a possible destination for investment in the period 2002-2004. The figure represents a 52 percent increase over 1999-2001.

At the same time, both governments were taking steps to protect domestic interests. In Tokyo, the Ministry of Economic, Trade, and Industry (METI) postponed until Oct. 15 a decision to extend WTO safeguard protection to towel imports from China. Meanwhile, China’s Ministry of Foreign Trade and External Economic Cooperation announced a decision to launch an antidumping investigation on polyester and vinyl imported from Japan and Taiwan. METI’s Suzuki Hideo deplored the “unilateral” decision as undercutting efforts to build mutual confidence. Japanese and Chinese officials met in Beijing June 12 to discuss application of the safeguards. While Japanese officials spoke of using the WTO dispute resolution mechanism to resolve the issue, Chinese officials refrained from a detailed discussion of the scope of the safeguards.

**Nuclear Options**

Nuclear weapons also played a role in the Japan-China dialogue this quarter. On April 6, speaking in Fukuoka, Liberal Party leader Ozawa Ichiro criticized Beijing’s military build-up and warned that China’s “conceited attitude” could make Japan “hysterical” and drive Japan to acquire nuclear weapons. Ozawa said that Japan had enough plutonium in its nuclear power plants to build 3,000 to 4,000 nuclear warheads. The next day, Ozawa, backpedalling quickly, issued a clarification. Ozawa said his remarks referred to a conversation in which he told a deputy chief of the PLA that “Japan could become a nuclear power with its technology and economic might, but that it would be tragic if such a thing occurs and we must not let it happen.” Ozawa went on to say that he was personally opposed to nuclear armament and that nuclear weapons brought “nothing beneficial to Japan politically.” He simply wanted to let the PLA officer know that “if we get serious, we will never be beaten in terms of military power.” But, believing that Japan and China can peacefully coexist, his real aim was to strengthen relations between the two countries.
In Beijing, Deputy Foreign Ministry spokesperson Zhang Qiyue branded Ozawa’s remarks as “provocative, representing an outdated Cold War mentality,” and “entirely against the desire of the Chinese and Japanese people for friendship.”

The nuclear option resurfaces at the end of May in a *Sunday Mainichi* article, “The Incredible Contents of What the Deputy Chief Cabinet Secretary Said.” The report quoted Deputy Chief Cabinet Secretary Abe Shinzo as telling a Waseda University audience, “Constitutionally, there is no problem about (possessing) atomic bombs if their capability is limited.” Neither did intercontinental ballistic missiles (ICBMs) pose any constitutional problems. Abe also carefully made the point that constitutional legality and public policy are not the same.

Asked about Abe’s comments at a May 31 press conference, Chief Cabinet Secretary Fukuda said that he thought it “theoretically” possible for Japan to possess nuclear weapons but that political arguments would preclude that from happening. Likewise, with regard to ICBMs, Fukuda did not think Japan was “constitutionally and legally” prohibited from possessing such weapons but that Japan would not acquire them as a matter of policy. Later a government official, subsequently identified as Fukuda, told reporters off the record, “The topic of amending the Constitution has often been discussed lately. So if anything happens, if the international situation changes, there may be an opinion from the public insisting Japan should have (nuclear weapons.)”

Beijing responded quickly, finding Fukuda’s words “shocking.” The PRC Foreign Ministry spokesperson Kong Quan stated Fukuda’s comments “obviously violate” Japan’s three antinuclear principles and its commitment to the international community on the nuclear problem. To contain the budding controversy, the Koizumi government quickly sought to limit the resulting damage. In South Korea for the opening of the World Cup, the prime minister told reporters that while he could not predict the future, his government would “uphold the three nonnuclear principles.” Koizumi stressed that he had not considered reviewing the principles “at all.” In Singapore, JDA head Nakatani told reporters that Japan’s possession of nuclear weapons would result in an unstable international environment and “never bring about any benefits in terms … of the peace and prosperity of our country.” On the evening of May 31, Fukuda also told the press that the Koizumi government had no intention to change the three nonnuclear principles.

### Chronology of Japan-China Relations
**April - June 2002**

**April 2-9, 2002:** Li Peng, chairman of China’s National People’s Congress, visits Japan.

**April 6, 2002:** Liberal Party leader Ozawa Ichiro, speaking in Fukuoka, warns Beijing that China could drive Japan to possess nuclear weapons.

**April 11-12, 2002:** Japanese Prime Minister Koizumi Junichiro travels to China to address Boao Asia Forum on Hainan Island and meets with Premier Zhu Rongji.
April 14, 2002: Koga Makoto, chairman of the Association of Bereaved Families, meets in Beijing with China’s Foreign Minister Tang Jiaxuan to discuss issues related to the Yasukuni Shrine.


April 21, 2002: Koizumi visits Yasukuni Shrine, again raising history-related issues. China cancels April 27-30 visit of JDA head Nakatani Gen and scheduled May port call in Tokyo by PLA Navy.

April 25, 2002: Zeng Qinghong, director of the Chinese Communist Party’s Organization Department and confidant of Jiang Zemin, arrives in Oita Prefecture accompanied by Provincial Party Secretaries Li Jiangquo and Meng Jianzhu.

April 29, 2002: President Jiang Zemin tells visiting New Komeito delegation, led by Kanzaki Takenori, that Koizumi’s Yasukuni visit is “absolutely unacceptable.”

May 1, 2002: Undersea divers begin survey of mystery ship.


May 13, 2002: Japanese Coast Guard announces intent to begin mystery ship salvage operation in June.

May 22, 2002: China announces increase of tariff on imported steel, setting off protests among Japanese steelmakers.

May 31, 2002: Chief Cabinet Secretary Fukuda Yasuo takes up theoretical possibility of Japan possessing nuclear weapons under the existing constitution. Koizumi, in Seoul for the opening of the World Cup, makes clear that his government has no intention of revising Japan’s three nonnuclear principles. That evening Fukuda issues a similar statement.

June 5, 2002: China’s Vice Premier Wen Jiabao meets with visiting New Conservative Party leader Noda Takeshi. Wen tells Noda that the mystery ship issue would be resolved from the broader perspective of China-Japan relations.

June 12, 2002: Japanese and Chinese officials meet in Beijing to discuss China’s imposition of safeguards on imported steel.

June 18, 2002: Working-level consultations in Beijing reported to reach agreement on terms and conditions of raising mystery ship.
June 18-20, 2002: Foreign Ministers Kawaguchi and Tang meet in Thailand to discuss Shenyang incident and finalize agreement on raising mystery ship.


June 25, 2002: Salvage ship *Shinyo Maru* leaves Kagoshima for salvage site.


June 26, 2002: Mystery ship salvage operations begin.