

## Japan-China Relations: Spiraling Downward

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The summer provided no respite from the controversies troubling Japan's relations with China. Japan's internal debate over history, in this instance the adoption of a history textbook for middle schools, continued to buffet bilateral relations with China. At the same time, Japanese Prime Minister Koizumi Junichiro's announced intention to visit the Yasukuni Shrine on Aug. 15, to many the very symbol of Japanese militarism, only further exacerbated relations. The issue came to dominate bilateral discourse. As Aug. 15 approached, it was almost all Yasukuni, almost all the time. In the end, Koizumi yielded to internal and external (read: Chinese) pressures, visiting the shrine on Aug. 13. Following the visit, Koizumi turned Japanese diplomacy toward a damage limitation strategy.

It was also rough going on the economic front. The trade dispute over Japan's imposition of temporary safeguards on Chinese agricultural exports and China's own retaliation against Japanese automobile and electronic exports remained unresolved. Meanwhile, other Japanese industries were exploring similar relief from Chinese exports.

Security relations continued to be troubled by the appearance of Chinese maritime research vessels in Japan's exclusive economic zone (EEZ). Their activity appeared to contravene the protocols of the prior notification agreement negotiated earlier in the year. At the same time, the release of "Defense of Japan 2001," Japan's defense White Paper, gave greater definition to China's military modernization and the implications for Japanese security.

### **Textbooks and History**

The textbook issue continued to smolder this quarter. Both China and South Korea asked Tokyo to make revisions in the "New History" text, with China requesting nine changes and South Korea 25. In early July, Fusosha, the textbook publisher, announced that it had self-initiated minor changes in the controversial text, including some of those insisted on by Beijing and Seoul. These changes, the publisher informed the Japanese Education Ministry, involved corrections of wording, not fact, and were made at the request of the authors, not in response to entreaties from China and Korea. Chief Cabinet Secretary

Fukuda Yasuo welcomed the changes as preserving “the spirit of the textbook authorization process.”

To increase understanding on the textbook problem and tamp down fires building toward the prime minister’s announced intention to visit the Yasukuni Shrine on Aug. 15, the secretaries general of Japan’s three-party ruling coalition traveled to South Korea and China July 8-11. In China, the delegation met with President Jiang Zemin, Vice Premier Qian Qichen, and Foreign Minister Tang Jiaxuan.

Decisions on textbooks began in mid-July. In Tochigi Prefecture, eight textbook screening councils announced their intention to adopt the new history textbook for the 2002 school year. Less than two weeks later, however, the district boards of education, meeting strong, organized opposition, rejected the text. In early August, the Tokyo Board of Education adopted the text for use in schools for disabled students. This decision marked the first commitment to the text by a public school system. On Aug. 8, Ehime Prefecture also adopted the text for use in schools with disabled children. However, the results of an mid-August national survey conducted by the *Asahi Shimbun* indicated that less than 1 percent of Japan’s national and municipal middle schools had adopted the text.

### **Security: The Defense White Paper**

On July 6, the Cabinet approved the Defense Agency’s White Paper, “Defense of Japan 2001.” The White Paper added not only greater length to its coverage of China but greater specificity as well. The document devoted three additional pages, 12 in total, to China. In terms of specificity, the 2001 report noted that medium-range Chinese missiles had increased in number from 70 to 100, while inter-continental ballistic missiles (ICBMs), last year described as “some 10,” were approximately 20 in number. The report also drew attention to the intelligence activities of Chinese research ships in Japan’s EEZ and to the PLA Navy’s aim of becoming a “blue water navy.”

Like the “Defense of Japan 2000,” which broke new ground by identifying Japan as falling within the range of Beijing’s medium- and ICBM-range missiles, this year’s White Paper posed the question whether China’s defense modernization budget, 10 percent plus for the past 13 years and a 17 percent increase this year – the largest in the past six years – could be judged as going beyond what is necessary for defense. While taking into account increasing personnel costs, the report for the first time called attention to the PLA’s interest in preparing for local war under high-tech conditions and again raised transparency as an issue. The report also called attention to China-Taiwan relations as a cause of instability in the Asia-Pacific region.

On July 12, the Chinese Foreign Ministry’s Deputy Spokesperson Zhang Qiyue expressed “regret and dissatisfaction” with the White Paper. Zhang explained that China’s military was “defensive” in nature and “not a threat to any country.” She indicted the White Paper for failing “to build mutual trust and understanding in the area of security.”

Also with regard to defense policy, the *Nihon Keizai Shimbun*, on Aug. 6, reported that the Koizumi government had decided to initiate a review of Japan's National Defense Program Outline (NDPO). The NDPO sets the objectives for the Mid-Term Defense Plan; the current Mid-Term Defense Plan concludes in 2005. The NDPO was last revised in 1995 after a period of 20 years. In light of the potential for conflict on the Korean Peninsula and in the Taiwan Strait, the NDPO would focus on shifting Self-Defense Forces to the south, to bases in Kyushu and Okinawa.

### **Chinese Naval Activity**

On July 9, a Japanese Coast Guard airplane discovered a Chinese research ship operating in Japan's EEZ near the Senkaku Islands. The ship had entered Japanese waters without giving prior notification of its intent to conduct research activities, thus contravening the Japan-China agreement on prior notification signed earlier this year in Beijing. The accord provided for two months prior notification of research activities, intended area of operation, and nature of scientific research. The July incident marked the first violation of the agreement. Four days later, on July 13, the coast guard confirmed that a second Chinese ship was operating in an area other than that previously identified. On July 16, a Chinese icebreaker was found off Okinawa, apparently conducting intelligence activities.

On July 17, the Japanese minister in Beijing asked that China exercise self-restraint in such matters so as not to invite misunderstanding and suspicions. In reply, a Chinese official stated that Beijing had absolutely no intention to exacerbate relations, would pay particular attention to the Japanese protest, and wanted to strictly observe the February agreement. The good intentions lasted less than a day – on July 18 the coast guard spotted another Chinese ship operating off Okinawa without prior notification.

On July 26, the government released a five-year survey of Chinese maritime activities within Japan's EEZ. The survey pointed to illegal resource-related research activities and raised the possibility that some operations may have been for military purposes, citing anti-submarine activities carried out in the areas surveyed. The possibility of military-related research was underscored by a July 28 *Tokyo Shimbun* report of a Chinese research ship operating since July 11 off southern Kyushu. Military sources suggested that the ship was mapping the sea floor in order to develop routes from the South China Sea to the Pacific Ocean for Chinese submarines.

Foreign Minister Tanaka Makiko took up the issue with her Chinese counterpart during the ASEAN Regional Forum (ARF) meeting in Hanoi, asking for China's self-restraint in the matter. Foreign Minister Tang replied that China attached great importance to the agreement and would continue strictly to adhere to it. Less than a month later, the coast guard found a Chinese ship operating near the Senkaku Islands in violation of its prior notification agreement.

## **New ODA Relations**

In early June Finance Minister Shiokawa Masajiro announced his intention to cut Japan's overseas development assistance (ODA) program by 10 percent in FY 2002. Shiokawa, however, raised eyebrows when, during an election campaign rally in Osaka on July 14, he again addressed the ODA program. Reiterating his call for a 10 percent cut, Shiokawa went on to say that he found it "absurd" for Japan to provide development assistance to countries with nuclear weapons and missiles capable of striking Japan. Three days later, at a press conference following a Cabinet meeting, the minister made clear that his remarks should be taken in a global context and not be understood as directed at China. However, during an Aug. 26 town meeting on the ODA program held at Kobe University, the Foreign Ministry found such views being expressed by speakers from among the approximately 3,000 attendees.

## **Economic Relations: Trade Tensions**

In April, reacting to a surge in Chinese agricultural imports, the Japanese government imposed temporary safeguards on the importation of leeks, shitake mushrooms, and reeds used in making tatami mats. In mid-June, Beijing reacted, raising tariffs to 100 percent on Japanese automobiles, cell phones, and air conditioners; Japan, in turn, called for consultations.

On July 3-4, negotiators from Japan's Foreign Ministry, Agricultural Ministry, and the Ministry of Economics, Trade, and Industry (METI) met with their Chinese counterparts in Beijing. The talks failed to resolve the outstanding issues. Japan argued that the safeguards were not targeted at Chinese goods *per se* but were in accordance with WTO rules, which allowed such actions to deal for a limited time with sudden import surges. At the same time, it was argued that China's retaliatory 100 percent import duties were aimed at specific Japanese exports and thus were in violation of the Japan-China trade agreement and WTO rules. China refused to repeal the tariffs, insisting that Japan first remove its safeguards on Chinese agricultural products.

Following the agriculture precedent, Japan's towel industry was also looking for safeguard protection from towels imported from China. However, the calls for protection were opposed by Japanese towel makers who had set up production in China and were exporting back to Japan. Deadline for a government decision is Oct. 15.

Moreover, the Finance Ministry was reportedly prepared to impose prohibitive duties, in the range of 35-50 percent, on imported Chinese table salt beginning in April of 2002, when liberalization of Japan's salt industry is scheduled to be completed. The tariff would be imposed for an initial period of three years.

As in the case of agricultural safeguards, Beijing was quick to react to the towel industry's call for safeguards. On July 16, the spokesman for China's Ministry of Foreign Trade and Economic Cooperation made clear that China was resolutely opposed

to protectionism under any guise adopted by the Japanese government and that Beijing would pay careful attention to the salt issue.

Hopes for better trade relations were bolstered Sept. 17, when the World Trade Organization (WTO) working group in Geneva approved China's accession protocols.

## **The Yasukuni Visit: Almost All Yasukuni; Almost All the Time**

### **Part I: The July Run-up**

The Yasukuni issue had its origins in April's LDP presidential election campaign. Speaking to officials of the Japan War-Bereaved Association, then-candidate Koizumi said "I will pay homage at Yasukuni Shrine after I become president of the LDP." The statement initially made during a telephone conversation was soon front-page news. As prime minister, Koizumi returned to this promise, stating "I want to express regret and gratitude to war victims ... I cannot understand how my intentions can be criticized."

Others, however, most notably Koreans and Chinese, were having trouble understanding his intentions. As in the textbook issue, their concerns, in particular, focused on Japan's understanding of its history. As noted above, the secretaries general of the ruling coalition – Yamazaki Taku, LDP; Fuyushiba Tetsuzo, New Komeito; and Noda Takeshi, New Conservative Party – traveled to South Korea and China in an attempt to deal with the issues and explain the prime minister's thinking. During the meeting with President Jiang Zemin, Jiang made clear his concerns with recent developments, in particular the potential of a Yasukuni visit to damage, if not destroy, the bilateral relationship.

In an earlier meeting with Tang Jiaxuan, China's foreign minister told the delegation that China "could not accept a visit by a Japanese leader to the Yasukuni Shrine, where Class-A war criminals are enshrined." With respect to history issues, Beijing had carefully limited its criticism to "a small number of rightists," and differentiated between Japan's general population, which it has accepted as victims of the war, and Japan's war criminals. However, Tang made clear that a visit to the shrine by the prime minister would challenge that analysis and make it difficult for Beijing to sustain it.

Three days later, on July 24, Foreign Ministers Tanaka and Tang met in Hanoi just prior to the ARF. Tang came right to the point, the prime minister's still expressed intention to visit the Yasukuni Shrine. Speaking in Japanese to maximize time for discussion during the 50-minute meeting, Tang stated that should Koizumi persist in visiting the shrine, it would evoke a "strong reaction among the Chinese people." Tanaka stated that she would convey the message to the prime minister. Before leaving for Tokyo, Tanaka indicated to reporters that she opposed the Yasukuni visit.

## **Part II: Countdown to Decision**

As July turned to August, the prime minister continued to develop political space on the visit. On Aug. 1, he asserted that he had never made a “public pledge to visit the shrine on Aug. 15,” explaining that he made the statement only in response to a question about his plans to visit Yasukuni. The next day, during a meeting with new Chinese Ambassador Wu Daiwei, Koizumi returned to his “careful consideration” line in discussing the Yasukuni visit. The debate in Japan intensified.

On Aug. 13, the prime minister, in a surprise move, visited Yasukuni and ended the debate. Briefing the press on the visit, Chief Cabinet Secretary Fukuda read the text of a statement by the prime minister. In it, the prime minister acknowledged that Japan had caused “tremendous sufferings to many people in the world, including its own. In particular, toward the various countries of Asia, Japan during one period in its past carried out colonial rule and aggression based on mistaken policies, inflicting immeasurable horrors and pain on these people.” The prime minister went on to acknowledge this “regrettable history” and to express his “profound regrets” and “feeling of remorse toward all those sacrificed in the war.” He declared that Japan “must never again pursue a course leading to war.”

He also took time to explain why he was not visiting the shrine on Aug. 15. As the anniversary approached, the prime minister explained that “voices arose at home and abroad criticizing the propriety of ... visiting the Yasukuni Shrine.” Thus, because of concerns that his visit to the shrine might be misinterpreted and usher in “doubts here and abroad about Japan’s basis principle of renouncing war and embracing peace,” he had decided not to pay homage on Aug. 15 but to do so at an alternative date of his choosing. The prime minister also said that retracting his previous pledge was a “deeply embarrassing” act. Nevertheless, as prime minister he had to “cast aside personal matters and consider broad national interests” in making his decisions.

## **Part III: Aftermath in Beijing**

The visit had the predictable results. Vice Foreign Minister Wang Yi called in the Japanese ambassador to protest the visit. Expressing China’s “strong anger,” the vice minister said that the visit had “destroyed the political foundation of Sino-Japanese relations” and would affect “the healthy development of bilateral relations.” At the same time, he noted that the prime minister had avoided Aug. 15, “the most sensitive date” and had both acknowledged and regretted “the historical fact of Japan’s aggression.” Japanese flags were burned in front of the Japanese embassy, and protesters were allowed their day.

However, the *Asahi* reported that the public reaction was noticeably restrained and nothing like the mass emotion that erupted over the EP-3 incident. Previously, it had speculated that China’s restraint in the textbook issue was a function of the growing importance Beijing attached to relations with Japan. Seeming confirmation of Beijing’s efforts to exercise restraint came when the Chinese State Council’s press spokesperson

stated that China wanted “to see news reporting keep balance, not focusing only on that issue.”

Nevertheless, Chinese sources reported that even if reactions within the Communist Party and among the general population could be restrained, the visit would “unavoidably affect diplomacy.” The visit put at risk the opportunity for Koizumi to meet with Jiang Zemin during the APEC Leader’s Meeting in Shanghai. A Chinese Foreign Ministry spokesperson said that it was incumbent on Japan to “create the necessary environment and conditions” for such a meeting. Yet Foreign Minister Tang told the *Asahi Shimbun* that there was “no change” in China’s policy, articulated last year by Jiang Zemin, of placing great importance on relations with Japan and that he hoped that Japan would soon take steps to put the relationship back on a normal footing.

#### **Part IV: Aftermath in Tokyo**

Foreign Ministry sources reported that the prime minister wanted to meet with Jiang Zemin and Kim Dae-jung to explain his visit. In an attempt to moderate reactions, Koizumi sent LDP Secretary General Yamasaki to Southeast Asia. At the same time, the Japan-China New Century Association dispatched a supra-partisan group of Diet members, led by former Diet member Endo Otohiko to China. On Aug. 28, they met with Li Peng, chairman of the Standing Committee of the National People’s Congress. Referring to recent history-related issues, Li told the group that Japan should “follow the path of pacifism.” Also at the end of the month, Hayashi Yoshiro, LDP member and president of the Japan-China Parliamentarians’ Friendship League announced that he would travel to China Sept. 12 with hopes of righting the relationship and paving the way for a visit by the prime minister.

At the same time, early reaction to the visit held some good news for the prime minister. A *Mainichi Shimbun* public opinion poll, conducted on Aug. 18 and published on Aug. 20, found 65 percent of respondents supporting the prime minister’s decision while 28 percent opposed it. Of those supporting it, 39 percent thought it properly reflected consideration for the concerns of China and Korea. Overall support for the Koizumi government stood at 81 percent, suggesting the visit had only minimal impact on the prime minister’s popularity.

## **Chronology of Japan-China Relations July - September 2001**

**July 3-4, 2001:** Trade negotiators meet in Beijing to discuss Japan's safeguards and China's special import duties.

**July 6, 2001:** Japan issues "Defense of Japan 2001."

**July 8-11, 2001:** Secretaries general of the ruling coalition travel to South Korea and China to discuss textbooks and Yasukuni visit.

**July 14, 2001:** Minister of Finance Shiokawa questions whether Japan should provide ODA to countries with nuclear weapons and missiles capable of striking Japan; later explains he did not mean "China" specifically.

**mid-July, 2001:** Chinese research ships found operating in Japan's EEZ in contravention of protocols of Mutual Notification Agreement.

**July 24, 2001:** Foreign Ministers Tanaka and Tang meet in Hanoi prior to the ARF meeting; Tang requests cancellation of shrine visit.

**July 31-Aug. 5, 2001:** Former LDP Secretary General Nonaka Hiromu visits China at invitation of Chinese leadership; Yasukuni is central issue of discussion.

**Aug. 6, 2001:** Koizumi government announces intention to revise National Defense Program Outline.

**Aug. 10, 2001:** Koizumi meets with secretaries general of ruling coalition in preparation for final decision on Yasukuni visit.

**Aug. 13, 2001:** Koizumi visits the Yasukuni Shrine and issues statement of regret.

**Aug. 15, 2001:** School districts overwhelmingly do not adopt "New History" textbook.

**Aug. 28, 2001:** Japan-China New Century Association meets with Li Peng, chairman of the Standing Committee of the National People's Congress, in Beijing.

**Aug. 29, 2001:** Hayashi Yoshiro, chairman of the Japan-China Parliamentarians Friendship League, announces plans for mid-September visit to China.

**Aug. 31, 2001:** Foreign Minister Tang Jiaxuan tells the *Asahi Shimbun* that there is no change in China's policy of placing great importance on relations with Japan.

**Sept. 3, 2001:** China commemorates 56<sup>th</sup> anniversary of the victory of the War of Resistance against Japan.

**Sept. 6, 2001:** Vice Foreign Minister Wang Yi expresses Chinese hopes to restore relations with Japan, but leaves it to Tokyo to decide how to do this.

**Sept. 13, 2001:** Jiang Zemin meets with visiting Japanese parliamentarians and expresses his lack of understanding of the Yasukuni visit.

**Sept. 17, 2001:** WTO working group in Geneva accepts China's accession protocol; formal approval to take place in November at trade ministers meeting in Doha, Qatar.

**Sept. 18, 2001:** China commemorates 70<sup>th</sup> anniversary of the Mukden Incident. Foreign Ministry spokesperson urges Japan to draw "profound lessons" from its past and "go down the road of peaceful development."

**Sept. 18, 2001:** WTO working group in Geneva clears Taiwan for membership as customs territory; formal approval to take place in November at trade ministers' meeting in Doha, Qatar.

