



## Japan-China Relations:

## High-level Meetings Intensify as Old Problems Simmer

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Intensive high-level meetings marked the second quarter of the year for Japan and China. In April alone, Prime Minister Aso Taro met three times with China's leaders, President Hu Jintao and Premier Wen Jiabao. Efforts to structure a response to North Korea's April 5 missile test and May 25 nuclear test dominated bilateral diplomacy. Japan's call for a strong response in the UN Security Council met with Chinese appeals for caution and restraint. Japanese efforts to begin implementation of the June 2008 agreement on the joint development of natural gas fields in the East China Sea and to resolve the January 2008 contaminated gyoza cases made little progress. Issues of history were rekindled by Prime Minister Aso's offerings at the Yasukuni Shrine and the release of movies on the Nanjing Massacre in China. The quarter ended with senior diplomats again discussing implementation of UN Security Council Resolution 1874, which imposed sanctions on North Korea.

### High-level meetings

On April 2, Prime Minister Aso Taro met President Hu Jintao on the sidelines of the G20 Summit in London. Aso focused the discussion on the need for a strong response by the United Nations Security Council (UNSC) in the event North Korea followed through on its stated intention to launch a satellite. While recognizing the political impact of a launch in Japan, Hu cautioned against escalatory steps, called for a cool-headed response, and made clear that he wanted to develop a coordinated response within the framework of the Six-Party Talks.

Aso also noted the lack of progress in resolving issues related to the implementation of the June 2008 agreement on the joint development of natural gas fields in the East China Sea, making clear the he expected Hu to demonstrate leadership on the issue. Hu replied that he preferred an exchange of views at the working level. As for the long-standing contaminated gyoza issue, Hu said that he wanted to cooperate with Japan in resolving the matter. It was also announced that Aso would visit China at the end of the month.

Just over a week later, in the wake of North Korea's April 5 missile test, Aso met Premier Wen Jiabao on April 11 at the ASEAN-related meetings in Pattaya, Thailand. Aso asked Wen to "think of the sentiments of the Japanese people, including those in Akita and Iwate Prefectures, over which the missile flew." During the meeting, which ran 50 minutes over schedule, Aso pressed Wen to support a UNSC resolution, to which Wen replied "Let's leave the matter to the

experts.” Aso made it clear that if a presidential statement was adopted, it would have to cite North Korea’s action as a violation of UN Security Council Resolution 1718.

After the bilateral meeting, Aso and Wen met South Korean President Lee Myung-bak. The meeting produced an agreement to support a nonbinding President’s Statement condemning North Korea for the missile test. While conceding on the form of a presidential statement, Aso, with the support of Lee, insisted on the adoption of the strongest possible language.

With a view to moving North Korea back to the negotiating table, Chief Cabinet Secretary Kawamura Takeo told reporters that “China must make full use of its authority as the nation hosting the Six-Party Talks.” In an April 17 interview with the *Nihon Keizai Shimbun*, China’s Foreign Minister Yang Jiechi said that he would “like to make a positive effort to maintain the negotiation process,” promising that China “will keep in touch with North Korea.”

On April 29, Prime Minister Aso arrived in Beijing and conferred with Premier Wen in the Great Hall of the People. Wen opened the meeting by noting that China-Japan relations have “improved through mutual efforts and accomplishments” and called on the two countries to “value and maintain their relationship.” Aso replied by noting that his visit to Beijing marked his third meeting with Chinese leaders within the month. The wide-ranging discussion touched on cooperation in dealing with the global economic crisis, the environment, swine flu, North Korea, nuclear disarmament, and Aso’s recent offering to the Yasukuni Shrine. On North Korea, Aso said that he expected China, as chair of the Six-Party Talks, to take the lead role in bringing Pyongyang back to the table. Wen, in turn, expressed the need for “persistence in overcoming difficulties” and the desire to “deepen coordination with Japan.”

Wen emphasized the importance of dealing with the past and Yasukuni in particular, expressing the hope that “Japan will deal appropriately with the matter.” Aso replied that Japan’s position remained “unchanged,” referring to the 1995 statement of Prime Minister Murayama Tomiichi which apologized and expressed remorse for Japan’s colonial rule and aggression.

As for nuclear disarmament, Aso asked China to support the efforts of the Obama administration to reduce nuclear weapons. Wen replied that China has “consistently advocated a total ban on nuclear weapons” and adheres to a no first-use policy.

The two leaders agreed to cooperate and exchange information on health risks posed by swine flu. To advance bilateral relations, they agreed to the opening of regular flights between Tokyo’s Haneda airport and Beijing beginning in October. Aso also proposed a joint Japan-China comprehensive cooperation plan to deal with environmental protection and energy conservation.

However, no progress was made on the issues of the East China Sea and contaminated *gyoza*. Likewise, Aso raised the pending issue of China’s compulsory certification system, which will require disclosure of source codes for information technology products sold in China. He expressed concern that the requirements will become an obstacle to trade and asked Wen to reconsider the decision. Wen replied by noting that introduction of the system has been put off for over a year. (China announced the new system in January 2008 with a May 2010 start date.)

On April 30, Aso met President Hu in the Great Hall of the People. The discussion covered much the same ground as the previous day's meeting between Aso and Wen – the global economic crisis, the health dangers posed by swine flu, Yasukuni and history, North Korea, and nuclear disarmament; both sides repeated well-worn talking points. The *Yomiuri Shimbun*'s editorial on the summit was headlined "Superficial Strategic Mutually Beneficial Relationship."

## **Security**

On April 23, the People's Liberation Army (PLA) Navy marked its 60<sup>th</sup> anniversary with a fleet review off Qingdao. President Hu reviewed the fleet of naval vessels from 14 countries participating in the ceremonies. Although the Maritime Self-Defense Force was not invited to participate, it did send observers. The next day the *Nikkei Shimbun*'s editorial "China Must Increase Naval Transparency" called on Beijing to explain the strategic purpose behind its decision to build aircraft carriers. The editorial noted that "China's failure to fulfill its accountability will cause its neighbors to become even more concerned. The communist government itself should hurry to increase military transparency."

On April 27 in Tokyo, Foreign Minister Nakasone Hirofumi delivered an address calling for global nuclear disarmament. He raised the issue of China's modernization of its nuclear arsenal, observing that "China's strategic direction is unclear." China had "yet to undertake any nuclear arms reduction" and failed "to disclose any information about its nuclear arsenal." The *Asahi Shimbun* quoted a Foreign Ministry official as saying that a reduction in the nuclear arsenals of the U.S. and Russia would be "pointless if China were to increase its nuclear weapons." The diplomat went on to assert that "a cap must be placed on China's military expansion."

Beijing's response came the following day. The Foreign Ministry's deputy spokesperson told reporters that China had consistently supported the abolition of nuclear weapons and that its "nuclear strategy and nuclear policy are clear and completely transparent."

During Japan's Golden Week, Prime Minister Aso traveled to Europe. While at the Japan-European Union summit in Prague, Aso addressed the security environment in Northeast Asia, which he viewed as increasingly hostile as a result of North Korea's missile test and China's continuing modernization of its nuclear arsenal. The Chinese Foreign Ministry's spokesperson responded that "China's nuclear policy and nuclear strategy are very transparent" and that "China's position on denuclearization is clear for all to see." He did not understand "what Japan's leader was trying to achieve in using China's nuclear issue as a talking point...."

## **Spy scandal?**

In mid-May, Japanese media, drawing on reports in *The Australian*, reported that the former head of *Xinhua*'s Foreign Affairs Bureau, Yu Jiafu, has been sentenced to 18 years in prison for passing state secrets to Japan's Ambassador to China Miyamoto Yuji. The story in *The Australian* was based on an interview with Yu's daughter who had moved to Australia and become an Australian citizen.

The Chinese court found that the information passed by Yu to the Japanese ambassador, reports on China's policy toward North Korea, had harmed China's national security interests. Yu had admitted to passing the information to Miyamoto and a South Korean diplomat and to receiving money in return but insisted that information was not classified and based on open source material. It was reported that Yu had received a total of close to 3 million yen. The *Sankei Shimbun*, citing "related sources" reported that the Yu-Miyamoto relationship had developed during Miyamoto's posting as minister at the Japanese embassy in Beijing in 1998 and resumed upon his appointment as ambassador in 2006.

On the evening of May 13, the Japanese embassy issued a "no comment" on the report and Chief Cabinet Secretary Kawamura told reporters that Japan's diplomats respect and obey the laws of the countries to which they are accredited; thus, there was "no problem." On May 15, Miyamoto told reporters that to comment on the contents of diplomacy would only have negative consequences; he too issued a "no comment."

### **Taiwan and the Senkaku Islands**

On May 1, at a symposium held at Taiwan's National Chung Cheng University, Saito Masaki, head of the Taipei Office of Japan's Interchange Association, remarked that, in his personal view Taiwan's international status remained undetermined. Saito explained that under the San Francisco Peace Treaty, Japan only renounced sovereignty over Taiwan and that its ultimate status remains undetermined.

Saito's remark elicited protests from both Taipei and Beijing. Mainland media portrayed Saito's statement as that of a high Japanese official supporting Taiwan independence. China's *Environmental Times* cast Saito's words as those of a man expressing the dissatisfaction present within the Japanese government over the recent warming in cross-Strait relations.

Meanwhile activists in both Hong Kong and Taiwan announced plans to land on the Senkaku Islands to reinforce sovereignty claims. However, in both Hong Kong and Taipei, government authorities worked to pressure the activists to abandon their plans. Hong Kong authorities denied the activists' ship permission to depart Hong Kong harbor, citing the unsatisfactory condition of the ship and its documentation, while Taiwan's National Security Council prevailed on the boat owner to cancel the trip.

The *Sankei Shimbun* viewed the actions taken by the Hong Kong authorities as evidence of China's intent to avoid damaging the China-Japan relationship, while Japan's *Kyodo News* saw Taipei's actions as reflecting the efforts of Taiwan's President Ma Ying-jeou to improve Taiwan-Japan relations. Another sign of Ma's intent came May 5 with the announcement of a government decision to dedicate the restoration of the living quarters of the former Japanese engineer, Yada Yoichi, as a national park site; Yada worked to build a dam in the south of Taiwan during Japan's colonial occupation.

## **Yasukuni and history**

On April 21, a week before his scheduled visit to China, Prime Minister Aso, on the occasion of the Spring Festival, made an offering of *masakaki*, potted evergreen branches valued at 50,000 *yen*, to the Yasukuni Shrine. Shrine sources revealed that the offering was made in the name of Prime Minister Aso Taro. Responding to reporters' questions, Aso noted that he had made a similar offering the past October and that he did so again to "express my gratitude and respects to those who died for their country." Asked whether he would pay homage at the Shrine, Aso replied that he would make "an appropriate decision."

Aso later observed that "if the prime minister pays homage there, it would not be taken as a private visit." On the morning of April 22, 61 members of the Lower House and 26 members of the Upper House paid homage at the shrine; none were members of the Aso Cabinet.

In Beijing, the Foreign Ministry was quick to respond. At a regularly scheduled press conference, spokesperson Jiang Yu reminded Tokyo that "Yasukuni is an important and sensitive political issue" and asked Japan to "earnestly and scrupulously follow efforts on both side to overcome political barriers between the two countries." Two days later, Jiang announced that China had expressed its "great concern and displeasure through diplomatic channels." Jiang observed that "mistaken actions taken by Japan will have grave negative consequences for bilateral relations," asked that Japan "exercise caution in its words and actions," and called on Tokyo to "deal appropriately with the issue."

Looking ahead to the Aso visit, Jiang emphasized that "dealing appropriately with the problems of history is the political foundation for the healthy and stable development of the China-Japan relationship." Japanese media speculated that the announcement of the protest and the stronger language of the April 23 statement was in response to public and net-based criticism.

Former Prime Minister Abe Shinzo took up the Yasukuni issue on May 11, telling a media audience that it "is natural for Japan's leaders to express reverence for those who fought, suffered, and died for their country." Although Abe did not visit Yasukuni while he was prime minister, he now thought that "fundamentally the prime minister should pay homage at the Shrine." Abe explained his shift as an expression of the "Assertive Diplomacy" he is advocating for Japan. He went on to say that he "wanted to create an environment in which the prime minister would be able to pay homage at the shrine in a dignified manner."

History also returned in the cinema. On April 22, the movie *Nanjing! Nanjing!* opened in Shanghai and on 1,400 screens across China. A Chinese production, filmed in black and white, and four years in the making, the movie dealt with the atrocities committed by the Imperial Japanese Army. A week later, a second film dealing with the Nanjing Massacre, *John Rabe*, a Chinese, French and German production, also opened in China.

## **North Korea's nuclear test**

North Korea's May 25 nuclear test touched off a political storm in Japan that included calls for the development of an offensive strike capability aimed at reaching North Korean launch sites as

well as the development of a nuclear capability. The test also resulted in an intensive round of diplomatic consultations between Japan and China. Tokyo aimed at moving China to support a strong sanctions resolution at the UN, while Beijing urged composure and restraint on Japan.

On the evening of May 25, during the Asia Europe Meeting (ASEM) meeting in Hanoi, Foreign Minister Nakasone met his Chinese counterpart Yang Jiechi to enlist China's cooperation in drafting a new Security Council resolution. Yang replied that he would earnestly hear out Japan's position and that he wanted to continue consult with Japan.

On June 2, Nakasone held a 30 minute telephone conversation with Yang, again urging China's support for a sanctions resolution at the UN. Yang told Nakasone that the problem "cannot be solved by a UNSC resolution and sanctions." China was in favor of "an appropriate response" and a "balanced resolution."

The following day, China's Ambassador to Japan Cui Tiankai met reporters at the Chinese embassy. Addressing the political debate in Japan, Cui told reporters that development of strike and nuclear capabilities would not advance resolution of the issue and that "conversely it would play against Japanese interests." He hoped that politics would not affect Japan's official standpoint and policy. Cui also met Democratic Party of Japan (DPJ) leader Hatoyama Yukio at party headquarters and conveyed a similar message. The ambassador told Hatoyama that "we must negotiate through dialogue." The issue was not one "where taking a tough stance will suffice."

Nakasone met Yang again in Tokyo on June 7 during the Japan-China High Level Economic Dialogue. He reiterated the need for a "strong resolution that will make North Korea understand that we cannot tolerate its nuclear test." In reply, Yang reiterated China's position on the need for "an appropriate and balanced resolution." Yang emphasized China's opposition to North Korea's nuclear test and its possession of nuclear weapons but also made clear that "it is also important to maintain peace and stability in Northeast Asia." The next day, Prime Minister Aso met with China's Vice Premier Wang Qishan at the prime minister's official residence. Aso asked for China's support in the passage of a strong resolution, telling Wang that Japan pinned its hopes on "the role of China." Wang replied that China opposed the nuclear test and would like to continue cooperation.

On June 12, the UNSC adopted Resolution 1874, imposing sanctions on North Korea. China's Ambassador to the UN Zhang Yesui, while expressing China's firm opposition to North Korea's nuclear test, also insisted that "under no circumstances should there be the use of force or threats of the use of force" in implementing the sanctions resolution

On June 24, Vice Foreign Minister Yabunaka Mitoji and his Chinese counterpart Wang Guangya resumed the Japan-China strategic dialogue in Beijing, marking the 10<sup>th</sup> dialogue in the series. Wang opened the meeting by calling for "an in-depth exchange of views on China-Japan relations as well as international and regional issues." Yabunaka, in reply, called attention to North Korea as an issue "approaching a very critical stage" and asked China to implement UNSC Resolution 1874. He also raised the possibility of "new approaches" based on the Six-Party Talks to which Wang replied that "we need to work on this carefully."

In the end, both sides agreed that North Korea's possession of nuclear weapons was "absolutely unacceptable," confirmed that the two countries would implement the sanctions resolution, and work to effect denuclearization through the Six-Party Talks. Afterward, Yabunaka told reporters that "the Japanese side said that both sides have great responsibility at this juncture and also broached the possibility of a new approach to North Korea." From Chinese statements, the Japanese delegation felt that China shared a similar sense of responsibility.

### **Business and economics**

The second Japan-China High-Level Economic Dialogue took place in Toyko on June 7. Attending on the Japanese side were Foreign Minister Nakasone, Finance Minister Yosano Kaoru, and Trade and Industry Minister Nikai Toshihiro. On the Chinese side, attendees included Vice Premier Wang, Foreign Minister Yang, and National Development and Reform Commission Chairman Ping Zhang.

The meeting produced 11 agreements on cooperation, including several to support both sides' domestic economies with proactive fiscal measures, to cooperate in dealing with the global economic crisis, to protect intellectual property, and to provide financial assistance through the Development Bank of Japan and Export-Import Bank of China to Japanese and Chinese companies develop their presence in Asian countries. The two sides also agreed to set up a dialogue forum for next generation leaders, to promote earthquake research, and to initiate talks on energy conservation and water quality.

Progress was not made in postponing China's introduction of its compulsory licensing system for IT products set for May 2010, on East China Sea development, contaminated gyoza, and on greenhouse gas emissions, with China insisting that industrialized counties take the lead.

### **Outlook**

Structuring a response to North Korea will keep Japanese and Chinese diplomats engaged. At the political level, with a Lower House election looming during the third quarter, Japan's focus will be inward. Expect little progress on issues related to food safety and the East China Sea.

## **Chronology of Japan-China Relations**

### **April-June 2009**

**April 2, 2009:** Prime Minister Aso Taro announces up to 2 trillion yen for an Overseas Development Assistance plan to assist recovery of Asian economies.

**April 3, 2009:** *Yomiuri Shimbun* poll reveals 51.6 percent of respondents favor constitutional revision, up from 42.5 percent in March 2008 survey. Opponents of revision accounted for 36.1 percent, down from 43.1 percent in 2008. Thirty-eight percent favored amending Article 9 of the Constitution, up from 31 percent in 2008.

**April 3, 2009:** Japan and Taiwan announce reciprocal one-year working visas to begin June 1.

**April 8, 2009:** Chief Cabinet Secretary Kawamura Takeo acknowledges that Mayor Ohama Nagateru of Ishigaki Island in the Okinawa chain has asked government approval to visit Senkaku Island for property tax purposes.

**April 9, 2009:** A history textbook, authored by the nationalist Japanese Society for History Textbook Reform, clears government screening.

**April 11, 2009:** PM Aso meets Premier Wen Jiaobao in Pattaya, Thailand in conjunction with ASEAN-related meetings.

**April 13, 2009:** Japan-China Friendship Society announces plan to preserve Silk Road relics in Kansu Province and to cooperate in green environment projects.

**April 21, 2009:** Supra-party delegation, led by Yamasaki Taku, visits Chinese embassy in Tokyo to asks for Chinese assistance in bringing North Korea back to the Six-Party Talks

**April 21, 2009:** PM Aso makes an offering at Yasukuni Shrine during Spring Festival.

**April 21, 2009:** Chief Cabinet Secretary Kawamura announces that the government has no plans to accept a proposal for creating a National Cemetery.

**April 22, 2009:** Sixty-one members of the Lower House and 26 members of the Upper House visit Yasukuni Shrine; no members of the Aso Cabinet participate

**April 22, 2009:** Chinese movie *Nanjing! Nanjing!* opens on 1,400 screens in China.

**April 23, 2009:** A fleet review commemorating 60<sup>th</sup> anniversary of PLA Navy takes place off Qingdao. Maritime Self-Defense Forces is not invited to participate but sends observers.

**April 23, 2009:** China announces protest of PM Aso's Yasukuni offering.

**April 23, 2009:** Self-Defense Force Chief of Staff Oriki Hirano announces that Air Self-Defense Force aircraft were scrambled 237 times in 2008 down 70 from the previous year. Scrambles against Chinese aircraft declined to 31 from 43.

**April 27, 2009:** FM Nakasone raises the issue of Chinese military build-up and modernization during speech in Tokyo on nuclear disarmament.

**April 29, 2009:** Joint Chinese, French, German movie on the Nanjing massacre opens in China.

**April 29-30, 2009:** PM Aso visits China and meets President Hu and Premier Wen; delivers a speech to meeting of Japan-China Future Business Leaders.

**May 1, 2009:** Japanese Foreign Ministry announces issuing of individual tourist visas for Chinese citizens will begin July 1. Previously tourist visas were restricted to tourist groups of four or more.

**May 1, 2009:** Saito Masaki, head of Taipei Office of the Japan Interchange Foundation offers his personal view that the international standing of Taiwan remains undetermined.

**May 8, 2009:** Taiwan's President Ma Ying-jeou announces plan to dedicate a national park to the memory of Japanese hydrological engineer Yada Yoichi.

**May 9, 2009:** Japanese media reports sentencing of former *Xinhua* Foreign Affairs Bureau for passing classified information to a former Japanese ambassador to China.

**May 11, 2009:** Former PM Abe opines that Japan's prime minister should be able to visit Yasukuni Shrine.

**May 13, 2009:** Japanese embassy in Beijing issues "no comment" on reports of ambassador's relationship with former *Xinhua* bureau chief. The ambassador follows with his "no comment."

**May 14, 2009:** Former PM Abe calls on Aso government to revise its interpretation of Japan's right to exercise the right of collective self-defense.

**May 25, 2009:** FM Nakasone meets Chinese counterpart Yang Jiechi in Hanoi and urges adoption of UNSC resolution in response to North Korea's nuclear test.

**May 26, 2009:** Japan's Supreme Court rejects a suit brought by 22 Chinese plaintiffs seeking compensation for exposure to chemical weapons abandoned in China by Japan's Imperial Army.

**June 2, 2009:** FM Nakasone holds 30 minute telephone conversation with FM Yang on sanctions resolution.

**June 3, 2009:** Ambassador Cui meets Democratic Party of Japan President Hatoyama and urges dialogue to resolve North Korean crisis. Hatoyama tells Cui that he will not visit Yasukuni Shrine if he becomes prime minister.

**June 3, 2009:** Ambassador Cui meets with Japanese reporters and urges restraint in Japan's response to North Korea's nuclear test.

**June 7, 2009:** Second Japan-China High Level Economic Dialogue is held in Tokyo.

**June 7, 2009:** FMs Nakasone and Yang meet in Tokyo and discuss sanctions resolution.

**June 8, 2009:** Swedish International Peace Research Institute announces that China has become the world's second leading country in military expenditures.

**June 8, 2009:** PM Aso meets visiting Vice Premier Wang and urges adoption of a strong resolution on North Korea by the UNSC.

**June 8, 2009:** China's Defense Minister Liang Guanglie tells a visiting Japanese delegation that China's plans for building an aircraft carrier is "under study."

**June 12, 2009:** UNSC adopts resolution sanctioning North Korea for its May 25 nuclear test.

**June 13-14, 2009:** China, Japan, and South Korean Environment Ministers meet in Beijing for 11<sup>th</sup> tripartite environment talks. They agree to continue joint research on region's major environment issues, including sandstorms and air pollution.

**June 24, 2009:** Tenth Japan-China Strategic Dialogue takes place in Beijing.

**June 26, 2009:** U.S., Japan, and China announce plans to hold trilateral policy planning talks.

**June 27, 2009:** Former Taiwan President Lee Teng-hui warns against China's political and economic strategies toward Taiwan.

**June 29, 2009:** Japan and China hold their first policy dialogue on resources and the environment in Beijing.