In contrast to Jiang Zemin’s heavy emphasis on the lessons of history during the November 1998 China-Japan Summit, Japanese Prime Minister Keizo Obuchi’s July 8-9 visit to China focused on the present state of the relationship. Japan’s defense policy and World Trade Organization (WTO) negotiations took center-stage. During the summit, Chinese and Japanese negotiators reached agreement on China’s bilateral WTO accession agreement. Shortly after the summit, on July 30, Japan and China signed a Memorandum of Understanding with regard to destruction of the chemical weapons left behind in China by the Imperial Army.

Yet, during this quarter, issues related to security (missile testing and missile defense), sovereignty (the Senkaku Islands), political culture (the Diet’s passage of legislation on Japan’s flag and national anthem), and history (the surfacing of a debate over the future of Japan’s Yasukuni Shrine), pointed to continuing trouble spots in Japan’s relations with China.

**Japan-China Summit**

On July 8, Japan’s Prime Minister Keizo Obuchi traveled to China for the second Japan-China Summit in just over seven months. In the interim, several key events had transpired -- the Japanese Diet had passed legislation to implement the new Japan-U.S. Defense Guidelines, raising questions in Beijing about their applicability to Taiwan, and North Korea appeared to be readying a replay of its August 31, 1998 missile test, moving Tokyo to ask Beijing to exercise a restraining influence on Pyongyang. Both Tokyo and Beijing had been working on concluding bilateral negotiations over China’s entry into the WTO.

Thus, the July meeting proved a timely opportunity for the two countries to discuss important security and economic issues.

**Security Issues.** Prime Minister Obuchi emphasized to China’s Prime Minister Zhu Rongji that Japan’s security policy would continue to center on the defense of Japan, that Japan remained committed to its three non-nuclear principles, and that it will not become a military power. There would be no change in these fundamental policies. He explained that the Guidelines, the implementing legislation corresponding to the defensive purposes of the Japan-U.S. Security Treaty, and Japan’s own national interests would determine whether a “situation in the areas surrounding Japan” had occurred and how the implementing laws would be applied.
At the same time, friendly relations with China would be viewed as one of Japan’s important national interests, especially in relation to the development of Japan’s defense policy and the application of the Guidelines implementing legislation. As for Taiwan, Japan’s position remained unchanged and as expressed in the 1972 Communique normalizing relations between Tokyo and Beijing; namely, that there is one China.

Zhu reiterated Beijing’s position with respect to Taiwan and stated that the application of the Guidelines to Taiwan would be unacceptable to China. Beijing would continue to watch carefully Japan’s concrete actions.

Obuchi also made clear Japan’s commitment to work toward normalization of relations with North Korea and to enhance stability on the Korean Peninsula. He expressed Japan’s support for former U.S. Secretary of Defense William Perry’s comprehensive approach to North Korea but cautioned that Pyongyang’s launch of a second long-range missile would result in significant deterioration of North Korea’s relations with Japan, the U.S., and South Korea. Given China’s long-standing relations with North Korea, Zhu answered that China would do what it could. Also during the summit, Li Peng told Obuchi that, if the opportunity presented itself, he would communicate Japan’s views to Pyongyang.

Chinese military and maritime research ships entering Japan’s territorial waters and operating in waters close to Japan was also raised. Foreign Minister Komura found such incidents regrettable and asked Beijing to deal with the situation responsibly. The Chinese responded that an exclusive economic zone had yet to be defined by agreement of the two governments, and that the presently claimed line was simply a matter of Japan’s unilateral demarcation.

**Economic issues.** The most significant achievement of the summit was the conclusion of the long-running negotiations for a China-Japan bilateral WTO accession agreement. From Tokyo’s perspective, China’s entry into the rule-based trade regime of the WTO would facilitate Japan’s access to the China market, increase transparency, and accelerate China’s integration into the international economic system – all long-term Japanese strategic interests with respect to China. In Beijing, Obuchi expressed the hope that the conclusion of the Japan-China bilateral agreement would speed the conclusion of the U.S.-China bilateral agreement.

**History.** Jiang Zemin’s repeated references to history during his November 1998 visit generated an immediate and negative public reaction in Japan. The Chinese made clear their intention not to highlight the issue during the Obuchi visit. At the end of his meeting with the Prime Minister, Premier Zhu simply noted that individuals remain in Japan who glorify war and deny the facts of Japan’s aggression, thus wounding the Chinese people. Zhu hoped that the younger generation would be well educated about the past.

**Post Summit Japan-China Relations**

**Environment.** On July 30, the two governments reached agreement on a Memorandum of Understanding with regard to the destruction of chemical weapons left behind in China by the Imperial army. Under the terms of the agreement, Japan assumed all financial
and technical, expert, equipment and facilities costs associated with the destruction of the weapons, which will be carried out in China.

**Missiles.** Missiles and missile tests developed as central issues in the July-September period. As noted above, Obuchi raised the issue of North Korea’s missile testing at the July summit. Throughout the summer, Pyongyang’s threatened missile test became a focus of Japanese diplomacy and a preoccupation of Japan’s media. At the July 26-27 meeting of the ASEAN Regional Forum, Foreign Minister Komura met with his Chinese counterpart, Tang Jiaxuan, and secured his support for the inclusion of an expression of concern with respect to North Korea’s threatened missile test in the Chairman’s closing statement. Similar Japanese representations were made to Chinese counterparts at the September APEC meeting in Auckland, New Zealand.

Even as China expressed support for Japanese concerns about North Korea and its intention to support the ASEAN proposal for a Southeast Asia nuclear weapons-free zone, on August 2, Beijing announced the test of its own mobile ICBM, the DF-31. Beijing’s defense of the test as a right of sovereignty and as a measure to defend China’s territorial integrity sounded to Japanese ears remarkably similar to the claims Pyongyang was advancing for its own right to test. Anticipating the reaction in Japan, Chinese officials pointed out that the DF-31 test took place within China’s sovereign territory, thereby differentiating it from North Korea’s August 31, 1998 test over Japan --the likely route of the then threatened test.

The Chinese logic proved unavailing in Tokyo, where the government made clear that in the midst of international efforts to reduce armaments, China’s test could not be welcomed. The Japanese media found China’s recent policy statements at the ARF about North Korea’s missiles and its own actions inherently contradictory. More to the point, they argued that China’s test would only serve as pretext for North Korea’s threatened test and complicate diplomatic efforts to restrain Pyongyang. On August 5, the *Asahi Shimbun* ran a scathing cartoon, which featured a Chinese rocket launching from Jiang Zemin’s open mouth while in the background Prime Minister Obuchi and President Clinton worriedly point to Kim Il-sung who was winding up to launch his own rocket. The caption read, “Is the mouth, that sings of disarmament, the mouth that launches missiles?” In Japan, the launch resurfaced references to “the China threat.”

**Missile Defense.** Less than two weeks later, on August 13, the Japanese government announced the exchange of official documents with regard to Japan’s participation in Theater Missile Defense (TMD) research with the United States. And on August 24, Japan’s Defense Agency submitted a budget request for fiscal year 2000 to fund Japan’s participation in TMD research.

From August 30 to September 4, a PLA delegation visited Japan. During the visit, Japanese and Chinese military officers discussed issues relating to both TMD and Japan’s new Defense Guidelines. The visit was viewed as advancing the prospects for a resumption of bilateral military-to-military dialogue. In early September, Tokyo and Beijing announced the resumption of director-level talks between defense and foreign ministry officials, the first such meeting in close to two years. On September 22 at the United Nations in New York, the two foreign ministers met and announced October 7 and 8 as the dates for the meeting. The *Yomiuri Shimbun* reported on September 4 that the Chinese side is expected to focus on the Defense
Guidelines and TMD, while the Japanese will emphasize the need for transparency with respect to China’s military modernization.

**Senkaku Islands.** Operations of Chinese research ships and PLA navy warships in and near the Senkaku Islands continued to draw Japanese attention. On July 17, the *Sankei Shim bun* reported Defense Agency sources as confirming PLA missile firing warships among 10 naval vessels exercising in waters near the Senkakus. The JDA regarded the exercise as directed at a Taiwan contingency, but expressed the concern that such exercises in the area could be regularized.

Also during the course of the summer, the issue of an inspection tour of the Senkakus surfaced in the National Security Committee of the Diet’s Lower House, causing China’s ambassador to Japan to call at the Liberal Democratic Party’s headquarters to express his concern. Shortly thereafter, a Japanese delegation landed on one of the Senkaku islands, prompting the Chinese foreign ministry to call in the Japanese ambassador and protest the landing. While regretting the incident, the ambassador pointed out that Chinese fishing boats continued to operate in the vicinity of the islands and asked the government to deal with the matter. On September 11, the Japanese Coast Guard reported a Chinese research vessel again operating within Japan’s territorial sea around the Senkakus, the 28th incident thus far this year, compared to 19 for all of 1998.

On September 14, the Coast Guard released its 1999 White Paper. The White Paper noted an all time record of 1,992 ship incursions, a 2.5 percent increase over the past year. Of this total, 1,547 were Chinese and 326 were Taiwanese.

**Japan’s National Anthem/National Flag:** On August 9, the Upper House of the Diet passed legislation giving legal status to Japan’s flag and national anthem. That same day, the Chinese foreign ministry issued a statement noting the Diet’s action, recognizing that for reasons of history there continued to be different views in Japan about the past, and expressing the hope that Japan would continue on the road of peaceful development. The PLA’s *Liberation Daily* took a much more direct approach, warning that within Japan voices that would dangerously move Japan in a right wing direction are continuing to rise.

Pending debates over constitutional revision in the Diet, as well as efforts to normalize the Yasukunim Shrine, in which Japan’s war dead, including Class A War Criminals, are memorialized, promise to keep the issues of nationalism and history alive over the coming months.

**Policy Implications**

Developments in Northeast Asia over the past three months have served to advance Japan-U.S. security cooperation. North Korea’s missile diplomacy and China’s testing of its DF-31, a mobile ICBM, have underscored to the Japanese public the unsettled nature of Northeast Asia’s security environment. Japan’s participation in the research and development of TMD is one manifestation of this cooperation. A second can be found in the recent Japan-U.S. agreement on cooperation with respect to Japan’s intelligence satellite. Increasing security
cooperation with the United States has been a central feature of Japan’s evolving post-Cold War security policy. Northeast Asia’s uncertainties will reinforce that trend.

At the same time, Beijing’s strong and emotional reaction to Taiwanese President Lee Teng-hui’s attempt to redefine the nature of cross-Strait relations points to a continuing source of tension in China’s relations with both the United States and Japan -- and potentially a source of tension between Washington and Tokyo.

Since 1979, United States concerns with the security of Taiwan have been embodied in the Taiwan Relations Act. United States policy has followed a course of deliberate ambiguity with respect to U.S. intentions to intervene in a cross-Strait contingency. Since the passage earlier this year of legislation to implement Japan’s new Defense Guidelines, Tokyo has evolved a similar policy with respect to its possible support for the U. S. in contingencies in “areas surrounding Japan.” In turn, Beijing’s efforts to define the geographic extent of Japan’s commitment under the new Defense Guidelines have been a central focus of China’s diplomacy and the Japan-China security dialogue. Beijing will continue to press Tokyo on the issue and to use it as wedge-driving issue -- to highlight for the Japanese public the potential dangers of security cooperation with the U.S.

Chronology of Japan-China Relations
July - September 1999

**July 8-9, 1999**: Prime Minister Obuchi visits China and meets with Zhu Rongji, Jiang Zemin, and Li Peng. At the summit, Japan and China reach agreement on the terms of China’s WTO accession protocol.

**July 26-27, 1999**: ASEAN Regional Forum meets in Singapore. Japan’s Foreign Minister Komura meets with Chinese counterpart Tang Jiaxuan to discuss North Korea’s threatened missile launch.

**July 30, 1999**: Japan and China conclude a Memorandum of Understanding with regard to the destruction of chemical weapons left behind in China by the Imperial Army at the end of World War II.

**July-Sept, 1999**: Chinese research ships and PLA warships continue to operate near and in the Senkaku Islands.

**July-Aug, 1999**: Discussion in Lower House of Diet on Senkaku inspection visit causes China’s ambassador to call on LDP Party Headquarters to express concern.

**Aug 2, 1999**: China announces test of DF-31 ICBM. Like North Korea, Beijing defends test as right of sovereignty.

**Aug 9, 1999**: Upper House of Diet passes legislation giving official sanction to Japan’s flag and national anthem.
Aug 13, 1999: Japan announces exchange of official documents with U.S. with regard to Japan’s participation in Theater Missile Defense research and development.


Sept 11, 1999: Japanese Coast Guard reports Chinese vessel operating in Senkakus, the 28th incident this year compared to 19 for all of 1998.

Sept 14, 1999: Japanese Coast Guard releases 1999 White Paper, reporting an all-time record of 1,992 ships incursions into Japanese territorial waters, of which 1,547 were Chinese and 326 were Taiwanese.

Sept 22, 1999: Japanese and Chinese Foreign Ministers jointly announce October 7-8 as dates for resumption, in Tokyo, of dialogue on security issues involving director-level foreign ministry and defense officials.

Sept 29, 1999: Yomiuri Shimbun-Gallup poll reports only 17 percent of Chinese and 33 percent of Japanese think relations between Japan and the PRC are good. 50 percent of Chinese respondents expressed an unfavorable opinion of Japan, and 46 percent of Japanese respondents said they had an unfavorable impression of the PRC. Three out of four PRC respondents were unaware that Japan had provided over 2 trillion yen in official development assistance to the PRC over the past two decades.