

Japan-China Relations:  
Trying to Get Beyond Yasukuni

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The New Year opened with promise – Prime Minister Koizumi Junichiro did not visit the Yasukuni Shrine. While old issues, history and nationalism, sovereignty in the Senkaku (Diaoyu) Islands and the East China Sea, the extent and scope of the Japan-U.S. alliance (Taiwan) lingered, if not intensified, political leaders and diplomats worked to repair strained political relations, hopefully setting the stage for high-level reciprocal visits. The spirit of the Santiago and Vientiane Summits, in particular dealing “appropriately” with the Yasukuni issue, appeared to suffuse political and diplomatic engagement. Meanwhile, economic relations continued to expand – China replaced the United States as Japan’s top trading partner in 2004.

**The New Year: Yasukuni**

The year 2005 opened quietly. Prime Minister Koizumi did not visit Yasukuni Shrine. The *Yomiuri Shimbun* quoted a Foreign Ministry official as saying that the prime minister had decided not to visit the shrine during the New Year holidays in an effort “to map out a scenario to improve relations with China.” Meanwhile, a source close to the prime minister noted that Koizumi had visited the shrine every year as prime minister and that he was “unlikely to stop visiting the shrine.”

In early January, LDP sources revealed that the 2005 draft party platform would call for a continuation of visits to Yasukuni to pay homage to the souls of the war dead. On Jan. 18, at the conclusion of the LDP’s 50<sup>th</sup> anniversary convention, the party adopted the draft platform, including the Yasukuni language.

Meeting with former Prime Minister Mori Yoshiro and former Chief Cabinet Secretary Fukuda Yasuo on Jan. 13, Chinese Ambassador Wang Yi told them that 2005 should be made the year for improving bilateral relations and that he personally would refrain from talking about the issues of history. The previous day, following an address at Waseda University, Wang had asked that visits to Yasukuni be stopped. He explained to the LDP leaders that he did not raise the issue but had only responded to a question.

In his policy address to the Diet Jan. 21, PM Koizumi reaffirmed shared understandings from his recent meetings with China's leaders in Santiago and Vientiane. Koizumi again defined Japan-China relations as being of the "utmost importance" and agreed to "enhance cooperation in a broad range of areas from a broader perspective, even if views on individual areas may differ." Subsequently, in response to questions about China's opposition to his visits to Yasukuni, Koizumi replied that he would make "appropriate decisions" on his "own" regarding visits to the shrine.

### **Business and Commerce: the Numbers Tell the Story**

At the end of January, the Finance Ministry released trade data for 2004. The numbers revealed that China, including Hong Kong, had become Japan's largest trading partner, surpassing the U.S. In 2004, China represented 20.1 percent of Japan's trade, with the U.S. accounting for 18.6 percent. In 2003, the U.S. represented 20.5 percent of Japan's trade, with China's share at 19.2 percent. Imports from China grew at a rate of 10 percent in 2004, maintaining the same rate as 2003.

Capitalizing on the positive economic news, Ambassador Wang in a speech delivered in Kobe called on Japan to enter negotiations for a bilateral free trade agreement. An end of year Cabinet Office review of the potential benefits of free trade agreements with 18 of Japan's top trading partners put China at the top of the list. Estimates indicated that a Japan-China FTA would increase Japan's GDP by 0.5 percent. Looking at China's growth rates and lowering of tariff rates, private sector economists in Japan were bullish on China and the Japan-China economic relationship.

### **High-Level Political Contacts**

A high-level Japanese Parliamentary delegation was scheduled to visit China Jan. 9 to attend a meeting of the Japan-China Ruling Party Exchange Council. On Jan. 6, however, the minister at the Chinese Embassy in Tokyo, Cheng Yonghua, called on Nukaga Fukushima, a former Liberal Democratic Party (LDP) secretary general and informed him that, in light of the number of subjects on the agenda, the visit would have to be delayed. After a delay of less than a week, the Japanese parliamentary delegation including Nakagawa Hidenao, chairman of the LDP's Diet Policy Committee, former LDP Secretary General Koga Makoto and New Komeito Acting Secretary General Ota Akihiro, arrived in Beijing Jan. 11 and met with Tang Jiaxuan, former foreign minister and presently a member of the State Council at the Diaoyutai Guest House.

Tang told his visitors that China could not tolerate Koizumi's visits to Yasukuni, which he asserted, "are gradually jeopardizing" friendly relations between the two countries, and repeatedly called for an end to the visits. Tang also raised the issue of Lee Teng-hui's visit to Japan, calling the decision "regrettable." In response, Nakagawa asked China to change its attitude toward the Yasukuni issue. He explained that the "Japanese people are proud that our country has walked on the path to peace" and went to say that Japanese are "somewhat intolerable when you take up only our unfortunate past accounts." Efforts were needed "to overcome this issue." (Before leaving Japan,

Nakagawa in a Jan. 8 speech warned that the future depended on “how the leaders of the two countries will manage nationalism in their countries.”) With Tang, he noted that many in Japan were calling for an end to official development assistance to China, and referred to the November submarine incident and China’s exploration for natural gas in the East China Sea as incidents which have “hurt the Japanese people’s feelings.” Tang replied that the exploration issues were complicated, stressed the need to avoid conflict, and urged joint exploration of resources in the area. Finally, Nakagawa invited Tang to attend the Aichi Exposition, but Tang demurred a direct response and said he would like to do so “if possible.”

The Nakagawa delegation had been scheduled to meet with Principal Vice Foreign Minister Dai Bingguo, but the meeting was canceled at the last minute. Instead, the delegation met with Vice Minister Zhang Yesui. The *Yomiuri* reported that a Foreign Ministry source speculated that the schedule change might suggest “displeasure” on the part of the Chinese government.

### **Diplomats: Looking for Traction**

In mid January, informal working-level talks between Japanese and Chinese diplomats were held in Beijing. Searching for a breakthrough in prime ministerial-level political contacts, Japanese diplomats proposed a comprehensive “Cooperative Work Plan” aimed at increasing political, economic, and people-to-people exchange. The work plan also called for cooperation in the fields of energy, the environment and economics, an early resolution of issues such as the East China, and the disposition of chemical weapons abandoned in China by the Imperial Army. Their Chinese counterparts were reported to be receptive to the idea but avoided an immediate reply. On Feb. 7, Vice Minister of Foreign Affairs Yachi Shotaro told reporters that Japan had accepted a Chinese proposal for a China-Japan Strategic Dialogue at the vice-ministerial level. The dialogue would be modeled after the Japan-U.S. strategic dialogue and occur once each year. Yachi told reporters that “it is necessary for Beijing and Tokyo to hold dialogue and talks through every channel from the top-level to working-level officials.”

At the conclusion of the National People’s Congress, Prime Minister Wen Jiabao, on March 14, met with reporters and addressed the issue of high-level China-Japan contacts. He emphasized that the China-Japan relationship was China’s “most important bilateral relationship” and then offered a three-step plan toward the resumption of these contacts. The first step was to create an environment conducive to a resumption of such visits. The second was to conduct strategic research toward strengthening friendly relations based the work of the two countries’ diplomats. The third involved the appropriate management of the problems of history. Wen went on to emphasize that “main stumbling block was political – fundamentally whether Japan could correctly deal with the problems of history.” He added that he hoped Japan would take advantage of the 60<sup>th</sup> anniversary of the end of the war to advance friendly relations between the two countries.

On March 24, the Japanese Foreign Ministry announced that Cui Tiankai, director general of the Asian Affairs Bureau in the Chinese Foreign Ministry, would visit Tokyo

March 28 to meet with his counterpart, Sasae Kenichiro. During the meeting, Japan again asked China for data on its exploration for natural gas in the East China Sea and again requested that exploration be stopped. Avoiding a direct response, the Chinese side replied that China would “take heed of” Japan’s concerns, called for dialogue to resolve the issue, and again proposed joint development. Sasae made clear that the proposal for joint development could not be accepted as long as its contents remained “unclear.” Japanese diplomats also spoke of the popular and political pressures building on the government to respond to China’s activities. At the same time, both sides agreed to a Japan-China Joint Activity Plan aimed at expanding bilateral cooperation both on international issues and bilateral economic, security, and cultural issues.

### **The Taiwan Factor: the Japan-U.S. Alliance**

On Feb. 19, at the conclusion of the Japan-U.S. Security Consultative Committee meeting in Washington, the two governments issued a Joint Statement. It outlined shared strategic objectives: bilateral, regional, and global. In Asia and with respect to China, the two governments aimed at the development of a “cooperative relationship” with Beijing and welcomed China to play “a responsible and constructive role regionally as well as globally.” The Joint Statement also encouraged “the peaceful resolution of issues concerning the Taiwan Strait through dialogue” and increased transparency in China’s military budget.

On Feb. 20, Beijing used the Foreign Ministry’s website to express the firm opposition of the Chinese government and people to the Joint Statement, which “concerns China’s sovereignty, territorial integrity, and national security.” On Feb. 21, the Foreign Ministry’s spokesperson Kong Quan said, the Japan-U.S. Alliance was a “mutual arrangement made in a special historical condition, which should not overstep the bilateral category.” The reference to Taiwan was related to “China’s national sovereignty, territorial integrity and national security and the Chinese people are firmly against it.”

In Tokyo, on Feb. 22, Foreign Ministry spokesperson Takashima Hatsuhsa told reporters that the reference to Taiwan in the Joint Statement was “nothing new.” Takashima pointed out that “Taiwan has been a main security objective or issue for Japan and the United States since the signing of the security treaty...” As for China’s claim that the Joint Statement represented interference in its domestic affairs, Takashima thought it “unfortunate that the Chinese spokesperson misinterpreted the statement...” The language called for peaceful resolution and encouraged “a constructive and responsible role for China as a member of the international community”; accordingly, he found “nothing which would cause any sort of problem in our relations with China.” Three days later, Takashima, again addressing the Joint Statement, told reporters that “Japan by no means regards China as a threat but as a ‘constructive partner’ with whom a cooperative relationship should be promoted.”

## **The Taiwan Factor: the Aichi World Exposition**

The opening of the Aichi World Exposition promised a six-month tourist bonanza for Japan. To facilitate travel from Taiwan, the government planned to introduce legislation that would provide Taiwanese with visa-free entry for six months, beginning March 25. (Special legislation was required in the case of Taiwan, because Japan lacks diplomatic relations with Taiwan and thus cannot inform the Taiwanese government of a visa-waiver decision.) Visa requirements for Chinese citizens, however, were not to be waived, but Chinese citizens were to be allowed to apply for visas anywhere in China rather than from the current limited number of provinces and cities. China's National Tourist Office protested the discriminatory nature of the planned arrangement. As a result, Transport Minister Kitagawa Kazuo proposed that all Chinese visitors be allowed visa waivers for the six months beginning March 25; at the same time, the government suspended consideration of the Taiwan legislation.

The Diet subsequently enacted the Taiwan visa waiver legislation. Passage, however, only raised sensitive political questions as to whether Taiwan's political leaders – Taiwan's president and his wife were reported to be interested in attending the Aichi Expo – would be allowed to travel to Japan under waiver. On March 8, the Foreign Ministry spokesperson sought to clarify the matter explaining that, with respect to “dignitaries or high ranking government officials,” appropriate consideration would be given on a “case-by-case or person-by-person basis.”

In early March *Jiji Press* reported that Wu Shu-chen, the wife of Taiwan's President Chen Shui-bian, would visit the Aichi Expo in early May, approximately the same time that China's Foreign Minister Li and Vice Premier Wu Yi had been expected to visit Japan. The *Jiji* story related that, as a result, Beijing had decided to postpone high-level visits of Wang Jiarui, head of the Chinese Communist Party's International Liaison Department and Cui Tiankai, director general of the Foreign Ministry's Asian Affairs Bureau. Asked about the visits, a Japanese Foreign Ministry official denied any postponement, pointing out that dates had not been officially set.

## **The Taiwan Factor: China's Anti-Secession Law**

In advance of the March meeting of the NPC, Deputy Director of the Taiwan Affairs Office Sun Yafu traveled to Japan Feb. 22 and met with Vice Minister Yachi Shotaro to explain the contents and objective of the pending legislation. Yachi expressed concern that such legislation could not but negatively affect cross-Strait relations and urged an early resumption of cross-Strait dialogue. The following day, Foreign Minister Machimura met with Sun, and Sun again asked for Japan's understanding with respect to the legislation. According to Foreign Ministry sources, Machimura expressed his strong concern with the legislation and the affect it would have on cross-Strait relations.

On March 15, Foreign Ministers Machimura and Li spoke for close to 30 minutes on the telephone. Li explained that the anti-secession law reflected China's commitment to a peaceful resolution of cross-Strait issues, while Machimura reiterated Japan's concern

over the potentially negative affect of the law on cross-Strait relations and called for an early resumption of dialogue between Beijing and Taipei.

In January, Tokyo was actively engaged in lobbying against the pending European Union decision to lift its embargo on arms exports to China. On Jan. 13, Nakagawa Shoichi, minister of economy, trade and industry, told his French counterpart that Japan and other East Asian countries were concerned with China's continuing arms buildup. Nakagawa was quoted as saying that a decision to end the arms embargo "might be a matter of business for the European Union and France. But it could damage peaceful development in East Asia if handled on the same level as automobiles and French ties." On March 15, Prime Minister Koizumi returned to the issue, telling a plenary session of the Lower House that he was "concerned that the move might affect the overall security in East Asia, including Japan."

Koizumi raised the issue with visiting French President Jacques Chirac March 27, reiterating his opposition to ending the embargo. Chirac told Koizumi that the act was political in nature and would not result in an increase of highly sophisticated weapons exports to China. Chirac asked for Koizumi's understanding, while expressing France's support for Japan's bid to become a permanent member of the UN Security Council.

Meanwhile, *Kyodo News* was reporting that the Japanese government was preparing to defend Japan's southernmost islands off Kyushu and Okinawa from a possible Chinese invasion. Noting the increasing pace of Chinese activities in the area, a JDA senior official told reporters that, "The Self Defense Forces do not have troops stationed on most of the southern remote islands and they are a vacuum in terms of security." On March 4, the *Asahi Shimbun* reported that the government had decided to deploy *F-15* fighter aircraft to Okinawa to replace the aging *F-4*. The government aims to complete the deployment by the middle of 2008. On March 15, the *Tokyo Shimbun* reported that the government was considering troop deployments to the southernmost islands in the Okinawa Prefecture, close to the disputed Senkaku (Diaoyu) Islands.

On March 24, Moriya Takemasa, deputy director general of the Defense Agency, traveled to Beijing to meet with Xiong Guangkai, deputy chief of staff of the PLA, and Cao Gangchuan, minister of defense. In his meeting with Xiong, Moriya raised the anti-secession law, China's defense spending, lack of transparency, and last November's submarine incident. (Earlier, on March 4, Beijing had announced a 17 percent increase in the military budget for 2005 – the 17<sup>th</sup> consecutive year of double-digit increases in the military spending.) The Chinese response was that because the structure of China's society and national defense were different from Japan's, it was not possible to ask for the same degree of transparency. Chinese officials also raised concerns about the inclusion of Taiwan in the U.S.-Japan Feb. 19 Joint Statement, criticizing it as "interference in China's domestic affairs." Referring to Japan's New Defense Policy Guidelines, Moriya told his interlocutors that document does not regard China as a "threat." Xiong and Moriya agreed to a Chinese naval visit to Japan, sometime in 2006, and an expanded program of bilateral exchange visit between defense officials. With Cao,

Moriya extended an invitation from JDA Director General Ohno for a visit to Japan. Cao replied that he would like to do so at a time convenient for both sides.

At the end of the quarter, Japan's National Institute for Defense Studies published its annual *East Asian Strategic Review*. In addition to the threats posed to Japan's security environment by North Korea and sea-based terrorism, the 2005 report also called attention to China's continuing military modernization and Beijing's efforts to strengthen PLA capabilities to deal with Taiwan, while deterring U.S. military intervention. Echoing the December 2004 National Defense Program Guidelines, the strategic review observed that the China-Taiwan military balance required careful attention. The report also touched on the November 2004 submarine incident, citing it as evidence of China's continuing efforts to move from a coastal defense posture to one of offshore defense, and China's exploration for natural gas in the East China Sea. With respect to China's foreign policy and relations with Taiwan, the report judged that Hu Jintao's administration "will be increasingly influenced by public opinion and nationalism."

### **East China Sea: Natural Gas**

On Jan. 1, the *Yomiuri Shimbun* reported that the Japanese government had concluded that Chinese exploration activities were extending across Japan's claimed median line maritime boundary, demarcating Japan's and China's respective EEZs. The government found that 12 of China's exploration sites extended across the median line; three were clearly on the Japanese side. China has consistently refused to recognize the median line as demarcating the EEZs, as Ambassador Wang Yi again made clear in a Jan. 12 address at Waseda University. Shortly after Wang's talk, it was reported that Japan Petroleum Exploration Company and Teikoku Oil Company were planning to begin test drilling in Japan's claimed EEZ in early April.

At the same time, Japan renewed its request that Beijing provide data on the exploration activities in the East China Sea. Addressing a Feb. 20 television audience, Economics Minister Nakagawa Soichi told viewers that it is "highly likely" that Chinese exploration activities extended across the median line into resources in Japan's EEZ. Nakagawa went on to say the test drilling were "naturally an option" for Japan. Nakagawa's presentation tracked the conclusions of a Feb. 18 Ministry of Economics interim report on activities in the East China Sea. On Feb. 21, the director general of the Foreign Ministry's Bureau of Asian and Oceanic Affairs informed the Chinese embassy of the high probability that China's exploration activities were extending beyond the median line into Japan's EEZ, and again requested cessation of the activities. Beijing's response followed shortly. Foreign Ministry spokesperson Kong Quan made clear that Japan's demands that China stop drilling and provide data on exploration "completely fall under the framework of China's rights and are unacceptable."

On March 2, the opposition Democratic Party of Japan introduced the outlines of legislation to regulate the exploration of natural resources in the East China Sea. The draft bill called for the Japanese Coast Guard to support the activities of Japanese companies when engaged in exploring for resources within Japan's EEZ. Aimed at

China, the bill calls on the Coast Guard to protect Japanese ships engaged in test-drilling for natural resources within Japan's EEZ.

### **EEZ: Strengthening Claims to Sovereignty**

On Jan. 31, Tokyo Governor Ishihara Shintaro called on the prime minister at his official residence and revealed that he was planning to construct a power facility, using ocean thermal energy conversion near Okinotori Island. (The Tokyo Municipal Government is responsible for the administration of the Ogasawara Islands whose western area is within Japan's EEZ.) Ishihara also spoke of plans to establish a fishing industry on the island. The Tokyo government had allocated ¥500 million for the project in the budget plan for the coming fiscal year, beginning April 1. After meeting with the prime minister, Ishihara told reporters that he intended to begin economic activity in the islands "whether China lodges a protest or not."

On Feb. 9, Chief Cabinet Secretary Hosoda told reporters that the government had assumed management of a beacon set up by a Japanese fisherman on Uotsuri Island in the Senkaku chain. The previous private owner had renounced his rights to the property and assumption of management by the central government was "not a problem" because, as Hosoda noted, "The Senkaku Islands are historically part of our inherent territory." The Japanese Coast Guard assumed responsibility for the management and maintenance of the facility, which had been renamed Uotsuri Island Lighthouse. Koizumi told reporters that the government's action was "only natural." (The Japanese Foreign Ministry informed the Chinese embassy of the change earlier in the day.)

China's Foreign Ministry branded the action "illegal and invalid" and protesters soon appeared before the Japanese Embassy in Beijing and consulates across China. On Feb. 21, in Hong Kong, China's League to Defend the Diaoyu Islands established a private sector company to promote tourism and resource exploration in the islands.

Near the end of the quarter, on March 24, the liaison council of ministries and agencies responsible for exploration of the continental shelf and oceanic resources held its third meeting at the prime minister's Residence. The Foreign Ministry reported that during 2004, Chinese research ships had conducted unauthorized research activities within Japan's EEZ 22 times; to date in 2005, there had been no such incidents. To monitor the erosion effect of waves on Okinotori and to deter Chinese research ships from entering waters off the island, the *Yomiuri Shimbun* reported March 28 that the government was planning to install a radar on Okinotori. Also, on the 28<sup>th</sup>, a privately sponsored research team landed on Okinotori; the oceanographic team, concerned that the islands coral structures are receding, is to focus on developing a preservation strategy. (At high tide, parts of the island are barely above water, a fact that Beijing cites to support its claim that Okinotori is not an island but a pile of rocks and as such cannot support Japan's claim of an extended EEZ based on the island.)



## **Overseas Development Assistance**

Following the debate at the end of 2004 over graduating China from Japan's ODA program, Japan's new Vice Minister of Foreign Affairs Yachi Shotaro announced Jan. 6, the day he assumed office, that "the time is ripe for us to consult with China on the timing." Yachi went on to say that "there is no need to provide ODA to a nation that does not feel the need to receive it." The *Mainichi Shimbun* reported Feb. 3 that Foreign Minister Machimura had revealed at a meeting of officials responsible for Japan's external economic assistance programs that Japan would "hold talks with China so that a soft landing will be made on ending yen loans." (Yen loans make up approximately 90 percent of Japan's ODA program for China.) On the same day, however, the Japan Bank for International Cooperation announced that it will add to untied commercial loans for China for use in the fields of energy and the environment, the first tranche being worth approximately \$80 million. (Untied loans have a shorter repayment period and higher interest rates)

On March 1, the *Asahi Shimbun* reported that the government had decided gradually to reduce yen loans for China by ¥10 to ¥30 billion annually beginning with the new 2005 fiscal year and terminate new yen loans within five years. In a March 15 telephone conversation with his Chinese counterpart, Foreign Minister Machimura communicated Japan's decision. Two days later, Machimura told the House of Councilors Budget Committee "I have basically agreed with Foreign Minister Li Zhaoxing that Japan will finish fresh yen loans by the Beijing Olympics." Machimura's statement was contradicted the following day, when Chief Cabinet Secretary Hosoda told the press the negotiations on the matter were "still ongoing."

## **History and Textbooks**

Appearing before the Upper House Budget Committee March 4, Foreign Minister Machimura addressed the teaching of history – in China. Machimura told the legislators that there are things that should be improved and that he will ask that China make efforts to improve them. He went on to say that he wanted to raise the issue concretely with his Chinese counterpart. A Foreign Ministry source commented that at the working level in China, love of country has come to be identified completely with anti-Japanese sentiment. Four days later, Senior Vice Education Minister Shimomura Hakubun criticized the government's guidelines for textbook, which requires texts to take into account the sensitivities of Japan's neighbors. Shimomura characterized the practice as a form of "masochism."

China's reply came from Foreign Ministry spokesperson Liu Jianchao, who asserted that it is "totally groundless" for Japan to accuse China of "inciting anti-Japanese sentiment by history education." Liu thought that it was Japan that should "address the problems left by history..."

At the end of February, the *Asahi Shimbun* reported that Chinese Communist Party sources had told its reporters that party cadres had decided against inviting foreign leaders to attend September ceremonies marking the 60<sup>th</sup> anniversary of victory in the anti-Japanese global war against fascism. Invitations to foreign leaders had been debated within the CCP Party, but the decision went against issuing invitations – Koizumi’s visits to the Yasukuni Shrine complicated the issue and contributed to the decision not to invite foreign participation. In March, *Kyodo News Service* reported from Beijing that an advisor to China’s legislature had recommended that a national day of mourning and remembrance be instituted Dec. 13, the day the Imperial Army occupied Nanking in 1937. Other legislative proposals would prohibit the opening of new businesses or holding of marriage ceremonies Sept. 18, the day the Japanese army invaded Manchuria in 1931.

The past also surfaced during a Chinese Foreign Ministry press conference. When asked about Japan’s efforts to secure a permanent seat on the United Nations Security Council, Spokesperson Liu Jianchao replied that China hopes that Japan will adopt “a correct and responsible attitude toward history issues.” To gain the trust of others it “is necessary to directly and responsibly face the problems of history.”

### **History: Japan’s Courts**

On March 18, the Tokyo High Court rejected an appeal for compensation filed by two Chinese women who had been forced to serve as comfort women by the Japanese Imperial Army. The court acknowledged that the women had been raped and suffered physical and psychological harm, but dismissed the suit citing the 20-year statute of limitations in Japan’s civil code as well as diplomatic instruments ending the war and establishing diplomatic relations with the People’s Republic of China.

Despite the best efforts of diplomats in both Tokyo and Beijing, the next three months promise a continuation of “cold politics and hot economics” – with the very real prospect that politics may get much colder before any real thaw. Issues related to sovereignty, nationalism, and history continue to bedevil the relationship and political forces in both countries are moving toward confrontation not conciliation.

## **Chronology of Japan-China Relations January-March 2005**

**Jan. 1, 2005:** PM Koizumi does not visit the Yasukuni Shrine.

**Jan. 4, 2005:** PM Koizumi and five Cabinet members visit Ise Shrine.

**Jan. 6, 2005:** PM Koizumi and Premier Wen Jiabao meet briefly during tsunami relief conference in Jakarta; pledge cooperation in relief effort.

**Jan. 6, 2005:** LDP 2005 party platform calls for continuation of visits to Yasukuni.

**Jan. 6, 2005:** Chinese embassy informs LDP's Nukaga that scheduled visit of Diet delegation has to be postponed.

**Jan. 11, 2005:** Diet delegation arrives in Beijing; meets with former FM Tang and Vice FM Zhang.

**Jan. 12, 2005:** China's Ambassador Wang speaks at Waseda University, does not include Yasukuni issue in prepared remarks; speaks to issue only in response to a question.

**Jan. 13, 2005:** Ambassador Wang meets with senior LDP leaders; tells them that he is personally trying to avoid Yasukuni issue.

**Jan. 13, 2005:** Minister of Economy, Trade and Industry Nakagawa tells French counterpart that East Asian countries are concerned that EU will end China arms embargo.

**Jan. 21, 2005:** PM Koizumi in Diet policy speech defines Japan-China relations as of "utmost importance," pledges to "build future-oriented Japan-China relations" and to "enhance cooperation in a broad range of areas from a broader perspective, even if views on individual areas may differ."

**Jan. 21, 2005:** Working-level diplomat discussions take place in Beijing; Japanese propose "Comprehensive Work Plan" to advance bilateral relations.

**Jan. 25, 2005:** In response to questions about his intention to visit Yasukuni, PM Koizumi responds that he would make "appropriate decisions" on his own.

**Jan. 26, 2005:** Finance Ministry releases 2004 trade statistics, revealing China has become Japan's top trading partner.

**Jan. 31, 2005:** Tokyo Gov. Ishihara announces plans to construct power-generating facility on Okinotori Island.

**Feb. 3, 2005:** Ambassador Wang calls for Japan-China FTA in speech delivered in Kobe.

**Feb. 7, 2005:** Vice FM Yachi announces Japan's acceptance of Chinese proposal for China-Japan Strategic Dialogue.

**Feb. 9, 2005:** Chief Cabinet Secretary Hosoda announces government has assumed management of lighthouse on Uotsuri Island in Senkaku Islands; Foreign Ministry informs Chinese Embassy of its decision.

**Feb. 18, 2005:** Ministry of Economics, Trade and Industry releases interim report on activities in East China Sea.

**Feb. 19, 2005:** Joint Statement issued at conclusion of U.S.-Japan Security Consultative Committee calls for peaceful resolution of China-Taiwan issue.

**Feb. 20, 2005:** Economics Minister Nakagawa tells television audience that it is “highly likely” Chinese exploration in East China Sea extends into Japan’s EEZ.

**Feb. 21, 2005:** Foreign Ministry officially informs Chinese Embassy of concerns over exploration activities in East China Sea.

**Feb. 22, 2005:** Sun Yafu, deputy director of Taiwan Affairs Office, travels to Tokyo to brief Vice FM Yachi on China’s anti-secession law.

**Feb. 23, 2005:** Sun meets with FM Machimura.

**Feb. 23, 2005:** Chinese Foreign Ministry briefs Japanese and South Korean ambassadors on Wang Jarui’s mid-February visit to Pyongyang.

**Feb. 23, 2005:** Japan, China, ROK, and ASEAN meet in Bangkok to discuss dollar and monetary coordination issues.

**Feb. 27, 2005:** Director General of Asia and Oceanic Affairs Sasae travels to Beijing; meets with Vice Minister Wu on North Korea issues.

**March 2, 2005:** Democratic Party of Japan introduces legislation calling for Coast Guard protection for Japanese ships engaged in exploration of Japan’s EEZ.

**March 4, 2005:** *Asahi Shimbun* reports *F-15s* will replace *F-4s* in Okinawa by 2008.

**March 4, 2005:** FM Machimura during Upper House session tells China to make efforts to improve its teaching of history.

**March 7, 2005:** PM Koizumi states that Japan’s Taiwan policy is unchanged.

**March 7, 2005:** Foreign Ministry advisory panel on ODA agrees to gradual phasing out of ODA program for China; recommends continuing aid projects for environmental protection and personnel training.

**March 8, 2005:** Vice Education Minister Shimomura criticizes as “masochism” government consideration of sensitivities of Japan’s neighbors in developing textbooks.

**March 14, 2005:** Premier Wen Jiabao addresses issue of China-Japan reciprocal high-level visits; offers three-step plan toward their resumption.

**March 15, 2005:** FM Machimura and Li discuss Taiwan and ODA during 30-minute telephone call.

**March 15, 2005:** PM Koizumi addresses pending EU arms embargo decision during Lower House meeting.

**March 17, 2005:** FM Machimura announces Japan-China agreement to terminate new ODA loans by 2008.

**March 18, 2005:** Chief Cabinet Secretary Hosoda tells press that negotiations on ODA termination are still in process.

**March 18, 2005:** Tokyo High Court dismisses suit for wartime compensation brought by two Chinese comfort women.

**March 24, 2005:** JDA deputy director general travels to Beijing; meets with PLA Deputy Chief of Staff Xiong Guangkai and Minister of Defense Cao Gangchuan.

**March 24, 2005:** Liaison Council on continental shelf and ocean resources meets at Prime Minister's official residence.

**March 27, 2005:** Koizumi meets in Tokyo with French President Jacques Chirac; Chirac affirms EU intent to end China arms embargo.

**March 28, 2005:** Private Japanese research team lands on Okinotori Island.

**March 28, 2005:** Director General of the Asia Bureau of China's Foreign Ministry Cui travels to Tokyo to meet with counterpart Sasae.

**March 28, 2005:** Japan's National Institute for Defense Studies releases *East Asian Strategic Survey 2005*, calling attention to China's military modernization, cross-Strait military balance, and increasing nationalism behind China's foreign policies.