



Japan-China Relations:
Politics in Command: Part 2

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Beijing welcomed the new Fukuda government and Japan's new prime minister made clear his commitment to improving Japan's relations with its Asian neighbors and building the strategic relationship with China. However, the new government in Tokyo soon became preoccupied with the passage of a new antiterrorism special measures law to reauthorize Japan's refueling operations in support of UN operations in Afghanistan, Defense Ministry scandals, and the continuing pension fund imbroglio.

Despite repeated commitments by political leadership in Tokyo and Beijing to joint development of the oil and natural gas resources in the East China Sea, there is no tangible resolution of the issue in sight. At the end of the year, joint development remained an aspiration. Even as the prime minister prepared for his late December visit to China, government and diplomatic sources were downplaying expectations that the visit would produce agreement on the issue. Meanwhile, as underscored by the first meeting of the Japan-China High Level Economic Dialogue, economic and business ties continued to strengthen the foundation of the bilateral relationship.

Japan-China relations under the Fukuda government

Beijing welcomed the advent of the Fukuda government. On Sept. 25, China's Foreign Ministry congratulated the new prime minister on his accession to office and expressed the hope that the reciprocal strategic relationship would continue to develop in a healthy and stable manner. China's media gave front-page play to the new prime minister, emphasizing Fukuda's interest in advancing relations with Japan's Asian neighbors and his commitment not to visit the Yasukuni Shrine. In his initial policy speech to the Diet on Oct. 1, Fukuda announced that "With China, we will establish a mutually beneficial relationship based on common strategic interests, and to work together to contribute to the peace and stability in Asia."

When presenting his credentials to the emperor, China's new Ambassador to Japan Cui Tiankai remarked that "a strengthening of mutual trust and confidence will become the foundation of the strategic reciprocal relationship." Three days later, when Cui called on him, Fukuda reiterated his support for the strategic, reciprocal relationship, expressed his intention to visit China in the near future, and made his commitment to make President Hu's visit to Japan a success. At the end of November, in response to a Chinese

journalist who expressed the hope that “spring will soon come in Japan-China relations,” Fukuda replied that he thought “it has already arrived.” He hoped that “It will last as long as possible, because when summer comes, something that upsets us might occur.”

Fukuda-Wen meeting

Following the Nov. 16 Summit with President Bush in Washington, Fukuda traveled to Singapore for the ASEAN Summit, where he met with Premier Wen Jiabao on Nov. 20. Wen welcomed Fukuda by acknowledging his father as a signatory of the Japan-China Peace and Friendship Treaty, observing that “the Chinese people know you very well.” Wen also praised the efforts of Fukuda’s predecessor, Abe Shinzo, to develop bilateral relations, whom China regarded as “an old friend who will not be forgotten.”

Taking a broad view of the relationship, both leaders agreed on the importance of expanding bilateral exchanges, particularly among the youth and in the areas of culture and sports, and of building trust in security relations. At the same time, Wen defined the China-Japan relationship as being “at an important turning point” and urged that opportunities be seized to “move relations forward.” Specifically, Wen characterized the East China Sea issue as being “highly complex and sensitive” and called on both sides to bravely come to grips with the issue of joint development. In reply, Fukuda asked Wen to “display political leadership for an early settlement” of the longstanding dispute. Fukuda stressed that he wanted to settle the issue “for the sake of the development of Japan-China relations.” Ultimately, the two leaders agreed to “accelerate the dialogue process to appropriately resolve” the dispute, but did not commit to a specific timetable.

With regard to the past and Taiwan, Wen observed that “appropriately resolving these issues is the political basis for maintaining good Japan-China relations.” In this context, he hoped that “Japan will appropriately deal with the Taiwan issue.” Fukuda replied that there was no change in Japan’s “one-China policy.”

On North Korea, Wen expressed his understanding and sympathy with regard to the plight of Japan’s abductees and promised China’s cooperation in resolution of the issue.

Looking ahead, Wen said that Fukuda’s visit to China and Hu’s visit to Japan “will be highly significant for the development of bilateral relations.” Fukuda replied that he would visit China at an early date subject to Diet activity and that Japan anticipated that Hu would visit Japan early in 2008.

East China Sea: dead stop

Shortly after assuming his post, Foreign Minister Koumura Masahiko gave an interview to the *Mainichi Shimbun*. Asked about the East China Sea dispute and Fukuda’s visit to China, he replied that “the matter is not a stumbling block to the prime minister’s visit.” Koumura also mentioned that he had recently told his Chinese counterpart that “China should go ahead and make a political decision and that Japan would respond flexibly.”

On Oct. 11, Koumura met with Chinese Ambassador to Japan Cui. Taking up the East China Sea issue, the foreign minister urged China to “make a political decision for the building of a mutually beneficial strategic relationship.” Cui replied that China wanted “to move forward for joint development so that the issue will not become an obstacle to the development of bilateral relations.” In Beijing, diplomats, meeting at the director-general level, again failed to resolve the issue of joint development but agreed to meet again in November in Tokyo.

On Oct. 31, Sasae Kenichiro, the director general for Asian and Oceanic affairs met with members of the LDP’s special committee on maritime issues. Sasae told the legislators that the Chinese had unofficially communicated that joint development was possible “depending on how Japan deals with the issue.” The *Yomiuri Shimbun* reported that in light of the change in China’s position the Foreign Ministry had decided to elevate the talks to the foreign ministers’ level. On Nov. 10, Koumura expressed the hope that “substantive progress” would be made before the prime minister’s visit to China.

The two sides met for the 11th time in Tokyo on Nov. 14 with the familiar outcome of no progress. However, the Japanese proposed to meet again before the end of the month and the Chinese agreed to consider the proposal. Chief Cabinet Secretary Machimura told reporters that “the situation ought to give rise to serious concern. As long as the lack of progress continued, the situation would clearly influence the planning of the prime minister’s visit to China.”

On Nov. 16, Chief Cabinet Secretary Machimura met with Ambassador Cui to convey the government’s intent to resolve the issue by the time of the prime minister’s visit to China. Cui replied that China “has the sincerity and resolution to jointly make efforts to settle the issue at an early time in an appropriate manner.” On Nov. 17, the *Sankei Shimbun* reported that Japanese negotiators, at the Nov. 14 meeting, had advanced an initiative that would entail joint development on the Japanese side of the disputed mid-line boundary, provided China would accept joint development in an area straddling the mid-line boundary. The Japanese proposal, however, did not extend to the area of the Senkaku Islands. According to the *Sankei* report, when a Japanese diplomat had suggested the possibility that Japan, in response to the continuing stalemate, would begin test drilling on its side of the disputed boundary, the Chinese responded that China would send PLA Navy ships into the area.

On the morning of Dec. 1, Koumura met with his Chinese counterpart Yang Jiechi to explore the East China Sea issue. While both ministers reiterated commitments to building a strategic, reciprocal relationship through dialogue and a broad exchange of views, they remained deadlocked over East China Sea issues. Koumura urged China to make a “political decision,” to which, Yang replied that the issue was “highly complex and sensitive.” Nevertheless, Yang called on the two sides to “bravely tackle the issue” and committed his best efforts to the task. Afterwards, Koumura told reporters that, while they had grappled with the issue, he was unable to say that there was any progress.

The next day Koumura met with State Councilor Tang Jiaxuan at the Diaoyutai Guest House to press for resolution before Prime Minister Fukuda's visit. Tang suggested that the matter be taken up by vice ministers, going on to say that he wanted to give some thought to the shape of negotiations. Before meeting with Tang, Koumura, together with his delegation of ministers, met with Premier Wen Jiabao. Again the Japanese urged a political decision to allow joint development. In turn, Wen replied that he wanted to shelve the dispute and continue discussions over how to proceed with joint development.

On Dec. 3, Koumura met with President Hu Jiantao in the Great Hall of the People. When Koumura asked that China make a political decision in advance of the Fukuda visit, Hu urged that both sides consider the issue from a broad perspective, shelve the dispute and reach a common understanding on joint development, and carry on deliberations as equals. He approved of "accelerated deliberations and an early and appropriate resolution of the issue" but failed to set a time frame for reaching agreement.

Senkaku Islands

The territorial dispute over claims to the Senkaku/Daioyutai Islands sparked briefly at the end of October. On the evening of Oct. 28, Chinese activists from the Hong-Kong based Action Committee for Defending the Diaoyu Islands entered Japanese claimed waters in the vicinity of the Senkaku Islands. The activists' ship departed Japanese waters an hour later after being warned off by Japanese Coast Guard ships. In Beijing, a spokesman for the activists told reporters that the Japanese Coast Guard had used water cannon to repel the Chinese boat.

In response, a task force was set up in the prime minister's office to deal with the incursion. Japan protested through diplomatic channels, emphasizing that the islands are "an inherent part of Japan's national territory" and found the incident "regrettable." Beijing, in turn, stressed the islands are Chinese territory, labeled the actions taken by the Japanese Coast Guard as "violations of international law," and expressed China's "strong opposition," and ultimately found the Japanese protest "unacceptable."

Upon returning to Zhangzhou City in Fujian Province, the protest group said four members were taken voluntarily into custody, transferred to Amoy city, and detained under house arrest. They were released on the evening of Oct. 31 after signing a pledge that they would not return to the islands. The *Asahi Shimbun* on Nov. 7 reported that the Hong Kong authorities, in a letter addressed to the activist group, asked them to look at the big picture – improving relations with Japan, a pending visit to China by Japan's prime minister and a period of danger in the Taiwan Strait – in considering their actions.

Taiwan: Candidates Come Calling

On Dec. 16, Frank Hsieh, presidential candidate of the Democratic Progressive Party, arrived in Japan for a four-day visit. In a speech at his alma mater, Kyoto University, Hsieh accused China of posing a threat to regional security and called on Japan to provide security assurances to Taiwan. He told his audience that it was "incorrect" to see

Taiwan as “the main obstacle in both China-Japan and China-U.S. relations.” He went on to argue that “If there was no Taiwan problem, there would still be the clear and present threats posed by China’s military expansion, snatching up of natural resources and malignant economic practices.” Taiwan, a democratic nation, was not the source of the problem. In fact, the world only has a “China Problem.” Hsieh said that, if elected, he would seek to develop Taiwan-Japan relations along the lines of the U.S. Taiwan Relations Act, which commits the U.S. to providing Taiwan with arms for its defense.

Kuomintang presidential candidate Ma Ying-jeou visited Japan, Nov. 21-23. *Kyodo News* reported that in an effort to change perceptions that he was anti-Japanese, Ma, according to a source in his party, had secretly met with “multiple Japanese government officials.” In a speech at Doshisha University in Kyoto on Nov. 21, Ma called for a Taiwan-Japan FTA and increased economic and cultural ties. If elected, he would work to increase high-level contacts between Taiwan and the Japanese government.

Business and economics

On Dec. 1-2, Foreign Minister Koumura, accompanied by Minister of Finance Nukaga Fukushiro, Minister of Economy, Trade and Industry Amari Akira, Minister of Agriculture, Forestry and Fisheries Wakabayashi Masatoshi, Environment Minister Kamoshita Ichiro, and Minister of Economic and Fiscal Policy Ota Hiroko, attended the first Japan-China High Level Economic Dialogue in Beijing.

Koumura and Vice Premier Zeng Peiyan co-chaired the Saturday meeting, which took place in the Great Hall of the People. Zeng took the opportunity to declare that “China’s development is not a threat to Japan, but an opportunity” and went on to acknowledge that China had benefited from Japan’s ODA program. During the meeting, the foreign ministers exchanged notes on the fiscal year ¥2007 loan, which is the final year of a program that has provided China with over ¥3 trillion in low-interest loans since 1979. The foreign ministers also signed a treaty on mutual assistance in criminal cases.

Food safety and the environment were major topics of discussion, with the two sides agreeing to cooperate on environmental issues, energy saving technologies, and food safety. The two sides also reached agreement allowing Japan to export to China an additional 150 tons of rice (China resumed imports of Japanese rice in April of this year) and increasing Chinese exports of pork, beef, and pumpkins. Finance Minister Nukaga and his Chinese counterpart Xie Xuren agreed to cooperate on regional financial issues, including multilateral currency swaps, and to increase exchanges in the area of macroeconomic policy and exchange rates. The Japanese also urged China to take steps to raise the value of the yuan.

Premier Wen pronounced the meetings a success, observing “It’s clear China and Japanese relations have taken another step forward, especially in the areas of trade and commerce.” Progress momentarily took a half step back in Tokyo, when it was learned that the Chinese had unilaterally edited the Chinese language draft of a joint press communiqué statement issued at the conclusion of the meeting, omitting the Japanese call

on China to revalue the yuan. The *Asahi Shimbun* quoted an anonymous Japanese official as saying that the Chinese action “will erode the trust between the two countries,” while another labeled it a “reckless act that should not be done diplomatically.” A source familiar with the China-Japan relationship offered the opinion that the action must have been taken at the request of CCP leadership.

The Japanese released the Japanese text of the document Dec. 1, while Beijing issued the Chinese language text Dec. 3. Initial Japanese protests went through diplomatic channels, but the story became front-page news the following weekend. On Dec. 10, Foreign Minister Koumura attributed the omission to “some slip-ups.” Chief Cabinet Secretary Machimura, was less forgiving, characterizing the action as “unthinkable.” He went on to say that “issuing something that is different in content from what was agreed upon or deleting part of it is something on the order of unthinkable from the viewpoint of international practices, and it is beyond my understanding as to why that happened.”

On Dec. 11, the Chinese Foreign Ministry Deputy Spokesperson Qin Gang answered by pointing out that since the communiqué was not a “joint document,” it was “normal that the two sides’ contents are not identical.” In Tokyo, the Foreign Ministry cautioned against overreacting to the incident, given the continuing improvement in bilateral relations. A week later, Japanese media reported that the prime minister would visit China at the end of December.

Underscoring the continuing expansion in commercial ties, the *Nikkei Shimbun* on Dec. 17 reported that Mitsui Chemical and Mitsubishi Gas-Chemical, both producers of basic materials, had decided to produce high-function materials, such resins used in automobiles and electronic appliances in China. Mitsubishi Gas-Chemical is planning to invest in the construction of a polycarbonate plant in Shanghai to begin operating in 2010, while Mitsui Chemicals will invest in a Shanghai plant that will begin production in 2012 to produce phenols. The *Nikkei* story also reported that Asahi Glass has initiated production of energy-saving glass in its plant in Dalian. Meanwhile Mitsubishi Heavy Industries announced its plan to join with China’s Harbin Group to manufacture in Heilungjiang Province equipment used in nuclear power plants.

Ozawa in Beijing

Democratic Party of Japan (DPJ) President Ozawa Ichiro, accompanied by 46 members of the Diet, visited China from Dec. 6-8. On Dec. 7, Ozawa met President Hu for 30 minutes in the Great Hall of the People. Also attending the meeting were DPJ Deputy President Kan Naoto, Diet Affairs Committee Chairman Yamaoka Kenji, and former Foreign Minister Tanaka Makiko, whom the Chinese asked to attend.

During the meeting Hu praised the improvement in the relationship that gathered momentum under former Prime Minister Abe and stressed the importance of strengthened relations in dealing with the problems of energy and the environment. Hu also noted that the dialogue on defense and security issues has advanced and the two countries were cooperating on the denuclearization of North Korea. Reflecting on the

progress in bilateral relations, Hu stressed that “if we cooperate, we will benefit, but, if we go against each other, we will lose.” In reply, Ozawa noted that, given the different stages of political and economic development that marked the countries of Asia, peace and prosperity were unattainable “without mutual cooperation.” To that end, he described Japan-China relations as “significant” and emphasized the need to build a “relationship of trust.”

After the meeting, Ozawa told reporters that “The DPJ has carried out diplomacy. I hope our efforts will create a certain level of public confidence in our party.” Should the DPJ gain power, the party would work “to create equal partnerships with the U.S. and China.” The delegation also met with Li Yuanchao, head of the Chinese Communist Party’s Organizational Bureau and Hu Chunhua, first secretary of the Communist Youth League.

History: Yasukuni and Nanjing

On Oct. 6, speaking in Tsukushinai, Koga Makoto, president of Japan’s War Bereaved Families Association, addressed the issue of the enshrinement of Japan’s Class-A war criminals in the Yasukuni Shrine. Koga argued that Japan’s wartime leaders should be held responsible for the sacrifices and losses endured by Japan’s citizens and called attention to the study group within the Bereaved Families, now engaged in considering the dis-enshrinement of the Class-A war criminals. Koga wanted Yasukuni to be a memorial where all citizens, including the emperor, could pay homage to Japan’s war dead. Before departing for China, Ozawa called the enshrinement of Class-A war criminals “irrational,” pledged that should he become prime minister, he would not make an official visit to the shrine, and expressed his support for dis-enshrinement. Earlier, Prime Minister Fukuda told reporters that Yasukuni was a major reason for his not running in the LDP’s presidential race in September 2006.

On Dec. 13, the 70th anniversary of the Nanjing Massacre, the Nanjing Massacre Memorial reopened after a two-year period of expansion and renovation.

Security

The *Nikkei Shimbun* on Oct. 9 carried a story on the shift of some Japan’s Self-Defense Force (SDF) units to Japan’s southwest. The report told of the pending 2008 deployment of 20 *F-15* fighters to Naha Air Base in Okinawa and of *Apache* attack helicopters to Saga Prefecture. The deployments are aimed at protecting Japanese territory, in particular the Senkaku Islands, in the face of China’s growing military strength. To assuage Chinese concerns over the *F-15* deployment, the Ministry of Defense characterized the transfer as “rotational.”

At the same time, the long-delayed exchange of mutual port calls, initially agreed to in October 2000, finally materialized. On Nov. 28, the PLA Navy’s *Luhai*-class destroyer *Shenzhen*, welcomed by the SDF destroyer *Ikazuchi*, anchored at Harumi pier in Tokyo Bay, marking the first-ever port call by a PLA warship in Japan.

On board the ship, R. Adm. Xiao Xinnian told reporters that China's on-going military modernization and expansion should not be a matter of "concern," as China's military strategy is "defensive" in nature. Xiao added that China "does not want to be a superpower or take over the world." China's Ambassador Cui said that the visit "opens a new page in the two countries' defense exchange and that advancing friendly exchanges in the security field holds important significance for the strategic reciprocal relationship." Maritime SDF Chief of Staff Yoshikawa Eiji greeted the *Shenzhen* saying that the visit "will lead to strengthening the relationship of mutual trust between our two countries" and promote "friendship and goodwill in our bilateral relations."

There were, however, limits to the exchange. A scheduled visit to one of Japan's *Aegis*-class warship was cancelled. On Nov. 30, Minister of Defense Ishiba Shigeru denied that the cancellation had anything to do with a reported protest from the United States.

Run-up to the Fukuda visit

In the week before the prime minister's arrival in China, government officials in Tokyo and Beijing began to preview the trip and the bilateral agenda. On Dec. 21, Chief Cabinet Secretary Machimura told a press conference that he expected the talks to cover a wide range of bilateral, regional, and international issues including North Korea and the East China Sea. With regard to the latter, however, he was not optimistic. Machimura noted negotiations were continuing, but was uncertain "whether a good report can be compiled in the remaining time." Nevertheless, Japan would continue to make the "utmost effort" to resolve the issue "as soon as possible." In the end, he hoped that the visit would be "meaningful for further enhancing the mutually beneficial relationship based on common strategic interests."

The day before, Ambassador Cui, in a speech at the National Press Club in Tokyo, said that he thought that the East China Sea dispute could be resolved if both sides would address the issue from a long-term perspective and in a sincere manner. On Dec. 25, Chinese Foreign Ministry spokesperson Qin Gang released the schedule for the prime minister's visit and observed that the visit "will carry a significant meaning for the development of China-Japan relations. With regard to the East China Sea issue, Qin called for early agreement on the principle of joint development, while shelving resolution of the dispute. Nevertheless, he acknowledged that talks were at a "stalemate" but said China would continue to address the issue in a "positive and practical manner."

On Dec. 25, the *Yomiuri Shimbun* reported that China's Vice Minister of Foreign Affairs Wang Yi, formerly ambassador to Japan, had secretly visited Japan the previous week and met Vice Foreign Minister Yachi Shotaro. Seeking a breakthrough on the East China Sea dispute before Fukuda's visit, Wang advanced a proposal for joint development of new oil and gas fields in the area of the median line boundary. Government sources, however, told the *Yomiuri* that discussions had proved unavailing.

On the afternoon of Dec. 27, in a meeting with reporters at the Kantei prior to his departure for China, the prime minister said that he was relaxed about the visit and,

because meetings between heads of government are rare, thought that they would “try to speak candidly.” As for the East China Sea dispute, Fukuda said that while concrete discussions would be held, matters like negotiations are best handled at the working level. While an early resolution was preferable, the prime minister’s comments suggested the difficulties involved.

On the morning of Dec. 27, Fukuda met leaders of coalition partner Komeito Party to discuss an initiative to establish a jointly financed Japan-China Environment Fund. On the evening of Dec. 25, Fukuda told representatives of the Chinese media that he wanted to “give concrete form to the strategic reciprocal relationship” and, building on the steps taken by Prime Minister Abe, “raise the relationship to new level.” In particular, he wanted to advance cooperation on improving the efficiency of coal-fired thermal power plants, preventing water pollution, and the structuring of a recycling economy.

Fukuda in China

The prime minister arrived in Beijing on the evening of Dec. 27 to a red carpet welcome. Japanese flags decorated the streets in the vicinity of Tiananmen Square and the hotels where Fukuda stayed. His speech to a Beijing University audience was televised nationally – only the second time that a speech by a foreign leader has been given such coverage, the first being President Bush’s speech in 2005. Further, at the conclusion of his meeting with Premier Wen, the two leaders held an unprecedented joint news conference. Fukuda and Wen also played catch in the Diaoyutai Guesthouse gymnasium, with each leader wearing a red baseball cap with a scripted white C on the front.

Fukuda met Wen for two hours on the morning of Dec. 28 in the Great Hall of the People. At the start of the meeting, Fukuda told Wen that the two countries “are now facing a big opportunity and responsibility” and that he wanted Japan and China to work together for the “future of Asia and the world.” The meeting produced agreement on areas in which the two countries could cooperate which included energy, the environment and climate change, and the promotion of personnel exchanges, including military officers. With regard to the East China Sea, the two leaders agreed to seek the earliest possible resolution. Fukuda reassured China that Japan did not support efforts on Taiwan to hold referenda on membership in the UN if it would lead to a unilateral change in the status quo and that Japan’s policy of supporting peaceful resolution of cross-Strait relations remained unchanged. Wen promised China’s cooperation in resolving the abductee issue and the denuclearization of North Korea.

At the joint press conference following the meeting, Fukuda told reporters that “we have only one direction to pursue for Japan-China relations ... to further reinforce ties.” As a result of the meeting, he believed that mutual understanding had deepened. Referring to the rain at the time of his April visit to Japan, Wen quoted a Chinese proverb with regard to the snow in Beijing, namely that “snow is the harbinger of a rich year.” Wen thought the relationship had “taken a step forward.” Fukuda acknowledged the existence of “various problems” but went on to say “we must seek ways to overcome those challenges.” He also noted that the relationship was no longer simply bilateral in nature

but had regional and global implications. Without going into detail, both leaders agreed that “progress” had been made on the East China Sea issue.

In the afternoon, Fukuda delivered an address to a Beijing University audience. Fukuda said that Japan’s militarism represented an “unfortunate period” in its history and expressed his belief that “it is our responsibility to squarely look at it and pass it on to our offspring.” Future mistakes could only be prevented “if we properly look at the past and have the courage and wisdom to repent what we must repent.” Looking ahead, the prime minister defined Japan and China as “major presences” with “the abilities to contribute to the stability and development of Asia and the world...”

In the evening, Fukuda met President Hu who hosted a dinner at the Diaoyutai Guest House. The two leaders reaffirmed commitments to cooperate in the areas of energy, the environment, and information technologies. Hu said that he wanted to work with Fukuda “to carve out a beautiful future for Japan and China.” He believed that the prime minister’s visit would “contribute to facilitating the mutually beneficial and strategic relationship and developing Japan-China relations.” With the Chinese government, Hu said he attached “great value to China-Japan relations.” There were, of course “delicate issues,” which China hoped to resolve “in an appropriate manner.” In reply, Fukuda acknowledged that on issues such as the East China Sea, “it is impossible to reach agreement on every aspect, but the gaps of views between the two countries are shrinking.” Hu told Fukuda that that he wanted to finalize plans for his trip to Japan as soon as possible.

Following his meetings in Beijing, Fukuda traveled by automobile to Taijin on Dec. 29, where he visited a Toyota plant and visited an Exhibition Hall, then flew to Jinan in Shandong Province. On Dec. 30, he visited the boyhood home of Confucius in the city of Qufu and returned to Japan later that evening.

Outlook

The exchange of high-level visits, beginning with Prime Minister Abe’s trip to China at the end of 2006, appears to have turned a page in the bilateral relationship. For the moment, the two countries are accentuating the positive, cooperating in areas of mutual benefit, such as energy and the environment, while downplaying differences, such as the East China Sea. Provided the East China Sea remains calm, planning for the upcoming 2008 visit of President Hu should keep relations moving in a positive direction.

Chronology of Japan-China Relations October-December 2007

Oct. 1, 2007: PM Fukuda delivers his first policy speech to Diet and commits to building a strategic reciprocal relationship with China.

Oct. 5, 2007: FM Koumura calls for the early resolution of the East China Sea issue to facilitate an early visit to China by PM Fukuda.

Oct. 6, 2007: President of Japan's War Bereaved Families calls for dis-enshrinement of Japanese Class-A war criminals from Yasukuni Shrine to allow all Japanese, including the emperor, to pay homage at the shrine.

Oct. 11, 2007: FM Koumura meets new Chinese Ambassador to Japan Cui Tiankai and calls on China to make political decision to resolve East China Sea dispute.

Oct. 11, 2007: DPJ President Ozawa meets with the Chinese ambassador and reveals plans to visit China, Dec. 6-9.

Oct. 15, 2007: Director General for Asian and Oceanic Affairs Sasae meets the LDP committee on maritime issues and communicates unofficial hints from the Chinese of possible progress on the joint development of East China Sea.

Oct. 15-21, 2007: Chinese Communist Party National Party Congress meets in Beijing.

Oct. 16, 2007: Japanese national is arrested in Shenyang in connection with illegal brokering of organ transplants.

Oct. 18, 2007: Supra-party delegation of 67 parliamentarians visits Yasukuni Shrine during the Autumn Festival.

Oct. 23, 2007: Shenyang Court rejects the appeal of death sentence from Japanese national convicted of drug trafficking.

Oct. 28, 2007: Chinese activists who enter Japanese waters in area of Senkaku Islands are warned off by Japanese Coast Guard ships. Upon return to China, the activists are detained and freed on Oct. 31 after pledging not to return to the Senkaku Islands.

Oct. 28, 2007: Japan and Taiwan reach a new air agreement, allowing ANA and JAL to fly directly to Taiwan rather than using subsidiary corporations and providing new routes to Japan for Taiwan's China Airlines.

Nov. 2, 2007: Chinese Ambassador Cui presents credentials to emperor and emphasizes his commitment to building bonds of mutual trust and confidence as foundation of strategic reciprocal relationship.

Nov. 10, 2007: FM Koumura expresses hope for substantive progress in talks on East China Sea.

Nov. 14, 2007: Chinese and Japanese diplomats meet in Tokyo at director general-level in an effort to resolve East China Sea dispute without success.

Nov. 14, 2007: Source reports that former Chinese embassy official has been sentenced to death for disclosing military intelligence to Japanese officials.

Nov. 14, 2007: Dalai Lama arrives in Japan for 10-day visit.

Nov. 15-16, 2007: PM Fukuda visits Washington, D.C. and meets with President Bush.

Nov. 16, 2007: Chief Cabinet Secretary Machimura meets Ambassador Cui and conveys the intent to resolve the East China Sea issue before PM Fukuda visits China

Nov. 16, 2007: Dalian authorities refuse customs clearance and ask for explanation from JAL for in-flight magazines sent to airlines' Dalian office in which the words "Senkaku Islands" appear. A week later, following an appeal by Japanese consul, the incident is resolved and customs clearance is approved.

Nov. 20, 2007: PM Fukuda meets Premier Wen in Singapore on the sidelines of the ASEAN Summit meeting. They also meet South Korea's President Roh Moo-hyun.

Nov. 21-23, 2007: Taiwan's presidential candidate Ma Ying-jeou visits Japan and meets political and government officials.

Nov. 23, 2007: Dalai Lama meets Secretary General of the DPJ Hatoyama.

Nov. 28, 2007: PLA Navy destroyer arrives in Japan, marking first-ever visit of PLA warship to Japan and first step in agreed to reciprocal port call visits.

Nov. 29, 2007: Diet passes legislation providing benefits up to ¥146,000 per month to war-displaced Japanese nationals. In response, on Dec. 7 and Dec. 13, a total of 58 war displaced individuals drop suits seeking compensation for insufficient post-war support.

Dec. 1-2, 2007: FM Koumura leads a Cabinet delegation to Beijing for the first Japan-China High-Level Economic Dialogue. During the visit Koumura meets separately with Chinese FM Yang and State Councilor Tang to discuss the East China Sea dispute.

Dec. 2, 2007: DPJ President Ozawa meets Ambassador Cui to exchange views on North Korea. The ambassador reveals that Kim Jong-il has drastically reduced his alcohol consumption.

Dec. 3, 2007: FM Koumura meets President Hu and urges China to take a political decision to resolve East China Sea dispute.

Dec. 5, 2007: PM Fukuda meets war-displaced Japanese and apologizes for suffering endured.

Dec. 5, 2007: Chief Cabinet Secretary Machimura announces the formation of a Foreign Policy Study Council to advise the prime minister on his pending visit to China and the 2008 G8 Summit, which Japan will host at Lake Toya.

Dec. 3-11, 2007: Controversy emerges over the wording about valuation of the yuan in the document issued at conclusion of the High-Level Economic Dialogue.

Dec. 6-8, 2007: DPJ President Ozawa visits China and meets President Hu.

Dec. 13, 2007: In conjunction with the 70th anniversary of Nanjing massacre, the Memorial Museum reopens in Nanjing after a two-year refurbishment.

Dec. 14, 2007: Taiwan's representative to Japan in speech delivered at the 52nd Wakayama dialogue calls for cooperation to deal with the threat posed by China.

Dec. 16-20, 2007: Taiwan's Democratic Progressive Party presidential candidate Hsieh Chang-ting visits Japan and in a Dec. 16 speech at his *alma mater*, Kyoto University, calls China a threat to regional security and seeks security assurances from Japan.

Dec. 17, 2007: Japanese media report that PM Fukuda will visit China Dec. 27-30.

Dec. 18, 2007: Japan announces the introduction of competitive bidding contracts to deal with the disposal of chemical weapons abandoned by the Imperial Army in China.

Dec. 20, 2007: Ambassador Cui, speaking at National Press Club, offers hope for resolution of East China Sea dispute.

Dec. 21, 2007: Chief Cabinet Secretary Machimura expresses doubts that East China Sea issue will be resolved before the Prime Minister's visit to China.

Dec. 27-30, 2007: PM Fukuda visits China and meets Premier Wen and President Hu on Dec. 29, travels to Taijin and Shandong Province on Dec. 29, and visits Confucius' boyhood home in Qufu city on Dec. 30.