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JAPAN-CHINA RELATIONS

NO SETBACK, NO PROGRESS

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The pattern of warm trade and cold politics continued over the summer of 2017. No discernible progress was made in resolving issues between Japan and China. Leadership interaction was limited, while economic relations showed some signs of improving and tensions in the East China Sea dominated defense activity. At the end of September, the government-sponsored *China Daily* [opined](#) that it was “no exaggeration to say that the past five years have been among the darkest days in Sino-Japanese ties since the two established formal diplomatic ties.”

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High-level meetings

Japan's leadership continued to profess its desire for better relations with China, while the Chinese government insisted that improvement must await a change in Japanese behavior. From Beijing's point of view, no improvement occurred. This impasse presumably precluded formal state visits, but regular exchanges took place in other venues.

Although Chinese Finance Minister Xiao Jie failed to attend a scheduled meeting with Japanese counterpart Aso Tarō at the Sixth China-Japan Finance Dialogue in Yokohama in May, allegedly due to pressing domestic concerns, Xiao and Aso, who were to have co-chaired the dialogue, met two days later and announced they would launch a joint research initiative on issues of mutual interest, and agreed to hold a seventh round of talks in 2018.

A week later, Secretary General of Japan's Liberal Democratic Party (LDP) Nikai Toshihiro attended an international conference for the Silk Road project, carrying a letter from Prime Minister Abe Shinzo to President Xi Jinping expressing interest in joining the Asian Infrastructure Investment Bank (AIIB). Nikai was [quoted](#) as saying not if, but when Japan would join.

As May closed, the fourth round of high-level Sino-Japanese political talks was held in Tokyo, co-chaired by Chinese State Councilor Yang Jiechi and Japanese National Security Advisor Yachi Shotarō. Yang [stated](#) that with the 45th anniversary of diplomatic normalization coming at the end of September, relations between the two countries were at an important juncture. China attached importance to developing the relationship. However, Japan must "honor its words and abide by relevant rules regarding the historical and Taiwan issues, safeguard peace and stability in the East China Sea, speak and act cautiously regarding the South China Sea." Yachi did not directly address these points, which in effect called for a complete concession of Japan's claims, saying only that Japan's stance on Taiwan and historical issues had not changed and that there was consensus that they two countries are each other's cooperative partner.

A few days later, Japan's Foreign Ministry [revealed](#) that Chinese authorities had detained a seventh Japanese citizen, a man in his 60s, on suspicion of harming the country's national security.

Talks at the end of June between foreign ministry officials in charge of maritime issues resulted in agreement to work on a sea and air communication mechanism to prevent accidental clashes between Japan's Self-Defense Forces (SDF) and the Chinese military, but made no progress toward resuming negotiations on joint gas field development in the East China Sea. A Japanese official [opined](#) that China's intention was to continue to delay so that its developments in the area – 16 have been confirmed so far, of which 12 are operational – must be accepted as a *fait accompli*.



1 Reprinted from *Asahi Shinbun*, May 12, 2017



2 Reprinted from *Asahi Shinbun*, July 7, 2017

In July, President Xi Jinping and Prime Minister Abe Shinzo met on the sidelines of the G20 meeting of the world's leading economies held in Hamburg, Germany. Abe opened the talks on an optimistic note, describing the healthy growth of the panda cub just born at Tokyo's Ueno Zoo as emblematic of Sino-Japanese friendship. Xi, however, urged Japan to learn from history so as to have better relations with China. *China Daily* added that relations between the two could not improve if Japan continued to regard China as a threat, held military exercises with the US, and sold weapons as it had to the former Philippine administration. Japanese media [commented](#) that there had been no agreement on major issues between them such as the Diaoyu/Senkaku Islands, North Korea, and repeated Chinese intrusions into what Japan regards as its territorial waters and air space.

In August, Chinese Foreign Minister Wang Yi met newly-appointed counterpart Kono Tarō on the sidelines of the ASEAN Regional Forum (ARF) held in the Philippines. In 1993, Kono's father, Kono Yohei, who also served as foreign minister, had as chief Cabinet secretary issued a statement acknowledging the involvement of the World War II Japanese military in forcing women to provide sex to soldiers, the so-called comfort woman issue.



3Kono Tarō and Wang Yi meet in the Philippines (Kyodo Aug. 7, 2017)

If China expected that this would translate into a conciliatory attitude by Kono Tarō, they were dashed when he voiced his opposition to unilateral attempts to change the status quo based on military power and endorsed US freedom of navigation exercises in areas where sovereignty was contested. Wang then stated that he felt “let down,” contrasting Kono with

his father, “an honest politician,” and characterizing his remarks as “completely like a mission the United States assigned to you.” This departure from the usual diplomatic niceties was sufficiently startlingly to arouse suspicion that Wang was hoping to follow the career path of his predecessor, Yang Jiechi, who had been elevated from foreign minister to state counselor after making a similarly rude comment: at a 2010 ARF meeting he said that ASEAN countries would have to understand that they were small while China was big. In this case, Kono [replied](#) by suggesting that China “learn how to behave as a big power.”

Economy

Both sides reported robust economic growth in the second quarter. China seemed on target to achieve international agencies' projected 6.5-6.7 percent increase in GDP while easing the economy onto a slower growth trajectory. Still, concerns remained over a domestic property bubble that might deflate, and that the government's attempts to stimulate the economy would simply postpone and exacerbate structural problems. The Japanese economy achieved its longest continuous streak of growth since 2006, with [Bloomberg](#) reporting GDP growth of 1.7 percent. Second quarter growth [expanded](#) at an annualized 4 percent, the economy's strongest showing in three years and well above expectations. Exports to China [surged](#) 18 percent in July, with comparable increases in Japan's exports to Southeast Asia and the United States. However, the recovery was not without problems, with electronics giant Toshiba registering record losses and eventually [negotiating](#) to sell its semiconductor subsidiary to a consortium comprising its US business partner Western Digital and two Japanese government-backed funds. An earlier feeler from a Chinese company had raised national security concerns.

In July, China [regained](#) the spot as largest foreign lender to the US that it had lost to Japan eight months earlier, and was expected to [surpass](#) Japan by becoming the second largest contributor to the UN peacekeeping force in 2020.

Sino-Japanese trade was strong. Casual wear designer, manufacturer, and retailer Uniqlo, one of Japanese most iconic brands, announced [plans](#) to double the number of its stores in China

by 2020, meaning that they would exceed the number of those in Japan. Parenthetically, the expansion also underscored the importance of Sino-Japanese trade.

While not ruling out Japanese participation in the AIIB, Prime Minister Abe sounded a good deal less optimistic about its prospects than the aforementioned Nikai, stating that questions including proper governance, the creditworthiness of borrowers from the bank, and transparency would have to be addressed before negotiations could take place. Ministry of Finance professionals remained strongly skeptical of the AIIB, with one analyst opining that Nikai and Abe's comments might represent a conditional appeasement of China as well as political cover if the Trump administration surprised Japan by agreeing to participate in AIIB without prior consultation with Tokyo. The prospects for a satisfactory resolution of Japan's concerns about governance, creditworthiness, and transparency seemed dim.

An opinion piece in Beijing's nationalistic *Global Times* [declared](#) that Japan's participation in the AIIB appeared to be an attempt to influence the program from within, professing a desire for friendship even as Tokyo ramped up the China threat theory, "making a big fuss about the Diaoyu [Senkaku] islands," with the writer erring by claiming that international law had legitimated China's claims thereto.

An influx of Chinese companies into Japan raised concerns in Tokyo. According to the Bank of Japan, Chinese direct investment in Japan totaled about \$4 billion in 2016 and, though it slowed to \$762.4 million in the first half of 2017, was expected to pick up in the last six months. Leading financial daily *Nikkei* [cautioned](#) that there was a risk that the CCP could seize payments and personal information from Japanese users.

Japan also moved closer to India whose government, although joining the AIIB, had grave misgivings about the effect China's Belt and Road Initiative (BRI) would have on India. In what the press of both [India](#) and [Japan](#) described as a broad strategy to counter China's expanding influence in the region, the two agreed to establish an Asia-Africa Growth Corridor. A Ph.D. candidate at the Chinese Academy of Social Sciences' Institute of Japan Studies [opined](#) that, due to its domestic difficulties, Japan would not back India over the

disputed Doklam border, and that "for Japan, stronger cooperation with China is an irreversible trend."

Japanese representatives attended a ministerial-level meeting with 50 African countries held in Mozambique, with Japan announcing its intention to establish a representative office in Ethiopia before the end of the fiscal year, i.e., April 2018. China was the unmistakable elephant in the room, with *Yomiuri* [stating](#) that attention must be paid to China's investments having reinforced its political influence over African countries, whose help Japan needed to become a permanent member of United Nations Security Council. *Yomiuri* did not specify how African backing could advance the realization of this long-held goal, given the PRC's consistent opposition to Japan's inclusion and its power to veto Japan's inclusion.

When Japan imposed sanctions on five Chinese companies and one Chinese national for trading with North Korea, China's Foreign Ministry [warned](#) that if Japan did not rescind the decision, "it must be responsible for the consequences." *Global Times* [taunted](#) that, 72 years after the end of World War II, Japan was still far behind its goal of becoming a politically important power. In any case, the paper argued, the sanctions would have no effect on the Chinese economy, and were simply another show of Japan's loyalty to the US.

Defense

China continued its gradual expansion of activities near or into what Japan considers to be its territorial waters and airspace. These typically resulted in protests from the Japanese side, but no counteractions. In mid-May, the four Chinese Coast Guard vessels that entered territorial waters near the disputed Diaoyu/Senkaku Islands were for the first time accompanied by a [drone](#). After the Japanese Foreign Ministry described as "unusual" the flight of six Chinese *Xian H-6* bombers over the Miyako Strait between Okinawa and Miyako, China's Defense Ministry [replied](#) that Japan "should not over-react and make a great fuss about it. They will feel better after getting used to such drills." As if to confirm that drills would become more frequent and intrusive, in late August, Chief Cabinet Secretary Suga Yoshihide [reported](#) that Chinese bombers had flown close

to Kii Peninsula, on Japan's east coast, for the first time.

Prime Minister Abe continued to push for revision of war-renouncing Article 9 of the Japanese Constitution, though successive polls indicated that a majority of the citizenry opposed any change, as did the Chinese media. An animated Chinese [video](#) in the form of a computer game showed an unrepentant Abe riding a tank and confronted with a group of protesting Japanese in the form of comfort women, proponents of the peace constitution, and others. After each defeat, a "KO" appears on the screen, with a prompt asking "continue?"

Abe's campaign to change the Constitution was not helped by the controversies surrounding Defense Minister Inada Tomomi. Her nationalistic views and visits to Yasukuni Shrine, which honors, among other war dead, the spirits of 14 men whom a post-war Allied Tribunal declared war criminals, were anathema to left-of-center views in Japan as well as to the Chinese government. Inada had, moreover, declared that, were conflict to break out on the Korean Peninsula, the SDF could be dispatched there to rescue Japanese nationals.

China was, therefore, delighted at Inada's resignation. The proximate cause was not her nationalistic views but her responsibility for concealing data that showed the danger that Japanese members of the UN Peacekeeping Force in South Sudan were in. Whether Inada knew about the logs has not been proven. The same scandal claimed Gen. Okabe Toshio, chief of staff of Japan's Ground Self-Defense Force.

A [war game](#) underwritten by the Japan-based Sasakawa Peace Foundation's US branch was premised on a truly bizarre scenario in which hostilities begin when a rightwing Japanese group land on the largest of the Diaoyu/Senkaku Islands and claim they are physically occupying them for Japan. As the then-Foreign Ministry official responsible for the islands told this author, such an event could not possibly happen, because the Japanese Coast Guard would never have permitted them to land. Since this has in fact been the Japanese Coast Guard's consistent practice, it is a mystery why a Japanese-funded organization would underwrite a scenario that could only bring the country bad publicity. The second war game in the exercise was just as unfavorable, positing

that the US sided with China after a confrontation broke out and called on both sides to withdraw their ships. Such an action would implicitly affirm China's claim that sovereignty over the islands is disputed, a contention that the Japanese government has consistently denied.

Japan's *Foreign Ministry 2017 Diplomatic Bluebook's* [judgment](#) that North Korea's nuclear and ballistic missile tests had reached a new level of threat to Japan was greeted with skepticism in Beijing, where the *Blue Book's* real intent, media [commented](#), was to exaggerate the North Korean threat to break through the no-go zones in Japan's security policy, rationalize joint drills with US forces, strengthen its own defense capabilities, and expand its global influence.

Although the Japanese *Defense Ministry 2017 White Paper*, issued a few months later, struck those familiar with past years' iterations as little changed, a spokesperson for the Chinese Defense Ministry [denounced](#) it as full of vicious denigration of the Chinese military and blatant deception of the international community. Oddly, the vituperative reaction did not mention what was truly new about the paper: a substantial [section](#) on Taiwan emphasizing that, whereas China had long had a quantity edge over the island-state, the quality gap was rapidly closing. By contrast, Taiwan's defense budget had not increased in nearly two decades while China's publicly announced defense budget – widely believed to greatly understate expenditures – had increased 49 times since 1988. There was a similarly unusual lack of reaction to a *Japan Times* [editorial](#) published a few days later that called on China to respect the will of Taiwanese in its cross-strait relations.

Japan's Defense Ministry [reported](#) there had been 101 aircraft scrambles against Chinese planes from April–June, down from 207 in the January–March period, but that 36 Chinese Coast Guard ships had entered the waters around the Senkaku Islands in the same period, up from 27 in the first three months of the year. The ministry [requested](#) a modest 2.5 percent increase in the defense budget for fiscal year 2018, to 5.25 trillion yen (\$48 billion) to bolster security measures against North Korea's military provocations and China's maritime advances.

Japan's defense minister [replied](#) to a reporter's question about spam emails from China to

incumbent Cabinet members, among other officials, by saying he had no knowledge of the matter.

Taking note of closer Japanese defense relations with India, *Global Times* [warned](#) New Delhi that Abe was encouraging Indian aggressiveness so that China would shift its focus from the South China Sea to the disputed Indo-Chinese border in the Himalayas, thus relieving pressure on Japan.

As the report period closed, Japan's Defense Ministry, reinforced by North Korea's launch of a missile over Hokkaido a few days before, presented its [budget](#), requesting additional funds to defend against such attacks but also to provide security for outlying islands. [Xinhua](#), citing a retired US professor of Marxism, argued that the level of spending was disproportionate to any real threat Japan was facing and crossed the line into offensive weapons with first-strike capabilities.

Further cues on the state of China-Japan relations can be expected from the attention paid to the 45th anniversary of the establishment of diplomatic relations between the two. Radical changes are unlikely given Beijing's preoccupation with internal personnel appointments to be announced at the 19th Congress of the Central Committee of the CCP which is scheduled to begin Oct. 18.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

MAY – AUGUST 2017

May 2, 2017: *Global Times* criticizes the Japanese *Foreign Ministry 2017 Diplomatic Blue Book* of escalating tensions on the Korean Peninsula as an excuse to strengthen its military, create the conditions for revising Article 9 of its Constitution, and enhance its global influence.

May 5, 2017: Chinese Finance Minister Xiao Jie skips a trilateral meeting with Japanese and South Korean counterparts, casting doubt over the outlook for regional cooperation among the Northeast Asian powers.

May 7, 2017: *China Daily* reports that Xiao Jie met Taro Aso, who serves concurrently as Japan's deputy prime minister of minister of finance. They agree that dialogue is important to both sides and pledge to deepen pragmatic cooperation in the financial field.

May 7, 2017: *Yomiuri Shimbun* summarizes war games sponsored by the US Sasakawa Peace Foundation involving unlikely scenarios for a Chinese-Japanese confrontation over the Diaoyu/Senkaku Islands.

May 8, 2017: *Xinhua* reports that four Chinese Coast Guard vessels conducted a patrol in the territorial waters off the Diaoyu/Senkaku islands on May 8.

May 11, 2017: *Yomiuri Shimbun* expresses concern that the China-founded Asian Infrastructure Investment Bank (AIIB) could be twisted toward the PRC's ends, and urges reform of the Asian Development Bank, whose largest financial contributor has been Japan, and all of whose nine successive presidents have been Japanese.

May 12, 2017: *Associated Press* reports that multinational military drills off Guam designed to show support for the free passage of vessels in international waters amid concerns that China intends to restrict access to the South China Sea were postponed indefinitely after a French landing craft ran aground there.

May 13, 2017: Editorial in *Huanqiu Shibao*, which is sponsored by *Renmin Ribao*, official newspaper of the Central Committee of the Chinese Communist Party (CCP), states that the momentum of Xi Jinping's Belt and Road Initiative would be more robust with Japanese, US, and South Korean participation.

May 13, 2014: New reports on the Diaoyu/Senkaku are posted on the website of the Japanese Cabinet Secretariat, including a Qing Dynasty map of 1744 that did not show the islands as part of China's territory.

May 14, 2017: In what *Asahi Shimbun* terms "cutter diplomacy," Japan supplies front-line coast guard cutters to the Philippines and Vietnam. Japan's Coast Guard has created the post of director for international coast guard cooperation who will focus on providing support to Southeast Asian nations. Trilateral exercises including Japan, the Philippines, and Vietnam are planned.

May 15, 2017: *Space News* reports that the Japanese government is considering a three-satellite addition to the country's domestic navigation system so that it would work even if China were to take out the US Global Positioning System.

May 16, 2017: Nikai Toshihiro, secretary general of Japan's ruling Liberal Democratic Party (LDP) meets Chinese President Xi Jinping, and, according to *Asahi Shimbun*, says the question was not if but when Japan will join AIIB. A parallel story in Beijing's *Global Times* does not mention this statement, saying only that Nikai congratulated China on the success of its Belt and Road Forum for International Cooperation and cited the need to develop bilateral ties.

May 16, 2017: *Yomiuri Shimbun* says Xi Jinping's maritime Silk Road plan is inseparably linked to Chinese efforts to secure footholds for its navy through harbor improvement projects and is aimed at excluding the US from the region.

May 17, 2017: *Asahi* reports that Nikai carried a letter from Abe to Xi that proposed the two of them engage in regular shuttle diplomacy. *Asahi* adds that Nikai also called on Xi and other Chinese leaders to visit Japan by the end of next year, the 40th anniversary of the Treaty of Peace and Friendship.

May 17, 2017: *Renmin Ribao* publishes an article by “Commentator,” a standard pseudonym for a high-ranking Chinese leader, stating the China must first know whether Japan is completely changing its strategy of confronting China or if the overtures are merely a strategic easing. China would warmly welcome the first, but regret the second.

May 17, 2017: *Asahi* opines that since Xi’s BRI strategy is designed primarily for the advancement of Chinese investment, it can be considered a form of neocolonialism. Unless China modifies its traditional tendency to pursue only its own interests, questions will remain about its suitability as the promoter of collaborative international efforts.

May 18, 2017: *Xinhua* cites Foreign Ministry spokesperson Hua Chunying as describing a planned meeting between the Japanese and New Zealand prime ministers as “inappropriate,” and calling on Japan to improve relations with China through concrete policies and actions.

May 18, 2017: Japanese Foreign Ministry lodges a protest to China after four Chinese Coast Guard vessels, one of which appeared to be equipped with guns, entered Japanese waters near the disputed Diaoyu/Senkaku Islands. A drone was seen flying above. Chinese Foreign Ministry refuses to accept the protest, replying that the drone was used for aerial photography and that, since the islands belong to China, the ships and drone had a right to be there.

May 18, 2017: *Japan Times* editorial observes that Beijing must address skepticism about China’s motives in establishing the OBOR, and that there is a long way to go if the plan is to serve its stated end of providing the cornerstone of a regional and global order.

May 19, 2017: Philippine *Daily Inquirer* reports that the Duterte administration plans to “pivot to neighboring economic giants” by seeking loans from both China and Japan.

May 20, 2017: Argentine President Mauricio Macri, having obtained 16 agreements worth an estimated \$17 billion from China, flies to Japan to seek additional funding.

May 21, 2017: *Xinhua* reports that 1,800 people had gathered in Tokyo’s Shinjuku Park to protest Prime Minister Abe’s plan to amend the Japanese Constitution.

May 22–23, 2017: Chief Cabinet Secretary Suga Yoshihide states that Chinese authorities had placed six Japanese nationals under detention since March on grounds they conducted illegal activities; China’s Foreign Ministry confirms the arrests on the next day. *Asahi* reports all six were conducting surveys for possible hot springs in cooperation with a Chinese company.

May 24, 2017: Japan’s conservative *Sankei Shimbun* predicts that if the US withdraws from Japan, the country could not defend itself against China, since the latter’s quantitative advantages would prevail over SDF weapons that had been developed exclusively for defensive purposes. Hence Japan should not rule out the possibility of possessing nuclear weapons.

May 24, 2017: China expresses dissatisfaction with the renaming of the former Association of East Asian Relations as the Taiwan–Japan Relations Association.

May 25, 2017: Japan and India agree on a broad strategy to promote development across an arc from East Asia to Africa to counter China’s expanding influence in the regions.

May 30, 2017: Fourth round of high-level Sino-Japanese political talks is held in Tokyo, co-chaired by Chinese State Councilor Yang Jiechi and Japanese National Security Advisor Yachi Shotarō. According to *Xinhua*, Yang calls on the Japanese side to honor its words and abide by the relevant rules regarding the historical and Taiwan issues.”

May 30, 2017: *Global Times* editorial says Abe administration’s interest in joining the AIIB is a ruse to improve relations with China while using Taiwan as a bargaining chip in negotiations and contriving an imaginary China threat as a pretext for revising Japan’s Constitution and reviving militarism.

June 3, 2017: China announces that a seventh Japanese national is being investigated for harming national security and violating China's domestic law.

June 3, 2017: Defense Minister Inada Tomomi's address at the annual Shangri-La Dialogue decries continued unprovoked, unilateral attempts to alter the status quo in Asian seas, adding that "government ships of a certain country continue to make periodic incursions into Japanese waters,[and] construct outposts in the South China Sea... for military purposes."

June 6, 2017: China protests publication of *The Real History of Japan*, a second book by Motoya Toshio, rightist president of the APA Group, which blames Chinese soldiers for the looting and killings of the 1937 Nanjing massacre.

June 10, 2017: Delegation from China's National People's Congress calls on Japan to "properly handle Tibet-related issues."

June 12, 2017: Japanese defense official states that the country is seeking to increase sales of military equipment to Southeast Asia states amid growing tensions with China and North Korea.

June 13, 2017: Tokyo and Beijing agree to resume high-level talks on joint resource development and avoiding unintended maritime clashes.

June 14, 2017: US government pledges that Japan will never be a bargaining chip in its trade negotiations with China.

June 14, 2017: Article in the conservative *Japan Forward* argues that, because the US is losing ground in the Pacific, Japan should double its defense spending against Chinese expansionism.

June 15, 2017: Chinese media highlights Japanese opposition parties' resistance to a government bill that would criminalize the planning of serious crimes.

June 15, 2017: *Xinhua* describes Japanese participation in an international maritime defense trade show as a "dangerous push to buddy up to Southeast Asia."

June 19, 2017: *China Daily* opines that the birth of a panda cub at Tokyo's Ueno Zoo might renew Sino-Japanese friendship.

June 20, 2017: *China Daily* criticizes Japan for warning its tourists to avoid activities that might arouse suspicion that they are engaging in espionage; the government should instead "issue a self-warning: efforts to whitewash the war crimes ... will not succeed."

June 20, 2017: New volume appears in the 51-book series to commemorate the 80th anniversary of the July 7 Marco Polo Bridge incident that began the Japanese invasion of northeast China.

June 22, 2017: Chinese Foreign Ministry objects to new curricular guidelines for Japanese elementary and secondary schools that describe "China's Diaoyu islands ... as 'inherent' parts of Japanese territory." Japan must face up to history and reality and stop provocation.

June 22, 2017: Editorial in Japan's leading business newspaper states that the time has come for the US and Japan to examine the pros and cons of joining the AIIB.

June 24, 2017: Four Chinese Coast Guard ships enter Japanese territorial waters near the Diaoyu/Senkaku Islands.

June 28, 2017: *China Daily* states that Japan's helicopter destroyer *Izumo*'s passage near China's nine-dash line in the South China Sea and participation in exercises with a US aircraft carrier a few days earlier have been interpreted by the international community as open defiance of China's "so-called assertiveness" in the waters.

July 8 2017: Xi and Abe meet on sidelines of the G20 in Hamburg; *Yomiuri* says both must make concessions, suggesting joint development of the East China Sea gas fields. Xi responds on July 13 by proposing "separation of politics and economy."

July 16, 2017: Japanese Coast Guard announces that, in a first for these particular areas, two Chinese Coast Guard ship violated Japanese waters off the coasts of Tsushima and Okinoshima.

July 20, 2017: PRC military expert disparages the new air-to-ship supersonic missiles Japan plans to deploy, describing their limited range as unable to reach aircraft carrier formations and hence a fatal shortcoming.

July 28, 2017: Japan announces sanctions on two Chinese firms, including a bank accused of laundering North Korean cash. Five entities, including two Chinese organizations and nine individuals, are affected.

July 31, 2017: India's *The Pioneer* daily describes the launch of the Asia-Africa Growth Corridor for Japan-India collaboration, together with Australian participation, as an initiative through which "the China challenge could be tackled."

Aug. 2, 2017: Japanese government sources reveal that China has established a new mobile drilling rig near the Japan-China median line in the East China Sea.

Aug. 3, 2017: *Sankei* reports that Japanese Maritime SDF frogmen from a nearby Japanese ship approached two Chinese military vessels anchored at China's newly opened base at Djibouti, and were driven away by crew members.

Aug. 5, 2017: United Nations report on contributions to the UN's budget announces that China's share is estimated to rise to second place after the US, surpassing Japan for the first time.

Aug. 6, 2017: Japanese government reveals that it made several high-level requests to China to restrict its acceptance of North Korean workers, to no avail.

Aug. 6, 2017: Chinese media's coverage of the anniversary of the atomic bombing of Hiroshima admonishes Japan to cease downplaying its role as an aggressor in the war and portraying itself as a victim. Only by learning from history can a recurrence of war tragedies be prevented.

Aug. 8, 2017: Chinese Foreign Minister Wang Yi warns Japan and the US against opposing China's development of islands in the South China Sea.

Aug. 15, 2017: Japan commemorates the 72nd anniversary of its surrender in World War II, with Chinese media commenting that, for the fifth year in a row, Abe did not mention remorse over Japan's actions nor did he pledge that the country would never again engage in war. Although Abe did not attend ceremonies at the Yasukuni Shrine, nor did any currently serving Cabinet members, they noted, Abe sent a sacred masasaki branch, and numerous Diet members representing several political parties were present.

Aug. 22, 2017: Japan's Defense Ministry requests a record-high 2.5 percent increase to 5.25 trillion yen (\$48 billion) in its initial budget for fiscal 2018, to bolster security measures against North Korea's military provocations and China's maritime advances.

Aug. 25, 2017: China responds to Japanese sanctions on Chinese companies doing business with North Korea saying that unless Tokyo desists immediately "it must be responsible for the consequences."

Aug. 26, 2017: Environmental ministers of China, Japan, and South Korea agree on cooperation to combat the spread of invasive species such as fire ants.

Aug. 27, 2017: Japan attends a ministerial-level meeting with 50 African countries, pledging investment to aid their efforts to achieve self-sustaining development.

Aug. 27, 2017: *Global Times* editorial predicts that, due to its domestic difficulties, Japan will not back India in its border dispute with China, and that the only road forward for Japan is closer cooperation with China.

Aug. 28, 2017: *Global Times* editorial accuses Abe of encouraging Indian aggressiveness on the disputed Indo-Chinese border in the Himalayas to divert China's attention from the South China Sea and relieve pressure on Japan.

Aug. 31, 2017: *Xinhua* accuses the Abe administration's FY 2018 budget request of crossing the line into offensive weaponry and violating the country's constitution.