

## Japan-China Relations: Trouble Starts with "T"

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Over the March-June quarter, a stream of sensitive issues converged to roil Japan's relations with China. In short order, the government's approval of new history textbooks; the approval of a visa for Taiwan's former President Lee Teng-hui; a looming trade war; Foreign Minister Tanaka Makiko's attempts to deal with Taiwan and the visa issue; and finally Prime Minister Koizumi Junichiro's expressed intention to visit the Yasukuni Shrine kept bureaucrats, diplomats, political leaders, and the media busy in both Tokyo and Beijing.

At the same time, Sino-American relations also moved in a downward spiral. The long standoff over the EP-3 surveillance aircraft, the Bush administration's plans for missile defense, a rumored shift in the focus of United States security strategy from Europe to Asia, and an increasing tendency to define U.S.-China relations in adversarial terms posed increasing challenges to Japanese diplomacy. Tokyo found itself on the sidelines but increasingly being drawn into the middle.

### **Trade Tensions with China**

Reacting to a continuing surge in Chinese agricultural exports and to pressures from Japan's politically influential agricultural sector, and with an important Upper House election in sight, the Japanese government, on April 23, imposed temporary safeguards on the importation of leeks, shitake mushrooms, and straw used in fashioning tatami mats from China. The import curbs are to last 200 days.

An *Asahi Shimbun* report of the action also pointed to growing protectionist pressures across Japan's agricultural and industrial sectors with respect to imports from South Korea and Taiwan. Within a month of the announcement, Japan's footwear, towel, and necktie industries were lining up to seek similar import relief. In Tokyo, the government

defended the decision as being in accord with World Trade Organization (WTO) permitted actions, while arguing that the strict and careful implementation of the safeguards would not allow it to be considered a retreat to protectionism. Meanwhile Japanese trading companies, with significant interests in China, found the decision regrettable, saying that it failed to advance free trade and would only serve to increase costs to the Japanese consumer.

In Beijing, Gao Yan, spokesperson for the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), asked the Japanese government to rescind the decision, while making clear that, should the safeguards continue in effect, China would have to consider an appropriate response. Gao charged that the actions did not comport with WTO rules. Less than two weeks later, during the ASEAN Plus Three meeting in Cambodia, MOFTEC Minister Shi Guangsheng announced China's intention to take retaliatory steps.

Initially, this involved tightening the inspection of wooden shipping crates used in the export of Japanese goods. A survey of 486 Japanese companies, conducted by Japan's Ministry of Economics, Trade, and Industry (METI) from April through mid-May, revealed only 21 cases in which Japanese exports were affected. METI did not consider China's action as retaliation against Japan's safeguards. At the same time, within METI, it was reported that officials strongly believed that China would not go beyond the tightening of inspection standards in response to safeguards.

On June 5, at a separate Japan-China meeting during the APEC trade ministers' meeting in Shanghai, Shi Guangsheng cited Japan's imposition of safeguards as a move against free trade. Later at a joint press conference, Shi warned that if Japan "repeats its assertions, we will have the right to take additional action."

On June 19, Beijing did just that, announcing its decision to raise tariffs on imports of automobiles, cell phones, and air conditioners from Japan. The Foreign Ministry's deputy press spokesperson, Zhang Qiyue, made clear that "We want Japan to correct its erroneous decision and recognize the negative impact of such a decision on trade between China and Japan." At the Japanese Embassy in Beijing, a senior official considered the targeted goods as "symbolic items" (automobiles, mobile phones, and air-conditioners account for only 1.8 percent of Japan's trade with China); the real impact, he judged, will be to "cause major psychological damage to Japan."

The message was clearly heard in Tokyo. Prime Minister Koizumi responded by saying that "it is appropriate to listen to what they have to say" and calling for talks with Beijing in order to "improve the situation in a calm and constructive manner." Japan, he advised, "had better not take the types of steps that could rock the boat." Japanese press analysis viewed Beijing's action as largely symbolic but aimed at producing a negotiated settlement of the trade issues.

Two days later, Beijing announced the new tariff rate, a 100 percent duty, on automobiles, cell phones, and air conditioners, starting June 22. In response, METI Minister Hiranuma Takeo, labeled the Chinese action "not justifiable in light of the World Trade Organization's agreement and even the Japan-China trade accord" and urged that it be "retracted as soon as possible." In Beijing, the Japanese ambassador filed a protest with MOFTEC. The next day in Tokyo, the Foreign Ministry's spokesperson defended the government's safeguards decision as WTO compliant and appealed to Beijing to "solve the issue constructively and calmly based on WTO agreements and the Japan-China trade agreement."

## **Textbooks and History**

On April 3, Japan's Ministry of Education gave final approval to textbooks for the coming school year. Among the texts approved was one submitted by the Association for the Writing of New History Textbooks (see "The Past is Always Present," *Comparative Connections*, Vol. 3 No. 1).

China's response came the following day. In Beijing, Foreign Minister Tang Jiaxuan called in Japan's ambassador, Anami Koreshige, to protest Tokyo's decision. The foreign minister noted that China had "urged the Japanese government to stop the release of the textbook that denies and whitewashes the history of Japanese aggression." Tang observed that Japan had "disregarded China's solemn position" and that as a result China "is strongly dissatisfied with and indignant at the Japanese action."

Tang went on to warn that once used the textbook "will definitely poison the Japanese education on history and lay a landmine of hidden danger for the future of Japan." Concluding, the foreign minister stressed that the "political basis of Sino-Japanese relations lies in the appropriate view and handling of the aggressive history of the Japanese militarists." He urged Japan to "learn from the past experience and face up to the future."

In Tokyo, the Foreign Ministry's deputy spokesperson, Harada Chikahito, reiterated the statement of Chief Cabinet Secretary Fukuda Yasuo that textbook authorization in Japan rests on the "basic principle that a diverse range of textbooks employing the creativity and originality of the private-sector authors and editors will be published, without the government defining specific historical perspectives or outlooks." As for the government's basis recognition of its history, Harada referred to the statement of then Prime Minister Murayama Tomiichi on Aug. 15, 1995. He went on to point out that there is "no change" in this position in the present government.

In an April 29 interview published in the *Asahi Shimbun*, newly appointed Foreign Minister Tanaka Makiko was asked her thoughts on the Chinese and Korean reaction to the new history textbooks. She replied that, even before entering her new office, she felt there were some people who were intent on "twisting reality" and that this was even true with some members of the Diet in their approach to handling post-war problems. Tanaka remarked some members had made "unbelievable pronouncements." With regard to the textbook issue, Tanaka said she would make every effort through diplomacy to move things in a positive direction.

On May 24 Tanaka met with Tang in Beijing. Tang is reported to have told Tanaka that the textbook issue raised fundamental problems with respect to whether or not Japan had truly confronted its history of aggression and how the next generation will be taught. Tanaka told her Chinese counterpart that she was truly troubled with regard to the matter. That said, she went on to point out that authorized textbooks should not be understood as having to be in agreement with the views of the government. As for the eight points raised by China for correction, Tanaka said that they were under careful investigation by

the Education Ministry. This position, the *Asahi Shimbun* report of the meeting noted, differed from that of the previous government.

On June 1, the textbook went on sale in Tokyo and across Japan the following week. According to the *Asahi Shimbun*, one store in Tokyo sold 245 copies in two days, while a second sold 150 in three days.

### **Taiwan, Lee Teng-Hui, and History**

In April, the long-building controversy over whether to allow Taiwan's former President Lee Teng-Hui to visit Japan reached a denouement. Since leaving office in May last year, Lee, and pro-Taiwan supporters in Japan, on several occasions had made clear his interest in visiting Japan, although he never filed a formal visa application. Thus, when asked at an April 6 press conference about the issuance of a visa for Lee, the Foreign Ministry's spokesperson replied that, while he was aware of media reports, the government had "not yet received an application for a visa."

On April 10, the *Asahi Shimbun* reported that the government had decided not to respond to a visa request from Lee. But, the *Asahi* also reported that close associates of Prime Minister Mori Yoshiro were advocating that, on humanitarian grounds, Lee be granted a temporary visa to allow him to visit Japan for treatment of his heart condition. Nevertheless, given the on-going textbook controversy and China's strong opposition to a Lee visit, the Foreign Ministry and pro-China factions within the Liberal Democratic Party (LDP) argued that granting the visa would be tantamount to pouring gasoline on an already smoldering fire.

Thus, at an April 10 press conference, the Foreign Ministry took the line that it had not received a formal visa application from Lee. However, an *Asahi* story from Taipei reported that Lee had submitted a visa request to Japan's unofficial relations office. The *Asahi* story also reported that the Japanese office in Taipei denied that a visa application had been made.

Over the next nine days, an intense public debate played out among pro-Taiwan and pro-China factions within Japan's political parties, the Foreign Ministry, and Japan's top political leadership, in particular between Prime Minister Mori and Foreign Minister Kono Yohei. Meanwhile, the Chinese Foreign Ministry was making it clear that China was "resolutely opposed to a visit however it was packaged," and hoped that the Japanese government would take steps to prevent it. China's *Xinhua* news agency argued that Lee was no ordinary citizen and that his purpose was clearly political. Accordingly, it asked that Japan take steps so as to not damage the bilateral relationship.

On April 20, the Japanese government announced its decision to grant Lee a visa, on humanitarian grounds, for medical treatment and on the condition that he not engage in any political activity.

Beijing was not buying the visa on any grounds or under any conditions. On the same day, China's ambassador to Japan, Chen Jian, met with Vice Foreign Minister Kawashima Yutaka to protest the decision. Chen made clear that China saw the visit as a plot to advance Taiwan's independence and as trampling on the foundations of Sino-Japanese relations. At a time when relations were already troubled by the textbook issue and Japan's failure to respond to Chinese concerns about history, the emergence of Taiwan as an issue made a Chinese response inevitable.

In Beijing, China's Vice Foreign Minister Wang Yi called in the Japanese ambassador and made "solemn representations" with respect to the visa decision. Wang pointed out that China had "through various channels repeatedly expounded the serious political nature of Lee's visit and demanded that Japan observe the fundamental principles of the Sino-Japanese Joint Statement and the Sino-Japanese Joint Declaration and deter Lee from visiting Japan." He made clear that China saw Lee's activities as aimed at "splitting China" and that Lee's purpose in coming to Japan was "to peddle his 'Taiwan Independence' policy and seek support there." The vice minister referred to Japan's clear commitments to support Beijing's "one China" principle and emphasized that "nothing is more important than keeping one's word in dealing with relations between two countries."

Shortly thereafter Beijing announced the postponement of Li Peng's scheduled May visit to Japan as well as that of a delegation of officials from Liaoning Province, led by Governor Bo Xilai. (On June 13, Beijing announced that the Bo visit would take place at the end of June.)

That evening, Foreign Minister Kono spoke with reporters to announce that the decision to grant the visa "would not have any influence whatsoever with respect to Japan's relations with China. Japan was not taking a 'Two China's' or 'one China, one Taiwan' policy."

Lee visited Japan April 22-26. The Japanese press reported that *Xinhua* did not make any reference to Lee's arrival in its domestic market. This was interpreted as meaning that China, while expressing its intention to protest the visa strongly, was, at the same time, restraining domestic criticism of Japan and hopeful of developing relations with Japan after the LDP election to replace Prime Minister Mori.

While paying careful attention to China's attitude, Japanese sources felt that the growing economic interdependence between the two countries would serve to limit damage to the relationship and that China was prepared to separate economics, culture, and sports from politics. The head of Marubeni's Economic Research Institute, Miama Testuhide, predicted that retaliatory actions, like the postponement of Li Peng's visit, would have little influence on the large-scale plant projects in which Japanese companies were engaged.

Chinese reporting on the visit, while criticizing Japan for granting the visa, portrayed the visit as a setback for Lee, noting Lee was not allowed to meet with pro-Taiwanese

members of the Diet and the media at the airport; neither was the ROC flag allowed to be displayed in front of his lodging. In short, he was given the cold shoulder in Japan and returned disheartened to Taiwan.

### **A New Team and the Visa Issue**

In late April, Japan had a new prime minister, Koizumi Junichiro, and a new foreign minister, Tanaka Makiko. Tanaka is the daughter of former Prime Minister Tanaka Kakuei, who normalized relations with China in 1972. Both Koizumi and Tanaka early on made clear the importance they attached to Japan's relations with China and their intention to repair relations with China. Beijing welcomed the new team in Tokyo and expressed its hopes for an improvement in Sino-Japanese relations.

Shortly after entering office, on May 7, the new foreign minister called her Chinese counterpart, Tang Jiaxuan, and announced her intention to meet with him later in the month during the Asia-Europe Meeting (ASEM) in Beijing. Both agreed to work together to repair the bilateral relationship. On the textbook issue and Japan's recognition of history, Tanaka pointed to the 1995 statement of former Prime Minister Murayama and noted that there was no change in the government's position. As for Taiwan, Tanaka made clear that Japan's position toward the Taiwan problem rests on the 1972 joint communiqué, is unchanging in support of the "one China" principle, and does not support Taiwan's independence. Finally, with respect to the visa issue, Tanaka said any future application would be handled with careful deliberation in accordance with the above stated principles.

However, the press was soon reporting that more may have been said on the visa issue. A *Sankei Shimbun* report quoted China's Foreign Ministry spokesman to the effect that during the May 7 telephone conversation, Tanaka told Tang that "even if there is a request, Japan will not recognize it." The *Asahi Shimbun* quoted Japanese Foreign Ministry-related sources to the effect that Tanaka told Tang that the Mori government "had decided the issue without paying sufficient attention to the matter. Hereafter, if there the same application is made, it would have to be said to be unreasonable."

The matter came to the attention of the Upper House Budget Committee on May 21. When questioned about the conversation, Tanaka gave a diplomatic non-response, saying that in the issuing of any visa the government would follow customary practice, consider the circumstances, and act accordingly. The foreign minister, however, denied remarks attributed to her during the conversation to the effect that the previous government had decided the visa issue "without sufficient attention." When the prime minister was asked what he thought of Tanaka's response, he replied that he had "no problem whatsoever." However, a press report commented that if Tanaka had acted on her own during the May 7 conversation and, without gaining Cabinet consensus and assent, committed the government, her words could severely constrain future diplomacy toward China.

On May 24, Tanaka and Tang met in Beijing during the ASEM meeting. Again, the visa issue surfaced. Various Japanese press sources reported that the Chinese foreign minister

had requested that Tanaka not allow Lee to enter Japan again. This led to questions whether Tang had “requested” or merely “asked” or simply “hoped” that Japan would endeavor not to allow this to happen again. Both ministers reiterated well-worn talking points on the textbook issue, on Taiwan, and on the developing issue of Prime Minister Koizumi’s visit to the Yasukuni Shrine.

### **A New Prime Minister Deals with History**

During the LDP campaign to succeed out-going Party President and Prime Minister Mori Yoshiro, each of the four major candidates made clear his intention to visit the Yasukuni Shrine. Candidate Koizumi thought it only “natural” for a political leader to do so and declared that, if elected prime minister, he would make an official visit to honor Japan’s war dead. At Yasukuni, the spirits of Japan’s war dead are enshrined, including those of class-A war criminals like war-time Prime Minister Tojo Hideki.

On April 24, China’s Foreign Ministry spokesman expressed the hope that candidates contending for the prime minister’s position would respect communiqués that are the foundation of Sino-Japanese relations and not take steps that would worsen relations. As prime minister, Koizumi shifted to a more ambiguous position on the Yasukuni visit. On May 9 Chief Cabinet Secretary Fukuda told reporters that a decision with respect to visiting the shrine would be decided after carefully considering the situation at the time and then a decision would be made as to whether to make a public visit. In any case, he emphasized that issue remained undecided. On May 10, Koizumi told the Lower House that his intention of paying his respects to the war dead remained unchanged, but that it was his intention to do so in a private capacity.

Beijing’s response came the next day through the Foreign Ministry’s spokesperson, who labeled Yasukuni as “the symbol of expansion and aggression” and asserted that “the crux of the matter is how the Japanese government and Japanese leaders see and approach its history of aggression.” On May 17, Beijing raised the level of its representation when Vice Foreign Minister Wang Yi called in the Japanese ambassador. Going beyond the spokesperson’s comments, Wang stressed that “as the largest victim nation of the war of aggression launched by Japanese militarism, China naturally opposes visits to the Yasukuni Shrine in whatever form by government leaders of Japan.” He went on to charge that such acts “are apparently aimed at fundamentally shaking the political foundation of bilateral relations.”

On May 18, prior to departing for the ASEM meeting in Beijing, Foreign Minister Tanaka was questioned about Yasukuni visits. While stating that she had no intention of visiting the shrine as foreign minister, she announced that on April 30, shortly after assuming office, she did visit Yasukuni on her way home. During the Tanaka-Tang meeting on the May 24, Tang told Tanaka that Japan should “learn from lessons of the 1980s and the 1990s when the issue greatly impaired Japan’s relations with its Asian neighbors.” He hoped that Japan would “honor its solemn commitments of looking squarely at and introspecting Japan’s history.”

At the end of the month, the prime minister told the Diet of his intention to visit the shrine on August 15 in order to demonstrate Japan's peace-loving nature and commitment never to resort to force. He saw his visit as defusing Yasukuni Shrine as a diplomatic issue, while recognizing that Japan would have to make sincere efforts to ease resentments and promote mutual understanding. Also at the end of the month, Chinese President Jiang Zemin, for the first time, weighed in on the issue. Addressing a group representing the ROK's governing Millennium Democratic Party, Jiang stated that Koizumi's intention to visit the shrine "overlooks that its conduct would pay tribute to the spirits of Japanese militarists."

### **ODA: More Cuts Coming**

In early June, Finance Minister Shiokawa Masajiro told fellow LDP members of his intention to cut Japan's foreign assistance program another 10 percent in the coming fiscal year, 2002. This would come on top of the 3 percent cut in the current fiscal year. Without specifying a number, Prime Minister Koizumi has likewise raised the issue of further cuts in the foreign assistance budget. In the context of budget cutting, Foreign Minister Tanaka remarked that not even China is sacred ground.

Also, in contrast to past practices of authorizing a lump sum for China over an extended five- or six-year period, the government will evaluate and approve individual projects on a yearly basis. At the same time, Tokyo will shift the geographic focus of its Overseas Development Assistance (ODA) funding from China's eastern coast to the western interior. Operationally, Tokyo will shift from large-scale infrastructure projects to projects focused on the environment, human resource development, and China's WTO accession.

The LDP-led review and restructuring of Japan's ODA program and the China package is being driven by Japan's long economic slump, its constrained financial picture, as well as by China's accelerating growth, its military build-up, the textbook issue, and an overall worsening in Japanese feelings toward China.

### **Return of the Chinese Ships**

At the end of April, reports of Chinese research ships operating in Japan's Exclusive Economic Zone resurfaced. A month later, in a *Sankei* op-ed, Hiramatsu Shigeo, a professor at Kyorin University, charged that the three ships operating in Japanese waters were mapping contours of the sea-bed and not conducting scientific research as allowed under the prior notification agreement agreed to in February. While the professor was concerned that such activities were detrimental to Japan's interest, he noted that the Foreign Ministry saw them as scientific research activities and thus not a problem.

In June, the *Sankei* reported that the Foreign Ministry had allowed 11 of the 13 Chinese ships, which had applied under the prior notification, to carry out scientific research. The problem, according to a *Sankei* source, was that the activities again related to mapping the sea-bed and were "illegal." Moreover, the article noted that Chinese research

activities are now taking place in waters closer to the Japanese home islands where deposits of oil and natural gas are considered likely to exist.

### **And the Good News**

Even as the safeguards issue roiled economic relations, Japanese companies continued to develop positions in the China market.

In April, Isuzu announced that it would begin to import buses, which it is manufacturing in China with its joint venture partner. This would mark the first full-scale importation into Japan of vehicles produced in China. Isuzu is also producing light trucks and buses in China for the domestic market. Isuzu's Chongqing plant has the capacity of producing 100,000 light trucks per year, while the Guangzhou plant can produce 1,000 buses. Meanwhile Honda announced that it was considering importing scooters manufactured in China or India with the intention of selling at a price under 100,000 yen.

In May, Sony was working on developing a partnership with Liuhewantong Micro-Electronic Technology Corporation to design large-scale integrated circuits for household appliances.

Japan's Recruit Group was reported to launch a project that would invite Chinese technicians to Japan as part of a business partnership with China's Beidafungzheng, a software leader in the domestic market. Japan's General Engineering announced plans to open an IT training school in Beijing in conjunction with several Chinese universities. The purpose is to send Chinese graduates to work in Japan.

Nippon Steel agreed to provide China's Baoshan Iron and Steel with technical assistance in the construction and operation of two new plants to produce plate steel and cold rolled steel. The new plants will be located at Baoshan's Shanghai complex.

Canon announced that it will construct a photocopier plant in Suzhou to manufacture for both China's domestic and export markets. Plant construction is scheduled for completion in 2004. When up and running it is estimated that the plant will employ 3,500 and produce 20,000 machines per month

Telecommunications tie-ups also advanced in June with KDDI announcing agreement with China Unicom on a comprehensive business and technology tie-up. China Unicom, with a 22 percent share of China's cell-phone market, will benefit from KDDI's technologies, which allow Internet and international communication access from hand-held phones. At the same time, KDDI will gain a foothold in China's booming cell-phone market in advance of China's entry into the WTO. Also, NTT Communication reached agreement on business cooperation with China Telecom with the same objective of strategically positioning NTT in China's telecommunication market prior to its accession to the WTO.

## **Japan and the U.S.-China relationship: On the Sidelines but...**

Over the past three months, developments in U.S.-China relations, in particular the long standoff over the EP-3 aircraft and the Bush administration's plans for missile defense, not only posed immediate diplomatic problems for Tokyo but previewed future trends and choices.

At the Foreign Ministry's April 3 press conference, Spokesperson Hattori Norio was asked, in relation to the EP-3 incident, if the government "was nervous about the increased antagonism between China and the United States?" Hattori's diplomatic answer was that "good relations between the United States and the People's Republic of China are critical for the peace and stability of this region." Thus the Japanese government hoped to see a resolution of the issue in "a very swift and smooth manner."

Missile defense raised a number of issues for Japan.

One is constitutional: Can Japan participate in the Bush administration's missile defense plan without violating constitutional restrictions on the right of collective self-defense? The Bush administration's position on missile defenses publicly had erased the existing demarcation line between national and theater missile defense. Thus, if a missile were launched and intercepted without knowing its actual target, it would be difficult to argue that Japanese participation in the destruction of the missile was solely for the defense of Japan.

A second issue is Beijing's resolute opposition to missile defense in any form. In a number of conversations, which were leaked to the press, Foreign Minister Tanaka repeatedly expressed concerns with the Bush administration's plans.

The Japanese press reported on the shifting focus of United States strategy, from Europe to Asia, comprehensively covering the May 15 RAND report on Asia strategy, its definition of China as the major challenge, and its "engagement-containment" approach to Beijing. Reporting on the Bush administration's missile defense consultations, the *Nihon Keizai Shimbun* on June 8 asserted that the U.S. "has formed an encircling net around China."

Bush administration officials communicated similar views on China to visiting senior Japanese political leaders. Deputy Secretary of State Richard Armitage and Deputy Secretary of Defense Paul Wolfowitz were reported to have told a delegation led by LDP Secretary General Yamazaki Taku that China, not the Korean Peninsula, was the problem in Asia. On his return to Tokyo, Yamazaki reported to the prime minister that the Bush administration will be very interested in learning his government's views on China when he visits Washington. That's where next quarter's reporting will begin.

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

### **April – June 2001**

**Apr. 3, 2001:** Japan authorizes new history textbooks.

**Apr. 4, 2001:** China's foreign minister protests textbook decision to Japanese ambassador.

**Apr. 20, 2001:** Japan announces visa for Taiwan's former President Lee Teng-hui on humanitarian grounds.

**Apr. 20, 2001:** China's vice minister for foreign affairs protests visa to Japanese ambassador.

**Apr. 22-26, 2001:** Lee Teng-hui visits Japan; he is not allowed to use the visit for political ends.

**Apr. 23, 2001:** Japan imposes temporary safeguards on Chinese agricultural products.

**End of Apr. 2001:** Chinese maritime research ships return to Japanese waters.

**May 7, 2001:** Foreign Ministers Tanaka and Tang hold telephone conversation on textbooks, history, Taiwan, and Lee visa.

**May 10, 2001:** Prime Minister Koizumi announces his intention to visit Yasukuni Shrine.

**May 11, 2001:** China's Foreign Ministry spokesperson protests the pending Yasukuni visit.

**May 17, 2001:** China's vice minister of foreign affairs protests Yasukuni visit to Japanese ambassador.

**May 24, 2001:** Foreign Ministers Tanaka and Tang meet in Beijing to review outstanding issues in Japan-China relations.

**June 1, 2001:** New history textbooks go on sale in Japan.

**June 5, 2001:** China warns that it will retaliate if Japan refuses to reverse safeguards decision.

**June 19, 2001:** China announces decision to raise tariff rates on Japanese automobiles, cell phones, and air-conditioners.

**June 21, 2001:** China announces the new tariff rate, 100 percent, for Japanese automobiles, cell phones, and air conditioners.