



Japan-China Relations: Slowed but not Soured

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In a relationship shadowed by the past and marked by concerns about the future, Japan's relations with China experienced a period of relative calm during the past quarter.

The quarter began with the Third Joint Meeting of the Expert Committee of Japan-China Environmental Development Model City Plan, which discussed cooperation on issues related to acid rain, recycling, energy efficiency, and measures to deal with global warming. Agreement was reached on the designation of Chongqing, Dalian, and Qiyong as model cities and on the expeditious implementing of anti-pollution measures. The quarter ended with final preparations being made for the visit of Prime Minister Keizo Obuchi to China, including early July efforts to reach understanding on the Japan-China bilateral negotiations on China's WTO accession agreement. In the interim, noted Japanese nationalist and newly elected governor of Tokyo, Shintaro Ishihara soon found his comments on China drawing Beijing's ire, and Chinese scientific research ships entered Japan's EEZ in the waters around the disputed Senkaku Islands. Neither of these developments in themselves set the bilateral relationship off course, but both reflect its inherent and continuing tensions which remain rooted in history and nationalism.

The two most significant events affecting the long-term development of their bilateral relations occurred outside the Japan-China bilateral framework, but were influential to it. Both involved the United States. The first revolved around the status of Sino-U.S. relations after China's Prime Minister Zhu Rongji's visit to the United States in April and the accidental bombing of the Chinese Embassy in Belgrade. The second involved Japan's adoption of legislation to implement the revised U.S.-Japan Defense Guidelines in May.

Sino-U.S. Relations Cause Challenges

From Tokyo's perspective of managing its relations with Beijing, the optimum state of Sino-U.S. relations is a Goldilock's-like state of being neither too cold nor too warm. If Sino-U.S. relations deteriorate, the danger for Tokyo is that of being caught up in a dispute not of its own making and subsequently being forced to make a fundamental strategic choice between Washington and Beijing. If Sino-American relations become excessively close, the danger for Tokyo is the potential loss of Japan's strategic value to the United States.

Thus, the March 1996 Taiwan Straits Missile Crisis raised concerns in Tokyo about possible Japanese involvement in a U.S.-China conflict over the future of Taiwan. Relieved by the Clinton Administration's subsequent attempts to repair relations with China, Tokyo grew equally concerned with the U.S. flirtation over a strategic partnership with China.

In the spring of 1999, the Sino-American relationship was again in an accelerating downward spiral. After a difficult winter marked by reports of Chinese spying at America's nuclear laboratories, the PLA's growing missile threat to Taiwan, and deteriorating human rights conditions in China, Zhu's visit to the United States offered an opportunity to right what was widely perceived as a relationship in free-fall. The centerpiece of the Clinton-Zhu meeting was supposed to be agreement on China's accession to the WTO.

In Tokyo, The Foreign Ministry viewed the "development of U.S.-China relations as extremely important for the development of the Asia-Pacific...." Its spokesman welcomed, prematurely as it turned out, "the success of the meeting." Reality was otherwise. Blind-sided by the administration's release of Zhu's WTO concessions, the Chinese Prime Minister departed without a deal and under attack by the opponents of reform in China. Then came the U.S. bombing of the Chinese embassy in Belgrade and China's demand for compensation and punishment before continuing any relations, including picking up the threads of the WTO negotiations, already at risk as a result of Zhu's Washington experience.

WTO Difficulties

Failure of the Clinton-Zhu meeting to produce agreement on WTO also signaled delay in advancing Japan's own major policy objectives with respect to China--its integration into a rules-based, transparent international trading system and the acceleration of China's economic reforms. At a time of falling Japanese investment in China and growing concerns about Chinese corruption, Tokyo sees the WTO regime as providing greater certainty--and profits--for Japanese financial and commercial interests.

As for Japan's own WTO negotiations with China, agreement has previously been reached on trade in goods, tariffs, and non-tariff measures. In early July, senior Japanese trade negotiators traveled to Beijing in an effort to reach agreement on services in advance of Prime Minister Obuchi's July 8 visit to China. Nevertheless, as Tokyo recognizes, a U.S-China bilateral accession agreement is the sine qua non for China's entry into the WTO.

Continuing disagreement between the U.S. and China over WTO accession could also pose a delicate diplomatic problem for Tokyo. Taiwan's supporters in the United States Congress have consistently argued for Taiwan's admission to the WTO once it meets the requirements for membership irrespective of the state of U.S.-China

negotiations. Should Beijing prove obdurate about resuming WTO negotiations, the pro-Taiwan, anti-China mood in the Congress could prevail in the policy debate in Washington and create problems for Tokyo in its relations with the U.S. and China.

Defense Guidelines Draw Beijing's Concern

The second significant development affecting Tokyo's relations with Beijing was the Japanese Diet's enactment on May 24 of legislation implementing Japan's revised Defense Guidelines for security cooperation with the United States. The *Asahi Shimbun* stated that the Law "prescribes measures to be implemented by Japan in response to a situation which, left unattended, could result in an armed attack against Japan and also in response to other situations in areas surrounding Japan that will have an important influence on Japan's peace and security...."

Following the passage of implementing legislation for the revised Defense Guidelines, the Foreign Ministry stated: the legislation "in no way changed the fundamental security policy of Japan;" that "Japan is firmly determined not to become a military power which would threaten other countries;" that "Japan-U.S. Security Arrangements are purely defensive in nature ... and not predicated on any particular threat nor are they directed against any particular country." To address any concerns about the legislation, the Japanese government sent senior Foreign Ministry and Defense Agency officials to China, the Republic of Korea, and Southeast Asia. Beijing's response to the passage of the legislation was to make clear that China will be watching Japan's words as well as its deeds.

Throughout the long debate over the legislation, China made clear its concerns over the implications of enhanced U.S.-Japan security cooperation. In brief, they were and remain focused on two issues. The first is that the Guidelines would serve as the shield behind which Japan would seek to expand its security role in the region. The second involved the operational scope of the Guidelines, the possibility that security cooperation with the United States could involve Japan in a Taiwan contingency and thus, in China's domestic affairs.

Indeed, the Diet's debate over the Guidelines surfaced differing interpretations and understandings with respect to the functional versus geographic nature of their application. From Beijing's perspective, defining the Guidelines as functional in nature still leaves open and ambiguous the question of their applicability to Taiwan.

The ambiguity of the Guidelines was evidenced during Prime Minister Obuchi's visit to the United States. At a joint press conference with President Clinton, the President praised Japan for the Lower House passage of the legislation enabling the U.S. and Japan to respond "with flexibility and speed to any regional crisis in Asia." Later in response to a question about a China-Taiwan conflict and whether the U.S. would "request Japan's cooperation under the new guidelines," the President answered that "our policy is to have a vigorous engagement with China so that we can reiterate both our one-

China policy and our conviction that differences between Taiwan and China ought to be resolved peacefully.” The President went on to say that strong U.S.-Japan defense cooperation “should not in any way be seen as directed against China; rather, it was “in favor of advancing the security interests ...and the values we embrace.”

Moving Forward

As June drew to a close, Prime Minister Obuchi’s official working visit to China, scheduled for July 8-10, became the focal point of Japan’s relations with China. Seven months earlier, China’s President Jiang Zemin had visited Japan as a state guest. Jiang’s visit produced the Japan-China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development and Japan’s extension of a 390 billion yen loan to China. At the same time, Jiang’s repeated references to the need for Japan to squarely face the past and learn the lessons of history caused many in Japan to view the exercise as less about the past than using the past for political leverage against Japan. That Jiang raised the issue in the presence of the emperor during a State dinner was overwhelmingly not appreciated by the Japanese public. As a result, China’s handling of history, as well as its continued comments on the Guidelines and the U.S.-Japan alliance, will be of particular interest during the Obuchi visit.

Chronology of Japan-China Relations

April-June 1999

April 12-13, 1999: Third Meeting of the Expert Committee of Japan-China Environmental Development Model City Plan.

April 6-15, 1999: China’s Prime Minister Zhu Rongji visits the United States seeking an agreement on China’s entry into the WTO.

April 27, 1999: Lower House of Japanese Diet passes Guidelines Legislation.

April 14, 1999: Newly elected Tokyo Governor Shintaro Ishihara’s comments on China and the Nanjing massacre draw Beijing’s ire.

May – June 1999: Chinese ships enter Japan’s EEZ in waters off the disputed Senkaku Islands, triggering diplomatic protests.

May 3, 1999: Prime Minister Keizo Obuchi visits Washington.

May 24, 1999: Upper House of Japanese Diet completes passage of Guidelines legislation.