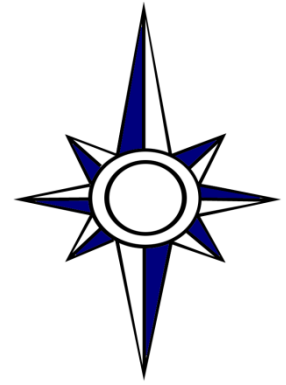


# Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



## Japan-China Relations: 40<sup>th</sup> Anniversary: Fuggetaboutit!

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The Japanese government's purchase of three of the Senkaku Islands from their private owner on Sept. 11 and the sovereignty dispute over the maritime space surrounding them dominated Japan-China relations. In short order after the purchase, anti-Japanese riots broke out across China, events scheduled to mark the 40<sup>th</sup> anniversary of normalization of relations were canceled, trade and investment plummeted, and political leaders engaged in public disputations. To underscore Beijing's claims, Chinese government ships regularized incursions into Japan's contiguous zone and territorial waters near the islands. As both governments held fast to their respective national positions, prospects for resolution appeared dim. Prime Minister-designate Abe Shinzo told a press conference in mid-December that there was "no room for negotiations" on the Senkakus.

### Senkakus purchase: the prequel

In an April 16 address delivered at The Heritage Foundation in Washington, Tokyo Gov. Ishihara Shintaro announced that the Tokyo Metropolitan Government was negotiating the purchase the Senkaku Islands from Saitama businessman, Kurihara Kunioki. Subsequently, *Kyodo* reported that during a May 18 meeting with Chief Cabinet Secretary Fujimura Osamu, Deputy Chief Cabinet Secretary Nagahama Horoyuki, and special advisor to the Prime Minister Nagashima Akihisa, Prime Minister Noda Yoshihiko reached a decision to purchase the islands from the Kurihara family. The view of the group was that Beijing would find a purchase by the national government less inflammatory than if it was by the Tokyo Metropolitan Government.

During the summer, both Ishihara and representatives of the national government continued to negotiate with Kurihara. On Aug. 19, Noda invited Ishihara to his official residence to discuss the negotiations. Ishihara said that he was prepared to accept purchase by the national government on the condition that shelters would be built on the islands.

Senior Vice Minister of Foreign Affairs Yamaguchi Tsuyoshi visited Beijing at the end of August, carrying a personal letter from Prime Minister Noda to President Hu Jintao that stressed the importance of dealing with Senkakus-related strains in the relationship in a calm manner and from a broad perspective. The note made no reference to the government's widely reported plans to purchase the Senkaku Islands, reflecting the Japanese view that since Japan's sovereignty extends to the islands, a transfer of property rights is an internal affair of Japan.

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\* The views expressed in this article are the views of the author alone and do not necessarily represent the views or policy of the National Defense University, the Department of Defense, or the US government.

The government reached a broad agreement with Kurihara on the transfer of property rights on Sept 4. Five days later, President Hu met Prime Minister Noda on the sidelines of the Asia-Pacific Cooperation (APEC) meeting in Vladivostok. During a brief 15-minute conversation, Hu cautioned Noda that China was resolutely opposed to the government's purchase of the islands and that China would view any such action as "illegal" and "invalid." Noda told Hu that Japan wanted to deal with Senkakus-related issues "from a broad perspective."

### **Senkakus purchase**

On Sept. 11, the Noda government announced that it had signed a contract with Kurihara to purchase three of the five islands (Uotsuri, Kitakojima, and Minamikoji) for ¥2.05 billion. China's response was immediate and combative. The Foreign Ministry cast the purchase as "totally illegal and invalid" and a "gross violation of China's sovereignty over its own territory." It warned that Japan would face "serious consequences" and that China would take unspecified but "necessary measures to protect its territorial sovereignty." Meanwhile, two Chinese ships, *Haijian 46* and *Haijian 49*, belonging to China Marine Surveillance (CMS) agency, arrived in the vicinity of the islands.

In Tokyo, Chief Cabinet Secretary Fujimura explained that the government had purchased the islands to maintain their "peaceful and stable management" and that the transaction "should not cause problems with other countries or regions." Foreign Minister Gamba Koichiro told reporters that "there is no doubt that the Senkaku Islands are part of Japanese territory and there are no territorial disputes over the islands." Japan had purchased the islands to "maintain and control them peacefully and stably." At the same time, Japan held relations with China as one of its "most important bilateral relationships... We must not let this issue get in the way of the stable development of Tokyo-Beijing ties. We must calmly deal with the issue from a comprehensive viewpoint and continue to be able to communicate with each other to assure that there are no misunderstandings or errors in judgment." To that end, Gamba dispatched Director General of the Asian and Oceanian Affairs Division Sugiyama Shinsuke to Beijing to explain the government's decision and to appeal for calm.

China's Foreign Ministry spokesperson told reporters that "the current tension in Sino-Japanese relations is caused by the Japanese side." China hoped that Japan would "change their wrong actions and create conditions for improvement and development of Sino-Japanese relations."

At yearend, the positions articulated by both Beijing and Tokyo in mid-September continue to frame diplomatic dialogue. Neither side has budged on its position, they continue to talk past each other, and have taken additional actions that will make backing down even more difficult.

### **Reaction in China**

In Beijing, demonstrators, shouting "Fight the Japanese," appeared outside the Japanese Embassy on Sept. 12. This was just the beginning. The Sept. 16 *Asahi Shimbun* headline reported that Japanese-related businesses were being vandalized and that anti-Japanese demonstrations had spread to 50 Chinese cities; the accompanying picture showed celebrating

demonstrators in front of a Japanese department store with a window-shattered façade. A page 3 article with the picture of a window-shattered Aeon store asked “Why are the police allowing this?” Toyota, Nissan, and Honda reported that dealerships had been looted and cars set on fire. Panasonic reported that factories in Qingdao and Suzhou had been vandalized and Mitsumi Electric reported that its factory in Shandong had been set on fire. Safety concerns led supermarket Ito-Yokado and 7-11 convenience stores to temporarily suspend operation in Chengdu. In early October, *Kyodo* reported that many of Japan’s major insurance companies had suspended sales of new policies covering losses sustained as a result of riots and strikes in China.

Sustaining the demonstrators’ anger was the 81<sup>st</sup> anniversary of the Mukden (also referred to as the Manchurian) Incident on Sept. 18. By then, the *Yomiuri Shimbun* reported that anti-Japanese demonstrations had spread to nearly 100 cities. Banners carried by demonstrators included phrases such as “Overthrow the dog of Japan, trample on Tokyo”; “Boycott Japanese goods”; and “F... Japan,” which appeared in color on the front page of the Sept. 14 *Mainichi Shimbun*. In response, the Foreign Ministry in Tokyo issued safety warnings to Japanese residents in China and travelers to China. Meanwhile, China’s Foreign Ministry spokesperson told reporters that Japan was responsible for the demonstrations and that whether they intensified depended on Japan’s response.

Appearing on a Sept. 19 *Asahi Television* program, Prime Minister Noda said that a certain degree of reaction had been expected, but that the scale and scope of what transpired went far beyond what had been anticipated. He explained that Japan had repeatedly, through various channels, made clear that the islands had been purchased to ensure their management in a peaceful and stable manner, but that China had not been able to understand sufficiently. Noda also said he was open to sending a special emissary to China in an effort to restore relations.

Business sources in Japan reported that, in addition to Japanese automobiles, the boycott of Japanese products was spreading to other sectors. Japanese pharmaceutical companies reported a sharp increase in products being returned from Chinese hospitals and that contract renewals were being refused. Chinese construction companies were refusing to use Japanese elevators or construction materials. Meanwhile, the Japan External Trade Organization reported a slowdown of customs clearance procedures in China for Japanese imports. The Onward Kashiya Company, a major clothing exporter to China, reported a week’s delay in customs clearance procedures. The Japanese tourist industry also took a hit in the aftermath. China Comfort Travel Group announced that it would cancel Japan-bound tours to protest the Senkakus purchase. Beijing travel agencies reported receiving guidance from China’s tourist authorities to advise against travel to Japan.

### **Economic relations: falling numbers**

In September, China’s imports from Japan declined 14 percent; total China-Japan trade in September decreased 4.5 percent over September 2011. However, the September decline in imports was smaller than the August figure of 11.4 percent. The drop in September total trade volume marked the fourth consecutive month of falling Japan-China trade figures. In October, China’s imports from Japan declined 15.1 percent.

As of late September bookings for Japanese travel to China during the October-December period plunged markedly. Combined, Nippon Travel Agency, Jalpak, JTB, and KNY companies reported an approximate 53 percent decline in bookings, equaling a total of 2,650 China-bound travelers. ANA and JAL reported over 50,000 cancellations in Japan-China and China-Japan travel. Meanwhile 3,700 mainland Chinese tourists canceled planned visits to Okinawa.

As for Japanese automobile sales and production in China, the numbers were also significant:

- Honda Motor Company, which manufactures in China with Dongfang Motor Group and Guangzhou Automobile Group, reported September sales fell 40.5 percent over September 2011, to a total of 33,931 vehicles. October production in China was off 54 percent and November production fell 59.9 percent to 26,592 units.
- Toyota Motor Corporation reported September sales down 48.9 percent over September 2011, to a total of 44,100 units. October sales fell 44.1 percent to 45,600 units and October production plunged 61 percent for a total of 30,591 units, the largest drop in over a decade. November production fell by 38.7 percent to 50,528 units.
- Nissan Motors reported a 35.3 percent decline in September sales and an October production drop of 44 percent followed by 43.3 percent drop in November to 68,090 units. October sales fell off 40.7 percent followed by a 29.8 percent decline in November to 79,500 units.
- Fuji Heavy Industry/Subaru, which does not manufacture in China, reported exports declined 76 percent in October to 1,734 units, with sales falling 72 percent to 1,468 units.

The China Association of Automobile Manufacturers reported overall decline in the sales of Japanese vehicles – 29.5 percent in September and 38.2 percent in October. At the end of November, China's State Information Center reported that Japanese automakers' share of the China market had fallen to 14 percent compared to a 23 percent share for the January-August period. In early December, Nissan Motors reported that the number of customers visiting showrooms across China had almost returned to November 2011 levels.

Meanwhile, Japanese direct investment in China in October was off 32.4 percent over 2011, to a total of \$460 million. Japanese government figures put losses sustained by Japanese companies as a result of the anti-Japanese demonstrations at ¥10, 000,000,000.

#### **40<sup>th</sup> anniversary cancellations**

Among the first casualties of the Senkakus purchase was the cancellation at the request of the Chinese side of the China-Japan exchange of young authors scheduled for Sept. 17-18 in Tokyo. Later, on Sept. 23, the Chinese government, through the Japanese Embassy, notified Tokyo that it was canceling formal commemorative ceremonies of the 40<sup>th</sup> anniversary of normalization scheduled for Sept. 27 in the Great Hall of the People. Chief Cabinet Secretary Fujimura found the decision “extremely regrettable.”

On Sept. 24, at a Chinese Embassy reception in Tokyo, diplomats told guests that China would hold a scaled-down anniversary celebration and would invite a small group of friends of China. A small delegation, led by former Lower House Speaker Kono Yohei, did visit Beijing and met the CCP's fourth ranking member, Jia Qinglin on Sept. 27. Jia praised Kono and other members of the delegation for "making positive contributions" to improving bilateral relations over the years, but also made it clear that Japan "should fully recognize the gravity of the situation and look squarely at the Diaoyu issue over which there is a dispute." He characterized the relationship as being in an "unprecedented severe phase." Kono later told reporters that discussion of the Senkakus accounted for most of a "strained" one-hour meeting, during which he made clear that Japan's position remained as had been repeatedly explained by senior Japanese diplomats.

Later, former State Councilor Tang Jiaxuan hosted a banquet for the Japanese visitors but made clear that the Senkakus decision, coming just two days after President Hu had cautioned Prime Minister Noda about the purchase during their meeting in Vladivostok, had caused the Chinese people to lose face and triggered their anger.

### **High-level disputation**

On Sept. 26, Prime Minister Noda spoke at the United Nations General Assembly. He called for a strengthening of the rule of law to support peaceful resolution of outstanding territorial issues. Without naming names, Noda decried efforts of some countries to impose their will on others through force or intimidation. At a press conference following his remarks, Noda called for a peaceful resolution of disputes without resort to force or intimidation and said there would be no compromise on Japan's position on the Senkakus; namely, a territorial dispute does not exist. He made it clear that "A compromise that steps back from that position is out of the question."

China's Foreign Minister Yang Jiechi addressed the General Assembly the following day. He blasted the Senkakus purchase as "illegal" and invalid," asserting that indisputable historical and legal evidence makes it clear that from ancient times the Diaoyu islands were part of China. Yang went on to charge that Japan had stolen the islands from China during the 1895 Sino-Japanese war. Chief Cabinet Secretary Fujimura found Yang's remarks to be "completely without foundation."

China's Foreign Ministry spokesperson Qin Gang responded to Noda's UN remarks, observing that "the Japanese government's so-called 'purchase' is illegal; and invalid. It cannot change, not in the slightest way, the historical fact of Japan's occupation of China's territory. Nor can it change China's territorial sovereignty over the Diaoyu islands ... Japan's illegal scheme is doomed to failure." Qin called on Japan to "stop all acts that undermine China's territorial sovereignty instead of making repeated mistakes and deceiving the whole world."

Both Prime Minister Noda and Premier Wen attended the Asia-Europe Meeting in Vientiane Laos; they stayed in the same hotel but never found time for a face-to-face meeting. However, both Japanese and Chinese delegations used the occasion to reassert national talking points on the dispute over the islands. In his remarks, Noda called for a peaceful resolution of outstanding differences with China and Korea in accordance with international law. In reply, China's Foreign

Minister Yang set out a comprehensive explanation of China's position on the Diaoyu Islands. In the process, he argued that Japan must not be allowed to deny the results of the anti-fascist war and challenge the principles of the existing postwar order. Noda answered that from the point of history and international law there is no disputing the fact that the Senkakus are Japan's sovereign territory, and, as a result, there is no territorial issue that needs to be addressed. He pointed out that since the end of the war Japan has consistently acted as a peaceful country.

Niwa Uichiro, Japan's ambassador to China, in a pre-departure interview in December, told reporters that the two governments must "squarely face the reality" that neither would move off their respective positions on the Senkakus; accordingly it is "extremely important that the two sides deal with the issue calmly from broader perspectives, maintain and strengthen communications so as not to further aggravate relations and escalate tension, and exercise restraint and take responsible measures." The ambassador urged both governments to focus on improving relations in "a forward-looking manner." The continuation and expansion of youth exchange programs "would create an opportunity for ice-breaking ... But if each side keeps saying 'Japan is bad' or 'China is bad' nothing will happen. It will only hurt both countries."

Before departing for China, Niwa's successor, Kitera Masato, said "the situation does not call for any change in the least in our basic position." Japan would continue to assert that a territorial dispute does not exist while acknowledging that "patient diplomacy" will be required ... there is no magic or miracle." Addressing the anti-Japanese riots, he observed that they were "not a good thing for China because it sent a message to investors around the world." Like Niwa, Kitera placed faith in exchange programs to nurture the next generation of leaders. He hoped that "improving economic relations can bring benefits to each nation and its people."

### **Chinese ships in the Senkakus**

To assert its sovereignty claims, China began to regularize a maritime presence in the area of the Diaoyu islands. The Japanese Coast Guard reported that through Oct. 10, ships of CMS and Fisheries Law Enforcement Agency had entered Japan's contiguous zone outside territorial waters a total of 19 days since Sept. 11. As of Dec. 13, the Japanese Coast Guard reported that Chinese government ships had intruded into Japanese territorial waters 17 times since Sept. 11. The *Asahi Shimbun* quoted a senior Coast Guard official as observing that China "might have begun normalizing the activity by maintaining a set level of force." Foreign Ministry officials saw Chinese actions as aimed at chipping away at Japan's effective administrative control over the islands and forcing Japan to recognize the existence of a dispute.

Asked what message China is trying to convey by sending public ships into waters off the Diaoyu Islands, Foreign Ministry spokesperson Hong Lei responded that the islands "have been China's inherent territory since ancient times, and their adjacent waters is (sic) under China's jurisdiction ... The ships have performed and will continue to perform duties in waters off the Diaoyu islands. It is the Chinese military's sacred duty to defend national territorial sovereignty as well as maritime rights and interest." When challenged by the Japanese Coast Guard, Chinese ships replied that they were on regular patrol in Chinese territorial waters and ordered the Coast Guard ships to leave China's sovereign territory.

Meanwhile on Nov. 28, four PLA Navy ships transited through Japan's contiguous zone on their way to exercises in the western Pacific. The ships returned through the contiguous zone on Dec. 10. Earlier, on Oct. 16, following exercises in the western Pacific, seven PLA warships had transited through Japan's contiguous zone in the southwest islands.

### **Public opinion**

A series of public opinion polls over the September-December period underscored the downward trend in the Japan-China relationship.

A *Nikkei Shimbun* poll conducted Sept. 26-27, two weeks after the Senkakus purchase, found 56 percent of respondents in favor of a "strong stance" toward Chinese incursions into Japan's territorial waters, while 37 percent favored efforts to "consider better relations." Also, 66 percent of those polled favored the government's purchase of the islands with 21 percent opposed. A *Sankei Shimbun* on-line public opinion survey found 99 percent of respondents favoring territorial defense legislation.

Meanwhile, a poll conducted by China's *Global Times* found 89.7 percent of respondents favoring a posture that would take "more" steps to support China's claims. About 66 percent of respondents saw Japan as a "major rival" or "enemy." Earlier, a Chinese net-based poll asked whether the Aug. 27 attack on the Japanese ambassador's car should be considered "good" and 82 percent of respondents answered affirmatively.

At the end of November, Japan's Cabinet Office released its annual public opinion poll on Japan's external relations. Respondents not feeling affinity toward China stood at 80.6 percent, an increase of 9.2 percent over 2011 – the first time the percentage topped 80 percent. Those who saw Japan-China relations as "not good" hit an all-time high of 92.8 percent, a 16.5 percent increase over 2011.

### **China in Japan's Dec. 16 election**

Prime Minister Noda dissolved the Lower House on Nov. 16 and set elections for Dec. 16. Overwhelmingly, campaigns focused on the state of Japan's economy; China, however, also was part of the debate.

Earlier, in the run-up to the September Liberal Democratic Party (LDP) presidential elections, candidates staked out a tough line on China. LDP Secretary General Ishihara Nobuteru, in a nationally televised debate, addressed tensions over the Senkakus, saying that "a lesson we learned is that (part of) the country will be snatched if we are off guard, and we have to take responsibility for protecting our own territory." Former Defense Minister Ishiba Shigeru called on the government to "enhance its effective control" over the Senkakus, while former Prime Minister Abe Shinzo said that Japan "must further promote its control" over the islands. Echoing former Foreign Minister Machimura Nobutaka, who called for "a stern diplomacy toward China," the candidates called for a strong line toward China to address the ongoing riots, the destruction of Japanese property, and the protection of Japanese citizens in China. Reflecting on

the state of affairs, Machimura asked “What on earth is the current government doing? Diplomacy based only on rhetoric will not be taken seriously.”

During the general election campaign, the LDP’s election manifesto addressed the Senkakus issue by calling for the “permanent stationing of civil servants and plans for improving the fishery environment in the nearby sea areas.” Prime Minister Noda cast the DPJ as “distancing itself from provocation, adventurism and exclusionism.” He branded the stationing of civil servants as inviting a response and thus being escalatory in nature. In remarks on Nov. 29, Abe said that the “blatant” entry of Chinese ships into Japanese waters was the result of “the diplomatic failure of the Democratic Party of Japan” with regard to China and the Japan-US relationship.

### **Election incursion**

A China State Oceanic Administration airplane entered Japanese airspace over the Senkakus on Dec. 13. The incident, marking the first incursion by a Chinese government aircraft into Japanese airspace over the Senkakus since monitoring began in 1958, caused Japan’s Air Self-Defense Force to scramble in response. The *Mainichi Shimbun* quoted a Foreign Ministry official as saying that the “conflict over the Senkakus has entered a new phase.” From Dec. 10-17, four CMS ships repeatedly entered Japan’s contiguous zone in the Senkakus. Chief Cabinet Secretary Fujimura found the air and sea incursions to be “extremely regrettable.” The *Asahi Shimbun* quoted a senior Foreign Ministry official as saying that the first intrusion into Japanese airspace represented an “upgrading of the intrusions into a routine procedure.”

This is exactly the point Beijing was making. Foreign Ministry spokesperson Hong Lei told reporters that China is “firmly opposed to the repeated illegal entries of Japan’s ships and aircrafts (sic) to the waters and airspace of China’s Diaoyu islands since September.” Flights of CMS aircraft into the airspace of the Diaoyu Islands are “completely normal.” China demanded “the Japanese side to stop its illegal activities in the waters and airspace of the Daioyu Islands.” On Dec. 16, Election Day in Japan, the newest and largest ship of China’s Fisheries Law Enforcement Command entered Japan’s territorial waters in the Senkakus, marking the 18<sup>th</sup> incursion into Japan’s territorial waters since Sept. 11.

In response to the airspace incursion, the Japanese Foreign Ministry issued a Position Paper titled “Surrounding the Situation of the Senkaku Islands” on Dec. 18. The paper labeled the air incursion “a dangerous act,” representing an effort “to unilaterally escalate the situation,” and “challenging the status quo.” The document reasserted Japan’s “basic position” that its claim to the Senkakus is “unshakeable.” The paper concluded that “Recently, Chinese provocative actions ... have become conspicuously intense. China’s intention to topple the status quo concerning Japan’s valid control by use of coercion is clear and thorough.”

### **Prime minister in waiting**

LDP President Abe held a post-election press conference on Dec. 17. Asked by a *Xinhua* reporter for his views on relations with China, he replied that for Japan, China represented one of its “most important bilateral relationships,” characterizing it as “an indispensable country” for



Japan's economic prosperity and calling for "some wisdom so that political problems will not develop and affect economic issues." Turning to the Senkakus, Abe stated that the islands are "the inherent territory of Japan.... We own and effectively control them. There is no room for negotiations about that." Later, *Kyodo* reported that Abe, for the time being, had decided against stationing government officials on the Senkakus.

On Dec. 22, an aircraft belonging to CMS approached within 100 km of the Senkakus; Japan's Air Self-Defense Force scrambled in response. China's Foreign Ministry spokesperson cast the flight "as one of the routine patrols in the airspace over the East China Sea." He went on to note that China "is highly concerned and vigilant about the Japanese side's dispatch of planes from the Air Self-Defense Force." China would "keep close watch on the Japanese side's intentions." Two days later, a CMS aircraft again approached the Senkakus.

### **Looking ahead**

With both governments holding fast to their respective national positions, there is little reason for optimism in 2013. Managing increasingly assertive actions by both parties will challenge political and diplomatic leadership in Tokyo and Beijing.

## **Chronology of Japan – China Relations September – December 2012**

**Sept. 1, 2012:** Japan's Ambassador to China Niwa Uichiro opens the Super Summer Festival in Beijing, marking beginning of ceremonies to commemorate 40<sup>th</sup> anniversary of normalization.

**Sept. 4, 2012:** Japanese government reaches broad agreement with the private owner on the purchase of Senkaku Islands.

**Sept. 4, 2012:** Meeting of *Tachiagare* (Standup) Japan and 35 Diet members, including Abe Shinzo, adopts a petition calling on the government to strengthen control over territorial waters.

**Sept. 4, 2012:** Chinese officials report the detention of two suspects involved in Aug. 27 attack on Ambassador Niwa's car. Suspects are released on Sept. 5 with light administrative penalty after admitting participation in incident.

**Sept. 5, 2012:** Taiwan's President Ma Ying-jeou visits Taiwanese island closest to Senkakus and asserts Republic of China sovereignty over the islands.

**Sept. 9, 2012:** Prime Minister Noda Yoshihiko and President Hu Jintao meet on the sidelines of the APEC meeting in Vladivostok; Hu emphasizes China's opposition to Senkakus purchase.

**Sept. 11, 2012:** Japan announces purchase of Senkaku Islands; China asserts purchase is illegal, invalid, and a gross violation of China's sovereignty. China Marine Surveillance (CMS) agency and Fisheries Law Enforcement Command ships begin to enter waters near the islands.

**Sept. 12, 2012:** Anti-Japanese demonstrations take place in Beijing and spread across China in the following week through Sept. 22.

**Sept. 17, 2012:** Taiwan activists burn a Japanese flag to protest Senkakus purchase.

**Sept. 18, 2012:** The 81<sup>st</sup> anniversary of Mukden Incident is celebrated in China with protests.

**Sept. 20, 2012:** Ten Chinese surveillance ships arrive in waters near Diaoyu/Senkaku Islands.

**Sept. 22, 2012:** Ground Self-Defense Forces (GSDF) and US Marines engage in an exercise aimed at strengthening GSDF capabilities to defend remote islands.

**Sept. 23, 2012:** China informs Japanese government of the cancellation of 40<sup>th</sup> anniversary celebrations scheduled for Sept. 27 in Beijing.

**Sept. 23, 2012:** *Xinhua* reports China Maritime Surveillance agency concluded a test of unmanned reconnaissance aircraft; State Oceanic Administration announces plans to have drones operational by 2015.

**Sept. 24, 2012:** At Chinese Embassy reception in Tokyo, Chinese diplomats invite “old friends” of China to scaled-down anniversary celebration in Beijing.

**Sept. 24, 2012:** Japan-China Economic Association postpones visit to China.

**Sept. 24, 2012:** Taiwanese fishing flotilla with about 60 boats departs for the Senkakus area.

**Sept. 25, 2012:** Vice Minister Kawai Chikao and Vice Minister Zhang Zhijun meet in Beijing to discuss Senkakus issue.

**Sept. 25, 2012:** Japan protests Taiwanese incursions into its territorial waters in Senkaku Islands.

**Sept. 25, 2012:** China issues a white paper on the Diaoyu Islands dispute.

**Sept. 25, 2012:** China announces commissioning of the aircraft carrier *Liaoning*.

**Sept. 25, 2012:** Ishigaki Municipal Assembly adopts a resolution calling on the national government to protect Japanese fishermen operating in Senkaku Islands.

**Sept. 25, 2012:** Chinese residents of Yokohama call off Oct. 1 National Day parade and celebrations due to safety concerns.

**Sept. 26, 2012:** Prime Minister Noda speaks at UN General Assembly and calls for peaceful settlement of territorial disputes in accordance with international law.

**Sept. 27, 2012:** Foreign Minister Yang Jiechi addresses the UN General Assembly, blasts Diaoyu purchase as illegal and invalid; asserts islands were stolen by Japan in 1895.

**Sept. 27, 2012:** Kono Yohei delegation meets in Beijing with Jia Qinglin, fourth ranking member of Chinese Communist Party (CCP), and former State Councilor Tang Jiaxuan.

**Sept. 27, 2012:** China Ministry of National Defense describes PLA Navy scheduled patrols and exercises in East China Sea as normal and legal activities aimed at protecting Chinese fishing and natural gas development activities.

**Sept. 28, 2012:** Japanese Coast Guard reports rescue of Chinese crew members of distressed freighter off Osaka.

**Sept. 28, 2012:** Chinese Embassy in Tokyo reports receiving a bullet in the mail from a sender named “Noda Yoshihiko.”

**Sept. 28, 2012:** Okinawa Prefectural Police transfer to prosecutors two Japanese suspected of landing on Uotsuri Island in the Senkaku Islands.

**Sept. 29, 2012:** Hokkaido Gov. Takabashi Harumi postpones visit to China to attend the Shanghai Economic Forum, an event commemorating the 40<sup>th</sup> anniversary of normalization.

**Oct. 1, 2012:** Seven Taiwanese ships enter Japan’s contiguous zone in the Senkakus and depart later in the day.

**Oct. 1, 2012:** Japanese Coast Guard reports Sept. 30 sighting of Chinese and Taiwanese ships approaching the Senkakus.

**Oct. 2, 2012:** Four CMS ships enter Japan’s territorial waters in the Senkakus and depart later in day.

**Oct. 2, 2012:** Foreign Minister Gamba Koichiro informs press that Japan has protested entry of Chinese ships into the Senkakus; Director General for Asian and Oceanian Affairs Sugiyama Shinsuke telephones Chinese Embassy to lodge protest; crisis management center established in the prime minister’s office.

**Oct. 2, 2012:** Taiwan’s President Ma says that entry of Taiwanese ships into Senkakus represents a peaceful demonstration, not a provocative act and expresses hopes for re-opening of Taiwan-Japan fisheries negotiations.

**Oct. 3, 2012:** Foreign Minister Gamba calls for dialogue to stabilize the Senkakus situation, but underscores Japan’s non-negotiable position regarding sovereignty over the islands.

**Oct. 4, 2012:** Japan’s Ministry of Defense announces transit of seven PLA Navy warships in international waters between Okinawa and Miyakojima.

**Oct. 5, 2012:** Taiwan’s Interior Ministry announces plans to build national maritime park in waters near the Senkakus.

**Oct. 5, 2012:** Japanese government announces appointment of Kitera Masato as the next ambassador to China.

**Oct. 5, 2012:** Japanese prosecutors announce they will not indict Chinese diplomat suspected of using false identity to renew his foreign registration; the diplomat departed Japan on May 22.

**Oct. 7, 2012:** Chinese ships enter Japan's contiguous zone for seventh consecutive day.

**Oct. 10, 2012:** Japanese Diet delegation to Taiwan meets President Ma but does not attend Taiwan National Day celebration. In his National Day address, Ma asserts Republic of China sovereignty over the Tiaoyutai Islands.

**Oct. 10, 2012:** Japanese Coast Guard reports that ships of CMS and Fisheries Law Enforcement Command had entered Japan's contiguous zone 19 times since Sept. 11.

**Oct. 11, 2012:** Meeting of Japan, ROK China Health officials in Kyoto is postponed after Chinese representative are unable to attend for unspecified reasons.

**Oct. 12, 2012:** At the World Bank-IMF meeting in Tokyo, IMF Deputy Managing Director Min Zhu expresses optimism over resolution of Daioyu/Senkakus dispute. China's Minister of Finance and Governor of the People's Bank of China do not attend the meeting; Japanese see their non-attendance as reflecting China's dissatisfaction with the Senkakus purchase.

**Oct. 13, 2012:** Japan and US announce November exercise aimed at retaking uninhabited island.

**Oct. 14, 2012:** A memorial service for Chinese victims of World War II forced labor is held in Arao, Kumamoto Prefecture.

**Oct. 15, 2012:** Foreign Minister Gamba meets US Deputy Secretary of State Bill Burns; he reiterates Japan's position on the Senkakus that a territorial problem does not exist.

**Oct. 16, 2012:** Chinese media report the detention of five individuals for property destruction during anti-Japanese demonstrations Guangdong Province.

**Oct. 16, 2012:** Seven PLA warships return from exercises in western Pacific passing through Japan's contiguous zone south-southeast of Yonaguni Island, becoming the first-ever PLA warships to transit through Japan's contiguous zone.

**Oct. 17, 2012:** LDP President Abe Shinzo visits Yasukuni Shrine.

**Oct. 18, 2012:** Sasakawa Peace Foundation announces the postponement of Self Defense Force-PLA young officers exchange scheduled for late October.

**Oct. 18, 2012:** Sixty-seven members of the Diet visit Yasukuni Shrine.

**Oct. 18, 2012:** Foreign Minister Gemba defends the Senkakus purchase as a pragmatic move to preempt the proposed purchase by Tokyo Gov. Ishihara Shintaro.

**Oct. 19, 2012:** China dispatches naval vessels, aircraft, and helicopters to the East China Sea for a one-day exercise to “strengthen the capacity to safeguard territorial sovereignty and maritime interests.”

**Oct. 20, 2012:** Ambassador to China Niwa in remarks at Nagoya University says that Japan’s government and citizens are not fully aware of the seriousness of the Senkakus issue.

**Oct. 20, 2012:** Japanese Coast Guard rescues 64 Chinese from the cargo ship *Ming Yang* after it catches fire off Okinawa.

**Oct. 21, 2012:** *Kyodo* reports that Chinese officials in September meeting with US Secretary of State Clinton did not refer to Diaoyus as a “core interest” of China.

**Oct. 21, 2012:** *Jiji Press* reports Japan and US canceled plans for November military exercises aimed at recapturing uninhabited island.

**Oct.24, 2012:** Chinese oceanic research ship enters Japan’s EEZ and conducts research in an area different from its prior notification of activities and a CMS ship enters Japanese territorial waters.

**Oct. 25, 2012:** Chief Cabinet Secretary Fujimura finds regular Chinese maritime activities in Japanese waters to be regrettable; Vice Minister Kawai telephones Ambassador Cheng to protest entry of Chinese ships into Japanese waters in the Senkakus; China’s Foreign Ministry spokesperson responds that Chinese ships are conducting regular patrol to support China’s rights.

**Oct. 26, 2012:** Defense Minister Morimoto Satoshi announces suspension of Japan-China talks aimed at setting up a maritime crisis management mechanism.

**Oct. 26, 2012:** Vice Minister Zhang says Japan’s disregard for China’s sovereignty is the most serious shock in relations since normalization.

**Oct. 27, 2012:** Japan’s Fisheries Agency arrests the captain of a Chinese fishing boat engaged in unauthorized fishing in Japan’s EEZ off Kyushu. He is released the next day after paying a fine.

**Oct. 30, 2012:** China’s former Ambassador to Japan Chen Jian calls on the US to use its influence to move Japan to recognize existence of dispute and accept negotiations with China over the Diaoyu/Senkakus.

**Nov. 3, 2012:** Japanese retailer Heiwado reopens two stores in Hunan Province after anti-Japanese riots – the first move by Japanese retailers to reopen on full-scale basis.

**Nov. 4, 2012:** Four CMS ships enter waters off the Senkaku Islands and briefly enter into Japanese territorial waters.

**Nov. 5, 2012:** Dalai Lama arrives in Japan for 10-day visit; China protests the visit.

**Nov. 5-6, 2012:** Prime Ministers Noda and Wen attend the ASEM in Vientiane and do not meet.

**Nov. 8, 2012:** Japan's Tourism Ministry postpones a trilateral Japan, China, ROK meeting scheduled for Nov. 27, reporting that it had been informed by its Chinese counterpart that conditions were not right for China's attendance.

**Nov. 13, 2012:** Dalai Lama addresses 140 members of the Diet's Upper House; participants announce the formation of a "pro-Tibet Diet members' alliance." China condemns the move as interference by Japan's rightwing forces in China's internal affairs.

**Nov. 16, 2012:** Beijing police remove barricades from the area of Japanese Embassy in Beijing.

**Nov. 16, 2012:** Prime Minister Noda dissolves Diet and elections are set for Dec. 16.

**Nov. 16, 2012:** A reception marking the close of the 40<sup>th</sup> anniversary commemorations scheduled for Nov. 24 in Beijing is canceled.

**Nov. 18, 2012:** Japanese Coast Guard reports the 30<sup>th</sup> consecutive day of Chinese activity in Senkakus contiguous zone.

**Nov. 20, 2012:** Japan, ROK, China trade ministers agree to begin formal negotiations on a trilateral free trade agreement in early 2013.

**Nov. 21, 2012:** Foreign Minister Gemba publishes an op-ed titled "Japan-China Relations at a Crossroads" in the *International Herald Tribune*.

**Nov. 28, 2012:** Four Chinese warships transit through Japan's contiguous zone on the way to exercises in western Pacific; they return on Dec. 10.

**Nov. 29, 2012:** US Senate amends 2013 Defense Authorization Act to call for peaceful settlement of territorial issues in the East China Sea and self-restraint by all parties. It also reaffirms that the US-Japan Security Treaty extends to the Senkaku Islands.

**Nov. 30, 2012:** Japan and Taiwan hold preparatory talks on the resumption of fisheries talks.

**Nov. 30, 2012:** Ambassador Cheng acknowledges the expansion of PLA Navy activities to western Pacific is aimed at strengthening its power but says this development is not a threat.

**Dec. 3, 2012:** China criticizes US Senate action on the Senkakus.

**Dec. 5, 2012:** Japan releases a draft of its new Basic Plan on Ocean Policy aimed at strengthening its capabilities to deal with foreign incursions into Japanese waters.

**Dec. 7, 2012:** Vice Minister Kawai calls Ambassador Cheng to protest the incursion of four CMS ships into Japanese territorial waters.

**Dec. 8, 2012:** CMS ship enters Japan's contiguous zone.

**Dec. 9, 2012:** President Ma urges Japan to apologize for using sex slaves in World War II.

**Dec. 11, 2012:** China's commissions newest and largest Fisheries Law Enforcement Command ship in Shanghai.

**Dec. 11, 2012:** Former Gov. Ishihara attributes present tension in Japan-China relations to Noda government's purchase of the Senkaku Islands.

**Dec. 13, 2012:** The 75<sup>th</sup> anniversary of the Imperial Army's entry into Nanjing and the start of Nanjing Massacre are commemorated.

**Dec. 13, 2012:** Aircraft from China's CMS intrudes into Japanese airspace. Air Self-Defense Forces jets are scrambled and Japan issues a protest.

**Dec. 14, 2012:** China submits a continental shelf claim to the United Nations that asserts Chinese sovereignty in the East China Sea to the Okinawa trough.

**Dec. 14, 2012:** Foreign Minister Yang Jiechi contributes to a *People's Daily* article on foreign policy of the new Xi Jinping administration. Yang writes that China will wage a struggle against Japan over the Diaoyu Islands.

**Dec. 16, 2012:** LDP wins 294 seats in the 480-seat Lower House of Parliament in Japanese general election.

**Dec. 16, 2012:** A newly commissioned Chinese Fisheries Law Enforcement Command ship enters Japan's territorial waters in the Senkakus, marking the 18<sup>th</sup> incursion since Sept. 11.

**Dec. 17, 2012:** Japanese Coast Guard confirms the seventh consecutive day of Chinese activity in the Senkakus contiguous zone.

**Dec. 18, 2012:** Japanese Foreign Ministry publishes a position paper on Japan-China Relations Surrounding the Situation of the Senkaku Islands – in Response to China's Airspace Incursion.

**Dec. 18, 2012:** Ambassador Niwa departs Beijing.

**Dec. 19, 2012:** Japan National Institute for Defense Studies issues annual China Security Report.

**Dec. 20, 2012:** Ambassador Niwa address Japan's National Press Club and expresses doubts about Senkakus purchase.

**Dec. 22, 2012:** Aircraft from China's CMS approaches within 100 km of the Senkaku Islands; Air Self-Defense Force jets are scrambled.

**Dec. 25, 2012:** Ambassador Kitera arrives in Beijing.

**Dec. 25, 2012:** Prime Minister-designate Abe meets Ambassador Cheng at LDP headquarters.

**Dec. 26, 2012:** Abe Shinzo succeeds Noda Yoshihiko as Japan's prime minister.

**Dec. 27, 2012:** Japanese Coast Guard confirms the fourth consecutive day of Chinese ships activity in Japan's contiguous zone in the Senkakus.