

Japan-China Relations: Cross Currents

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The new year began with controversy. Territorial issues over the Senkaku/Daoyutai Islands resurfaced at the beginning of January and Japanese Prime Minister Koizumi Junichiro's visit to the Yasukuni Shrine followed in short order. Political reaction in Beijing to the Yasukuni visit again derailed planning for a Koizumi visit to China and also affected Japan's diplomacy toward North Korea, complicating efforts to secure Beijing's cooperation in dealing with Pyongyang's nuclear program.

Nevertheless, the two governments demonstrated an ability to work through practical problems posed by North Korean refugees in China (some Japanese nationals) seeking asylum in Japan. At the same time, economic relations continued to broaden and deepen. For the first time, Japan imported more from China than from the U.S., while Japanese exports to China increased 32 percent in 2002. And, with a new leadership coming to power in Beijing, there were signs of new thinking with respect to Japan and history.

Senkaku/Daoyutai Islands

The new year had barely begun before an old issue, territorial claims over the Senkaku/Daoyutai Islands, resurfaced in the Japan-China relationship. On Jan. 5, China's Vice Foreign Minister Wang Yi called in Japanese Ambassador Anami Koreshige to renew China's protest of a decision by Tokyo to lease three privately held islands in the Senkaku Island chain: Uotsurishima, Minami-Kojima, and Kita-Kojima. Wang declared the unilateral action by Tokyo to be "null and void" and urged Japan to "correct its mistake and avoid causing damage to Chinese territory."

The next day, China's ambassador to Japan, Wu Dawei, called on Vice Minister of Foreign Affairs Takeuchi Yukio, to protest the Japanese government's action as "illegal and void" and unacceptable to Beijing. Takeuchi replied history and international law supported Tokyo's claims to the Senkaku Islands as "Japan's inherent territory." Consequently, China's protest could not be accepted. Takeuchi urged Beijing to take a "cool-headed approach" to avoid damage to Japan-China relations. Afterward, the vice minister told reporters that it was Japan's wish that problems that from time to time arise between Japan and China should not adversely affect the overall bilateral relationship.

At the Foreign Ministry's press conference, Assistant Press Secretary Okuyama Jiro was asked why the government had decided to lease the land. Okuyama explained that, "This act has been in place for sometime now ... not something that happened overnight ... and it was our judgment that it might be a good idea to lease the land from the private owner, and that is what we are doing." Meanwhile in Beijing, Foreign Ministry Spokesperson Zhang Qiyyue asserted that China's position is "consistent and clear" that the Daoyutai and adjacent islands "are an integral part of the Chinese territory and any unilateral actions taken by the Japanese side are null and void."

Back to Yasukuni

In 2001, Prime Minister Koizumi visited Yasukuni Shrine on Aug. 13, two days before ceremonies marking the end of the Pacific War. Last year, in an attempt to avoid the emotionally charged atmosphere surrounding Aug. 15, Koizumi visited the shrine in April. In both instances, the visits resulted in strong protests from China's leadership and a sharp downturn in political relations. Early in the new year, shortly before 2 PM on Jan. 14, the prime minister again visited the shrine. The fallout from the 12-minute visit was predictable.

In Tokyo, the assistant press secretary explained that he had watched the live broadcast of the visit as he was coming to the press center. Okuyama went on to say that, while he did not have the exact quote, he understood that the prime minister had remarked to the effect that "he was going with his determination and wish that war should never be repeated." Accordingly, Japan hoped that "his motive will be fully understood by the neighboring countries."

The hope proved to be short-lived. That afternoon, the Chinese Foreign Ministry made clear that Beijing "is strongly opposed to the visit by leaders of the Japanese government to the Yasukuni Shrine which has memorial tablets to class-A war criminals. Branding Koizumi's action as "erroneous," the commentary went on to note that the visit "seriously undermines the political foundation of China-Japan relations and hurts the feelings of the people of the victim Asian countries, including China as well." Vice Foreign Minister Yang Wenchang, expressing "intense frustration and indignation," used similar language with the Japanese ambassador, while in Tokyo, China's ambassador called on the Foreign Ministry to protest. On leaving the ministry, Wu labeled the explanations he received a "bunch of excuses."

Back at his official residence, Koizumi explained to reporters, "At the beginning of the new year, I truly appreciate peace, and, at the same time, I renewed my vow not to trigger a war again." His prayers at the shrine were offered "with respect and gratitude" to those who had lost their lives in the conflict. He went on to emphasize that "there has been no change in my determination to maintain friendly relations with China and South Korea. I respect every country..."

Liberal Democratic Party (LDP) officials quickly went into spin mode. Aso Taro, chairman of the Policy Research Council, told reporters that, “there should be no problem” for the prime minister to visit the shrine at the beginning of the new year. LDP Secretary General Yamasaki Taku felt that the visit grew out of the prime minister’s “belief.”

The *Asahi Shimbun* quoted one of Koizumi’s associates as explaining that if the prime minister were not to visit Yasukuni because China said not to go, his “personal image would be damaged” and he would lose the support of public opinion. Thus, the visit was “essentially a reflection of the prime minister’s attention to domestic affairs.”

On Jan. 16, the *Mainichi Shimbun* reported that an unnamed government official had observed that China’s reaction, compared to that which greeted Koizumi’s visit last year, was relatively restrained. However, the *Asahi* later reported that a fence-mending visit to China by the chief Cabinet secretary was under consideration. The next day, Foreign Minister Kawaguchi Yoriko told reporters that the dispatch of a special emissary was under consideration, though Chinese Foreign Ministry Deputy Spokesperson Zhang Qiyue had previously remarked that receiving a special emissary under the present circumstances would probably be asking too much.

At the end of January, Koizumi told a meeting of the Upper House Budget Committee of his intent to pay homage at Yasukuni again next year, that “as long as I stay prime minister, I will keep visiting Yasukuni Shrine every year.” As for the class-A war criminals, Koizumi explained that he thought “the notion of condemning the dead for sins they committed while they were alive and not forgiving them for those sins is not the Japanese way of thinking.” He hoped that other countries would “understand this sort of feeling.” In his policy speech to the Diet, Koizumi announced his intention to strengthen cooperation with China across the board; based on “mutual understanding and trust,” this will serve the realization of peace, stability, and prosperity in Asia and across the globe.

During a late January visit to Beijing, Director General of the Foreign Ministry’s Bureau of Asian and Oceanic Affairs Yabunaka Mitoji called on Vice Minister of Foreign Affairs Wang Yi and Asian Affairs Director General Fu Ying. Discussions touched on the North Korean nuclear issue and bilateral issues, including Yasukuni, the Senkakus, and refugees. While Yabunaka explained that there was “no change” in the prime minister’s intent to develop friendly relations with China, Wang made clear that China regarded the prime minister’s thinking on Yasukuni as “mistaken.” Nevertheless, a Jan. 27 *Mainichi* poll on the question of the prime minister’s visit to the shrine found the Japanese public evenly split – 47 percent approving and 43 percent against. Among LDP members, approval stood at 73 percent.

Fallout: North Korea & Summitry

At the same time, diplomatic sources in Tokyo, concerned with the nuclear threat posed to Japan by North Korea and focused on the need for trilateral Japanese, South Korean, and Chinese cooperation, bemoaned the Yasukuni visit as coming “at the worst possible

time.” Much as the Yasukuni visit in April last year made it “difficult” for Koizumi to visit China for ceremonies marking the 30th anniversary of normalization, the January visit threatened to scuttle Foreign Ministry efforts to arrange a Koizumi visit to China during Japan’s Golden Week holidays as well as a March visit by China’s new premier, Wen Jiabao.

The *Mainichi Shimbun* reported a government official lamenting that cooperation with China on North Korea was limited to Foreign Ministry channels at a time when “top-level communications are essential,” and, even with respect to Japan’s entreaties for Beijing’s assistance with North Korea, the paper noted that China’s diplomats did not hide their displeasure.

On Feb. 28, Foreign Minister Kawaguchi called her Chinese and Korean counterparts to ask their assistance in dealing with North Korea. China’s Foreign Minister Tang Jiaxuan told Kawaguchi that denuclearization of the Peninsula is critical and that China will work to resolve the issue through dialogue. Tang agreed on the need for close coordination and cooperation.

In Beijing on March 1, former Prime Minister Hashimoto Ryutaro told reporters that it was up to China to make sure that North Korean leader Kim Jong-il did not misunderstand divisions within the UN Security Council over Iraq. Hashimoto said that when he had made this point to China’s Defense Minister Chi Haotian and Vice Premier Qian Qichen, the thought seemed not to have registered among the Chinese. On March 4, Japan’s ambassador to China attended the LDP’s Foreign Affairs Joint Meeting and spoke about China’s position with respect to North Korea. The Ambassador told the legislators that while Beijing did have influence in Pyongyang, China was also subject to blackmail from North Korea. As a result, Beijing found itself in an “unpleasant” situation. The ambassador also noted that while North Korea practices crisis diplomacy, China was concerned that Pyongyang recently had entered a danger zone.

During the National People’s Congress, Foreign Minister Tang addressed the issue of high-level Japan-China contacts in a March 6 press conference in the Great Hall of the People. Responding to a question as to whether China-Japan summits would be resumed once China’s new leadership took office, Tang replied that for such meetings to be successful, “it is necessary to create the proper environment.” While Tang did not go into detail as to the conditions necessary to create the proper environment, he did refer to the problems caused by the prime minister’s official visit to the Yasukuni Shrine, observing that it reflects the attitude of Japanese political leaders toward the past. Learning proper lessons from history, he argued, will serve to develop the China-Japan relationship.

On March 13, Ambassador Wu called on Chief Cabinet Secretary Fukuda Yasuo. The coming 25th anniversary (August) of the Japan-China Peace and Friendship Treaty and the issues posed by the prime minister’s visit to the Yasukuni Shrine were agenda items. After the meeting, Wu took a line similar to that taken by Foreign Minister Tang at the National People’s Congress; namely that, if conditions were to be met, a Koizumi visit would be possible, but, given the present state of affairs, it is difficult to realize in the

near future. During the meeting Wu asked that Fukuda consider visiting China to commemorate the Friendship Treaty, signed when Fukuda's father was prime minister. Afterward, Fukuda told reporters that, given his responsibilities, it would be "difficult to be away from the prime minister's office."

On March 26, the *Mainichi Shimbun* reported that Foreign Minister Kawaguchi would visit China April 6-8 to meet with China's new leadership, including President Hu Jintao and the new foreign minister, Li Zhaoxing. North Korea and the prime minister's visit to Yasukuni promise to be major agenda items. One Japanese diplomatic source described Li as "a hardliner on the history issue."

North Korean Refugees

Despite the political turmoil surrounding the Yasukuni visit, Tokyo and Beijing did manage to work together effectively to deal with refugee-related issues involving North Korea. In January, it was reported that China had detained and was holding in protective custody Hirashima Fudeko, a 64 year-old Japanese national who had fled North Korea after living there since 1959 with her Korean husband. Also detained with Hirashima were two Korean nationals who arranged her escape and were reported as attempting to hold her hostage to extort ransom from Japan. Japanese officials then tipped Chinese authorities about the extortion scheme, and the Chinese responded by arresting the Koreans on kidnapping charges. On Jan. 29, after 44 years, Hirashima returned to Japan.

At the same time, Yabunaka Mitoji, director general for asian and oceanic affairs, informed the Diet that the Foreign Ministry had acted to place under its custody dozens of people, mainly Japanese citizens who had fled North Korea. Addressing the issue of China's role in the matter, Foreign Minister Kawaguchi explained that in dealing with the refugees, "We have to give heed to the position of the Chinese government and also the safety of the families concerned." She declined to provide specific information.

In mid-February, North Korean refugee issues again surfaced in the Japan-China relationship. On Feb. 18, four North Korean refugees entered a Japanese school in Beijing, managed by Japanese nationals who don't have diplomatic immunity. The refugees were seeking asylum to Japan. Embassy officials went to the school and escorted the refugees to the consular section of the embassy. Over a month later, on March 21, the refugees left Beijing and entered the Republic of Korea after passing through Singapore.

Six days later, it was reported that the Japanese Consulate in Shenyang had taken into custody a Japanese woman and her daughter who had fled North Korea. While hopes were high for an early departure from China for the Japanese national and daughter, two weeks later they were still in China. On March 9, the *Yomiuri Shimbun* reported that Tokyo's going public with refugee issues had negatively affected Beijing's relations with North Korea and that Beijing was concerned lest public knowledge invite a flood of North Korean refugees into China. As a result, the *Yomiuri* conjectured that China's

delay in repatriating the Japanese woman and her daughter reflected Chinese sensitivities over the refugee question.

Security

During his late February visit to China, former Prime Minister Hashimoto met with Xiong Guangkai, deputy chief of staff of the PLA. Afterward, Hashimoto told reporters that Xiong had sounded out the possibility of resuming the bilateral vice-ministerial security dialogue, which has been suspended since November 2000 as a result of Koizumi's visits to the Yasukuni Shrine and other history-related issues.

On March 6, during the National People's Congress, Finance Minister Xiang Huaicheng announced that military spending would increase 9.6 percent in FY 2003. The increase was the lowest in 14 years and marked a decline from the 17.6 percent increase in 2002. Japanese press commentary argued that the decline reflected Chinese concerns with the "China Threat" image that had emerged as a result of the string of double-digit growth rates of the past 15 years. Press commentary also pointed to continuing shortcomings with respect to transparency.

Trade and Economics

Trade statistics released Jan. 27 by the Trade Ministry underscored China's emergence as a global economic power and its growing importance to Japan.

For the first time since 1961, when comparable data began to be collected, Japan imported more from China than the United States, while Japan's exports to China increased 32 percent. Over the past decade, Japan's exports to China have grown from 9.6 percent of total exports to 15.7 percent, while exports to the U.S., 28.5 percent of total exports, showed little growth. At the same time, China surpassed Japan as the largest exporter to the U.S.

The *Nihon Keizai Shimbun* attributed the surge in Japan's exports to China in 2002 to China's admission into the World Trade Organization and growing domestic demand, which fueled the import of Japanese automobiles. Machinery, semiconductors, and other electronics parts also accounted for the increase in Japan's exports to China. As for imports from China, foodstuffs and chemicals surged; electronics parts and business machines also increased, while textiles and raw materials decreased.

On March 11, Beijing announced that over the first two months of 2003, China's industrial production, led by automobiles and electronics, grew at a record shattering 19.8 percent in comparison with January-February 2002. Two weeks later, Japan's Ministry of Trade announced that exports to China, led by automobiles, chips, and electronic equipment, increased 66.6 percent in February, while exports to the United States decreased 13.6 percent for the second consecutive month.

A Better Future?

On Feb. 21, the *Asahi Shimbun* reported on the publication of an essay “New Thinking on Relations with Japan” by Ma Lisheng, which appeared in the December 2002 edition of the Chinese opinion magazine *Strategy and Management* and later posted on the *People’s Daily* e-journal. Ma, it was noted, is known as a political critic on the staff of the Chinese Communist Party newspaper, *People’s Daily*, and the essay was drawn on his experiences while in Japan in January 2002.

Ma’s article related how a Chinese girl wearing a shirt with a pattern resembling that of the old Imperial flag met with insults and ridicule to the point where she was concerned with her personal safety and had to apologize. At the same time, Ma called attention to the postwar success of Japan – how a country poor in natural resources had become the world’s second largest economy, established democracy and the rule of law, and civilian control of the military had been effected.

The *Asahi* reported that the essay laid out the threat perceptions held by each country of the other as well as actual state of affairs. Ma told his Chinese audience that, while some of Japan’s political figures posed a threat to Japan’s democracy, the vast majority of Japanese are focused on advancing friendship with China. He went on to discuss how the apologies offered for the past by former Prime Minister Murayama Tomoichi and the visit by Prime Minister Koizumi to the Marco Polo Bridge indicated reflection and remorse on the part of Japan. A formal apology, he argued, is not necessary. Ma also cited Japan’s low-interest loans, which have helped spur China’s development. He urged his readers to abandon old thinking with regard to Japan and to begin to think in new ways.

Compared to Japanese criticism warning of China’s narrow nationalism, the *Asahi* found the article bold and daring. While comments on the essay labeled Ma a traitor, many readers expressed agreement with Ma’s critique of China’s own shortcomings. China’s Japan specialists, scholars, and media types were quoted to the effect that Ma’s opinions closely tracked their own but that Ma’s publication of them was “very brave.” The *Asahi* related the appearance of the article to China’s coming change in leadership.

According to Chinese sources, in an effort to determine the new leadership’s foreign policy direction, government, party leaders, and analysts last summer began a review of China’s bilateral relationships. At the time Ma’s article was published, there was a strong trend toward putting history-related issues on the backburner and emphasizing the future. But, beginning with the new year, the Senkakus dispute and Koizumi’s visit to Yasukuni again raised anti-Japanese sentiment, and on the Internet Ma was severely criticized for carrying Japan’s water.

Echoing some of Ma’s sentiments, China’s Ambassador Wu told a Tokyo audience Feb. 21 that Japan’s government and people had contributed significantly to China’s modernization and that Japan’s contribution was highly appreciated by the government and people of China. He expressed China’s gratitude for Japan’s yen loans and economic

cooperation. Without mentioning Yasukuni, Wu did remark that there were political issues that had to be resolved, even as economic cooperation is developing overall.

Overseas Development Assistance

On March 13, in conjunction with the government's review of Japan's official development assistance program, Tokyo announced plans to cut yen loans to China by 25 percent for FY 2002, with implementation to begin in 2003. This marked the second consecutive year of such large-scale cuts in the China ODA program. Again, the decision reflected concerns, in particular within the prime minister's party, over China's 15-year military buildup. In contrast to past infrastructure-related programs, emphasis will be on environment and human-resource development programs as has been the case since 2001. Press reported that the decision, based on Japan's own strained financial condition, had been previously communicated to Beijing and will be finalized before the fiscal year that ends on March 31.

Chronology of Japan-China Relations January-March 2003

Jan. 5, 2003: China's Vice Foreign Minister Wang Yi calls in the Japanese ambassador to protest Japan's leasing of privately held islands in the Senkaku/Daoyutai island chain.

Jan. 6, 2003: China's Ambassador Wu Dawei calls on Japanese Vice Foreign Minister Takeuchi Yukio to protest Senkaku activities.

Jan. 14, 2003: Prime Minister Koizumi Junichiro visits Yasukuni Shrine.

Jan. 14, 2003: China's Vice Foreign Minister Wang protests the Yasukuni visit to the Japanese ambassador.

Jan. 14, 2003: China's Ambassador Wu calls on Vice Minister Takeuchi to protest.

Jan. 17, 2003: Foreign Minister Kawaguchi Yoriko tells reporters that a special emissary to China is under consideration to deal with the Yasukuni issue.

Jan. 27, 2003: Japan's Trade Ministry releases 2002 trade statistics, which show that for the first time Japan's imports from China surpassed imports from the U.S.

Jan. 27, 2003: Foreign Ministry Director General for Asian and Oceanic Affairs Yabunaka Mitoji informs Diet that Foreign Ministry is working with China to deal with North Korean refugee issues.

Jan. 28, 2003: DG Yabunaka visits Beijing, meets with Vice Foreign Minister Wang and Asian Director General Fu Ying to discuss Yasukuni, Senkakus, refugees, and North Korean issues.

Jan. 29, 2003: Japanese national Hirashima Fudako, a refugee from North Korea, returns to Japan.

Jan. 29, 2003: Prime Minister Koizumi tells Diet of his intention to continue to visit Yasukuni Shrine.

Feb. 18, 2003: Four North Korean nationals enter Japanese school in Beijing and are taken into custody by Japanese diplomats.

Feb. 21, 2003: Chinese Ambassador Wu addresses Japan-China relations in a speech in Tokyo.

Feb. 21, 2003: *Asahi Shimbun* reports on essay by China's Ma Lisheng calling for new thinking on Japan and history.

Feb. 24, 2003: Japanese national and daughter flee from North Korea into China and are taken into custody by Japanese Embassy.

Feb. 27-28, 2003: Former Prime Minister Ryutaro Hashimoto visits China and meets with PLA Deputy Chief of Staff Xiong Guankai, Defense Minister Chi Haotian, and Vice Premier Qian Qichen.

March 4, 2003: Japanese Ambassador Anami Koreshige meets with Liberal Democratic Party's Foreign Affairs Joint Committee to discuss China and North Korea issues.

March 6, 2003: Foreign Minister Tang Jiaxuan addresses China-Japan relations during China's National People's Congress.

March 6, 2003: China's Finance Minister Xiang Huaicheng announces sharp decline in China's military spending for FY 2003.

March 12, 2003: Tokyo District Court dismisses compensation lawsuit for wartime forced labor filed by Chinese nationals.

March 13, 2003: Chinese Ambassador Wu calls on Chief Cabinet Secretary Fukuda Yasuo to discuss high-level political relations.

March 13, 2003: Japan announces 25 percent reduction in Overseas Development Assistance for China.

March 21, 2003: North Korean refugees leave Japanese Embassy in Beijing and, after passing through Singapore, enter the Republic of Korea.

March 24, 2003: Japan's Trade Ministry announces that exports to China surged 66.6 percent in February.

March 26, 2003: *Mainichi Shimbun* reports Foreign Minister Kawaguchi will visit China, April 6-8.

March 27, 2003: *Mainichi Shimbun* reports the Dalai Lama will visit Japan in November 2003, at the invitation of the Diet bipartisan group “League to Consider the Tibet Issue.”