

## Japan-China Relations: Toward the 30<sup>th</sup> Anniversary

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The quarter ended on a high note with ceremonies in Beijing commemorating the 30<sup>th</sup> anniversary of the normalization of relations between Japan and China. Senior Foreign Ministry officials and over 50 political figures represented Japan. Conspicuously absent, however, was the prime minister. Still under a Chinese cloud for his April visit to Yasukuni Shrine, Prime Minister Koizumi Junichiro decided in August not to attend the ceremonies.

Over the course of the summer the past continued to intrude on the present. A Tokyo District Court was the first to rule that Japan had engaged in biological warfare in China during the war. The court, however, rejected the Chinese plaintiffs suit for compensation. Visits by members of the Koizumi Cabinet to Yasukuni Shrine on Aug. 15 drew traditional censure from Beijing. At the same time, Japanese concerns with China's ongoing military modernization and its perceived lack of gratitude for Japan's development assistance largess foreshadowed a looming debate over the China official development assistance (ODA) program.

Nevertheless, commerce continued to expand as joint ventures multiplied, and Japanese investment continued to flow into China (although at reduced rates). At the same time, the safety of Chinese dietary supplements and pesticide residue on imported Chinese vegetables have triggered trade controversies.

### **High-Level Meetings**

Foreign Minister Kawaguchi Yoriko met with her Chinese counterpart Foreign Minister Tang Jiaxuan on July 30 during the ASEAN Post-Ministerial Conference in Brunei. Looking ahead to the ceremonies marking the 30<sup>th</sup> anniversary of normalization of diplomatic relations, Kawaguchi announced that Japan, in "the spirit of taking history as a mirror and looking toward the future," planned to send 10,000 exchange visitors to China at the end of September. (China had sent 5,000 visitors to Japan in May.) Both sides regarded the exchange visits as important steps in promoting trust and mutual understanding. Tang saw the 30<sup>th</sup> anniversary as "an important new starting point for renewed development in the two countries' relations."

The Shenyang Incident and Koizumi's Yasukuni visits (See "The Good, the Bad and... Japan-China Relations," *Comparative Connections*, Vol. 4, No. 2, July 2002) again appeared as agenda items. With regard to Shenyang, Kawaguchi made clear that there had been "no change" in the Japanese government's position and restated requests for an apology for Chinese violations of Japanese sovereignty during the forceful removal of North Korean defectors from its consulate. China's position, as Foreign Minister Tang told reporters afterward, was that the incident had been settled diplomatically. Both ministers, however, agreed to hold further consultations at the deputy-minister level to prevent a recurrence of such incidents. While the Shenyang incident continued to rankle Tokyo, Yasukuni Shrine continued to play a similar role for Beijing. Tang, in his overview of China-Japan relations, noted that Prime Minister Koizumi's April visit to the shrine had "hurt the feelings of the Chinese people."

Kawaguchi also raised the issue of the safety of Chinese dietary products (see below) and was reassured by Tang that China attaches "great importance" to environment and food safety. Tang saw Japanese reporting on the issue as "somewhat exaggerated." Finally, it was agreed that Kawaguchi would visit China in early September.

The visit took place on Sept. 8-10, and Kawaguchi met with President Jiang Zemin, Vice Premier Qian Qichen and Tang. Again the problems of history and Yasukuni Shrine came up. Tang asked for a return to the common understanding of and expressed attitudes toward history that had been reached between China and Japan, and thus overcome the obstacles posed by the Yasukuni Shrine visits. Later that day, she met with President Jiang, who expressed China's support for Koizumi's initiative toward North Korea. Jiang did not touch on Yasukuni or raise the issue of the prime minister's visit to China.

The following day, in her meeting with Vice Premier Qian, Kawaguchi raised the issue of agricultural pesticides and asked that China take steps to better manage the problem. Qian told her that he had personally visited businesses related to vegetable production in Fukien province, where growers were quite upset with developments. The vice premier assured her that China's vegetables overwhelmingly met the requisite standards and asked that Japan not use the issue of pesticides as a pretext to restrict vegetable imports from China.

During September, Koizumi did meet with China's Premier Zhu Rongji at the Asia Europe Meeting (ASEM) in Copenhagen. Koizumi asked China to encourage North Korea toward international cooperation, and Zhu expressed China's support for Japan's opening to North Korea. As for Yasukuni, Zhu did not raise the issue directly, preferring instead to underscore the importance of history and the sensitivities of the Chinese people. Zhu also praised Koizumi for his reflections on history during Japan's Aug. 15 national memorial service. The issue of the prime minister's visit to China did not come up.

## Toward the 30<sup>th</sup> Anniversary – Koizumi and Yasukuni

On April 21, the prime minister visited Yasukuni Shrine to honor Japan's war dead. The following week, Chinese President Jiang told a visiting delegation from the New Komeito Party that Koizumi's visit was "absolutely unacceptable." Following the prime minister's visit to China last autumn, which came in the wake of his controversial Aug. 13, 2001 visit to Yasukuni Shrine, Jiang told the group that he thought the issue had been laid to rest – only to find that the "unthinkable" had again occurred. Koizumi's April visit resulted in the postponement of the People's Liberation Army's (PLA) Navy's scheduled port call in Tokyo and in the postponement of the Defense Agency director general's visit to China. China's Defense Minister Chi Haotian told a visiting Japanese opposition party delegation at the end of June that, had China allowed such exchanges in the aftermath of the Yasukuni visit, the events would have drawn a negative reaction from the Chinese people.

On the evening of Aug. 8, Koizumi, after meeting with former prime ministers regarding his China trip, acknowledged to reporters that, as long as China remains stuck on Yasukuni, going to China would be difficult. The following day, the press reported that the prime minister had decided to postpone his autumn visit to China. Government sources explained that the decision had been made in part because China's leadership had, at that time, failed to set a date for the National Party Congress and in part because of the continuing criticism of the Yasukuni visit.

Later, Koizumi told reporters in Nagasaki that he had various problems to deal with in Japan's domestic affairs and that he was not wedded to a China visit this year. Instead, he thought it best to wait for circumstances to develop and a mutually agreeable time to emerge. On Aug. 11, the *Nihon Keizai Shimbun* reported that the prime minister had communicated his decision to Liberal Democratic Party (LDP) Secretary General Yamasaki Taku and asked him to visit Beijing on his behalf during the 30<sup>th</sup> anniversary celebration. The paper speculated that Yamasaki would carry a letter from the prime minister to President Jiang that would express his interest in visiting China at a mutually acceptable time.

In a Sept. 6 interview with a Chinese language Hong Kong weekly, as reported by the *Asahi Shimbun*, Koizumi addressed the 30<sup>th</sup> anniversary and the Yasukuni visit. In the prime minister's mind, Japan-China relations had not cooled as a result of his visit and, in fact, he expected the relationship to deepen as a result of the exchanges marking the 30<sup>th</sup> anniversary. As for Yasukuni, Koizumi told the interviewer that he made the visit to pay his respects to Japan's war victims and to underscore his pledge that Japan would never again resort to war. It was thus important to understand that his visit did not represent an attempt to justify or beautify war.

Beijing, however, was not entirely in sync with the prime minister's rosy scenario view of the relationship. The *Tokyo Shimbun*, on Sept. 11, reported that when, at the end of August, Koizumi attempted to call Jiang to brief him on his North Korea initiative, he was informed that Jiang was "unavailable." Having made clear its political pique, Beijing

was apparently prepared to return to business. That same day, the *Sankei Shimbun* reported that both governments were in the process of coordinating a four-day official visit by Koizumi to China, beginning Oct. 1. At a Sept. 24 news conference, the Foreign Ministry spokesman, Takashima Hatsuhide, announced that the two governments were working to find an “appropriate” time.

### **Thirtieth Anniversary**

On Sept. 22, in the Great Hall of the People, President Jiang welcomed 13,000 Japanese guests to ceremonies marking the 30<sup>th</sup> anniversary of the normalization of relations. Jiang took the occasion to again underline the importance he personally attaches to China’s relations with Japan. There was no change in his long-held view in this regard. As regional leaders, closer harmony and cooperation between the two countries were essential for the prosperity of Asia. Jiang, did, however, not forget the past, noting that Japanese militarism had brought great misfortune to the Chinese people. To develop friendly relations, he again argued that it was necessary to use history as a mirror, while facing the future. Appearing with President Jiang was Vice President Hu Jintao.

Among the 13,000 Japanese in attendance were former Prime Minister Hashimoto Ryutaro and LDP Secretary General Yamasaki. Yamasaki handed Jiang a letter from Koizumi, which asked for China’s cooperation in setting up a six-party (Japan, China, Russia, the United States, and both North and South Korea) mechanism to deal with Northeast Asia.

### **Official Development Assistance (ODA)**

In the aftermath of the Shenyang Incident and amidst subsequent calls from within the LDP for a review of ODA policy toward China, the prime minister’s advisory panel on development assistance submitted its report July 25. Recognizing Japan’s financial crisis, the panel argued that ODA policy could not be treated as an exception to the prime minister’s formula of “structural reform with no sacred cows.” With respect to China, the report called for further review and discussion of ODA policy. However, it noted that China’s stability was beneficial to Japan and recommended that appropriate assistance be continued. In this regard, the panel recommended that aid be provided to enhance business infrastructure leading to a revitalization of the East Asia business bloc; to promote energy development and environmental preservation; and to enhance China’s understanding of Japan, in particular through youth and student exchange programs.

Three days later, during a July 28 interview on *Fuji Television*, Foreign Minister Kawaguchi called attention to the debate going on within the LDP on the China ODA program. Of particular concern to Japan’s political leaders were China’s continuing military buildup and its practice of extending foreign aid to other countries even as it received assistance from Japan. Without transparency in China’s military program, continuing the ODA program would, she noted, be difficult. The foreign minister took a similar line in September with China’s Vice Premier Qian.

Also at the end of August, the Foreign Ministry submitted its ODA budget request for FY 2003, calling for a 13.9 percent increase over FY 2002. Nevertheless, as a Foreign Ministry official admitted during Kawaguchi's Sept. 8-10 visit to China, sentiments are strong in Japan for a reduction in the China program. He went on to acknowledge, "This year we can predict again substantial cuts in ODA to China."

Underscoring the growing public sentiment behind the spokesperson's remarks, the *Yomiuri Shimbun*, on Sept. 11, released the result of a nationwide opinion survey on Japan-China relations, conducted Aug. 24-25. Of the respondents, 55 percent said they could not trust China, while 37 percent felt they could. This marked the first time since the question began to be asked in 1988 that the percentage of negative answers topped the positive answers. By way of contrast in 1988, 78 percent of the respondents said they could trust China. As for ODA, 65 percent answered in the negative when asked if the results Japan had obtained from the ODA program were appropriate to the amount of assistance extended. When asked for the favored policy response, 43 percent called for further cuts in ODA, while 13 percent supported termination of the program.

## History

The past again intruded on the present several times and in several ways during the course of the quarter.

- **Wartime Forced Labor.** On July 9, a Hiroshima District Court ruled against five Chinese plaintiffs seeking compensation for mental and physical suffering from the Nishimatsu Construction Company for wartime forced labor. The presiding judge recognized that the plaintiffs had in fact been made to work against their will, but ruled that, because of the lapse of time, they were no longer eligible to bring suit. The suit had been filed in 1998 for damages suffered in 1944-45.
- **Aug. 15.** To honor Japan's war dead, five members of the Koizumi Cabinet, including JDA Director General Nakatani Gen visited the Yasukuni Shrine in their private capacities on Aug. 15. The previous day, three other ministers visited the shrine. The prime minister defended their decisions as representing the freedom of individuals to choose how to honor the war dead. The prime minister did not visit the shrine but attended the national memorial service and vowed that he would "firmly uphold" the no-war pledge.
- **Aug. 15.** In Beijing, Foreign Ministry spokesperson Kong Quan addressed the visit of the five Cabinet members. The issue of the Yasukuni Shrine, he explained, is in reality how "to deal with the history of aggression of the Japanese militarism..." He went on to say that, "The Japanese side should honor in real deeds its commitment of having a correct attitude toward history and remorse of aggression instead of doing the contrary." As for Koizumi's restatement of the no-war pledge, China hoped that Japan "can bring reflection to its history of aggression...by drawing profound lessons and continue to commit itself to peace and development."

- **Chemical Weapons.** At the end of August, it was announced that work would resume on the recovery of chemical weapons abandoned in China by Japan's Imperial Army. Thirty-five members of the Defense Agency and 70 members of the PLA would participate in the recovery effort in Heilongjiang province.
- **Unit 731.** On Aug. 27, a Tokyo District Court for the first time acknowledged that Japan had conducted biological warfare in China during World War II. At the same time, the court rejected the claims of 180 Chinese plaintiffs who had filed suit in 1997 for compensation of ¥10 million (\$84,000 per plaintiff) for damages suffered from the actions of the Imperial Army's Unit 731. The court, however, dismissed the suit on the grounds that international law does not provide for suits against governments from private individuals seeking compensation from the state.

## **Economics and Trade**

On Aug. 20, the Japan External Trade Organization (JETRO) released its figures on Japan-China trade for the first six months of the year. The figures showed that total trade increased 3.4 percent over the same period in 2001, to a total of \$45.1 billion. Overall, Japan's exports to China over the first half of 2002 increased 11 percent over the same period a year ago to a total of \$17.2 billion with electrical equipment, semiconductors, steel and autos leading the way. Imports from China, however, fell 0.8 percent. While imports of personal computers and office equipment from China showed a marked increase, textile imports fell approximately 10 percent. Still, 2002 will mark the third consecutive year in which total trade surpassed that of the previous year. On a year-end basis, total two-way trade in 2002 will top the \$90 billion mark.

Also at the end of August, China's Ministry of Trade and International Economic Cooperation released its figures on Japan's direct foreign investment in China for the first half of the year. According to the ministry's figures, Japan's investment, commitment based, increased 7.1 percent over the same period in 2001, to a total of \$3.1 billion; on an actualized basis, Japan's investment grew 8.8 percent, amounting to \$20 billion. While Japanese investment in both cases increased over the previous year, it failed to keep pace with the total investment flow from the world's other countries into China.

Given the rapid expansion in bilateral trade, there were bound to be bumps in the road, and over the summer issues related to the safety of imported Chinese dietary supplements and pesticide residue on imported Chinese vegetables became front-page news.

On July 19, the *Asahi Shimbun's* lead-story reported that over a 15-month period 64 people were taken ill and two died as a result of using Chinese dietary products. Testifying at an Upper House hearing, a Health, Labor, and Welfare Ministry official told the legislators that there are limits to what Japan could do under existing laws to deal with the sale of such products and called for cooperation from Chinese health authorities. Alongside the headline story, the *Asahi* also reported that the Guangdong provincial government had in fact tested 48 diet and health products and moved to prohibit the sale

of 20 of the tested products. Foreign Minister Kawaguchi took up the issue with her Chinese counterpart during the ASEAN foreign ministers' meeting at the end of the month.

Also in July, the Health, Labor, and Welfare Ministry reported the persistence of pesticide residues above Japan's legal limits on frozen spinach imports from China. On July 10, the ministry asked Japanese companies to restrict imports. Within a week, Ajinomoto and Nichiro, Japanese food companies, announced compliance with respect to spinach and other Chinese vegetables. Later in the month, on July 22, Japanese and Chinese officials met in Beijing to discuss the problem and agreed to regularize meetings and exchange information regarding the safety of imported vegetables from China. Officials met again in Beijing Aug. 14. The Chinese representatives argued that China's inspection standards surpassed international standards and asked the Japanese officials to reconsider taking government action on imported vegetables from China.

On Sept. 7, however, the revised Food Sanitation Law, passed earlier in the year, came into force, allowing the government to ban import of foods from countries that are recognized as having a substantial number of sanitary or health-related problems, such as residue of pesticides. Earlier, on Aug. 28, the Ministry of Health, Labor, and Welfare announced guidelines that would govern import prohibition decisions. Reaction in Beijing was to label Japan's position as protectionist and, under the pretext of food safety, discriminatory, while suggesting that China might take its case to the World Trade Organization.

### **Mystery Ship Breaks the Surface**

On Dec. 22, 2001, the Japanese Coast Guard intercepted and exchanged fire with an unidentified ship operating within Japan's exclusive economic zone (EEZ). The unidentified ship fled into China's EEZ, where it went to the bottom. Raising the ship and determining its identity of the ship, almost immediately suspected of being a North Korean spy-ship from debris found floating in the water, quickly became a political issue in Japan and a diplomatic issue between Japan and China.

Over the next six months, Japanese diplomats worked to secure China's understanding, and, at the end of June, salvage operations began with China's tacit approval. China's request for compensation, for fishermen not able to work during the salvage operation and for possible environmental degradation resulting from oil spills or damage to the continental shelf, was accepted in principle but left for further discussion at the appropriate time. Initial expectations were for salvage operations to be completed by the end of July or early August.

Weather in the East China Sea, however, did not cooperate. In July and again in August, a series of typhoons hit the area causing repeated delays in the salvage operation, pushing recovery and identification of the vessel back into September. Salvage operations resumed on Sept. 11, with the hull of the ship being recovered later that day.

At the end of August, however, Prime Minister Koizumi announced his intention to visit North Korea in a high-wire attempt to resolve long-standing issues in Japan-North Korea relations. Subsequently, it was reported that, in light of the diplomatic sensitivities involved in the prime minister's North Korea initiative, identification of the vessel would be put off until after Sept. 17. A senior Foreign Ministry official was quoted to the effect that developments that could impede the pending Japan-North Korea dialogue had to be viewed from a national interest perspective.

### **Chronology of Japan-China Relations June-September 2002**

**July 3, 2002:** Former Japanese Prime Minister Mori Yoshiro travels to China.

**July 9, 2002:** Hiroshima District Court dismisses wartime forced labor compensation suit of Chinese plaintiffs against Nishimatsu Construction Company.

**July 10, 2002:** Japan's Health, Labor and Welfare Ministry announces pesticide residue on vegetable imports from China; asks industry to restrict imports.

**July 19, 2002:** *Asahi Shimbun* lead story on health problems stemming from imported Chinese dietary supplements.

**July 25, 2002:** Prime minister's advisory panel releases report on development assistance. The report, while recommending that appropriate assistance to China should continue, calls for further discussion and review of the program.

**July 30, 2002:** Japanese Foreign Minister Kawaguchi Yoriko and Chinese Foreign Minister Tang Jiaxuan meet in Brunei at the ASEAN Regional Forum.

**Aug. 9, 2002:** PM Koizumi Junichiro decides against attending 30<sup>th</sup> anniversary ceremonies in Beijing.

**Aug. 15, 2002:** Five members of the Koizumi Cabinet visit Yasukuni Shrine in their individual capacities; visits draw criticism from Beijing.

**Aug. 27, 2002:** Tokyo District Court acknowledges for the first time that Japan's Unit 731 engaged in biological warfare in China during World War II, but dismisses claims for compensation for lack of standing.

**Sept. 7, 2002:** Revised Food Sanitation Law comes into force, allowing government to ban imports of foods from countries with health or sanitary-related problems.

**Sept. 8-10, 2002:** FM Kawaguchi visits China; meets with President Jiang, Vice Premier Qian Qichen, and FM Tang.



**Sept. 11, 2002:** *Yomiuri Shimbun* releases results of national public opinion survey conducted Aug. 24-25; survey shows declining trust in China among Japanese respondents.

**Sept. 11, 2002:** “Mystery ship” sunk by Japan on Dec. 22, 2001 is raised with China’s understanding.

**Sept. 22, 2002:** Ceremonies marking 30<sup>th</sup> anniversary of normalization take place in Beijing.

**Sept. 24, 2002:** PM Koizumi meets Zhu Rongji at Asia-Europe meeting in Copenhagen.

**Sept. 29, 2002:** Asahi released the results of poll conducted in China and Japan: 45 percent of Japanese respondents and 50 percent of Chinese respondents think Japan-China relationship is “not going well.”