

**Japan-China Relations:
Bridges to the Future, Reflections on the
Past**

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In anticipation of the 25th anniversary of the Japan-China Friendship Treaty, both Tokyo and Beijing worked to normalize political relations. Japan's chief Cabinet secretary and defense minister traveled to China, while China's foreign minister and the chairman of China's National People's Congress visited Japan. But, at the end of the comings and goings, Prime Minister Koizumi Junichiro had yet to secure the long-coveted invitation for an official visit to China.

Aug. 15 brought with it the customary end of war remembrances as well as lectures about history and its proper understanding. History did, however, intrude on 21st century reality, as the unearthing of chemical weapons abandoned by the Imperial Army in northern China led to the hospitalization of over 30 construction workers and the death of one. The Koizumi government moved quickly to deal with the issue, offering "sympathy" compensation to the families affected.

Meanwhile, economic relations continued to expand. Two-way trade skyrocketed during the first half of the year, even as the SARS epidemic raged during the second quarter. By mid-July, most Japanese companies in China were operating on a "business as usual basis." At the same time, domestic economic pressures were building in Japan to push the Koizumi government to seek a revaluation of China's currency.

High-Level Contacts: Chief Cabinet Secretary Fukuda in Beijing

On Aug. 4, in an unexpected announcement, Chief Cabinet Secretary Fukuda Yasuo told reporters that, at Beijing's invitation, he would visit China the following week for ceremonies marking the 25th anniversary of the Japan-China Friendship Treaty. The trip was Fukuda's first as chief Cabinet secretary and the first to China by a chief Cabinet secretary since 1995.

The invitation and Fukuda's acceptance were viewed as a significant step in moving relations out the political deep freeze, to which China's leadership had consigned them following Prime Minister Koizumi's visits to the Yasukuni Shrine. (Fukuda's father was

prime minister when the Friendship Treaty was signed.) The Japanese press speculated that Fukuda's visit could pave the way for a Koizumi visit to China later in the year.

On Aug. 9, Fukuda met with China's President Hu Jintao in the Great Hall of the People. Repeating his father's words at the signing of the Friendship Treaty, Fukuda told Hu that the Friendship Treaty had turned the "rope bridge" of the normalization communiqué into a "bridge of iron" along which relations had advanced. Fukuda used the iron bridge reference to plug Japan's shinkansen technology in the international competition to build the Beijing-Shanghai high-speed railroad.

Among the issues discussed were the upcoming six-party talks on North Korea's nuclear challenge and the fate of Japanese abductees in North Korea. According to Japanese sources, Fukuda expressed Japan's appreciation for the role China had played in bringing the six-party talks to fruition and asked for China's understanding and support on the abductee issue. Hu described the six-party conference as an important first step down a long road that would require cooperation between China and Japan. (That evening, China's Vice Foreign Minister Wang Yi, who had just returned from Pyongyang, told reporters at a 25th anniversary reception that he thought it "difficult" to take up the abductee issue in the six-party format because the issue was essentially a bilateral one.)

As in his May 31 St. Petersburg meeting with Koizumi, Hu did not raise the Yasukuni issue with Fukuda. The Japanese press again headlined the absence of the "Y" word in the Hu-Fukuda dialogue. Fukuda also met with Wu Bangguo, chairman of the National People's Congress, who emphasized to the chief Cabinet secretary the importance attached to relations with Japan by China's new leaders.

The following day, Fukuda met with Chinese Premier Wen Jiabao for over one hour in the Zhongnanhai leadership compound. Fukuda told Wen that Prime Minister Koizumi had asked him to convey his best wishes as well as his determination to improve relations with China. Fukuda then invited Wen to visit Japan. In reply, Wen expressed hopes for an early resumption of high-level visits but noted the problem posed by the continuing visits to Yasukuni by Japan's leader. The premier observed that this was a "small problem compared to the problems encountered at the time of Japan-China normalization" and then expressed his expectation that leaders in both countries would be able to engage in reciprocal high-level visits in a "good atmosphere" and that "such a time could come before long."

High-Level Contacts: Foreign Minister Li in Tokyo

At the same time, China's Foreign Minister Li Zhaoxing visited Tokyo to commemorate the Friendship Treaty. (Li had been invited by Foreign Minister Kawaguchi Yoriko during the Asia-Europe meeting (ASEM) in June.) On Aug. 11, Li met with Kawaguchi and later with Prime Minister Koizumi.

In their meeting at the Prime Minister's Official Residence, Koizumi told the foreign minister that he looked for a comprehensive and peaceful resolution of the issues

affecting Japan's relations with North Korea. Li expressed his government's sympathies for the abductees and their families and his recognition of the importance of the issue to the Japanese people. Li noted that the prime minister had repeatedly stressed his commitment to Japan's war-renouncing constitution and his intention of never resorting to war again between the two countries. Li then expressed his commitment to work with Kawaguchi to create the conditions that would permit reciprocal visits of the two countries' leaders.

Li did not raise the Yasukuni issue with the prime minister. But, when Kawaguchi invited Premier Wen Jiabao to Japan, Li pointed out that visits to the shrine by Japan's leader made difficult the realization of the environment needed for reciprocal high-level visits.

The next day, Li called on the secretaries general of the three ruling parties. The foreign minister brought a three-part, good-news/bad-news message – a visa waiver for tourist and commercial travelers; doubts as to whether the abductees issue, a bilateral Japan-North Korea matter, should be raised in the six-party format; and findings that the Aug. 4 poison gas incident in Qiqihar, Heilongjiang Province, was caused by chemical weapons abandoned by the Imperial Army. While restating China's official position on visits to Yasukuni, Li also expressed his interest in bringing about a "better relationship through reciprocal visits" of the two countries' leaders.

Reviewing Li's visit, the *Yomiuri Shimbun* quoted a Foreign Ministry source to the effect that Li "was careful to separate his statements depending on who he was meeting." The diplomat went on to say that "although there is an aspect of being more flexible than ... Jiang Zemin, on the historical view issue there is no change in the principles and rules."

High-Level Contacts: Defense Minister Ishiba in Beijing

On Sept. 2, at the invitation of the Chinese government, Japan's Defense Minister Ishiba Shigeru began a three-day visit to China, the first by a Japanese defense minister in over five years. Ishiba's visit marked a resumption of high-level defense contacts that China had put on hold following Koizumi's visit to the Yasukuni Shrine in April of last year.

Ishiba spent Sept. 2 in Shanghai visiting a People's Liberation Army (PLA) Navy base, then traveled to Beijing, where on Sept. 3 he met with China's Defense Minister Cao Gangchuan. Topics for discussion included North Korea, the resumption of bilateral defense exchanges, and missile defense.

On North Korea, the ministers agreed that Pyongyang could not be allowed to possess nuclear weapons and on the need for continued diplomatic efforts. On missile defense, Ishiba explained that Japan's commitment to the program would not lead to military expansion. Cao, however, expressed concerns that a missile defense system could undermine the world's military balance and set off a new arms race. Turning to history, Cao noted that it would be difficult to turn around the bilateral relationship without addressing the past, as now exemplified by Yasukuni and school textbook issues. He also

told Ishiba that China viewed as a “serious” matter the problem of chemical weapons left behind in China by the Imperial Army.

According to a Japanese Foreign Ministry source, China was also concerned with steps taken by Tokyo since defense ministers last met – the adoption of Japan’s New Defense Guidelines, the Emergency Laws adopted earlier this year, as well as the special legislation on Iraq. Cao cautioned Japan to adhere to its defense-only policy. The ministers agreed to resume bilateral defense exchanges, suspended since Koizumi’s April 2002 visit to the Yasukuni Shrine. The exchanges will begin with reciprocal ship visits by the PLA Navy and Japan’s Maritime Self Defense Force, with the PLA Navy first visiting Japan.

Earlier, in mid-August, the *Sankei Shimbun* reported that China had sounded out Japan on the possibility of allowing colonel-level officers to study at Japan’s National Institute for Defense Studies (NIDS). On Sept. 12, *The People’s Daily* announced that Lt. Col. Meng Faming, an instructor at China’s National Defense University, had enrolled as a student at NIDS. Lt. Col. Meng is the first Chinese officer to study at NIDS since the end of World War II.

High-Level Contacts: Chairman of National People’s Congress in Tokyo

While Ishiba visited China, Wu Bangguo, chairman of China’s National People’s Congress traveled to Japan. On Sept. 5, Wu met with Koizumi at the Prime Minister’s Official Residence. History in its many facets was the centerpiece of the discussion.

While not directly addressing the prime minister’s visits to Yasukuni, Wu did make clear that to advance the bilateral relationship, both countries would have pay attention to the interests of the other party. Koizumi referred to his talks with Hu Jintao in St. Petersburg and his commitment to promote the Japan-China relationship while “learning lessons from history.” Wu also raised the chemical weapons incident in Qiqihar and asked that Japan deal with the matter as expeditiously as possible. In reply, Koizumi expressed his regrets and commitment to deal with the matter in good faith.

Wu told the prime minister that his visit to Tokyo should be understood as an expression both of the importance that China’s new leadership attaches to relations with Japan and of his own personal support for reciprocal high-level visits. Wu, however, did not extend an invitation to the prime minister to visit China.

Wu also met with leaders of Japan’s opposition parties, Doi Takako of the Social Democratic Party and Kan Naoto of the Democratic Party of Japan. The discussion with Kan focused on North Korea and the abductee issue.

History: Chemical Weapons

On Aug. 4, at a construction site in Qiqihar City, Heliongjiang Province, 36 workers were afflicted by poison gas leaking from canisters abandoned at the site by the Imperial Army; 29 were hospitalized. On Aug. 8, the minister at the Japanese Embassy in Beijing was called into the Foreign Ministry and asked that his government take “appropriate actions.” The following day, Tokyo dispatched a survey team to the Qiqihar site. On Aug. 11, Chief Cabinet Secretary Fukuda told reporters in Beijing that he would await the findings of the survey team and, if the results of the survey confirmed responsibility of the Imperial Army, the Japanese government would take “necessary actions.”

On Aug. 21, one of the victims died. The next day, the Japanese Foreign Ministry expressed its “heartfelt condolences” to the victim’s family and committed Japan “to respond sincerely to the accident in close cooperation with the Chinese side.” Chief Cabinet Secretary Fukuda told reporters that the government recognized Japan’s “responsibility” and was exploring ways to express its sincerity.

Two weeks later, on Sept. 3, Japanese Foreign Ministry Officials, led by China Country Director Horinouchi Hidehisa traveled to Beijing in an attempt to resolve the issue. The next day, the Japanese press reported that Japan would offer ¥100 million in compensation to the victims of the incident and that the offer would be discussed with Wu Bangguo during his visit to Japan in early September.

History: August 15

As usual, the summer months leading to the Aug. 15 anniversary of Japan’s surrender at the end of World War II raised a number of sensitive issues. On July 13, Liberal Democratic Party (LDP) faction leader Eto Takami issued another denial of the Nanjing Massacre. Speaking at an LDP meeting, Eto called the massacre a “complete fabrication” and went on to bad mouth both Chinese and Korean residents of Japan.

The next day, China’s Foreign Ministry spokesperson corrected Eto’s characterization, calling Nanjing an “unspeakable crime,” documented by the “unmovable” proof of history. Four days later, in response of a report that Tokyo Gov. Ishihara Shintaro, had slandered China, advocated a cut in Japan’s official development assistance (ODA) program for China, and suggested that Chinese residents in Japan be deported, the Foreign Ministry expressed China’s “strong indignation and condemnation” to the “blatant and slanderous attack on China.”

The issue of Koizumi’s visiting the Yasukuni Shrine on Aug. 15 came up again in conjunction with the September LDP presidential election. Previously, in the spring of 2001, Koizumi, then a candidate in the party’s presidential election, promised to visit the shrine on Aug. 15 – no matter the criticism. This time the issue was whether he would include such a promise in his re-election campaign manifesto. Meeting with reporters, Koizumi told the press that the promise to visit the shrine was made two years ago, and

that, taking various facts into consideration, it was best for the prime minister to avoid Aug. 15. Five ministers of the Koizumi government, however, visited the shrine on Aug. 15.

Although China's Foreign Ministry had characterized the development of good-neighborly relations with Japan as an "irreversible historical trend" and predicted that any attempt to reverse the trend was "doomed to failure," the *Yomiuri Shimbun* reported that on Aug. 15 at least a counter trend was alive and well. Noting that on successive days the Chinese press had opposed Japan's bid to supply shinkansen technology for the Beijing-Shanghai railroad and featured the poison gas incident in Qiqihar, the *Yomiuri* concluded that on the popular level at least "anti-Japanese sentiment is as strong as ever." There were also stories on Japan's military modernization and Tokyo's interest in developing long-range strike capabilities. Although the *Yomiuri* was unable to find evidence of a centrally directed anti-Japan campaign, it did conclude that a "strong anti-Japan tone" permeated China's media.

New Thinking?

At the same time, the *Yomiuri* noted that China's new leadership had placed a high priority on the development of relations with Japan. Both the *Yomiuri* and the *Asahi Shimbun* reported on the continuing appearance of "new thinking" articles on Japan in Chinese journals, the latest being "An Argument for New Thinking Toward Japan," by Fu Shookei (phonetic) of China's Japan Research Institute.

Fu advanced five principles for new thinking, the first being that national interest is the highest principle. This argued against emotionalism in considerations of policy. Fu went on to assert that economic interests should be placed at the core of China's national interests. Accordingly, global and regional peace and stability are prerequisites for China's economic success. In this context, it is the responsibility of China's Communist Party to develop the leading ideas for policy toward Japan. Finally, Fu argued that successful development of bilateral relations requires cooperation of both countries.

Looking at recent developments in Japan, in particular passage of Japan's Emergency Legislation, Fu contended that the law did not pre-sage the revival of militarism in Japan; rather he saw postwar Japan as continuing to choose the path of peaceful development. Indeed, Fu argued that Japan's emergence as a major international actor would encourage Japan to seek greater independence from the United States, thus contributing to China's own objective of creating a multipolar world. As for Koizumi's visits to the Yasukuni Shrine, Fu pointed out that, despite China's continuing criticism, the prime minister had consistently opposed "China threat" theories and supported broad-based, mutually beneficial economic cooperation.

China-North Korea-Japan

As in last year's Shenyang Incident, asylum-seeking North Koreans again complicated Japan's relations with China. On Aug. 11, the Japanese NGO, The Society to Help Returnees to North Korea, announced that nine North Korean citizens, planning to seek asylum at the Japanese consulate in Shanghai along with four other individuals, including Yamada Fumiaki, a professor of Economics at Osaka University and head of the NGO, were taken into custody by Chinese authorities. Later that day, the Foreign Ministry confirmed Yamada's detention by the Shanghai authorities. Two weeks, later, on Aug. 28, the detainees were deported from China.

Business and Economics: the SARS Effect?

On July 11, during a meeting with a delegation from the Japan-China Friendship Association, Wu Bangguo, told his visitors that China's GDP in the first half of 2003 grew 8.3 percent over the same period in 2002. First quarter growth hit 9.9 percent; second quarter growth, however, fell to 6.7 percent, reflecting the impact of severe acute respiratory syndrome (SARS). Despite the spread of the epidemic, private sector and joint public-private sector investment grew 35 percent during the second quarter, much of it going into the overheated real estate market.

On Aug. 21, Japan's External Trade Organization released figures for the first six months of 2003. Again, trade with China continued to skyrocket. For the first six months of 2003, Japan-China trade increased at a rate of 33.9 percent over the same six-month period in 2002, amounting to \$60.4 billion. Exports to China, \$25.7 billion, grew 49.4 percent, while imports from China amounted to \$34.6 billion, a 24.3 percent increase, in large part the result of imported computer parts now manufactured by Japanese companies in China. For the fifth consecutive year total volume for all of 2003 is projected to set a new all-time high of \$120 billion.

Reflecting the increasing importance of Japan's trade with China, the Foreign Ministry on Aug. 20 announced the outline of a reorganization plan that would make the economic section in the China Affairs Division into an independent organization, to be designated the Japan-China Economic Affairs Office. The reorganization plan was submitted with the Ministry's 2004 budget request, with implementation scheduled for July 2004.

Business and Economics: Shinkansen Technology

Chief Cabinet Secretary Fukuda was not the sole government salesman for Japan's shinkansen technology in the international competition to build the Beijing-Shanghai railroad in time for the 2008 Olympics. On Aug. 4, Japan's then Minister of Transportation Ogi Chikage traveled to China to meet with Beijing's mayor and China's director of tourism. In making her pitch for the shinkansen, the minister emphasized the safety factor – 40 years of service, carrying 700,000 passengers without an accident. With the Chinese government now evaluating proposals from France and Germany as

well as Japan, Chinese officials were noncommittal. At the same time, officials from Beijing's Planning and Research Office told the minister that the city was interested in Japan's electro-magnetic, linear motor car technology for transportation within the city.

With the transport minister failing to elicit more than an "under consideration" response from Chinese officials, a high-powered Keidanren delegation decided on Aug. 8 to postpone its mid-August shinkansen-promotion visit to China. At the same time, the *Yomiuri* reported a strong, anti-shinkansen nationalist sentiment rapidly spreading across China's internet.

Business and Economics: Yuan Revaluation

Finance ministers of the ASEAN Plus Three met in Manila on Aug. 7. Discussions centered on steps necessary to create a regional bond market. But, Japan's Finance Minister Shiokawa Masajuro took the opportunity to tell his Chinese counterpart, Jin Renqing, that the yuan should be revalued upward. At a press briefing afterward, Jin ruled out any revaluation. After returning to Japan, Shiokawa told reporters that Jin had expressed his "understanding" and a willingness to consider the possibility of revaluation. Japan's push for yuan revaluation resumed on Sept. 4 during the APEC Finance Ministers meeting in Phuket, Thailand.

Japanese Behaving Badly

Reports of a Japanese sex orgy in a hotel in the city of Zhuhai in southern Guangdong province surfaced in the Chinese media at the end of September. A tour group of approximately 400 Japanese between the ages of 16 and 37 was reported to have engaged Chinese prostitutes for a two-day spree, Sep. 16-17. China's Foreign Ministry Spokesman labeled the incident "extremely odious," while China's increasingly active internet gave the story heavy and lurid anti-Japanese play.

Japan-China Relations – Looking Ahead

During the July-September quarter both governments worked to normalize political relations and to impart forward momentum to the bilateral relationship. In large part, they succeeded: however, Koizumi's hoped for invitation for an official visit to China remained captive of the past and his visits to the Yasukuni Shrine. Commercial and business relations also continued to promise a brighter future. But the past, in the shape of chemical weapons canisters, remained very much a part of the present, while popular anti-Japanese sentiment demonstrated enduring strength. Overall, it was two steps forward. 0.5 steps backward during the quarter.

Chronology of Japan-China Relations July-September 2003

July 7, 2003: Japanese and Chinese finance ministers meet at Bali, Indonesia to discuss formation of an Asia regional bond market.

July 11, 2003: Wu Bangguo, chairman of the National People's Congress, meets delegation from the Japan-China Friendship Association.

July 13, 2003: LDP faction leader Eto Takemi denies Nanjing massacre.

July 14, 2003: China's Foreign Ministry "corrects" Eto's statement.

July 23, 2003: Premier Wen Jiabao meets with Japanese parliamentary delegation of the Japan-China Friendship League in the Great Hall of the People. Discussion focuses on North Korea.

July 23-24, 2003: Japanese and Chinese economic ministers meet in Dalian, China to discuss trade-related matters in the context of the Asia-Europe Meeting (ASEM).

Aug. 4, 2003: Japan's minister of transportation travels to China to plug shinkansen technology.

Aug. 4, 2003: Thirty-six workers injured at construction site in Qiqihar, Heilongjiang Province as a result of chemical weapons abandoned in China by the Imperial Army.

Aug. 7, 2003: ASEAN Plus Three finance ministers meet in Manila, Philippines.

Aug. 8, 2003: China requests Japan to take appropriate actions to deal with chemical weapons injuries.

Aug. 9, 2003: Japan dispatches survey team to Qiqihar chemical weapons site.

Aug. 9, 2003: Chief Cabinet Secretary Fukuda meets President Hu Jintao in Beijing.

Aug. 9, 2003: Fukuda meets with Wu Bangguo.

Aug. 10, 2003: Fukuda meets with Premier Wen.

Aug. 10, 2003: China's FM Li meets with FM Kawaguchi in Japan.

Aug. 11, 2003: FM Li meets with PM Koizumi.

Aug. 11, 2003: Japanese NGO reports arrest in Shanghai of Japanese national working to support North Korean refugees planning to seek asylum in Japanese Consulate.

Aug. 12, 2003: FM Li meets with secretaries general of three ruling parties.

Aug. 15, 2003: Five members of Koizumi Cabinet visit Yasukuni Shrine.

Aug. 18, 2003: *Sankei Shimbun* reports that China has inquired about PLA officer attending classes at Japan's National Institute for Defense Studies.

Aug. 21, 2003: Chinese victim of chemical weapons exposure dies.

Aug. 22, 2003: Japan expresses condolences on death of construction worker.

Aug. 24, 2003: Former LDP Secretaries General Nonaka and Koga meet with State Councilor (and former foreign minister) Tang Jiaxuan to discuss upcoming six-party talks in Beijing and to ask China's help in resolving the abductee issue. Tang also used the occasion to convey China's indignation over the poison gas incident in Heilongjiang.

Aug. 28, 2003: North Koreans detained in Shanghai on Aug. 11 deported from China.

Sept. 2, 2003: PLA officer enrolls in Japan's National Institute for Defense Studies.

Sept. 2, 2003: Japan's Defense Minister Ishiba Shigeru visits China.

Sept. 3, 2003: Ishiba meets with China's Minister of Defense Cao Gangchuan.

Sept. 3, 2003: Japanese Foreign Ministry officials travel to Beijing to resolve chemical weapons issue.

Sept. 4, 2003: Wu Bangguo travels to Japan, meets with PM Koizumi and leaders of Japan's opposition parties.

Sept. 4, 2003: APEC finance ministers meet in Phuket, Thailand. Finance Minister Shiokawa is unable to attend and replaced by Vice Minister for International Affairs Mizoguchi Zenbe.

Sept. 8, 2003: Minister for Reform suggests that China's lack of appreciation for Japan's ODA efforts is cause for reconsideration of China ODA program.

Sept. 12, 2003: JAL and ANA announce post-SARS increase in weekly flights to China.

Sept. 16-17, 2003: 400 Japanese reported to have participated in two-day orgy with Chinese prostitutes in city of Zhuhai.

Sept. 29, 2003: Tokyo district court awards ¥190 million in compensation to group of Chinese claiming injury from chemical weapons abandoned in China by the Imperial Army at the end of World War II.