



Japan-China Relations:  
**Politics in Command**

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As the second half of 2007 began, Japan focused on the Upper House election held July 29. Beset by political scandals and dogged by questions of competency, the Liberal Democratic Party (LDP) suffered a historic defeat. Following the election, Prime Minister Abe Shinzo was preoccupied with a Cabinet reshuffle that resulted in the appointment of Machimura Nobutaka as foreign minister and Komura Masahiko as minister of defense. At the same time, the government was preoccupied with preparations for the Japan-North Korea Working Group meetings as the Six-Party Talks appeared to gather momentum. Meanwhile, Beijing worked to accentuate the positive, the approaching anniversary of the normalization of Japan-China relations (1972) and to downplay history, the July anniversary of the Marco Polo Bridge Incident (1937).

The tempo in the bilateral relationship began to pick up with the late August visit to Japan of China's minister of defense and the early September meetings between Prime Minister Abe and President Hu Jintao on the sidelines of the APEC meeting in Sydney. On Sept. 12, Abe announced his resignation. Beijing's reaction was to make clear the importance China places on the development of a stable bilateral relationship. On Sept. 25 Beijing congratulated Prime Minister Fukuda Yasuo on his accession to office and expressed hope that the reciprocal strategic relationship would continue to develop in a healthy and stable manner.

**Responding to political change in Japan**

The day after Abe's resignation, China's Foreign Ministry spokesperson emphasized the continuing importance China places on relations with Japan and indicated that discussions would continue regarding the invitation to Japan's prime minister to visit China later in the year.

Meanwhile, Jia Qinlin, the fourth ranking member of the Standing Committee of the Chinese Communist Party's Politburo, in Japan for a week visit, met with LDP Secretary General Aso Taro and Democratic Party of Japan (DPJ) leader Ozawa Ichiro on the day after Abe's resignation. Both agreed on the need to work to assure the stable development of China-Japan relations, with Aso noting that efforts to improve the relationship are accelerating. Jia was highly complimentary of the "positive and constructive" role Abe

had played in the “remarkable development” of bilateral relations and underscored that China’s consistent policy was to stabilize relations with Japan and that China would adhere to that policy whatever the change in Japan’s political leadership. With Ozawa, Jia asked about the differences among the LDP, Komeito, and the DPJ. Ozawa pointed to the dominant strength of the bureaucracy and the contradictions in Japan’s political system, in which the LDP lacked the power to effect fundamental change. He emphasized that the DPJ, whether as ruling or opposition party, is building strong bonds with China and will make every effort to continue to develop relations with China.

### **Upturn continues**

Building on the spring visit of Premier Wen Jiabao to Japan, the leadership in Tokyo and Beijing worked to solidify gains and minimize abrasions. With Upper House elections in Tokyo and an October Party Congress for China’s leadership, both governments were intent on using the bilateral relationship to demonstrate policy management skills.

July 7 marked the 70th anniversary of the Marco Polo bridge incident, which touched off the Sino-Japanese War. Reporting from Beijing, *Kyodo News Service* characterized the Chinese observance as “low key.” China’s press avoided commentary on the incident. The *Asahi Shimbun* suggested that the lack of commentary was attributable to party guidance “to treat the anniversary as a sensitive political and historical problem.” Official ceremonies were limited to the opening of a new exhibition at the Anti-Japanese War Memorial located near the site of the incident. At the ceremonies, the deputy director of the Communist Party’s Beijing propaganda department focused his remarks on the upcoming September anniversary of the normalization of China-Japan relations, telling attendees “China-Japan friendship is the policy of the Communist Party.” Anti-Japanese demonstrations did not take place in Beijing, while security was increased in the neighborhood of the Japanese embassy. A member of a group that regularly holds demonstrations in front of the embassy told *Kyodo* that the group “had been told to refrain from holding any demonstrations.”

On Aug. 15, the anniversary of Japan’s surrender, Prime Minister Abe did not visit Yasukuni Shrine. Instead, he offered flowers at the Chidorigafuchi National Cemetery and attended the annual ceremonies commemorating the end of the war at the Nippon Budokan. Speaking on behalf of the Japanese people, Abe expressed “deepest condolences and remorse” for those whose lives were sacrificed. The emperor, also in attendance, expressed similar sentiments.

Earlier, when questioned by the media about his intention to visit the shrine Aug. 15, Abe refused to comment, though he did make it clear that other countries should refrain from giving advice with respect to visits to the shrine. With regard to members of his Cabinet, the prime minister took the position that a decision to visit the shrine was a matter of individual choice. Of 16 Cabinet ministers, only the state minister in charge of Okinawa and the Northern Territories visited the shrine Aug. 15. Forty-six members of the Diet also visited the shrine.

On Aug. 20, Hong Kong authorities revoked the license of a ship chartered by a protest group that planned to land on the Senkaku Islands to defend China's claims to sovereignty. The *Sankei Shimbun* commented that the revocation by the Hong Kong government possibly reflected Beijing's concerns that a landing on the Senkakus would adversely affect relations with Japan.

The 76<sup>th</sup> anniversary of the Manchurian incident fell on Sept. 18. While Beijing was quiet, anti-Japanese demonstrations did take place in Shenyang. The Japanese consulate in Shenyang reported that a crowd estimated to be between 1,000-2,000 people gathered at the Sept. 18 Historical Museum. Air-raid sirens sounded to honor the victims of the war against Japan, while demonstrators shouted anti-Japanese slogans, called for a boycott of Japanese goods and burned the Japanese flag.

### **Public opinion**

In mid-August, the Japanese think tank Genron NPO, the *China Daily*, and Beijing University released the results of a joint public opinion poll conducted in mid-May. The results pointed to a continuing upward trend in relations – at least in China. Of 1,600 Chinese respondents, 50.5 percent said that their impressions of Japan had improved a lot or somewhat, up 12.7 percent over the previous year. Meanwhile, 18.8 percent of 1,000 Japanese respondents said that their impression of China had improved, up 10.6 percent over 2006. However, 27.1 percent of Japanese respondents said that their impressions had worsened. In contrast, only 4.3 percent of Chinese respondents said their impression of Japan had worsened. Indicative of Japan's improved image among the Chinese, the Japanese tourist industry recorded a 13 percent increase in Chinese visiting Japan during the first six months of 2007.

### **Security**

On July 6, the Abe government approved the 2007 edition of the *Defense of Japan*. The defense White Paper expressed concerns over China's continuing military modernization and the 19 consecutive years of double-digit increases in military spending, including a 17.8 percent increase over 2006. As for the military balance in the Taiwan Strait, which China claims to be the objective of its defense build up and modernization program, the White Paper noted a continuing shift to China's advantage observing that China may "have surpassed what is needed to respond to the Taiwan issue." It judged that China aims to build a naval capability to allow for "tactical operations in waters even farther away than before" and an air capability "to command the air as well as an air-to-ground and air-to-ship attack capability that is even more forward positioned." Commenting on the document, then Minister of Defense Koike Yuriko told reporters that China's military strength "has been steadily growing, greatly affecting the regional situation and the security of Japan."

On Aug. 29, China's Defense Minister Cao Gangchuan arrived in Japan for meetings with his Japanese counterpart. Cao's visit was the first by a Chinese defense minister in close to a decade; his meeting with Komura represented the first meeting of defense

ministers since a 2003 meeting in Beijing. Pointing to China's double-digit increases in defense spending, Komura raised the issue of transparency and called on China to "clarify" details in its defense budget, in particular troop deployments, equipment and training. Cao replied that China had increased transparency, noting that spending increases were largely related to salaries and modernization of equipment. He also said that China needed to be prepared to deal with a Taiwan contingency. The two ministers agreed to advance defense exchanges and make preparations for reciprocal port calls by the Chinese Navy and the Maritime Self-Defense Force. They also agreed to establish a hotline connection between defense ministries. Cao characterized the talks as "amicable, frank, and sincere." He invited Komura to visit China "at an appropriate time next year."

Following the meeting with Komura, Cao paid a courtesy call on Prime Minister Abe and Foreign Minister Machimura. Abe emphasized the importance of enhancing "mutual trust through defense exchange and security dialogue" as part of the two countries' efforts to build a strategic reciprocal relationship. At the Foreign Ministry, Machimura again cited the double-digit increases in China's defense spending and called for greater transparency. He also asked for an explanation of the 2004 incident in which a Chinese nuclear submarine intruded into Japanese territorial waters as well as an explanation of China's January anti-satellite weapon test. The *Nihon Keizai Shimbun* reported that Cao failed to provide "clear-cut" answers and turned the conversation to the Japan-U.S. alliance relationship, and the Japan-U.S. security arrangements and Taiwan.

### **Visiting India: thinking about China and history?**

A month after the LDP's stunning defeat in the Upper House election, Abe embarked on a late August diplomatic tour that highlighted India and spanned Southeast Asia. The Japanese media framed the visit to India as part of a larger strategy aimed at countering China's growing influence across Asia. On Aug. 22, Abe met India's Prime Minister Manmohan Singh and addressed the Indian Parliament. In his address Abe emphasized Japan's interest in expanding economic cooperation and set a target of doubling bilateral trade in three years. Abe also called for enhanced strategic dialogue among Asia's democracies – Japan, India, Australia, and the U.S. – countries that "share the values of freedom, democracy, basic human rights, and the rule of law."

While in India, Abe also met with Proshanto Pal, eldest son of the late Radhabinod Pal, who served as a judge on the International Military Tribunal for the Far East following World War II. Pal questioned the legitimacy of the tribunal and was the sole dissenting vote in the cases against the Class-A war criminals. Abe also visited the memorial to Chandra Bose, the leader of the Indian independence movement during World War II, who allied with Japan.

In early September, the navies of Japan, India, Singapore, Australia, and the U.S. conducted a joint exercise in the Bay of Bengal. Although the participating countries declared that the exercise was not aimed at China, Beijing was not entirely reassured. The *People's Daily* described the exercise as "the biggest-ever war games in the international waters between Vasahatnam and the Andaman and Nicobar islands."

Equipment involved included “three aircraft carriers, hundreds of military aircraft, destroyers, frigates and submarines.” During a Sept. 6 news conference, Chinese Foreign Ministry Spokesperson Jiang Yu called on neighbors to engage in “dialogue and cooperation based on the new security concept of mutual trust, mutual benefit, equality and cooperation...”

### **Leaders meet at APEC**

On the evening of Sept. 8 and again on the morning of Sept. 9, President Hu and Prime Minister Abe met on the sidelines of the APEC meeting in Sydney, Australia. Hu again noted the continuing improvement in the bilateral relationship since Abe came to office last year and said that he “wanted to strengthen the friendship” between the Chinese and Japanese people. He thought it “exceedingly important that their efforts demonstrate concrete results to the people of the world.” In particular, Hu said China wanted to strengthen bilateral cooperation in the area of environmental protection, and Abe agreed that the environment offered many opportunities for cooperation. In light of the 35<sup>th</sup> anniversary of normalization, Hu called on both countries to cooperate in making a success of the various exchanges that will take place over the coming months. Hu also invited Abe to visit China later in the year. Foreign Ministers Yang Jiechi and Machimura met Sept. 6. Their discussion focused on joint efforts to develop an international framework to deal with global warming. Both ministers extended invitations for reciprocal visits, which were positively received by each side.

### **Business and economics**

On Aug. 23, the Japan External Trade Organization (JETRO) released trade and investment figures for the first six months of 2007. The JETRO office in Beijing reported that Japanese investment in China during the January-June period declined 11.2 percent over the first six months of 2006. Looking ahead, the report observed that: “Manufacturers’ initial investments in China have been all but completed, and those in the future will be for enlarging existing facilities or for sales, so a major increase in the near term is not expected.” Investment in the wholesale and real estate sectors were up, but the sums involved were not significant and did not compensate for the drop in manufacturing investment. In contrast, the report showed Japanese investment in Southeast Asia was up 72.8 percent to ¥427.5 billion and up 25 percent in India to ¥107.3 billion over the same period.

During the summer, concerns about the safety of imported foodstuffs and manufactured items surfaced as an issue in Japan-China commercial relations. As a result of a July 20 government-private interest group conference on the safety of imports, the Japanese government, proposed consultations with China on food safety issues. At the same time, the government asked the Japanese private sector to strengthen its inspection of imports. Ninety-one private sector organizations participated in the deliberations.

Foreign Minister Aso also raised the issue of food safety with Foreign Minister Yang on Aug. 1 during the ASEAN Plus Three meeting in Manila. Aso proposed that Japan send a

team of working-level officials, predominantly from the health ministry, to China to assist in developing a food inspection program. Yang replied that China had emphasized the safety of its food exports and “the Japanese media companies are making too much of a big deal.” At the end of August, Beijing announced the launching of a four-month campaign aimed at restoring international confidence in Chinese products and foodstuffs.

Indicative of intensifying commercial ties, Chinese entrepreneurs from over 30 countries met in Kobe Sept. 15 for the Ninth World Chinese Entrepreneurs Convention. Huang Yao-ting, president of the Chinese Chamber of Commerce in Japan, attributed the convening of the biennial conference in Japan to the improvement of Japan-China relations under Abe. Jia Qinglin, fourth ranking member of the Standing Committee of the Chinese Communist Party’s Politburo, attended the opening ceremonies at the start of a week-long visit to Japan. Also attending the convention were Toyota Motor Corporation Chairman Cho Fujio and Matsushita Electric Corporate Counselor Morishita Yoichi and Lenovo Group Chairman Liu Chuanzhi. In remarks delivered at the opening of the convention, Jia, echoing the party line, said he “would like to develop long-term relations between both countries in a sound and stable manner.” In a surprise development, Fukuda Yasuo and Aso Taro, the leading contenders to succeed Abe, delivered a video message to the Chinese entrepreneurs.

### **LDP succession and Yasukuni**

On Sept. 15, in announcing his candidacy to succeed Prime Minister Abe, Fukuda stated that he would not, as prime minister, visit Yasukuni Shrine. Fukuda posed the rhetorical question whether one would do something that a friend would find objectionable and then explained “That goes for relationships between countries too.” He did not think “it necessary to do something that another doesn’t want you to do.”

Four days later, during a joint press conference at the Foreign Correspondents Club of Japan, Aso and Fukuda both said that they would not make Yasukuni a political issue. Both also said they would adhere to the statement issued by former Prime Minister Murayama in 1995 expressing remorse for Japan’s aggression and wartime colonial rule. That day, the *Mainichi Shimbun* reported that the directors of Japan’s War Bereaved Families Association were meeting to endorse Fukuda’s candidacy. The association’s chairman, Koga Makoto, who is a former LDP secretary general, was among the first to support Fukuda.

Fukuda succeeded Abe as LDP president Sept. 23 and as prime minister Sept. 25. Beijing congratulated Fukuda on his accession to office and expressed China’s hope that the strategic reciprocal relationship would continue to develop in a healthy and stable manner. More concretely, Beijing also expressed the hope that, as previously agreed to, the visit of Japan’s prime minister would materialize during the autumn followed by the visit of Premier Hu to Japan in the spring of next year.

## **Prospects/Outlook:**

In contrast to former Prime Minister Abe's studied ambiguity on Yasukuni, Fukuda made clear in his campaign for the LDP presidency that he would not pay homage at the shrine. China's leadership welcomed his election as LDP president and his accession to the office of prime minister and expressed the hope that Fukuda would pay an early visit to China. Fukuda reciprocated interest in an early visit to China. Although testing issues, such as the East China Sea and China's on-going military modernization, have not fallen off the diplomatic agenda, the political atmospherics of the Japan-China relationship continue to warm.

## **Chronology of Japan-China Relations July-September 2007**

**June 28, 2007:** Sapporo High Court rejects an appeal from Chinese laborers seeking compensation for wartime forced labor.

**July 2, 2007:** Japan's Foreign Ministry awards first prize in *manga* competition to a Hong Kong cartoonist.

**July 3, 2007:** Abe government establishes a new maritime ministry.

**July 6, 2007:** Japan releases its defense White Paper, *Defense of Japan 2007*.

**July 7, 2007:** Seventieth anniversary of the Marco Polo Bridge incident.

**July 9, 2007:** A senior official of Beijing organizing committee expresses hope that Japanese emperor will attend the 2008 Olympics.

**July 18, 2007:** Tokyo High Court reverses a lower court ruling and rejects damages awarded to Chinese plaintiffs seeking compensation for injuries suffered from weapons abandoned in China by the Imperial Army.

**July 20, 2007:** A government-private interest group conference on the safety of Japanese imports.

**July 29, 2007:** The LDP suffers an historic defeat in the Upper House election, Abe vows not to resign.

**Aug. 1, 2007:** Vice Chairman of the National Committee of the Chinese People's Consultative Committee Luo Haocai meets in Beijing with former Japanese Prime Minister Hata.

**Aug. 1, 2007:** Foreign Ministers Yang and Aso meet during ASEAN meetings in Manila. They discuss food safety and East China Sea.

**Aug. 3, 2007:** The Chinese Foreign Ministry protests the playing of Taiwan's national anthem during the Asian men's basketball tournament held in Tokushima, Japan.

**Aug. 13, 2007:** PM Abe makes a private votive lantern offering at a memorial service at the Yasukuni Shrine.

**Aug. 13, 2007:** China's Vice FM Wu meets in Beijing with Japan's former Finance Minister Tanigaki. The talks center on the progress of Six-Party Talks.

**Aug. 13, 2007:** China for first time publishes seven volumes containing the names of victims and survivors of the Nanjing massacre.

**Aug. 15, 2007:** PM Abe does not visit Yasukuni Shrine on the anniversary of Japan's surrender at end of World War II. One Cabinet minister and 46 Diet members visit the shrine, as does former Prime Minister Koizumi.

**Aug. 20, 2007:** Hong Kong government authorities revoke the license of ship chartered by a private group planning to land on the Senkaku Islands.

**Aug. 21, 2007:** *Kyodo News Service* reports that China has informally decided to name Assistant Foreign Minister Cui Tiankai as the next ambassador to Japan.

**Aug. 22, 2007:** Abe meets India's Prime Minister Singh and addresses Indian Parliament. The speech calls for cooperation among Asia's democracies.

**Aug. 23, 2007:** Abe meets son of late Indian judge Pal, who served on the International Military Tribunal for the Far East.

**Aug. 23, 2007:** Agriculture and Environment Minister Wakabayashi meets Premier Wen to discuss bilateral cooperation. He also meets Chinese counterpart Zhou Shengxian and offers technology assistance to deal with China's greenhouse gas emissions.

**Aug. 23, 2007:** JETRO releases trade figures for the first half of 2007.

**Aug. 26, 2007:** Former Japanese PM Mori meets in Beijing with Jia Qinglin, fourth ranking member of the Standing Committee of the Chinese Communist Party's Politburo.

**Aug. 27, 2007:** *Sankei Shimbun* reports that a former Japanese trading company executive was involved in Chinese effort to obtain confidential defense information regarding U.S.-Japan defense missile defense research.

**Aug. 29, 2007:** China's Defense Minister Cao arrives in Japan.

**Aug. 29, 2007:** Maebashi District Court dismisses suit brought by a Chinese national seeking compensation for wartime forced labor.



**Aug. 29-30, 2007:** China's Defense Minister Cao visits Japan and meets Minister of Defense Komura, FM Machimura and PM Abe.

**Sept. 4-9, 2007:** Naval forces from Japan, Singapore, India, Australia, and the U.S. conduct exercises in the Bay of Bengal.

**Sept. 6, 2007:** Foreign Ministers Yang and Aso meet in Manila.

**Sept. 8-9, 2007:** PM Abe and President Hu meet on the sidelines of the APEC meeting in Sydney.

**Sept. 12, 2007:** Abe resigns as prime minister.

**Sept. 13, 2007:** Jia Qinglin visits Japan and meets LDP Secretary General Aso, Democratic Party of Japan head Ozawa, and LDP General Council Chairman Nikai.

**Sept. 15, 2007:** Jia opens the Ninth World Convention of Chinese Entrepreneurs in Kobe.

**Sept. 15, 2007:** Fukuda Yasuo announces candidacy to succeed Abe as president of the LDP.

**Sept. 19, 2007:** Candidates Fukuda and Aso hold joint press conference at Foreign Correspondents Club of Japan; Japan's War Bereaved Families Association announces support for Fukuda.

**Sept. 18, 2007:** Seventy-sixth anniversary of the Manchurian Incident with anti-Japanese protests in Shenyang.

**Sept. 23, 2007:** Minister of Defense Komura announces that Japan's Ground Self-Defense Force will send two observers to attend PLA exercises Sept. 24-25.

**Sept. 23, 2007:** LDP elects Fukuda party president, succeeding Abe.

**Sept. 25, 2007:** Fukuda succeeds Abe as prime minister.