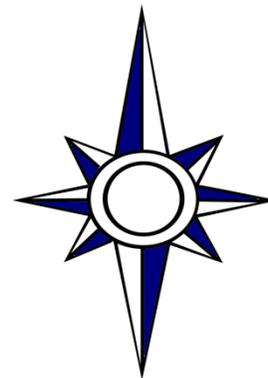


Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



Japan-China Relations: Troubled Waters to Calm Seas?

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The quarter began with China's execution of Japanese nationals convicted of drug smuggling. This was followed shortly by large scale and unannounced naval exercises in international waters near Japan that involved PLA Navy helicopters buzzing Japanese surveillance destroyers. This was followed by Chinese pursuit of a Japanese research ship operating within Japan's claimed EEZ. Meanwhile, Foreign Minister Okada chided his Chinese counterpart on China being the only nuclear-weapon state not committed to nuclear arms reduction. Nevertheless, high-level meetings continued throughout the quarter: Hatoyama and Hu in April, Hatoyama and Wen in May, Kan and Hu in June. At the meetings, China unexpectedly agreed to begin negotiations on the East China Sea at an early date and proposed a defense dialogue and defense exchanges, while both sides reaffirmed commitments to build "win-win" outcomes in the economic relationship and to advance the mutually beneficial strategic relationship.

Execution

On April 2, Foreign Minister Okada Katsuya revealed that China had informed Japan of the pending executions of four Japanese nationals convicted of drug smuggling. Okada said Japan could not ask Beijing to suspend the executions because the sentences were in accordance with China's domestic law. Later, Okada met with China's Ambassador to Japan Cheng Yonghua to express Japan's concerns. The next day, Deputy Prime Minister Kan Naoto, who was in Beijing to co-chair the Japan-China Finance Dialogue, met Premier Wen Jiabao and again expressed concerns. Wen defended the sentences as being in accordance with Chinese law.

Carried out on April 6, Chinese authorities informed Japan of the executions through Japan's Consulate in Shenyang. Afterward, Prime Minister Hatoyama Yukio noted that "each country had its own judicial system," and said that he would "refrain from making any comment that could be taken as interference in another country's internal affairs." Nevertheless, he regretted the executions. Asked about the implications of the executions on bilateral relations, Hatoyama said that his government would "make every effort to prevent cracks from appearing."

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

Security

The *Nikkei Shimbun*, on April 18, reported that the Ministry of Defense will publish a yearly report on China's security strategy beginning in fiscal year 2010. Also indicative of Japan's growing concern with China's ongoing military modernization, the *Nikkei* reported that a specialized unit will be set up at the National Institute for Defense Studies within the next two to three years to assess it.

In an interview with *Time* magazine, Prime Minister Hatoyama acknowledged the increasing importance of China's economy for Japan's own prosperity. At the same time, he found China's transparency with regard to its military spending "not necessarily sufficient" and that Japan "will have to keep close tabs on [China's] military budget and capabilities," calling on Beijing "to boost transparency."

The foreign ministers of Japan, China, and the Republic of Korea met in Gyeongju, South Korea, on May 15. Foreign Minister Okada used the occasion to raise the issue of nuclear zero by noting that while President Hu had made positive comments at the Nuclear Security Summit in Washington, China "is the only country out of the five nuclear powers that has not made efforts to reduce its nuclear arsenal." He said that if China is not aiming to reduce its nuclear weapons, it should at least maintain the present number. Chinese Foreign Minister Yang Jiechi replied that "China has maintained its nuclear power at the lowest level needed for security" and that "Japan has no right to worry about it."

The *Kyodo* News Service reported that Yang was visibly upset and appeared to be prepared to walk out of the meeting at one point. Although he stayed, Yang later lodged a protest through diplomatic channels and did not speak to Okada during the dinner that followed the meeting. China's Foreign Ministry later reported that "Foreign Minister Yang refuted the Japanese side's irresponsible remarks." In a May 18 press conference, Okada characterized the statement as "groundless" and called for "calm and sincere discussion" of nuclear disarmament issues.

In a separate bilateral meeting, Okada raised the recent helicopter incidents and the recent People's Liberation Army (PLA) Navy exercises in seas around Japan. To deal with such incidents, the two ministers agreed to create a risk aversion mechanism involving the military authorities of both countries.

Troubled waters: April

On April 7, a flotilla of 10 PLA Navy warships including *Soveremenny*-class missile destroyers and *Kilo*-class submarines conducted training exercises in the East China Sea. On the evening of April 10, the warships transited south between Okinawa's main island and Miyakojima and continued exercising in international waters to the west of Japan's Okinotorishima until April 23. Minister of Defense Kitazawa Toshimi announced the transit at a regularly scheduled press conference on April 13. While acknowledging that the transit had taken place in international waters, Kitazawa noted that a deployment of this size in waters near Japan was unprecedented. Defense Ministry sources confirmed that the Chinese ships had engaged in helicopter exercises from April 7-9. Kitazawa told reporters that his ministry would analyze the PLA Navy's

activities in detail and attempt to determine China's intentions toward Japan and that the Maritime Self-Defense Force (MSDF) would closely monitor the activities of the Chinese ships.

On April 21, the Ministry of Defense announced that earlier in the day a Chinese helicopter had come within 90 meters of the MSDF destroyer *Asayuki*, which was engaged in surveillance of the Chinese warships. Later, it was revealed that a similar engagement between a PLA Navy helicopter and the Japanese destroyer *Suzunami* had taken place on April 8 and that the Japanese government had waited until April 12 to protest the "dangerous act," just before the Hatoyama-Hu summit, which took place on the sidelines of the Nuclear Security Summit in Washington.

At a meeting of the Lower House Foreign Affairs Committee on April 21, Foreign Minister Okada acknowledged that Prime Minister Hatoyama had not raised the helicopter incident with President Hu Jintao. Meanwhile, Chief of the Joint Staff Oriki Ryoichi told the media that "over the past several years, Chinese vessels have become more active in waters around Japan and that the capabilities of the Chinese Navy have improved." The next day, China's *International Herald Leader* noted Japan's increasing nervousness regarding the activities of the PLA Navy. The article pointed out that the transit route was through international waters and therefore there was no need to notify Japan and suggested that Japan should be prepared to adjust to the increasingly frequent PLA Navy deployments.

Okada responded at a press conference that Japan could not accept China's explanation that the actions of the helicopters were necessary defensive acts and emphasized that the activities of the MSDF were necessary surveillance procedures that did not violate international law. In an April 27 interview at the Japan National Press Club, Ambassador Cheng Yonghua addressed the incidents, telling reporters that the Chinese ships were being followed by the MSDF destroyers and suggesting a lack of trust on the part of Japan.

Troubled waters: May

In early May, Japan's Coast Guard announced that the Japanese research ship *Shoyo*, while operating within Japan's Exclusive Economic Zone (EEZ) on the eastern side of the mid-line boundary claimed by Japan, had been pursued by a Chinese ship and ordered to cease its activities. The Japanese ship complied, but the Foreign Ministry protested the Chinese action, on the grounds that the Japanese ship was conducting research in accordance with international law. Beijing responded that the area in question was under Chinese jurisdiction and that the actions taken by the Chinese ship were "totally proper and legitimate" and that China had never recognized the mid-line boundary claimed by Japan. On May 6, the *South China Morning Post* ran an article attributed to a retired PLA colonel that told China's Asian neighbors that "they should get used to seeing the PLA Navy in Asian waters."

Foreign Minister Okada found the incident "extremely regrettable" and said that Japan would "lodge a stern protest." On May 6, he summoned Ambassador Cheng and told him that China's actions were an "infringement on Japanese sovereignty and were absolutely unacceptable." Okada also took the occasion to make clear that April's helicopter incidents were likewise "extremely regrettable" and did not serve the cause of making the East China Sea a sea of "peace, cooperation, and friendship." In turn, the ambassador replied that the Chinese ship's

actions were “totally appropriate,” but that he would accurately report the conversation back to his government.

In a May 11 speech in Tokyo, Ambassador Cheng took up the maritime boundary issue, telling his audience that “the basic fact is that the two countries’ views are different.” Noting that the issue has been under discussion, he called for continuing dialogue to resolve the issue. As for the helicopter incidents, the ambassador said they resulted from the fact that the MSDF was “following around the Chinese Navy” while it was engaged in training activities. Turning to the broader bilateral relationship, the ambassador was concerned that the incidents had taken place “just when the two countries [militaries] were building a relationship of trust in recent years.” He was also concerned with the “bias” and “prejudice” that still exist in both countries and with the misunderstandings that result from a “mutual lack of understanding.”

Gyoza

At the end of April, Chinese public security officials traveled to Tokyo to brief Japan’s National Police Agency on their interrogation of Lu Yueting, the suspect arrested at the end of March in connection with the ongoing contaminated *gyoza* incident. Chinese officials quoted Lu as saying that he had “injected pesticide by piercing cardboard boxes packed with frozen dumpling packages with a 20 mm syringe from outside.” Lu said that he had injected the *gyoza* on three occasions in November and December 2007. Seeking additional clarification on the evidence provided, the National Police Agency continued its efforts to send representatives to China.

Senkakus

On May 28, Foreign Minister Okada met with reporters to clear up Prime Minister Hatoyama’s remarks of the previous day regarding the Senkaku Islands. Appearing before the National Governors Association, the prime minister had observed that jurisdiction over the islands had yet to be resolved. Okada made clear there was “no room for dispute” over Japan’s sovereign jurisdiction over the islands.

High-level meetings: Hatoyama-Hu/April

Prime Minister Hatoyama and President Hu Jintao met on the sidelines of the Nuclear Security Summit in Washington. In the close to 50-minute meeting, the two leaders took up a number of issues affecting the bilateral relationship – joint development of resources in the East China Sea, the adulterated *gyoza* incident, and the idea of an East Asian Community.

Hu began the meeting by expressing his high appreciation for the steps Hatoyama had taken to develop the China-Japan Reciprocal Strategic Partnership. Hatoyama responded by saying that he wanted to link the bilateral relationship to concrete content and went on to say that the Japan-China relationship is at the core of his East Asia Community concept.

Turning to specific issues, Hatoyama called on Hu to exercise leadership to move his government to engage in negotiations aimed at the conclusion of an agreement on the joint development of oil and natural gas resources in the East China Sea. Hu replied that he hoped to

establish a proper environment for negotiations. On the *gyoza* incident, the two leaders agreed to develop without delay a framework for food safety. Regarding North Korea, Hu said that China would work with the six-party partners toward an early resumption of the talks. Hatoyama did not raise the execution of the four Japanese citizens convicted of drug possession.

High-level meetings: Hatoyama-Wen/May

Premier Wen Jiabao met with Prime Minister Hatoyama in Tokyo on May 31. They spent the first 30 minutes of their 80-minute meeting discussing the sinking of the ROK Navy corvette *Cheonan* with Hatoyama urging Wen to support efforts to bring the issue to the UN. Wen's response remains unknown, but after the meeting Japanese diplomats told the media that Chinese officials had asked them not to make it public.

Turning to the East China Sea, Hatoyama expressed concern over the "recent activities of China in the surrounding sea area." According to Japanese sources, Wen did not respond directly but indicated an interest in setting up a crisis management mechanism to deal with bilateral frictions, including military-related incidents. On the negotiations to implement the June 2008 agreement on joint development of the East China Sea, Wen agreed to begin negotiations on a treaty, revising the previously held Chinese position that negotiations could only begin "when the environment is set." According to Japanese sources, Wen said that he would like to see talks begin "as soon as possible."

The two leaders also discussed issues related to economic cooperation and cultural exchanges and signed a food safety agreement.

Wen later addressed a Keidanren luncheon. In welcoming remarks, Yonekura Hiromasa, the new Keidanren chairman, spoke to the importance of China to Japan's economic well-being, observing that "our country's business community now can no longer speak of business without China..." Wen's remarks emphasized that the rise of China is mutually beneficial and posed no threat to Japan. He went on to acknowledge the important role bilateral commercial relations have played in the China's development as a "merit" for Japan.

Two days later, on June 2, Hatoyama resigned as prime minister following his failure to resolve issues related to relocation of the Futenma Air Station. Addressing Hatoyama's resignation, Chinese Foreign Ministry spokesperson Ma Zhaoxu said "During his tenure, Prime Minister Hatoyama attached importance to Sino-Japanese relations and made important efforts to the sound and steady development of bilateral ties, which we appreciate." He added that "no matter what happens in the Japanese political situation, China will work with Japan to continuously promote the Sino-Japanese strategic partnership of mutual benefit."

Kan government and China

On June 4, Kan Naoto was elected prime minister at a plenary session of the Upper and Lower Houses of Diet. Beijing welcomed the Kan government and made clear China's commitment to advancing the mutually beneficial strategic partnership. In his initial policy speech to the Diet, on June 14, the new prime minister, while reaffirming Japan's commitment to deepening the

mutually beneficial strategic partnership with China, said that the “Japan-U.S. alliance will be the cornerstone of our diplomacy...” The Democratic Party of Japan policy manifesto for the July Upper House election took a similar line toward the US, committing the party to a comprehensive deepening of relations and shifting from the Hatoyama position of building a close and equal relationship. The manifesto also called for greater transparency in China’s defense policy.

The Kan government moved immediately to clarify uncertainties raised by Prime Minister Hatoyama’s remarks on the Senkakus. On May 27, during a meeting of the National Governors Association, Hatoyama had referred to the US position that the sovereignty issue must be resolved between Japan and China. At the first meeting of the Kan Cabinet on June 8, the new government made clear that issues to resolve regarding sovereignty “do not exist.”

On June 13, Kan held a 25-minute telephone conversation with Premier Wen. According to Japanese sources, Beijing requested the call and the two leaders reaffirmed their countries’ commitment to deepening the mutually beneficial strategic partnership, to the use of the bilateral hotline, and to an early start to negotiations on the East China Sea. Wen also invited Kan to visit China, and Kan gladly accepted.

Two days later, the Kan government announced the appointment of Niwa Uichiro, former chairman of and current advisor to the Itochu trading company, as the next ambassador to China. Beijing welcomed the appointment with the expectation that he would play a positive role in the development of bilateral relations.

During a visit to Okinawa at the end of June, Prime Minister Kan acknowledged the importance of the US presence in sustaining deterrence. Meanwhile, responding to reports that Kan had advocated paying serious attention to China’s military build-up, Foreign Ministry spokesperson Qin Gang told reporters that “China is unswervingly following the path of peaceful development, does not pose a threat to anyone, nor does it accept the so-called deterrence of others. As a bilateral arrangement, the Japan-US alliance should not exceed the bilateral range, let alone targeting a third country.”

High-level meetings: Kan and Hu/June

Prime Minister Kan met with President Hu on the sidelines of the G20 Summit in Toronto, Canada. Kan urged China to cooperate in responding to the *Cheonan* sinking, asking China for a “forward-looking response.” Hu replied that that sinking was a “truly unfortunate” incident and urged all countries to act with restraint and take a broad perspective on the matter. Hu also called for increased dialogue between defense officials, governments, legislators, and political parties. Kan replied that “in particular”, he “wanted to advance exchanges between defense authorities in order to build relationships of trust.” The two leaders also reaffirmed their commitment to enhance the mutually beneficial strategic relationship, to work to produce “win-win” outcomes in the economic relationship, and to continue efforts toward building an East Asian Community. Finally, Hu said that he wanted to visit Japan for the November APEC Leader’s Meeting in Yokohama and invited Kan to visit China at an early date.

Chronology of Japan-China Relations

April - June 2010

April 2, 2010: China alerts Japan to the pending executions of four Japanese nationals convicted of drug smuggling.

April 2, 2010: Senior Japanese, Chinese, and Korean Foreign Ministry officials meet in Jeju, South Korea to advance trilateral foreign ministers' meeting.

April 3, 2010: Deputy Prime Minister (PM) Kan Naoto in Beijing expresses Japan's concerns over executions; participates in Japan-China Finance Dialogue.

April 5, 2010: PM Hatoyama Yukio meets journalists attending a Japan-China journalist conference in Tokyo and exchanges views on Japan-China war and history

April 6, 2010: Executions of the Japanese drug smugglers are carried out in China.

April 7, 2010: People's Liberation Army (PLA) Navy ships conduct training exercises in East China Sea.

April 10, 2010: PLA Navy ships transit in international waters between Okinawa's main island and Miyakojima and conduct training exercises through April 23.

April 13, 2010: *Kyodo* News Service reports the Hatoyama government's intention to encourage Chinese tourists by easing regulations for individual Chinese visitors.

April 13, 2010: Minister of Defense Kitazawa Toshimi announces April 10 transit of PLA Navy.

April 12, 2010: PM Hatoyama and President Hu Jintao meet in Washington on sidelines of the Nuclear Security Summit.

April 21, 2010: Japan's Ministry of Defense announces Chinese helicopter approached a Japanese destroyer conducting surveillance activities.

April 21, 2010: Foreign Minister (FM) Okada Katsuya acknowledges that Hatoyama did not raise helicopter incident with Hu.

April 27, 2010: China's Ambassador to Japan Cheng Yonghua suggests Japan's surveillance of PLA Navy's training exercises indicates a lack of trust on the part of Japan.

April 28, 2010: Japanese Foreign Ministry issues web-site warning to travelers visiting China about the potential death penalty for involvement in drug smuggling.

May 1, 2010: Japan Pavilion opens at Shanghai Exposition.

May 3, 2010: *Asahi Shimbun* poll finds 67 percent of respondents are opposed to amending Article 9 of Japan's constitution.

May 4, 2010: China's Vice President Xi Jinping meets a visiting delegation from the Diet's Japan-China Friendship League.

May 6-7, 2010: Japan, China, and South Korea hold a working level discussion on a trilateral free trade agreement (FTA) in Seoul.

May 6-7, 2010: Taiwanese fishing trawler enters Japan's Exclusive Economic Zone (EEZ).

May 10, 2010: Japan decides to ease visa requirements for individual Chinese tourists. The change will take effect July 1.

May 12, 2010: Taiwan's President Ma Ying-jeou expresses hopes for conclusion of Taiwan-Japan FTA.

May 12, 2010: Japan announces that it will accept less than 50 percent share of investment in Shirakaba/Chunxiao natural gas field.

May 13, 2010: Premier Wen Jiabao meets a visiting Keidanren delegation and expresses hope for the conclusion of China-Japan-ROK FTA.

May 14, 2010: FM Okada says it is necessary to carefully monitor the development of China's nuclear and naval power.

May 15-16, 2010: Foreign ministers of Japan, China, and ROK meet in Gyeongju Korea. During a bilateral Japan-China meeting Okada challenges China's efforts at nuclear arms reduction.

May 18, 2010: Japanese Consulate in Qingdao is informed by Chinese Customs authorities that a Japanese national has been detained on charges related to the possession of illegal drugs.

May 22-23, 2010: Japan, China, and South Korean environment ministers meet in Hokkaido.

May 23, 2010: Japan, China, and ROK trade ministers meet in Seoul to discuss regional economic cooperation.

May 25, 2010: Taiwanese ship enters Japan's EEZ in Senkaku island chain to assert Taiwan sovereignty claim.

May 29-30, 2010: Japan, China, and ROK summit is held in Jeju, ROK.

May 30-June 1, 2010: Premier Wen visits Japan and meets PM Hatoyama in Tokyo; Wen commits to early negotiations on East China Sea.

June 1, 2010: Hatoyama government releases policy statement on his concept of an East Asia Community, saying that US involvement as vital.

June 1, 2010: Japan's Foreign Ministry releases a poll of US opinion leaders in which China topped Japan as the most important partner in Asia for the US – 56 percent to 36 percent. In a poll of the general public, Japan and China tied at 44 percent.

June 2, 2010: PM Hatoyama resigns.

June 4, 2010: Kan Naoto is elected as Japan's new prime minister.

June 7, 2010: Workers at Honda Motors affiliate Yutaka Giken go on strike in Guangzhou.

June 8, 2010: Kan government takes office.

June 14, 2010: PM Kan makes his initial policy speech to Diet. He casts the US-Japan alliance as the cornerstone of Japan's diplomacy; relations with China included with other states of Asia.

June 15, 2010: Kan tells Upper House that he has no intention to visit Yasukuni Shrine while prime minister and that constitutional reform not a pressing issue.

June 15, 2010: Tokyo announces the appointment of Niwa Uichiro as ambassador to China.

June 15, 2010: Workers at Toyota affiliate Toyota Gosei go on strike in Tianjin.

June 21-25, 2010: Toyota Motor hit by strike at its Guangzhou assembly plant; a labor agreement reached on June 25.

June 25-26, 2010: PM Kan attends G8 in Toronto and proposes inviting China to attend future G8 meetings.

June 25, 2010: Japan's National Tourist Organization reports 600,000 Chinese citizens visited Japan between January-May, an increase of 36 percent over 2009.

June 25, 2010: Yonaguni town assembly discusses possible deployment of Self-Defense Forces (SDF) forces to the island.

June 26, 2010: Upper House of the Diet passes legislation identifying Okinotorishima and Minamitorishima as "special distant islands" as preparations are advanced to begin construction of port facilities to strengthen Japan's EEZ claims.

June 27, 2010: PM Kan meets President Hu on sidelines of G20 Summit in Toronto.

June 29, 2010: FM Okada tells a press conference that G8 membership should be based on a commitment to democracy and shared values.