



**THE DRAGON'S SHADOW:
THE RISE OF CHINA AND
JAPAN'S NEW NATIONALISM**

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with an Afterword by **Dr. Richard P. Cronin**

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PREFACE

Dear Colleague,

The evolving relationship between Japan and China is now recognized as one of the key factors in Asia's future, with critical implications for regional and even global peace and security. The United States has important stakes in how this relationship develops, and how both Beijing and Tokyo manage its many parts. I am pleased to introduce a new publication by the Henry L. Stimson Center, *The Dragon's Shadow: The Rise of China and Japan's New Nationalism*, which I hope will make an important contribution to our understanding of this strategic issue.

The Dragon's Shadow: The Rise of China and Japan's New Nationalism was written by Ben Self, senior associate at the Center. Ben has previously written extensively on the Japan-China and US-Japan relationships and was the co-editor of *Alliance for Engagement*. In this new work, he examines the Japan-China relationship from the Japan side of the story in particular. He looks at the history of Japanese policy in recent decades, the current dynamics of economic and political interaction, and places the story in the context of evolving Japanese national identity and contemporary norms. He also addresses US policymakers and offers ideas of how the US-Japan alliance can be a relevant instrument in managing the strategic aspects of Japan-China relations.

I am grateful to Ben for his dedication to this project, written while he was overseas and without the normal access to the research and support services of a Washington think tank. I am also very appreciative of the efforts of Rich Cronin, senior associate, Alan Romberg, director of the Center's East Asia program, Marvin Lim, program coordinator, and Junko Kobayashi, research intern. They all made important substantive and editorial contributions as we brought the project to completion.

The Dragon's Shadow provides deep insights into complex, dynamic and previously unexplored motivations vis-à-vis Japan's policy toward China—most importantly, Japan's search for identity. We hope it will prove useful to policymakers, experts and concerned citizens regarding the changing geopolitics of East Asia.

Sincerely,



Ellen Laipson
President and CEO

INTRODUCTION AND CONCEPTUAL FRAMEWORK

Japan's Emperor Akihito and Empress Michiko visited China in October 1992 to celebrate the twentieth anniversary of the normalization of diplomatic relations. It was the first time ever that a Japanese head of state had been to China. The visit was successful not only in advancing the international rehabilitation of Beijing following the Tiananmen massacre, but also as the culmination of Japan's long-term strategy that aimed at co-opting China and opening it up to Japanese trade and investment. This strategy derived in large part from the Japan's desire to overcome the ill-will created by its often brutal military occupation of China that began with the invasion of Manchuria in 1931 and lasted until the end of World War II.

The government of Prime Minister Miyazawa Kiichi's most immediate purpose of realizing the imperial trip was to consolidate Japan-China relations for the post-Cold War era, but trip also had important domestic political aspects. The trip responded specifically to numerous Chinese invitations that were aimed at overcoming the international opprobrium following the May 1998 Tiananmen incident.¹

The imperial visit was thought at the time to have been successful, but the result proved to be short lived. Six years later, when Chinese President Jiang Zemin became the first Chinese head of state ever to visit Japan, the atmosphere could hardly have been more different. Although Jiang's visit was to reciprocate the Imperial visit of 1992 and was timed to coincide with the twentieth anniversary of the conclusion of the Treaty of Peace and Friendship between Japan and the People's Republic of China, Jiang's behavior and the Japanese reception showed Japan-China relations to be fraught with tension and riddled with rivalry.²

What explains the collapse of Japan's longstanding posture of accommodation and co-optation? The proximate cause—at least of the sharp contrast between the two visits—was history. The Emperor's carefully scripted remarks in 1992 expressed his “deep sorrow” and “regret” for the “great suffering” caused to the Chinese people; this was thought by many Japanese to have been the ultimate

¹ Young C. Kim, “Japanese Policy Towards China: Politics of the Imperial Visit to China in 1992.” *Pacific Affairs: An International Review of Asia and the Pacific* vol.74 no.2. (2001), 225-245.

² Treaty of Peace and Friendship between Japan and the People's Republic of China, August 12, 1978. <<http://www.infojapan.org/region/asia-paci/china/treaty78.html>>

expression of remorse, and to have closed the door on the long postwar era of penitence.

By the time of President Jiang's November 1998 state visit to Tokyo the Emperor's gesture of remorse six years earlier no longer counted for much with China. Nor did more fulsome but still obliquely formulated statements by Japanese leaders such as that by Prime Minister Tomiichi Murayama during a visit to Beijing in 1995. In a statement marking the 50th anniversary of the end of World War II, Murayama both acknowledged that Japan had committed "aggression," and expressed his own personal "heartfelt apology."³

Japan's relations with China had not gone well in the intervening years, and the Japanese government was not in an accommodative or penitential mood. Although the abrupt turn in Japan-China relations had deep roots, as will be seen, the most dramatic changes occurred in the mid-1990s as a result of profound changes in Japan's external environment and internal politics.

At the time of Jiang's visit, the difference in Japan's relations with China and South Korea—the two countries that had suffered the most from Japanese imperialism—was striking. Only a month before Jiang's ill-fated visit, a summit meeting between Prime Minister Obuchi Keizo and South Korea's President Kim Dae-Jung had gone extraordinarily well. Perhaps most important to the success of Kim's visit were the decision by the Obuchi government to mark the occasion by issuing an unprecedented written statement of "remorseful repentance and heartfelt apology" for what Koreans had suffered from Japanese colonial rule⁴ and Kim's willingness to accept it and put the past behind them.

Jiang Zemin reacted with anger to Japan's refusal to extend to him the same written apology that it presented to Kim Dae-Jung. Neither Jiang nor the Chinese foreign ministry bureaucrats were mollified by the Japanese argument that the written apology to Kim responded to his politically courageous decision to put aside the history issue and work for a "future-oriented relationship."⁵ Everywhere he went, Jiang charged that the denial of a written apology demonstrated Japanese revisionism, and he lectured his hosts about China's suffering and the need to keep history front and center in their bilateral ties. The response of Japan's foreign minister, Komura Masahiko, was pointed. He explained to reporters that the South Korean President had "made it clear that he would like to settle past history," whereas with President Jiang, this "was not necessarily the case."⁶

³ "Statement by Prime Minister Tomiichi Murayama 'On the Occasion of the 50th Anniversary of the War's End' (15 August 1995), Japan, Ministry of Foreign Affairs.

⁴ Nicholas D. Kristoff, "Burying the Past: War Guilt Haunts Japan," *New York Times*, November 30, 1998. <<http://www.mtholyoke.edu/acad/intrel/warguilt.htm>>

⁵ "S. Korea's Kim Offers Forgiveness in Japan Speech," *CNN.com*, October 8, 1998. <<http://www.cnn.com/WORLD/asiapcf/9810/08/korea.japan.02/>>

⁶ Kristoff, "Burying the Past," *op. cit.*

Could history alone have caused such a breakdown? It seems unlikely, given that Japanese right-wing nationalists and other historical whitewashers had been stirring up trouble since the early 1980s without actually undermining Japan's basic strategy of co-optation. History did have a meaningful impact on bilateral ties, as it had always done—one can certainly not dismiss the disputes as of secondary importance. Yet something more was eroding the paradigm of the accommodationist approach toward China.

Various factors have been cited in the decay of Japan's engagement-oriented approach to relations with China, from the personalities of leaders to the rising price of petroleum, from bickering over development assistance to nuclear testing, from trade disputes to the influence of third parties like Taiwan and the United States.⁷ In the chapters that follow, one shall see how each of these factors has played a part in the deterioration of Japan's positive attitude toward China.

The purpose of this chapter is to link material changes in Japan's approach to China to a deeper level of structural change in normative or ideational factors. Changes in Japanese thinking about China are a result partly of changes in the real world—in Japan as well as China—but more profoundly derived from changes in Japanese thinking about the world and their place in it.

THE FRIENDSHIP PARADIGM

Japan's accommodating approach to China became entrenched in the 1970s under the trope of "Friendship Diplomacy," a framework that exerted considerable influence on policy formulation right up until the end of the 1990s. Its durability can be explained partly simply as inertia—most policy frameworks require substantial effort to change. Yet Japan's Friendship Diplomacy came under challenge in the 1980s during the premiership of Nakasone Yasuhiro, and again in the 1990s during the era of the Hashimoto cabinet, and each time managed to reassert itself as the dominant paradigm. What contributed to its resilience?

In terms of institutionalization, Friendship Diplomacy was a legacy of the political circles that brought about the normalization of Japan-China relations in the 1972 Sino-Japanese Treaty of Peace and Friendship. The most powerful among was the faction led by Prime Minister Tanaka Kakuei, who was the one who went to Beijing to open bilateral ties. Long after his tenure as prime minister ended in 1974, Tanaka maintained influence over China policy through his personal relationships (what the Chinese call *guanxi*) with the leadership in China. Heirs of Tanaka including especially Prime Ministers Ohira Masayoshi, Takeshita Noboru and, later, Hashimoto Ryutaro inherited the "pipe," a channel

⁷ Michael J. Green and Benjamin L. Self, "Japan's Changing China Policy: From Commercial Liberalism to Reluctant Realism," *Survival* Summer (1996). For a litany of problems affecting the relationship, review the excellent quarterly surveys of Japan-China relations by James Przystup for *Comparative Connections*, the e-journal published by Pacific Forum-CSIS.

to the Chinese leadership. Whatever the policy motivations of LDP politicians, exploiting this access for the benefit of Japanese companies could result in substantial political gains. At the same time, the electoral benefit of an image as an international leader capable of dealing with China has always been a valuable asset to any Japanese leader.

The Friendship Diplomacy paradigm was also institutionalized in the so-called “China School” of Japan’s Ministry of Foreign Affairs (MOFA), a group of officials who became the managers of Japan’s China policy and were charged with smoothing over any problems in the relationship. Priority on maintaining harmony and a generally risk-averse diplomacy have strengthened the common tendency for bureaucrats to be captured by their constituencies.

It is important, however, not to overstate the influence of the China School in sustaining the Friendship trope. After all, they were still operating under the guiding hand of the Liberal Democratic Party (LDP) leadership, particularly that of the Tanaka faction, but often they were (and remain) personally quite sympathetic to Taiwan. Whatever the importance of personal ties, Friendship Diplomacy was larger than any individual.

The influence of group norms and shared preferences and interpretations is of course substantial in any policy-making context, but it is arguably especially great in Japan. Conformity is highly valued, and precedent is highly respected in Japan, both in government and private sector.⁸ Indeed, one aspect of the criticism leveled against China School Diplomats is that they affiliate with people who are outside the traditional foreign policy circles. The weight of precedent is increased by mechanisms of training and knowledge transmission: individuals typically overlap in offices so that an incoming official may be acculturated before his/her predecessor moves on to a new assignment. Moreover, unlike in the American model, Japanese bureaucrats do not have to contend with political appointees who are appointed for the explicit purpose of bringing policy in line with that of the administration in power. Japan’s continuously overlapping personnel system, along with its strong tradition of bureaucratic governance, tends to prevent any fissures from emerging and helps perpetuate a given line of policy thinking.

More important than its political or bureaucratic, however, is the fact that Friendship Diplomacy towards China was also embedded in a larger, longer-lasting normative context. Notably, it enabled the reconciliation of postwar Japanese national identity with the victim of Japan’s imperialist aggression, China. As one will see in chapter three, the rapprochement achieved by Prime Minister Tanaka in 1972 was built upon the idea of Japan as an economic power resolved to abjure its militaristic past. In fact, Japan-China Friendship was premised on permanent penitence on Tokyo’s part. As such, it could last only as

⁸ For more on Japanese collectivism and consensus, see Duncan McCargo, *Contemporary Japan* (New York: Palgrave, 2000), 60.

long as Japan retained a national identity defined by its defeat in the Second World War.

Japanese postwar identity as a nation of peace emerged from contested interpretations of war and defeat, with leftist (radical) and rightist (traditional) views achieving a balance centered on the Yoshida Doctrine. As outlined by Prime Minister Yoshida Shigeru, the doctrine emphasized strong reliance on US military protection while deferring to the United States on foreign policy issues that affected US interests.⁹ Japan became a pro-Western, capitalist democracy with a strong culture of anti-militarism.¹⁰ The Yoshida Doctrine stressed accommodating the United States' global strategy while concentrating on economic recovery. Until the collapse of the USSR, the Friendship policy towards China dovetailed both with Japan's economic strategy and with US strategic policy towards China. It was so successful that it became Japan's strategy throughout the Cold War, and reshaped the Japanese view of how the international system functioned.¹¹

Commercial Liberalism

Theories of international politics tend to divide, reasonably enough, on the central question of the place of war in state policy. On one side are realist theories arguing war is a natural occurrence; on the other are liberal theories arguing that war is basically an aberration. Realism argues that war can be prevented only by a carefully managed balance of power, in which no party can reasonably expect to gain through war. But traditional liberalism sees an important role for diplomacy and compromise (even appeasement); democratic liberalism seeks peace through the spread of democratic, pluralistic institutions; commercial liberalism sees the fostering of mutual benefit through trade as an avenue to overcome conflict.

Japan's own experience with the use of force convinced it that international peace could best be achieved through commerce. Friendship with China was part of Japan's a broader national strategy that sought to rely on economic power and the influence of commerce to mitigate international tensions. Although Japan relied on the hard military power of the United States to provide a security guarantee, with regard to China it developed an especially strong confidence in the power of trade to ensure peace and cooperation. But its status

⁹ For more on Yoshida's post-war policies, see Shigeru Yoshida, *The Yoshida Memoirs*, translated by Kienichi Yoshida (Cambridge, MA: Riverside Press, 1962).

¹⁰ Thomas Berger, *Cultures of Antimilitarism: National Security in Germany and Japan* (Baltimore: Johns Hopkins University Press, 1998); Soeya Yoshihide, *Nihon no "midoru pawaa" gaiko* (Chikuma Shinsho, 2005).

¹¹ A number of reasons for continuity of both domestic and foreign policy well into the first stage of political realignment after the LDP split in 1993 are addressed in Leonard Schoppa, "Japanese Domestic Politics: the Challenge of Turning off the Cruise Control," Foreign Policy Research Institute (FPRI), October 2002.

<<http://www.fpri.org/education/teachingjapan/schoppa.domesticpolitics.html>>

and success as an economic power was difficult to reconcile with a traditional realist view of international politics.

With or without Japan's exertions, China has joined the capitalist road under the flag of "market socialism." However, contrary to Japanese expectations, economic interdependence—even a measure of dependence, in China's case—has not led to improved ties between them. Quite the opposite: relations have spiraled downward since the end of the Cold War. This by itself might have been enough to force a reexamination of the long-standing accommodationist approach to China, but in fact something even more profound has occurred, as Japanese have reevaluated not only their approach to China but the effectiveness of their entire model of national power.

Normative Context

The evolution of Japan's national identity after World War II, through the establishment of the Yoshida Doctrine and achievement of stable single-party political dominance under the LDP reached a critical point at the beginning of the 1970s. Yoshida's successors had seen the country through postwar reconstruction and recovery and Japan had emerged as a global economic power, but breaking away from the psychological legacy of defeat proved difficult, to say the least.

Japan's ability to take its place on the world stage owed much to one person, Tanaka Kakuei, a politician and force of nature. A self-made man and a builder both literally and figuratively, Tanaka was not a member of the traditional prewar elite. Unlike most postwar prime ministers, he did not have a background in the bureaucracy either. Yoshida, with the benefit of the US security umbrella, had mediated between one-country pacifists and traditional nationalists to rebuild Japan and create a new "reconstruction" identity. Tanaka, largely with the force of his own will, forged a new, forward-looking "construction" identity for Japan, but one that nonetheless retained key elements of antimilitarism. This new identity became the ideational basis for Friendship Diplomacy towards China.

Such a self-image might not have held the Japanese people captive for very long without the oil shocks, collapse of the Bretton Woods system, and related economic turmoil of the early 1970s. As the harsh economic conditions made the drive for prosperity more challenging, the Japanese took pride in their dedication to the task at hand. Japan continued its single-minded pursuit of economic growth, but the Plaza Accord in 1985, which forced Japan to radically revalue the yen upward against the dollar, confirmed the country's economic superpower status. This new status, in turn, began the search for a new national identity.

Nakasone Yasuhiro's cabinet ushered in a resurgence of ethnic nationalism, identifying "Japanese-ness" as the source of Japanese identity, which did not augur well for future relations with China. This tautological *Nihonjinron* remains popular with a segment of the public, but lacks any ideological basis for

a national strategy other than isolationism (not generally seen as viable for trade-dependent Japan). Furthermore, Nakasone's nationalism was too retrograde in character, seeming to reek of prewar extremism, to decisively tip the balance of the Yoshida Doctrine. Moreover, the notion that Japanese successes in the boom years derived from some inherent national essence or some ethnically-derived aspects of Japanese society ran aground during the "lost decade" following the collapse of the bubble economy in the early 1990, as a consequence of the finance ministry's inept monetary policy.¹²

Japan's search for a new identity continued after Nakasone, with a plethora of new forms of greatness. Japan began touting itself as an Official Development Assistance (ODA) power, a technology power, an environment power, a lifestyle power, and so on—anything but a traditional, military great power. Such a path was for sluggish dinosaurs like the USSR, wasting huge portions of its economy on unproductive weapons. At the end of the 1980s, Japan was supremely confident that its choice of national strategy of relying on economic power was not just appropriate, given its status as a defeated nation, but in fact superior.

The collapse of the Soviet Union not only affirmed the assumption that economic power trumps military power, it also vaulted Japan to the top tier of global powers second only to the United States—which was itself facing a severe hangover from the Cold War. Japan's confidence in its identity as a new kind of great power, though still vague, was reinforced.

RELATIVE WEALTH REINFORCES FRIENDSHIP DIPLOMACY, BUT ONLY TEMPORARILY

As chapter four will explore, national identity in Japan entered a period of fluidity after the catch-up era, around the 1980's, when Tanaka's construction juggernaut had ceased to produce anything useful yet continued to pave Japan's remotest corners. Evidenced by their search for a new kind of great power identity, and made tangible by the end of the so-called "1955 system" of LDP dominance and permanent opposition status for the Socialists in the early 1990s, the Japanese were outgrowing their postwar identity. Yet before a new national sense of self could take form, the burst of Japan's bubble economy put its relative ascent sharply into reverse. In this context, the "lost decade" of the 1990s has brought a profound reconsideration of what Japan is, how the world works, and how Japan should relate to that world, including China.

Japan's goal since becoming a modern state in the late 1800s had been to catch up to and overtake the West¹³; the notion of absolute wealth was second to the

¹² Thomas F. Cargill, Michael M. Hutchison, and Takatoshi Ito, *The Political Economy of Japanese Monetary Policy* (Cambridge, MA: MIT Press, 1997).

¹³ W.G. Beasley, *The Rise of Modern Japan* (London: Weidenfeld & Nicolson, 2000), 84-85: As W.G. Beasley puts it, "Many Japanese, following the lead they had been given by the Tokugawa

notion of being wealthier than the “other.” Japanese strategic thinking drew on mercantilism to codify the pursuit of relative gains as a national goal.

So focused were the Japanese on catching up, and so unprecedented was their success in doing so (with record-setting rates of economic growth) in post-World War II years, that the possibility that their relative ascent might suddenly cease seems not to have crossed their minds, hence leading to the unexpected burst of the bubble economy in January 1990. Particularly in relation to their image of China, Japan in the postwar decades pursued a program of energetically supporting Chinese modernization not with any fear for the implications it could have for relative power, but instead with expectations that stronger economic relations would improve bilateral relations.

This blind spot seems remarkable given the state of the Chinese and Japanese economies in the 21st century. But of course since China's growth has always been fitful and its overall economic status so backward, it was not until around the time of the imperial visit that the possibility of China as an economic superpower occurred to anyone. In light of China's emergence as what they themselves call the “workshop of the world” and the largest holder of foreign exchange reserves, it is easy to forget that it was only in 1992, the same year as the Emperor's visit, that paramount leader Deng Xiaoping made his historic “southern tour” and reaffirmed his dictum that “to get rich is glorious.”¹⁴ Whatever the reason, Japan held to an image of itself as a nation with a dynamic economy that would remain comfortably superior to China indefinitely.

Initially, the Japanese government and Japanese companies rushed to take advantage of the new opportunities offered by China's rapid growth rates and its opening to foreign investment. Until the mid-1990s, Japan had for decades pursued a program of energetically supporting Chinese modernization, not with any fear for the implications it could have for relative power, but instead with expectations that stronger economic relations would improve bilateral relations. The bursting of the economic bubble gave a sharp blow to Japan's self confidence and image of itself vis-à-vis China.

Facing severe and inexorable demographic decline, a sluggish economy, and a burgeoning government debt, Japan could no longer be sanguine about its future. Furthermore, assumptions about being a largely free rider under the American military umbrella were dashed by the first Gulf War of 1991, when the relatively weak government of Kaifu Toshiki failed to satisfy the US demand for material support because the public, in general, did not share the US perspective on their country's stake in the confrontation with Iraq, and also

Shogun in 1865, saw their country's primary task as being to acquire the knowledge and skills by which ‘to use the barbarian to control the barbarian.’”

¹⁴ Tim Healy and David Hsieh, “To Get Rich is Glorious,” *Asia Week*, March 7, 1997. <<http://www.pathfinder.com/asiaweek/97/0307/index.html>>

because of constitutional limitations.¹⁵ The crisis in Japan-US relations, and the perceived lack of American appreciation for the more than \$13 billion to support the war effort, created an aversion to “checkbook diplomacy.” Aside from US pressure, Japan also faced criticism from the international community that it was reaping the benefits of the international order while avoiding the inherent responsibilities of a global power.¹⁶ Such criticism even came from Kuwait, which excluded Japan during its official expression of thanks at the end of the war. This showed that economic would not be enough to command respect internationally, and that a commensurate amount of hard power contribution was also expected of a powerhouse country such as Japan. These events and sparked a debate in Japan about the Peace Constitution and the appropriate role of military power.¹⁷

The security environment in Japan’s immediate neighborhood deteriorated markedly as well, starting with North Korea’s nuclear breakout in 1993, increased cross-Strait tension over the status of Taiwan in 1996, and China’s rapid military modernization supported by its rapid economic growth. Greater sensitivity to China’s potential to become a threat led to a brouhaha over development cooperation in 1995, when China conducted a nuclear test in May around the time of the indefinite extension of the nuclear non-proliferation treaty (NPT) (and four more between August 1995 and July 1996). Japan has been cautiously seeking some means to cope with China’s nuclear modernization ever since, and finding itself more and more concerned by China’s intermediate-range ballistic missiles.

China joined the capitalist road under the flag of “market socialism.”¹⁸ However, contrary to Japanese expectations, economic interdependence—even a measure of dependence, in China’s case—has not led to improved ties between them. Quite the opposite: relations have spiraled downward since the end of the Cold War. This by itself might have been enough to force a reexamination of the long-standing accommodationist approach to China, but in fact something even more profound has occurred, as Japanese have begun to reevaluate not only their approach to China but the effectiveness of their entire model of national power, and their place in the world.

¹⁵ For an American perspective critical of Japan, see William Safire, “Pacifism in the Pacific,” *New York Times*, September 27, 1990. <<http://select.nytimes.com/search/restricted/article?res=F30617FE3F5C0C748EDDA00894D8494D81>>

¹⁶ Lawrence Freedman and Efraim Karsh, *The Gulf Conflict: 1990-1991* (Princeton, NJ: Princeton University Press, 1993), 121.

¹⁷ Richard P. Cronin, “Japan’s Contribution to the U.S.-Led Multinational Forces in the War Against Iraq,” *CRS Report for Congress*, March 29, 1991. <<http://www.fas.org/man/crs/91-3-29.htm>>

¹⁸ M.J. Gordon, “China’s Path to Market Socialism,” *Challenge*, vol.35, no.1 (1992), 53-56.

FLIRTATION WITH INSTITUTIONAL LIBERALISM

Perhaps more fundamentally, the end of the Cold War led to a period of drift in Japan's identity and quest for a new strategy and created doubts about the future of the US-Japan alliance relationship in Washington, in Tokyo, and in Beijing. The realization that Japan that could say "no" to the United States, as Prime Minister Hosokawa Morihiro, who led the first non-LDP coalition did in 1994, heightened concerns that the two countries might be destined to drift apart in the absence of a common enemy. It is noteworthy that the climate of opinion among some Japanese defense intellectuals began to strongly favor a multilateral security framework for the Asian region, initially as a hedge against uncertainty as the United States implemented a post-Cold War drawdown of forward-deployed forces but later as a possible substitute for the so-called "hub-and-spokes" system of US-centered alliances.¹⁹ Japan was both contemplating a future outside of the ambit of American protection and revising its commercial liberalism toward a nascent "institutional liberalism," grounded in multilateral institutions such as the United Nations, the General Agreement on Tariffs and Trade (GATT), and regional organizations.²⁰ The inability of new institutions to enhance the regional security environment, however, helped drive the emergence of Japan's "reluctant Realism."

RELUCTANT REALISM

In the early 1990s, when China was diplomatically isolated following the Tiananmen Square massacre, many Japanese held expectations that China would support, or at least tacitly accept, Japan's assumption of a regional leadership position.²¹ The discovery throughout the 1990s that this belief was hopelessly naïve contributed to the end of the Friendship paradigm and the adoption of an approach that was captured in the term "reluctant Realism."

Japan long struggled to influence Chinese behavior through its economic tools: yen loans, foreign direct investment, and technology transfer worth tens of billions of dollars. But relations deteriorated in 1995 and 1996 in the face of

¹⁹ For details on the United States' post-Cold War strategy of drawing down its forces, see Secretary of Defense Les Aspin, *Report on the Bottom-Up Review* (Washington, DC: Office of the Secretary of Defense, October 1993); Bōei Mondai Kondankai (Advisory Group on Defense Issues), *Nihon no Anzen Hoshō to Bōeiryoku no Arikata: 21-Seiki e muketeno Tenbō (The Modality of the Security and Defense Capability of Japan: The Outlook for the 21st Century)* (Tokyo: Ōkurashō Insatsukyoku, 1994), 7. The report is also called the Higuchi Report.

²⁰ See Edward Newman, "Japan and International Organizations," *Japanese Foreign Policy Today: A Reader*, Inoguchi Takashi and Purnendra Jain, eds. (New York: Palgrave, 2000), 43-64.

²¹ Consistently holding on to its policy of engaging China, Japan was one of the first nations to lift sanctions on China after Tiananmen Square. Akio Takahara, "Japan's Policy Toward China in the 1990's," *The Age of Uncertainty: the U.S.-China-Japan Triangle from Tiananmen (1989) to 9/11 (2001)*, Ezra Vogel, Yuan Ming, and Akihiko Tanaka, eds. (Cambridge, MA: Harvard University Asia Center, 2004), 254-269. Furthermore, many in Japan expected the country to recover from the bubble burst relatively quickly. "Time to Arise from the Great Slump," *Economist.com*, July 20, 2006. <http://www.economist.com/displaystory.cfm?story_id=7189583>

China's nuclear weapons tests, increased military spending, renewed attention to history, and intimidation of Taiwan. In September 1997, with North Korea as a looming menace and in the midst of a rising China might cause instability, the United States and Japan reaffirmed their alliance and revised the Guidelines for US-Japan Defense Cooperation.²² The fact that the Guidelines formally allowed Japan to support US military operations beyond the territorial defense of Japan generated an angry reaction in Beijing.

In the face of strident Chinese opposition to the guidelines, Japan's posture toward China has remained cool ever since. Prime Minister Obuchi reflected this tone in a 1999 trip to China that lasted less than 24 hours. Obuchi also advanced certain moves toward Japan's new guidelines, and a parallel deterioration of US relations with China in 1995-96 following the Lee Teng-hui visit to Cornell and China's attempt to intimidate Taiwan by firing missiles into the sea in the vicinity of its two main ports of Kaohsiung and Keelung, Prime Minister Hashimoto Ryutaro attempted to restore Japan-China ties to an even footing. Hashimoto returned to Friendship principles and put MOFA to work to fashion a proposal for a new constructive partnership with China.

However, several factors undermined this attempt to return to Friendship principles. Perhaps most important, Chinese economic growth loomed as a greater and greater threat to Japan. Finally, the new partnership initiative effectively collapsed when Jiang Zemin paid his disastrous visit to Japan in November 1998. The leaders signed the document that Tokyo had intended to become a third pillar of bilateral relations alongside the Joint Communiqué of the Government of Japan and the Government of the People's Republic of China of 1972²³ and the Treaty of Peace and Friendship of 1978, but the action was completely overshadowed by Jiang's strident lectures on history. The consequence was an overall tone of hostility, rather than amity—worried about the growing economic threat of China, the LDP placed pressure on Prime Minister Obuchi Keizo not to give in to China's demands for an apology. Therefore, at this point, the atmosphere had fundamentally changed from Friendship Diplomacy.

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²² A rising China element was not publicly pronounced as a reason for the redefinition of the US-Japan alliance. Nevertheless, it was certainly an issue that loomed during this period, as evidenced by Chief Cabinet Secretary Seiroke Kajiyama's statement on August 7, 1997, and statements by Koichi Kato, secretary-general of the LDP, earlier in the year. "Defense Guidelines Cover Taiwan Strait," *Asahi News Service*, 8, 1997. The revised guidelines stress "cooperation in situations in areas surrounding Japan," a statement that one could interpret to mean Taiwan. *Joint Statement: US-Japan Security Consultative Committee Completion of the Review of the Guidelines for US-Japan Defense Cooperation*, September 23, 1997. <<http://www.mofa.go.jp/region/n-america/us/security/defense.html>>

²³ *Joint Communiqué of the Government of Japan and the Government of the People's Republic of China*, September 29, 1972. <<http://www.mofa.go.jp/region/asia-paci/china/joint72.html>>

Obuchi also advanced certain moves toward a national identity for the 21st century, by legalizing the national flag and national anthem, formerly resisted for their association with prewar imperialism.

Throughout his term of office from 2001 until 2006, Prime Minister Koizumi Junichiro enthusiastically carried forward the new realism and new national identity, overcoming lingering reluctance entrenched in the policy-making establishment. Vastly increased military cooperation with the United States, including the dispatch of Self-Defense Forces to the Indian Ocean and Iraq, has been coupled with annual visits to the controversial Yasukuni Shrine, despite intense Chinese condemnation. The climate in Tokyo reflects growing frustration at China's willingness to oppose Japanese interests — for example, on United Nations reform and a permanent Security Council seat for Japan.

Japan has decisively discarded the Friendship paradigm of bilateral relations, and moved toward a tough new line that seeks to hedge against rather than appease China's growing power. Japanese national identity remains in flux, and mutual animosity with China is feeding a defensive nationalism. But Japan is not reverting to prewar jingoism; the Japanese are increasingly comfortable with the idea of immersion in an international community of democracies. For this reason it is not inevitable that Japan's new nationalism will clash with China over the past.

Abe Shinzo, Japan's new Prime Minister as of September 2006 both espouses and embodies the new nationalism. He rejects the "masochistic" view of history inherent in the Friendship Paradigm, and questions the justice of the Tokyo War Crime trials. If pragmatists in both Beijing and Tokyo can keep the lid on various points of bilateral friction – disputed territory, natural resources, military provocations, etc. – the relationship can move forward without Abe's views on history constituting an obstacle to cooperation. If any of these issues flare up, however, then Tokyo and Beijing will once again clash over history and will face the prospect of a breakdown in ties.

STRUCTURES, PROCESSES, AND AGENTS IN JAPANESE POLICY-MAKING

This chapter explores the patterns that have emerged in Japanese policy toward China as a result of institutional frameworks, informal networks, and individual leadership. The most significant pattern was the relentless pursuit of a soft posture of accommodation and reliance on economics to co-opt China, an approach that characterized Japan's China policy from the end of the Occupation until the late 1990s.²⁴ For Japan to have clung to this approach for so long, despite changes in domestic politics and especially in regional diplomacy, reveals the fact that some deeper element broadly determined the shape of Japan's approach to China; change at that deep level is therefore quite profound in its implications.

As was argued in the introduction and will be detailed in sections that follow, that underlying factor is Japan's search for its national identity. Changing national identity has altered the policy-making environment in Japan to such a degree that the entire previous approach, despite being well entrenched in institutions both inside Japan and in bilateral relations, has become untenable. The two elements in this argument about ideational change and policy are: the influence of ideation on policy-making; and the nature and causes of ideational change itself.

National identity determines the feasibility of policy positions.²⁵ It creates the climate of opinion in which decisions are made, deciding not only what option is considered best, but also which are not considered at all. As discussed earlier, Japan's post-World War II identity brought with it assumptions about the nature of international relations and the exercise of power—call it mercantilism or commercial liberalism, Japan viewed its economic might as the proper tool for protecting and advancing its national interests. Japan also saw itself as economically stronger and more sophisticated than China, a notion that yielded beneficence benevolence from some and contempt from others.

²⁴ Chalmers Johnson, "The Patterns of Japanese Relations with China, 1952-1982," *Pacific Affairs*, vol.59 No.3 (1986), 402-428; Michael J. Green and Benjamin L. Self, "Japan's Changing China Policy," *Survival* vol.38 no.2 (1996), 35-58.

²⁵ See Chapter 1, "National Identity and Foreign Policy: a Dialectical Relationship," of Ilya Prizel, *National Identity and Foreign Policy: Nationalism and leadership in Poland, Russia and Ukraine* (Cambridge: Cambridge University Press, 1998), 12-37. See also William Bloom's identification theory, a psychological bond that motivates an entire population to support certain external policies even if they cause social pain and bring few visible rewards. William Bloom, *Personal Identity, National Identity and International Relations* (New York: Cambridge University Press, 1990).

The pattern of diffusion across social networks is the critical factor in reshaping thought—what people think is fundamentally a matter of what people around them think.²⁶ The quality of the concepts and their ability to match and predict the external environment surprisingly matter less than the general milieu. People are social creatures and carry out reality checks with very low frequency.

The discussion that follows below in this chapter regarding Japan's policy-making towards China is divided into four main sections. The first section explores the social networks influencing China policy and traces the changing ideation in the 1990s. The second section explains the formal structures of Japanese policy-making, including the roles of the ministries, the Prime Minister, and the LDP party bureaucracy. The third section discusses the informal channels established by Japanese leaders in maintaining Japan-China relations. The last section discusses the ideological dimension of these informal channels. The last section explores the social network of China policy and traces the changing ideation in the 1990s. Taken together, these sections will show how the shifting concept of national identity worked within the structures of government to influence policy-making, both in general and with regard to China. More specifically, they will describe the nature of ideational change in Japan, which has led to a more anti-China policy. They will also show that ideation in both formal and informal structures of government has led to the decline of pro-China policy; they will also show the nature of ideational change in Japan, which overall points to continued negative sentiment—and policy, perhaps—about China in Japan.

STRUCTURES OF POLICY-MAKING

Policy-making is frequently opaque—authoritarian regimes generally lack transparency altogether, and government can obfuscate even in pluralistic democracies, hiding its choices behind executive privilege or claims of national security. What is remarkable about the Japanese case is that not only the process but even the locus of decision-making is obscure. Harry S. Truman proclaimed “the buck stops here” to emphasize his authority as President of the United States. By contrast, Suzuki Zenko, Prime Minister of Japan from 1980 to 1982, painted himself as a mere figurehead, stating that “as a party president, the policies of the Liberal Democratic Party are, in essence, my policies.”²⁷ That the most important position in the government can be so powerless indicates something about the nature of decision-making in Japan, reflected in the common assertion that the formal structures of Japanese politics are dominated by informal processes.²⁸ Nonetheless, one must not overlook the role that the

²⁶ E.M. Rogers and D.L. Kincaid, *Communication Networks: Toward a New Paradigm for Research* (New York: Free Press, 1981).

²⁷ Quoted in Masumi Junnosuke, *Contemporary Politics in Japan*, translated by Lonny E. Carlisle (Berkeley: University of California Press, 1995), 411.

formal, institutional structures play in providing a frame for the development of options and the negotiation of policy—and how changing ideation in these structures affect policy.

Ministries

As Michio Muramatsu explains, “most decisions are made by many actors but within the procedures and jurisdictions of ministry arenas.”²⁹ Ministries exercise authority over issues within their purview—though they often compete with one another to define the ambit of their powers. In the case of policy toward China, there was a longstanding division between the Ministry of Foreign Affairs (MOFA) and the Ministry of Economy, Trade and Industry (METI).³⁰ While the China Division of MOFA’s Bureau of Asian and Oceanian Affairs took primary leadership on diplomatic matters, METI oversaw the growth of Japanese business relations with China. MOFA and METI, however, have both stressed the need to maintain good Japan-China relations by adopting a generally conciliatory stance toward China.³¹

The China Division comprises mainly diplomats who are graduates of the so-called China School within the MOFA. Trained in the Chinese language and having served in China, these diplomats have been particularly understanding of China.³² The China Division has earned a reputation as exceedingly pro-China over the years, partly due to these factors, but mainly because they were the primary drivers of the conciliatory posture toward China that Japan had adopted so consistently (even though, as one will see, other factors effectively forced that posture onto the government).

The business community has also played a significant role in defining Japan’s interaction with China. Because of China’s importance as an economic market and trading partner, METI and the powerful business association Keidanren³³

²⁸ Junichi Kyogoku, *The Political Dynamics of Japan* (Tokyo: University of Tokyo Press, 1987). The revisionists emphasized the dominance of informal over formal processes to cast doubt on the legitimacy of Japanese policies. See Karel van Wolferen, *The Enigma of Japanese Power* (New York: Knopf, 1989).

²⁹ Michio Muramatsu, “Patterned Pluralism Under Challenge: The Policies of the 1980s,” *Political Dynamics in Contemporary Japan*, Gary D. Allinson and Yasunori Sone, eds. (Ithaca: Cornell University Press, 1993), 51.

³⁰ Formerly the Ministry of International Trade and Industry (MITI).

³¹ Michael D. Swaine et al., *Japan and Ballistic Missile Defense* (Santa Monica, CA: RAND, 2001), 49.

³² Drifte, *op. cit.*, 19; Masahiko Sasajima, “Japan’s Domestic Politics and China Policymaking,” *Alliance for Engagement: Building Cooperation in Security Relations with China* (Washington, DC: Henry L. Stimson Center, 2003), 83.

³³ Keidanren is an association of leading enterprises, including major industrial associations. It was once so powerful that its chairman would be labeled the prime minister of *zaikai*. Hidetaka Yoshimatsu, “Japan’s Keidanren and Political Influence on Market Liberalization,” *Asian Survey*, vol.38, no.3 (1998), 328-345.

have often supported positive relations with China.³⁴ This group continues to promote good relations with China for economic interest today, but it is evident from statements by METI in the White Paper on International Trade 2001³⁵ and other sources that China's economic rivalry is of increasing concern to Japan.

The rapid expansion of Japan's relationship with China after the normalization of relations increased the number of ministries having substantial dealings with China, including the Ministries of Education, Agriculture, Transport, and Justice, as well as the Defense Agency (JDA). This growth in points of contact has rendered management of China policy increasingly complex and challenging. Disputes over Chinese exports of agricultural products to Japan—*shiitake* mushrooms, *tatami* reeds, and leeks—in early 2001 revealed the difficulty of maintaining balance in the relationship. Surges in volume of these commodities being shipped to Japan began to threaten Japanese producers, so safeguards were imposed in April, drawing attention to the potential for China to cause harm to Japan's economy through low-cost competition.³⁶ Chinese exporters were backed by Japanese companies, so the battle was actually between domestic farmers (via the Ministry of Agriculture) and Japanese capital investors (via METI). Given the sheer scale of Japan's economic relationship with China, the fact that such conflicts of interest do not more frequently entangle China is the surprising thing. With the addition of stakeholders, the relationship has therefore become more difficult to manage, as it becomes more difficult to maintain a consistent policy toward China.

One can see, therefore, that Japanese national identity has played a role in this changing China policy, as those in the China School who subscribe to a more pacifist national identity are becoming outnumbered by those with a less accommodating stance toward China – the latter of whom have, with the expansion of Japan-China relations after normalization, ironically gained influence in bilateral relations.

The Prime Minister, the LDP, and the Bureaucracy

Suzuki Zenko's assertion of powerlessness notwithstanding, Japanese prime ministers can be influential in diplomacy, a realm less influenced by domestic policy clienteles of the weight of those who often constrain government power in other areas such as construction, health and welfare, and transport.³⁷ As head of government, the Prime Minister represents Japan at diplomatic events and

³⁴ Green, *op. cit.*, 64.

³⁵ Ministry of Economy, Trade and Industry, *White Paper on International Trade 2001*, May 18, 2001. <<http://www.meti.go.jp/english/report/data/gWP2001cpe.html>>

³⁶ Hidetaka Yoshimatsu, "Social Demand, State Capability and Globalization: Japan-China Trade Friction Over Safeguards," *Pacific Review* vol.15 no.3 (2002), 395-397.

³⁷ Kenji Hayao, *The Japanese Prime Minister and Public Policy* (Pittsburgh: University of Pittsburgh Press, 1993).

puts a face on the nation. Although foreign affairs have typically assumed a low priority for politicians, candidates for the premiership have generally tried to demonstrate their ability to manage key relationships—first and foremost with Washington, but increasingly with Beijing as well since the normalization of relations in 1972.³⁸

Perhaps more important than his role as head of government is the fact that for all but a few years since the end of World War II and the formation of the Liberal Democratic Party (LDP), the party president and the prime minister have been one and the same.³⁹ Because Japan has a highly bureaucratic system of government, MOFA has mainly been in charge of managing Japan's China policy within broad outlines set by the ruling party.⁴⁰ However, since the 1990s, the LDP has begun to play a greater role in formulating China policy. Takamine Tsukasa argues that the power to formulate Official Development Assistance (ODA) policy toward China has dramatically shifted from MOFA to the LDP due to various factors including the LDP's steady accumulation of foreign policy-making knowledge, its enhanced access to important diplomatic information held by MOFA, and the political will of LDP members to take a leading role in foreign policy-making.⁴¹

The following chapters will detail how changing perceptions of national identity between prime ministers affected policy, from Yoshida's pacifist Doctrine to Nakasone's nationalism. However, until recent years, the prime minister's influence has often been felt more through his role as party president than in his formal role as the country's chief executive; thus, it is also worthwhile to consider the role of national identity in the LDP bureaucracy.

Cabinet policies were formed routinely through official LDP committees on specific policy issues, especially in the Policy Affairs Research Committee (PARC). Special committees within the party have also allowed LDP Diet members to negotiate policy positions with bureaucrats and with each other before legislation comes to a vote in open Diet session. The existence of the committees, their membership, and even their deliberations to some degree, are public information. The LDP has an entire shadow government in its party headquarters, despite being the ruling party. In other words, the party organs are another layer of the policy-making process. Bureaucrats work closely with those committees that oversee their areas of jurisdiction, seconding officials to

³⁸ Nathaniel Thayer, interview, February 3, 1999.

³⁹ From 1955 to 1993, Japan was ruled continuously by a single political party, the LDP. Even after losing its majority and being excluded from the executive government in 1993, the LDP returned to power as part of a coalition in 1995, took back the office of prime minister in 1996 and has controlled the office to the present.

⁴⁰ Drifte, *op. cit.*, 19.

⁴¹ Takamine Tsukasa, "Domestic Determinants of Japan's China Aid Policy: The Changing Balance of Foreign Policymaking Power," *Japanese Studies* vol.22 no.2 (2002), 206.

explain the ministry position on policy issues to party members. They will even circulate draft legislation for committee members' input and advice.

LDP committees are formalized groups of *zoku giin*⁴²—policy “experts” who serve as conduits of influence from constituencies to bureaucrats. *Zoku giin* arose because many political leaders (especially in the immediate postwar period) emerged from the bureaucracy, so had both technical understanding of issues and an avenue to former colleagues. When businesses sought help in their dealings with ministries, those former bureaucrats were an outstanding asset. It soon became clear to other Diet Members who were not from a ministry background that the development of policy expertise in a specific area was the key to fulfilling a useful role as intermediary. They have tended to cluster around ministries with a great deal of money to dispense on pork barrel projects, so the construction *zoku* is the largest.⁴³

In some areas, *zoku giin* are strong enough to circumvent or even resist the Prime Minister (which explains in part why Prime Minister Koizumi has been so aggressive with regard to postal privatization: he is fighting the post office *zoku*). In foreign policy, however, there is very little formal organization of political influence. Diet Members associations, leagues, and study groups may provide a venue for modest involvement on the fringes of important issues, but as far as China is concerned, to gain real leverage politicians rely on factional connections

Factions

Factions are an important feature of Japanese political life. Their origin lies in the former electoral system that saw multiple representatives chosen within a medium-sized district.⁴⁴ To obtain a majority of seats in the National Diet, a political party needed to win multiple seats in each district. With candidates in each camp in direct competition for votes, they rallied around key figures for support—faction leaders. As a faction grew in size, it could exercise greater influence on policy and obtain Cabinet positions for its members, so it would naturally attract more political donations to fund costly electoral campaigns. Beyond a certain size, a faction tended to become unwieldy and split apart, so no single faction could completely dominate either conservative or socialist parties.

⁴² Literally “tribe Diet Members,” they are understood to specialize in one issue area.

⁴³ See Nathaniel B. Thayer, *How the Conservatives Rule Japan* (Princeton, NJ: Princeton University Press, 1969), 66; Gerald Curtis, *The Logic of Japanese Politics: Leaders, Institutions, and the Limits of Change* (New York: Columbia University Press, 1999), 53-55.

⁴⁴ See Chapter 3, “The Liberal Democratic Party: The Organization of Political Power” in Gerald L. Curtis, *The Japanese Way of Politics* (New York: Columbia University Press, 1988), 80-88. This section shows that the current factions originated at least in part from the grouping that the Liberal party (Jiyuto) and Democratic Party (Minshuto) had before the two merged and formed LDP in 1955. But the electoral system allowed this to continue, as before the reforms of 1993, the electoral system allowed for candidates from the same party to compete against each other in the same district.

The LDP and the opposition Japan Socialist Party (JSP) both sustained a pronounced factional structure throughout the postwar era.

By assembling a large group of Diet Members into a voting bloc, factions have implications not only for the election of the Prime Minister, but also for the accumulation of connections to the policy process. *Zoku giin* (policy “experts”) from various different tribes can effectively pool their leverage to create a one-stop shop for potential clients, through which businesses can effectively buy influence on the government’s policies.⁴⁵ The Tanaka faction, the largest in any party, billed itself as a “general hospital” where a specialist was available to meet any needs.⁴⁶

The informal mechanisms of policy-making that relied on *zoku giin* to influence the government on behalf of the private sector did not operate merely as an exchange of services for cash.⁴⁷ Although it was functionally one leg of the “iron triangle”⁴⁸ that bound businesses, ministries, and politicians together, the participants could avoid the taint of corruption because they built a community of interest through close contact. This though not at all a peculiarly Japanese phenomenon, this process is greatly emphasized by the cultural practices of Japanese politics, especially the relative weight of informal practices in decision-making.⁴⁹

The split in the LDP and its defeat in the July 1993 Lower House election, and the onset of a coalition government considerably undercut the power of the factions, since policy could no longer be settled within *zoku* or among LDP

⁴⁵ See Benoit Leduc, “The Anatomy of the Welfare-Zoku: The Institutional Complementarity of the Party Commissions and the National Reform Councils in LDP Decision Making,” *Pacific Affairs* Winter (2003/2004).

⁴⁶ Kim Eric Bettcher, “Factions and Interest in Japan and Italy: The Organizational and Motivational Dimensions of Factionalism,” *Party Politics* vol.11 no.3 (2005), 346.

⁴⁷ It is important to note that non-LDP parties also rely on factional connections in order to influence China policy. For example, it is through factional connections with the private sector that the Japan Socialist Party (JSP) was able to influence China policy after the war, as, for example, business groups would ask the JSP to introduce them to Chinese foreign trade authorities. Kenro Nagoshi, *Kuremurin Himitsu-bunsho wa Kataru: Yami no NiSso kankei-shi (A Story of Secret Documents in the Kremlin)* (Tokyo: Chuo Koron Publisher, 1994), 145. The JSP was quite connected to China and was active in discussing and pushing for normalization. Go Ito, *Alliance in Anxiety: Détente and the Sino-American-Japanese Triangle* (New York: Routledge, 2003), 97.

⁴⁸ See Chapter 3, “The Liberal Democratic Party: The Organization of Political Power,” in Curtis, *The Japanese Way of Politics, op. cit.*, 115-116. This section explains how *zoku* align with bureaucrats and interest groups, trying to find areas of compromise between what interest groups want and what the government is prepared to give.

⁴⁹ For more on how informal groups like advisory councils (*shingikai*) have increased their influence in the government, see Hitoshi Abe et al., *The Government and Politics of Japan (Gaisetsu Gendai Nihon no Seiji)*, translated by James W. White (Tokyo: University of Tokyo Press, 1994), 43-44; Gary Allinson, “Citizenship, Fragmentation, and the Negotiated Policy,” *Political Dynamics in Contemporary Japan*, Gary D. Allinson and Yasunori Sone, eds. (Ithaca, NY: Cornell University Press, 1993), 1-14.

factions, but had to be negotiated among coalition parties. Additionally, the change of the electoral system to single-member districts and the strengthening of the Cabinet system that began under the umbrella of administrative reform (*gyosei kaikaku*)—efforts that were initiated by Obuchi and Hashimoto administrations and took effect in 2001—all challenged the effectiveness of factions. Still, factions continue to survive because they remain vital channels of informal influence.

The following chapters will examine in depth the integral role that national identity arguments have played in factional politics and China policy, ranging from dispute over the 1960 US-Japan Mutual Security Treaty to the intra-party split regarding “study groups” with differing viewpoints on China. However, at this point it is important to analyze the split of the LDP in 1992, not only because it changed the structure of policymaking, but also because it exemplifies how a different national identity (Ozawa’s “normal country” idea, explained below) is able to affect factional politics and, subsequently, China policy.

The LDP Split and the Onset of Coalition Government

The split of the LDP in 1992 and its defeat in the July 1993 Lower House election had major implications for the formulation and management of Japanese foreign and domestic policy. Because of the long reliance on LDP’s single-party dominance and its informal coordination mechanism, the formal mechanisms of government were not adequate to form and implement policies without political guidance. Without a clear alternative decision-making structure, Japan’s policy-making process entered into a period of drift. Japan’s relations with both China and the United States were also affected by a certain drift in policy formulation. In many ways this change in the very structure of Japanese politics was an inevitable consequence of broader economic and societal shifts, as well as the evolution of Japan’s ideation of itself.

The 1992 split of the LDP had several causes. One was the corrupting effect of the bubble economy. Serious financial scandals involving senior LDP figures disrupted the factional balance and the process of selecting the party president and prime minister every two years. The Takeshita faction⁵⁰ was so successful at raising illegal cash contributions from business and other interest groups that it posed a threat to the other factions. A bribery scandal involving the Recruit Company forced then-Prime Minister Takeshita himself to resign in April 1989.⁵¹

Competing ideation of Japan’s place in the world also played an important role in the LDP. One of the younger members of the Takeshita faction, Ozawa Ichiro, led a party revolt in 1992 that was driven importantly by frustrated ambitions

⁵⁰ Takeshita and his faction took over the Tanaka faction as most dominant, see Curtis, *The Logic of Japanese Politics*, *op. cit.*, 82.

⁵¹ William Nester, “Japan’s Recruit Scandal: Government and Business for Sale,” *Third World Quarterly* vol.12 no.2 (1990), 91-109.

and a confrontation with the LDP “Old Guard” over political reform, but also by Ozawa’s championship of the “normal country” concept.⁵²

As will be seen below, the series of non-LDP and LDP-led coalitions also weakened the China “pipe” and significantly complicated the formulation of both domestic and foreign policy. By the late 1990’s, the collapse of single-party governance had led to the emergence of a stronger cabinet system that was begun by Prime Minister Obuchi Keizo (July 1998-April 2000) and consolidated by Koizumi Junichiro (April 2001-present).

INFORMAL CHANNELS

In the immediate post-World War II period, the United States allied with Japan in order to contain the Communist USSR and China. The Japanese Prime Minister, Yoshida Shigeru, however, did not agree with the US policy of containment. Yoshida, eyeing China’s low labor cost, purchasing power, and wealth of natural resources, established economic relations with China through informal channels, namely through business (as opposed to diplomatic or governmental) contacts.⁵³ In 1972, when the United States established a new relationship with China to counter the USSR,⁵⁴ Prime Minister Tanaka Kakuei, with the support of private businessmen and members of the opposition, took the opportunity to quickly normalize diplomatic relations with China.⁵⁵

From the postwar period until the normalization of relations in 1972, all Japanese channels to Beijing were informal. Even after the establishment of embassies and the dispatch of diplomatic personnel to China, the informal channel to the Chinese leadership continued to be an important asset. Those who had proven themselves to be “friends of China” retained lifelong *guanxi* (personal connections). Of the many Japanese individuals who had worked to advance Japan-China Friendship, no one had more back-channel influence than Tanaka Kakuei with his “pipe” of personal connections to the Politburo of the Chinese Communist Party (CCP). Tanaka used the network to continue

⁵² Ozawa derided Japan’s passive foreign policy and minimalist defense policy, arguing that Japan had to act more like a normal country if it wanted to retain its alliance with the United States and be accepted and respected by the rest of the world. Ozawa explains his position on these and other issues in Ichiro Ozawa, *Blueprint for a New Japan*, translated by Louisa Rubinfiel (New York: Kodansha International, 1994), 114-115.

⁵³ Ito, *op. cit.*, 81; Sadako Ogata, “The Business Community and Japanese Foreign Policy,” *The Foreign Policy of Modern Japan*, Robert A. Scalapino, ed. (Berkeley and Los Angeles, CA: University of California Press, 1977), 175-203.

⁵⁴ Ryosei Kokubun, “Pursuing the New Japan-China Relations Beyond the 1972 Systems,” *Gaiko Forum* (October 2002), 8.

⁵⁵ Haruhiro Fukui, “Tanaka Goes to Peking: A Case Study in Foreign Policymaking,” *Policymaking in Contemporary Japan*, T.J. Pempel, ed. (Ithaca, NY: Cornell University Press, 1977); Zhao Quansheng, *Japanese Policymaking: The Politics Behind Politics: Informal Mechanisms and the Making of China Policy* (New York: Oxford University Press/Praeger, 1993).

managing Japan-China relations from behind the scenes even after he was forced from office in 1974 because of a financial scandal.

Ohira Masayoshi, who was Foreign Minister in the Tanaka cabinet when relations were normalized, also became one of the “friends” of China. In 1979, he became the first Prime Minister to provide ODA to China (with behind-the-scenes collusion from Tanaka). Japan’s provision of immense amounts of ODA to China was both for economic interest and a form of reparation for damages caused during the war. Tanaka’s successor as head of the largest faction in the ruling LDP, Takeshita Noboru, who became Prime Minister in 1987, inherited the pipe to China. Takeshita delivered a massive package of ODA and concluded an investment protection agreement in 1988 as Prime Minister, unleashing a torrent of Japanese capital to fuel China’s growth.

The Ideology of Friendship

It is critical to recognize that the personal dimension of the pipe to China also reflected an ideological dimension. The centrality of Tanaka Kakuei’s role was not just as a personal friend; he encapsulated and symbolized the entire paradigm of Friendship relations between Japan and China. The quid pro quo for Tanaka’s influence with the Chinese, used on behalf of the clients of the Tanaka faction, was that he positively exercise influence within Japan to maintain the Friendship paradigm. Under Tanaka, this meant constraining the expression of Japanese national identity to the limits of friendship: perpetual penitence over historical crimes.⁵⁶

Interpretation of history was the critical point of overlap between the domestic political order and Japan-China relations. The official visit of Prime Minister Nakasone Yasuhiro to worship at the Yasukuni Shrine on August 15, 1985, the fortieth anniversary of Japan’s defeat in World War II, marked a key battle in Japan’s postwar contest over national identity, and became a major issue in relations with Beijing. Nakasone’s effort to change the meaning of “friendship” to allow for a more positive image of Japan as a nation-state was unacceptable.

Nakasone saw himself as an heir to the normalization clique, having supported Tanaka’s election to the premiership in 1972. Having been appointed MITI Minister in the first Tanaka cabinet, Nakasone also visited China early on to advance plans for cooperating with China’s heavy industrial development. Years later, in 1980, Nakasone exploited the pipe to meet with senior Chinese leaders, laying the groundwork for his personal connection to Hu Yaobang. He even appropriated the *guanxi* concept in his attempt to renovate friendship, using his personal ties to Hu as backing. Nakasone himself argues that he was a friend of China, suggesting that his own sensitivity to defeat and occupation by the

⁵⁶ Under Tanaka, the Joint Communiqué was issued, which states in the preamble: “The Japanese side is keenly conscious of the responsibility for the serious damage that Japan caused in the past to the Chinese people through war, and deeply reproaches itself.” *Joint Communiqué of the Government of Japan and the Government of the People’s Republic of China*, September 29, 1972. <<http://www.mofa.go.jp/region/asia-paci/china/joint72.html>>

United States gave him a better understanding of China's suffering at the hands of Japan.⁵⁷ At China's request, Nakasone also stopped visits to the Yasukuni Shrine as Prime Minister after his controversial visit in 1985.⁵⁸ Regardless, his ethno-nationalism and support for a stronger military alienated China thoroughly, as further explained in the next chapter.

The Friendship paradigm was unchallenged under Takeshita, not because he was exceptionally fond of China, but because it made sense. Before the Tiananmen massacre in 1989, few complained about Japan's policies.⁵⁹ The political and diplomatic turmoil following the massacre actually strengthened the Friendship paradigm by resurrecting the Japanese notion of having a special mission to aid China, which was weak and needed help.⁶⁰

Changing Ideology and Its Affect on the Pipe

As noted earlier, in 1992, the Takeshita faction split over the issue of political reform. Reform-minded LDP members led by Ozawa Ichiro's withdrew to form a new conservative party, and the pipe was caught up in political turmoil. The influence of the China pipe momentarily faltered because of Ozawa's call for Japan to become a "normal" nation. The LDP regained power in a previously unthinkable coalition with the Japan Socialist Party (JSP) in June 1994. In theory, the Socialist Prime Minister, Murayama Tomiichi, was perfectly suited to act as a surrogate for Takeshita in terms of friendship, as he was himself an old "friend of China." His efforts to resolve historical tensions failed, however, in part because he did not have the support of the LDP's conservative mainstream.⁶¹

Takeshita's heir in terms of the pipe, Nonaka Hiromu, Obuchi's Chief Cabinet Secretary and a senior party figure, had the proper friendship credentials but stood to the left of the bulk of the LDP. Nonaka also lacked the factional clout of Tanaka and Takeshita before him, and was unable to exercise sufficient

⁵⁷ Yokoyama Hiroaki, *Nit-chu no shoheki: Senso to yuko no daisho (The Invisible Wall between Japan and China: A Legacy of the War)* (Tokyo: Simul Press, 1994).

⁵⁸ Secretary-General of the Communist Party Hu Yaobang released a four-point statement on Nakasone's visit to Yasukuni, and in response, Nakasone stated that he understood China's position. In this sense, it appears that Nakasone was quite quick to yield to China's position. *China and Japan: History, Trends, and Prospects*, Christopher Howe, ed. (New York: Oxford University Press, 1996), 71.

⁵⁹ One of the few exceptions was Tomoyuki Kojima, "Japan's China Policy: The Diplomacy of Appeasement," *Japan Echo* vol.15 no.4 (1988), 24-28. Japan's yen loans were subject to criticism; ironically, Kojima emerged as a major defender of Japanese aid to China some fifteen years later.

⁶⁰ Japan continued to argue for stronger economic ties and increased engagement with China at the Houston Summit in 1990. This is well described in Wolf Mendl, *Japan's Asia Policy: Regional Security and Global Interests* (New York: Routledge, 1995), 83-84.

⁶¹ Wakamiya Yoshitomi, *The Postwar Conservative View of Asia: How the Political Right Has Delayed Japan's Coming to Terms with its History of Aggression in Asia* (Tokyo: International Library Foundation, 1998).

authority over the political world. Nonaka passed the pipe along to Koga Makoto⁶², an aspiring leader of his party but without even the heft of Nonaka, let alone Takeshita or Tanaka. Koga furthermore was not really steeped in the “friendship” tradition, but assumed the mantle because of his closeness to Nonaka on the ideals of pacifism and Article 9 of the Japanese Peace Constitution.⁶³ That Koga (who did not have the political weight of previous leaders but did believe in Japanese pacifisms) could take over the pipe reveals that the friendship channel was completely backward-looking, with its core concern the question of history.

The legacy of Tanaka's breakthrough also clung to his daughter, Tanaka Makiko, who as Foreign Minister in the Koizumi Junichiro cabinet was expected (both in Tokyo and Beijing) to be able to bridge the growing divide between the two sides and keep relations smooth. China continued to lavish her with praise as the embodiment of “friendship” even after her dismissal from the cabinet in January 2002 for making remarks critical of Koizumi.

It is clear that throughout the 1990s, informal channels of Japanese relations with China continued to decline. In the past, when a crisis developed in Japan-China relations, influential politicians such as China experts Matsumura Kenzo and Furui Yoshimi⁶⁴, considered by China as “old friends,” entered into mediations and searched for methods to resolve matters through the use of personal connections. However, from the latter half of the 1980s, the resolution of situations through personal channels was replaced by dialogue centered on normal diplomatic channels and summit exchanges.⁶⁵ Most senior figures of the LDP who had helped foster friendship ties both before and after normalization

⁶² See “LDP's Nonaka, Koga to Visit China,” *Jiji Press Ticker Service*, April 11, 2002. One could argue that the pipe was also passed along to Prime Ministers Obuchi Keizo and Hashimoto Ryutaro. For example, Hashimoto made the first visit of a Japanese Prime Minister since World War II to the site where Japan's invasion erupted in 1931, and Obuchi became the next prime minister to visit in 1999. However, this also signified weakening of the pipe as, in general, the resolution of problems was happening more and more through normal diplomatic channels and summit exchanges and less through truly “informal” channels. Susan V. Lawrence, “Prickly Pair: China and Japan Remain Civil – and Deeply Divided,” *Far Eastern Economic Review*, July 22, 1999, 20.

⁶³ Article 9 of the Japanese Peace Constitution promoted by the US Occupation forces in 1946 and still followed today renounces Japan's right to wage war. For more on Koga's pacifist and pro-China stances, see “Japanese War-Bereaved Association asks PM to consider Asia in shrine visits,” *Kyodo News Service*, June 11, 2005; “War Bereaved Families in Dilemma,” *Asahi Shimbun*, July 8, 2005.

⁶⁴ Furui Yoshimi, an LDP politician, was an active participant in the unofficial exchange between Japan and China. See Furui Yoshimi, “Nitchku kokko seijoka no hiwa” (“The secret history of Japan-China diplomatic normalization”), *Chuo Koron* December (1972), 136. Kenzo Matsumura, a senior LDP statesman, also participated in such dialogue. For example, he had talks with Zhou Enlai, and based on the political agreement reached between the two, a new framework agreement on trade relations to cover 1963 to 1967 was signed in November 1962. Kazuhiko Togo, *Japan's Foreign Policy, 1945-2003: The Quest for a Proactive Policy* (Boston: Brill, 2005), 122-123; Akira Iriye, “Chinese-Japanese Relations, 1945-1990,” Howe, *op. cit.*, 54.

⁶⁵ Sasajima, *op. cit.*, 83.

have passed away. Openly pro-China advocates are now sparse and weak⁶⁶ Kato Koichi, something of a political maverick with a sympathetic view towards China, was widely criticized when he said in a 1998 speech that Japan should seek to construct an equidistant triangular relationship with the United States and China.⁶⁷

Openly pro-Taiwan members of the LDP often have a negative impact on Japan's China policy. Because Japan renounced formal diplomatic relations with the Republic of China (ROC) in Taiwan when it normalized relations with the People's Republic of China (PRC) on the Mainland, all the mechanisms for handling relations between Japan and Taiwan since 1972 have been informal. The key informal institution in Japan-Taiwan relations has been the Japan-ROC Diet Members' Consultative Council or the *Nikka Kankei Giin Kondankai* (*Nikkakon*), which has dominated the LDP pro-Taiwan interest groups since 1973. *Nikkakon* became the principal organization for expressing pro-Taiwan opinion in the Diet and sending delegations to visit Taiwan. It has been the key channel of direct contact for problem solving and the discussion of high-level issues of mutual concern. Until the early 1990s, mainly the LDP conservative politicians with strong belief in anticommunism or with strong personal preference over Taiwan monopolized the pro-Taiwan school. After the Cold War, Japan's Taiwan connection lost some of these elite fraternal ties.⁶⁸ However, young politicians' affinity towards Taiwan has grown in the past decade. The Japanese have positive attitudes towards a Taiwan that is democratic and that shares a comparatively benign colonial legacy with Japan. Japan is the largest exporter to Taiwan, supplying electronic equipment and components to the island's high-tech industries.⁶⁹ Local politicians, such as Tokyo Governor Ishihara Shintaro, have expressed support for upgrading relations with Taiwan. In November 1999, Ishihara became the highest-ranking Japanese official to visit Taiwan since 1972.⁷⁰ Increasingly, support for Taiwan

⁶⁶ Both the pro-China lobby in Japan and the Japan sympathists in China have declined in influence, and Chinese researchers who specialize in Japan affairs are also generally careful so as not to appear as apologists for Japan. Drifte, *op. cit.*, 120-121. Osaka Yuji, "China and Japan in Asia Pacific: Looking Ahead," *Challenges for China-Japan-US Cooperation*, Ryosei Kokubun, ed. (Tokyo: Japan Center for International Cooperation, 1998), 93-94.

⁶⁷ Michael Armacost and Kenneth Pyle, "Japan and the Engagement of China: Challenges for U.S. Policy Coordination," *NBR Analysis* vol.12 no. 5 (2001), 31-32.

⁶⁸ Nikkanon was founded in March 1973 by twenty-seven right-wing LDP members, such as Ishii Mitsujiro and Funada Naka. Nikkanon members have often had close personal connections to Taiwan. Phil Deans, "The Taiwan Question in Chinese-Japanese Relations in the Twenty-First Century," *Chinese-Japanese Relations in the Twenty-First Century: Complementarity and Conflict*, Marie Soderberg, ed. (New York: Routledge, 2002), 90.

⁶⁹ Armacost and Pyle, *op. cit.*, 32.

⁷⁰ Gregory C. May, "Taiwan's Role in the China-Japan-U.S. Trilateral Relationship," *Major Power Relations in Northeast Asia: Win-Win or Zero-Sum Game*, David Lampton, ed. (Tokyo: Japan Center for International Exchange, 2001), 57.

has become a vehicle for Japanese nationalism and the expression of anti-PRC sentiment.⁷¹

CONCLUSION

Overall, both formal and informal structures of governance have seen greater negative sentiment, and, subsequently, policy toward China, in large part because of changing perceptions of Japanese national identity. Though METI and especially MOFA have maintained a positive stance toward China, they have had to deal with the decline in the number of China School members (which, incidentally, has also weakened the informal pipeline to China). Furthermore, they had to compete for influence with LDP and other politicians, who are inherently influenced by negative public opinion toward China. Non-LDP politicians such as Ozawa, who left the party in frustration over the “Old Guard” generation and the desire to push his “normal country” concept, pushed the government to adopt less pro-China policies. These policies were reinforced by the generation change that had weakened the influence of the China pipe and weakened the role of the factional system. Because of the momentum of this ideational change, and because of its ability to impact domestic political actors, this path will not likely shift soon and a move back towards the Friendship paradigm seems unlikely.

⁷¹ Deans, *op. cit.*, 95. For example, Taiwan's highest-profile supporter and one of China's biggest detractors is the mayor of Tokyo, the nationalist Ishihara Shintaro.

LEGACIES OF THE PAST IN JAPAN-CHINA RELATIONS

Japan has always existed in the shadow of China. Since the dawn of recorded history, the Chinese transferred knowledge to Japan. China's "beneficence" has been a method of establishing its centrality to Japan. China was the source of tangible technology for making things—buildings, paper, metal, food—and intangible practices such as Buddhism and bureaucratic governance. Japan's cultural debt to China continues to be an element in the relationship today, used by both sides to imply that common roots will produce cooperation. From Japanese, mention of this cultural debt as a reason to support China's modernization is a more palatable substitute for war guilt. Nonetheless, it is the war that dominates any discussion of history in Japan-China relations.

The question of history has been especially salient in recent years as the apparent cause of political friction between Tokyo and Beijing. This chapter is intended not as an explanation of history as an issue in the bilateral relationship—which would involve looking at the Chinese side's beliefs and manipulations—but rather as an exploration of the internal struggle over history inside Japan.

Japanese understandings of history are more sophisticated and complex than usually thought. The widespread assumption that the Japanese are not knowledgeable about history because their education system has whitewashed their crimes of imperialism and aggression misunderstands the situation. The Japanese are extremely aware of having fought a war with China, but their understanding of the causes and nature of that war is distorted or lacking.

The first war during the Meiji Period was the first Sino-Japanese War of 1894-5. It was fought to end Chinese suzerainty over Korea (and to forestall Russian domination of the peninsula). Japan's victory demonstrated its superiority over China, consolidating the image-identity shift that had begun in the 1850s when the traditional reverence for Chinese learning (*kangaku*) collided with the reality of the Opium Wars and the Taiping Rebellion (1851-1864). Contempt for the ossified Qing dynasty had been growing for many years, and the stunning victory routed the supporters of *kangaku* within Japan.⁷²

⁷² Noriko Kamachi, "The Chinese in Meiji Japan: Their Interactions with the Japanese before the Sino-Japanese War," *The Chinese and the Japanese: Essays in Political and Cultural Interactions*, Akira Iriye, ed. (Princeton, NJ: Princeton University Press, 1980), 58-73. Those who remained attached to Chinese traditional learning performed the elegant trick of separating *kangaku* from the Qing Dynasty, which being Manchu was not truly Chinese. Just as their Western counterparts could hold the Classics of Greece and Rome in high esteem while denigrating contemporary Greece and Italy, some Japanese could still place value on Chinese learning amid the climate of contempt.

The difference of status was clear at the signing of the Treaty of Shimonoseki in 1895. An engraving of the event shows Japanese negotiators in modern Western dress, with their Chinese counterparts in traditional Manchu costume. Having established a constitutional monarchy, a modern army and navy, and a powerful centralized bureaucracy, Meiji Japan had emerged from the status of being the target of colonization to a colonizer.

Shortly thereafter, Japanese began discussing their obligation to teach China, to repay the cultural debt.⁷³ Feeling both a profound sense of obligation and a benign condescension, they established schools, sponsored young Chinese studying in Japan, and transferred technology.⁷⁴ This did not prevent a simultaneous effort to extend economic interests, political domination, and even territorial control on the continent. Still, it reflected an important theme in Japanese attitudes about their place in the world and an almost archetypal image of China. The evolution from revering an idealized China to despising a chaotic China and then (in many but not all cases) to leading a backward China took several decades of world-shaking change, during which time Japan experienced a similarly profound transformation of its image of itself.

Seizing the opportunity presented by World War I, Tokyo abandoned the effort to work out some *modus vivendi* with the Chinese and sought instead to dominate China's economy and displace all other colonial powers. The Okuma Shigenobu cabinet issued the infamous "Twenty-One Demands" to the Chinese Republican government under President Yuan Shikai in January 1915. That Japan was unable to exploit the distraction of the West to extend its colonial dominion in China can be explained in large part by its arrogance and failure to appreciate the strength of nationalism in China, even in a period of political tumult. The revelation of the demands, which President Yuan was prepared to sign, generated a mass boycott and the May Fourth Movement of 1919, organized by students of Peking University and other universities in the capital. These students protested against the Japanese demands and the decision of the Western powers at the Peace of Versailles to give Japan the former German concessions in Shandong Province, rather than return them to China. The young Mao Zedong led a revolt in Hunan Province against the local warlord, an action that set in motion the Communist Party's ultimately victorious war against Chiang Kai-shek and the equally nationalist Republic of China.

Entering the 1920s, Japan's interests in China were increasingly at risk, challenged not only from the outside by the Western powers and the Open Door policy of the United States, but by the threat of unification of China under Chiang Kai-shek.⁷⁵ At the Washington Conference in 1922, Japan surrendered

⁷³ Douglas R. Reynolds, "A Golden Decade Forgotten: Japan-China Relations, 1898-1907," *The Transactions of the Asiatic Society of Japan*, Fourth Series vol. 2 (1987), 93-153.

⁷⁴ Douglas R. Reynolds, *China, 1898-1912: The Xinzheng Revolution and Japan* (Cambridge, MA: Harvard University Press, 1993), 127-192.

⁷⁵ William F. Morton, *Tanaka Giichi and Japan's China Policy* (New York: St. Martin's, 1980).

its alliance with Britain under intense pressure from the United States, accepting instead the Four-, Five-, and Nine-Power Treaties. These treaties represented an attempt to structure East Asian international relations through arms control and collective security to prevent disputes from growing into war, but the Nine-Power Treaty merely papered over differences between the United States and Japan, prohibiting the outside powers from expanding their influence in China while respecting Japan's special interests in Manchuria.

Japanese attitudes about China shifted after the mid-1920s from patronizing to a new ruthless objectification of China. The concept of China as a nation was at the root of the challenge emerging from unification under Chiang's Nationalist party, and the view that China was merely a "geographic area" was Japan's ideational counterattack. Although historians point to 1931 as the watershed year, when Japan launched into the "15 Years War," the shift in image had already taken place. The collision course of Chinese unification and Japanese interests in Manchuria had become clear by 1928, and the assassination of Manchurian overlord Chang Tso-lin in June of that year⁷⁶ decisively marked the end of civilian control of the *Kantogun*, the name for the politically powerful Japanese Kwantung Army, which controlled the southern part of Manchuria, the source of important industrial inputs and production for the Japanese economy.

It is the sense of China as a geographic concept and not a country that is conveyed by the Japanese expression "*Shina*." It is particularly offensive to Chinese because of its association with the historical denial of nationhood. At the same time, it allowed Japan to turn its imperialist exploitation into a mission, extending the benefits of order and the rule of the Divine Emperor.⁷⁷

Beginning with the military engagement in China in the 1930s and strengthening during the wartime hell, the propaganda apparatus reshaped national identity with slogans of Emperor Worship. Attitudes about China were mainly an extension of the fighting there, a place where young men went off to die. The geographic term *shina* was supplanted by the even vaguer general term *tairiku*, the continent.⁷⁸

⁷⁶ Chang had previously cooperated with the Japanese, but when he sought to throw his allegiance to Chiang Kai-shek, the Japanese killed him.

⁷⁷ The US hoped to reassert its influence in the region, while Japan hoped to increase its freedom of action in Manchuria. Sadao Asada, "Japan's Special Interests and the Washington Conference, 1921-22," *American Historical Review* vol.67 no.1 (1961), 62-70.

⁷⁸ Matsusaka argues that Japan recognized the rise of Chinese nationalism, and thus opted to restrain its expansionist policy somewhat to manage those nationalist sentiments. However, when Chinese nationalism could no longer be restrained this way, the Japanese did not back off; on the contrary, it responded more extremely against the view of China as its own nation. Yoshihisa Tak Matsusaka, *The Making of Japanese Manchuria, 1904-1932* (Cambridge, MA: Harvard University Press, 2001), 35.

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Increasingly during the military engagement in China in the 1930s and strengthening during the wartime hell, the propaganda apparatus in Japan attempted to increase the sense of national identity.⁸⁰ Attitudes about China were mainly an extension of the fighting there, a place where young men went off to die. The geographic term *shina* was supplanted by the even vaguer general term *tairiku*, the continent.

As Japan's war expanded to include the “ABCD Powers”—Americans, British, Chinese, and Dutch—there grew a profound resentment against China that grew in Japan for gaining support from abroad. Japan had been the first to adopt constitutional government, and had instituted universal male suffrage by 1925. Japan had emulated the West in its domestic order, in its customs, and in its foreign policy, only to be rejected in favor of China. This concern about being replaced in the hearts of the world by the Chinese has been a recurrent theme, echoed in the postwar era by the Nixon Shock in the 1970s and Japan Passing in the 1990s.

POSTWAR INFORMAL RELATIONS

After defeat in World War II and unconditional surrender, Japan had no sovereignty and thus no foreign relations. These were under the total control of Douglas MacArthur, the Supreme Commander of the Allied Powers (SCAP). In this sense, although there were some in Japan who proposed signing the peace treaty with all parties at the same time, Japan had no choice but to accept the separate peace offered at San Francisco in 1951 and to attempt to reach its own peace agreement with the Soviet Union and China at a later date.⁸¹ But the Cold War had begun, and the United States Senate had no intention of allowing Japan to recognize the Communist People's Republic of China, despite diplomatic agreement with Britain that Japan would be left free to decide on its own (Britain's interest in Hong Kong compelled it to establish ties with the PRC). Yoshida Shigeru, Prime Minister from 1946 to 1947 and then 1948 to 1954, was

⁷⁹ Stefan Tanaka, *Japan's Orient: Rendering Pasts into History* (Berkeley: University of California Press, 1993), 3-4.

⁸⁰ A strong, advanced and modern Japanese identity helped to motivate the population to wage war. Barak Kushner, *The Thought War: Japanese Imperial Propaganda* (Honolulu: University of Hawai'i Press, 2006), 22.

⁸¹ John Dower, *Embracing Defeat: Japan in the Wake of World War II* (New York: WW Norton & Co, 1999); Richard B. Finn, *Winners in Peace: MacArthur, Yoshida, and Postwar Japan* (Berkeley: University of California Press, 1992).

forced to promise to conclude a peace treaty with Chiang Kai-shek's Republic of China, which he did a year later.

Yoshida's own view was that Japan should choose ties with the PRC, which, as the *de facto* government of China, could not be ignored. Japan's economic dependence on China trade was substantial, and Yoshida saw no hope of recovery without access to the China market. He further believed that the Chinese were not truly Communist, and would soon chafe under Stalin's yoke, so economic relations provided a good avenue to wean China away from Soviet influence.

Given the constraints imposed by the United States, however, Tokyo had no choice but to pursue informal relations focused on trade and investment. Yoshida, in fact, had great faith in the power of non-governmental contact—the quotidian business relationships—to improve bilateral relations and change China. As Nakanishi Hiroshi puts it, Yoshida's strategy incorporated “the belief that social change resulting from transnational socioeconomic activities would change state behavior.”⁸²

Japan's ability to maintain some form of contact with China despite the US restriction on its formal diplomatic ties was vital to the long-term recovery of the bilateral relationship. The US strategy to contain China dictated shifting Japan's economic sphere from there to Southeast Asia and to the United States itself, a strategy that succeeded enormously and left Japan in a strong position vis-à-vis China in trade terms. Nonetheless, the search for export markets and the potential profits from business with China were a powerful lure to Japanese firms. Over the postwar era, China learned how to exploit this attraction to its advantage.

The Friendship paradigm emerged first in the realm of trade, but was always political in intent.⁸³ China had initially sought to use the desire for trade to force Japan to recognize it and break off relations with Taiwan. Given the greater influence of the United States, however, and the success of the American plan to shift Japan's economic sphere to Southeast Asia, this produced no positive results. The Nagasaki flag incident of 1958 in which a rightist youth tore down the PRC flag displayed at a trade fair, and the inflexible attitude of the Kishi Nobusuke administration that took office shortly thereafter, were in part a backlash against Chinese pressure.

Chinese leaders, especially Zhou Enlai, were exploring for ways to improve ties with Japan during the period of worsening Sino-Soviet tension. The deep cleavage in Japanese national identity revealed by the 1960 security treaty crisis offered the Chinese a new avenue of influence; they would cooperate with those in Japan who opposed remilitarization and the US-Japan Alliance. The

⁸² Nakanishi Hiroshi, *op. cit.*

⁸³ George P. Jan, “Japan's Trade with Communist China,” *Asian Survey* vol.9 no.12 (1969), 908-9.

Friendship paradigm allowed China to open business relations with Japan while still opposing the Japanese government. It was an acceptance of Japan's approach of *seikei bunri* (the separation of politics and economics), but by shifting its approach to work with friendly elements within Japan, China could exert greater influence on Tokyo.

If the political struggle over Security Treaty revision crystallized the central contest of postwar Japanese national identity, the question of China was never far from the heart of that struggle. Part of the fissure in national identity was related to Communist ideology, but that perspective oversimplifies the nature of pro-China sentiment in the postwar era. Beyond the appeal of Peace and Democracy as ideals for progressive intellectuals, the remnants of pan-Asian idealism, and the hope to foster a split between China and the Soviet Union, there was a sincere and profound sense of obligation to China. Whether it is appropriate to consider sense of obligation a matter of guilt is debatable; it did draw on the need to right the wrongs done in the past, but also drew on older impulses to strive to reshape China and facilitate its modernization. For many Japanese the treatment of the China issue was a touchstone for the handling of the war legacy more broadly: If Japan could make amends and repair its relations with China, it would truly have overcome its past.⁸⁴

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If the political struggle over Security Treaty revision crystallized the central contest of postwar Japanese national identity⁸⁷, the question of China was never far from the heart of the struggle between a security dependent, pacifist identity and a more independent one. Part of the fissure in national identity was related

⁸⁴ Kishi interpreted China's suspension of trade after the Nagasaki flag incident as intervention in domestic affairs, a stance that helped him to win the prime minister election. *Ibid*, 909-910.

⁸⁵ Wesley Sasaki-Uemura, "Competing Publics: Citizens' Groups, Mass Media, and the State in the 1960's," *Positions* vol.10, no.1 (2002), 79-110.

⁸⁶ Jan, *op. cit.*, 912-913.

⁸⁷ Wesley Sasaki-Uemura, *Organizing the Spontaneous: Citizen Protest in Postwar Japan* (Honolulu: University of Hawai'i Press, 2001). For differing Japanese perspectives on the Security Treaty, see Lawrence Olson, *Ambivalent Moderns: Portraits of Japanese Cultural Identity*. (Lanham, MD: Rowman & Littlefield, 1992).

to Communist ideology, but that perspective oversimplifies the nature of pro-China sentiment in the postwar era. Beyond the appeal of Peace and Democracy as ideals for progressive intellectuals, the remnants of pan-Asian idealism, and the hope to foster a split between China and the Soviet Union, there was a sincere and profound sense of obligation to China. Whether it is appropriate to consider sense of obligation a matter of guilt is debatable; it did draw on the need to right the wrongs done in the past, but also drew on older impulses to strive to reshape China and facilitate its modernization. For many Japanese the treatment of the China issue was a touchstone for the handling of the war legacy more broadly: If Japan could make amends and repair its relations with China, it would truly have overcome its past.

Friendship trade proved successful for China, in that it could not only gain in economic terms from transactions with Japan but could apply political pressure through the “friendly firms” themselves.⁸⁸ As more and more businesses sought a foothold in the China market, the mood began to shift against the formal position of complete subordination to Washington. Although the pro forma expression of support for Friendship principles was not in itself politically influential, the gradual accumulation of pro-China views began to reshape the climate of opinion about what was “reasonable.”

By the late 1960s, many more voices within Japan were pushing for recognition of China. Influential LDP Diet Members such as Matsumura Kenzo, Fujiyama Aiiichiro, Ishibashi Tanzan, Miki Takeo, Utsunomiya Tokuma, Matsumoto Shunichi, Akagi Munenori, and others were expressing greater frustration at how the United States prevented Japan from establishing ties with China and ending the isolation that they saw forcing China into belligerent policies. Fujiyama was a domestic conservative, but a foreign policy progressive, who reacted to the Nixon Doctrine by advocating total US withdrawal from Asia.⁸⁹

Others within the LDP, even among those who were somewhat stronger supporters of the Alliance, were concerned about the domestic impact of continuing to follow Washington’s lead. The political context of the late 1960s was one of consistently falling support for the LDP. Despite the decade of tremendous economic growth, the Socialist Party was gaining voters at each election. The skill of the LDP at exploiting the mid-sized electoral district system and the over-representation of conservative rural districts provided the

⁸⁸ Nathan White, *An Analysis of Japan’s China Policy Under the Liberal Democratic Party, 1955-1970*, Ph.D. Dissertation (Berkeley: University of California, 1971). See also Soeya Yoshihide, *Nihon gaiko to Chugoku: 1945-1972 (Japan’s Diplomacy and China: 1945-1972)* (Tokyo: Keio Tsushin, 1995).

⁸⁹ The Nixon Doctrine, put forth in a press conference in Guam on July 25, 1969 by Richard Nixon, stated that the US henceforth expected its allies to take care of their own military defense. Jeffrey Kimball, “The Nixon Doctrine: A Sage of Misunderstanding,” *Presidential Studies Quarterly* vol.36 no.1 (2006), 59-74.

only margin for victory for the LDP, as public opinion polls and aggregate voting behavior showed the LDP and JSP approaching parity.⁹⁰

THE SATO ADMINISTRATION AND CHINA

The *de facto* China policy of the Sato administration, which came to power in November 1964, has been described as a “two Chinas” policy.⁹¹ Sato Eisaku eventually served three successive terms as prime minister from the mid-1960s to early-1970s,⁹² a period that coincided with the most intense period of the Vietnam War.

Owing to the success of the principle of *seikei bunri* (separation of politics and economics), the Japanese government had managed to establish substantial trade ties with the PRC while preserving diplomatic recognition for the ROC. This arrangement worked so well that the Sato administration worked hard to preserve it. Despite the gains to be had by reaching out to Beijing for both national interest and identity politics, Tokyo worked closely with Washington to support Taipei, particularly in the United Nations.

In the late 1960s, the People's Republic of China was gradually winning support around the globe, particularly among former colonies in the developing world. As a result, support in the UN General Assembly (UNGA) for seating the PRC in place of the ROC grew year by year. Under pressure from the US State Department⁹³, the Japanese Foreign Ministry joined the United States in supporting a resolution calling for the decision to seat China to be treated as an “important question,” a procedural matter that would require only a simple majority vote to raise the threshold for Beijing's entry to a two-thirds vote. This meta-question, which effectively supported Taiwan, lost support in the UNGA. By 1970 it became clear that the Chinese might soon have the votes to defeat an “important question” resolution.

In early 1971, still hoping to preserve the ROC seat in the UNGA (if not the Security Council), the United States came up with a new formula, the so-called “reverse important question,” which raised the matter of *unseating* the ROC, rather than seating the PRC, to the two-thirds majority level.⁹⁴ Washington

⁹⁰ See Haruhiro Fukui, *Party in Power: The Japanese Liberal Democrats and Policymaking* (University of California Press, 1970).

⁹¹ *Ibid.*, 227-262.

⁹² Japan's 61st, 62nd, and 63rd Prime Minister, Sato Eisaku was first elected in November 1964, and reelected in February 1967 and January 1970. He was succeeded by Tanaka Kakuei in July 1972, after a bitter fight between the comparative upstart Tanaka and the chosen standard-bearer of the Sato faction, Fukuda Takeo.

⁹³ Michael Lumbers, “The Irony of Vietnam: The Johnson Administration's Tentative Bridge Building to China, 1965-1966,” *Journal of Cold War Studies* vol.6 no.3 (2004), 75-76.

⁹⁴ Joji Kijima, “Taiwan's Break with Japan: 1972 Revisited,” Presented at the European Association of Taiwan Studies Conference, April 18, 2004.

intensely pressured Tokyo to join the support of this UN resolution through the spring of 1971, even as behind-the-scenes diplomacy was paving the way for Secretary of State Henry A. Kissinger's secret visit to China in July.⁹⁵ A last ditch US proposal for dual representation, with Taipei yielding its seat on the Security Council to China while remaining a member of the General Assembly, was a non-starter due to both Beijing's and Taiwan's opposition.⁹⁶

When Kissinger's visit was announced, along with plans for President Nixon himself to travel to China in 1972, Prime Minister Sato was informed only minutes before Nixon went on the air. One of several *shokku* (shocks) delivered to Japan by the Nixon administration in 1971 and 1972, this one came after promises by US Secretary of State William Rogers and Ambassador to Japan Alexis Johnson to keep Tokyo apprised of any impending changes in China policy.⁹⁷ The State Department could not keep the promise because the White House had taken over foreign policy. One can see the Nixon Shocks as a result of Nixon's Imperial Presidency style, the secretiveness of Kissinger's style and his suspicions about the Japanese (especially the "leakiness" of the MOFA), and the bitterness in the White House over Japanese textile exports that had caused political problems in the South.⁹⁸

Despite the brutal blow of Nixon's announcement, Sato tried to salvage his political fortunes by opening negotiations with Beijing on normalization himself. However, Sato had a history of friendly relations with Taiwan. In a joint statement with Nixon in 1969, Sato said that "the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan."⁹⁹ Having already antagonized the Chinese with his support of the US war in Vietnam, Sato was now infuriating them with his comments about Taiwan—not least because the main context of the joint statement was the return

⁹⁵ Fukui, *op. cit.*, 68.

⁹⁶ A last minute change of heart by President Chiang Kai-shek in October 1971 came too late to have any effect. Any possibility, however slim, that Beijing would have accepted this formula had been overtaken by events. At the same time as the General Assembly was considering the question, Kissinger was already in Beijing arranging President Nixon's historic spring 1972 trip to China.

⁹⁷ In August 1971, the Nixon administration shocked Japan and the world when it announced in the midst of a recession and financial crisis that it would suspend the convertibility of dollar to gold, and would impose a 10 percent surcharge on imports. The United States also banned the export of soybeans—an important food import for Japan—after a bad crop year. This and the switch in US policy toward China comprise the major Nixon Shocks.

⁹⁸ Michael Shaller, "The Nixon 'Shocks' and US-Japan Strategic Relations, 1969-74," Presented at the National Security Archive and Woodrow Wilson Center conference "The Nixon Shocks and US-Japanese Relations, 1969-1976," April 1996. For other related papers from the conference, see Working Papers 1-5 at <<http://www.gwu.edu/~nsarchiv/japan/usjwp.htm>>

⁹⁹ *Joint Statement of Japanese Prime Minister Eisaku Sato and US President Richard Nixon*, November 21, 1969. <<http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/docs/19691121.D1E.html>>

of Okinawa to Japanese control, with the implication that Japan would allow Okinawa to be used for the defense of Taiwan.

In part for this reason, despite their interest in expanded economic relations with Japan, Mao Zedong and Zhou Enlai remained intransigent about reaching agreement with Sato. When the “reverse important question” was soundly defeated in the UN General Assembly—in the wake of the announcement that Nixon himself would visit China it hardly seemed sensible to oppose China’s UN entry—the Sato cabinet utterly lost its credibility.¹⁰⁰ Sato scrambled to reach out to Beijing, using various informal channels, but by this time the PRC was in the driver’s seat and fully aware of it. Having castigated the resurgent militarism of the Sato cabinet so consistently, China revealed its preference to achieve normalization with Sato’s successor. This “anybody but Sato” stance left the choice of who would win the political rewards associated with normalization up to the internal struggle in the LDP, and yet also subtly influenced the choice—to the detriment of Fukuda Takeo, who had been closely associated with Sato as a member of his cabinet.

As Sato’s Foreign Minister, Fukuda, perhaps undeservedly, had to bear some responsibility for the diplomatic failure with China, despite the Prime Minister’s efforts to protect him in order to ensure he could succeed him. Fukuda—like Yoshida, Kishi, Ikeda, and Sato—was a former bureaucrat. He was a member of the ideological group of conservative followers of Yoshida who had dominated the LDP and Japanese politics for most of the postwar era. Sato hoped to maintain some influence behind the scenes if Fukuda took over. Yet Fukuda had not only the handicap of his record as Sato’s foreign minister, but also the legacy of his political positions in regard to the PRC and Taiwan. Fukuda himself was quite staunchly pro-Taiwan, as were many members of his political faction.

DIVISIONS WITHIN THE LDP OVER CHINA

Never a fully united party, the LDP had managed to hold together because policy cleavages and party structure (factional breakdown) remained orthogonal to one another. Each faction had a wide range of views represented, and each ideological wing of the party had representatives from each faction. Except with regard to China; in the case of support for ties with China, there were mutually reinforcing divisions in the party structure, with the Fukuda faction backing Taiwan and the Miki faction strongly supporting relations with the PRC. The formation of competing LDP study groups relating to the China question—the *Ajia-Afurika Mondai Kenkyukai* (Asia-Africa Problems Research Group, hereafter *AA-ken*) and the *Ajia Mondai Kenkyukai* (Asian Problem Research Group, hereafter *A-ken*)—revealed the intra-party cleavage.¹⁰¹

¹⁰⁰ Fukui, “Tanaka Goes to Peking,” *op. cit.*, 69.

¹⁰¹ Frank Langdon, “Japanese Liberal Democratic Factional Discord on China Policy,” *Pacific Affairs* Fall (1969); Fukui, *Party in Power*, *op. cit.*, 255-6.

The *AA-ken* took its name and its inspiration from the Bandung Conference of 1955, where China's Zhou Enlai and India's Jawaharlal Nehru had cooperated in the launching of the Non-Aligned Movement, opposing Cold War bipolarity and promoting the Five Principles of Peaceful Coexistence with their stress on non-interference in other countries' internal affairs. In the context of the decline of US power and the Nixon Doctrine, some conservatives within the LDP were advocating Prime Minister Hatoyama Ichiro's (1954-1956) "independence" line for Japan's strategic orientation. Also within the *AA-ken* were the more progressive LDP members who supported *jishu gaiko*, an autonomous line, not challenging the Alliance with the United States per se, but seeking greater political distance from the United States. This *jishu* school generally accepted the identity of "merchant Japan" and wished to avoid entanglement in US military adventurism. This group also contained those politicians most likely to harbor strong feelings of guilt or a sense of debt toward China arising from history.

The opposing *A-ken* was more supportive of Taiwan and strongly anti-Communist.¹⁰² Deep splits in the LDP, often along factional lines, created the worrying potential for a split in the party. As noted in the previous chapter, the domestic threat of the Socialist party and its increasing popularity, along with the public opinion trend against following the US lead in general and against support of Taiwan in particular, caused China policy to threaten LDP rule.

One might question the depth of the division within the LDP, given the fact that the *AA-ken* and the *A-ken* had a tremendous overlap in membership. Diet Members belonging to both groups would hardly promote a split in the party. At the same time, one should not overestimate the importance of the "double-joiners." Politicians are natural joiners, in Japan more than elsewhere. They are also mostly hedgers, wishing to belong to whichever group emerges dominant. Group orientation and risk-aversion might both apply to behavior of many of those who belonged to both the *AA-ken* and the *A-ken*.

While their relations with the true believers in each camp may well have exercised some form of social control acting as a restraint on the tendency to split the party, the principal function of the *AA-ken* and *A-ken* does not seem to have been to promote party cohesion, and the effects of overlapping membership were no greater than the general constraint of LDP membership. In fact, the cohesion within factions must be stronger—that is one of the points of having factions at all. Given that the Sato and Fukuda factions were very heavily biased toward the *A-ken*,¹⁰³ the pressure to resist normalization with China was

¹⁰² The Asian Problems Study Group was established in December 1964 and comprised 98 right-wing LDP members such as Ishii Mitsujiro and Funada Naka. For background on A-Ken see Sadako Ogata, "Japanese Attitudes toward China," *Asian Survey* August (1965), 389-98; Chae-Jin Lee, *Japan Faces China: Political and Economic Relations in the Postwar Era* (Baltimore: Johns Hopkins University Press, 1976), 49-50.

¹⁰³ Chae-Jin Lee, "The Making of the Sino-Japanese Peace and Friendship Treaty," *Pacific Affairs* vol.52 no.3 (1979), 420-445. See p.433 for factional composition of Fukuda's faction, vis-à-vis A-ken.

strongest on these leaders—making them less acceptable to those who desired relations with the PRC.

But while the *AA-ken* vs. *A-ken* had not caused a true split in the LDP, the China problem was the most divisive that the party had yet encountered. There was no way to reconcile the strong desire for ties with China and the US-Japan relationship, and, given the temporarily weakened grip of the party on the reins of government, had the situation continued the LDP would have been increasingly polarized. There was even the fear that China policy could be an albatross for the party in elections, and that should the LDP lose power it would split apart, reverting to the early postwar situation of *kokkai seiji*—politics in the Diet.¹⁰⁴

TANAKA TAKES OVER

In the intra-party struggle to succeed Sato in 1972, the China issue became the deciding factor—it was on the basis of their strong interest in realizing normalization promptly that faction leaders Ohira Masayoshi and Miki Takeo chose to support Tanaka Kakuei.¹⁰⁵ Tanaka promised them he would move forward immediately to negotiate with Beijing on achieving bilateral ties in exchange for their factions' votes in the LDP party presidential election. Miki was strongly committed to normalization, although his faction had been quite strongly biased toward Taiwan. His reasons were more personal: ideologically, Miki had been a Socialist prior to joining the Democratic Party, which merged into the LDP. Having studied at a university in California, Miki had been against the Pacific War and was known for an attitude of tolerance and open-mindedness. Another dimension was his ambition to achieve something great in foreign policy, as Hatoyama had tried to do with regard to the Soviet Union, in order to retain his chance at becoming Prime Minister himself.¹⁰⁶ Ohira was somewhat more cautious in his approach, not wishing to alienate the pro-Taiwan wing of the LDP, but also committed to relations with China as soon as possible.

Another faction leader, Nakasone Yasuhiro, also joined the Tanaka bandwagon—although whether opening relations with Beijing was actually a high priority for Nakasone is questionable, and critics took it as evidence of his tendency to blow with the wind. The result of Nakasone's decision, however, was his appointment as Minister of International Trade and Industry in the first Tanaka cabinet, despite having served as Minister of State for Defense under Sato in 1970. As MITI Minister, Nakasone was able to visit China in late January 1973, a visit that strongly shaped his expectations for dealing with Beijing as well as establishing the set of Japanese interests and interpretations that would later guide his China policy.

¹⁰⁴ Langdon, *op. cit.*, 414-5.

¹⁰⁵ James Babb, *Tanaka: the Making of Postwar Japan* (New York: Longman, 2000).

¹⁰⁶ Fukui, "Tanaka goes to Peking," *op. cit.*, 71.

With the support of Ohira and Miki, Tanaka was able to win the party presidential election and then to be chosen Prime Minister. He had already been secretly invited to Beijing by Zhou Enlai through the good offices of the Komeito, a small but well disciplined party associated with a Buddhist sect.¹⁰⁷ Tanaka had been promised that the Chinese would not put him in a difficult political position—a sharp contrast from the pressure they had been putting on Sato.¹⁰⁸ With this diplomatic assurance, and the contribution of LDP supporters of relations with China such as Furui Yoshimi and Fujiyama Aiichiro, the stage was set for Tanaka's historic visit in September 1972—just two months into his term as Prime Minister.¹⁰⁹

NORMALIZATION OF RELATIONS WITH CHINA AND JAPAN'S IMAGE-IDENTITY COMPLEX

The normalization process was built on the image-identity complex, rather than challenging it, through the trope of Friendship Diplomacy. The Normalization Communiqué itself mentions “friendship” six times. As noted previously, Friendship had been the scheme by which China opened avenues of political pressure within Japan, exploiting the desire for trade and the cleavages inherent in the “merchant Japan” identity to push for acceptance of key political principles (that the PRC is the sole legitimate government representing China, that Taiwan is a province of China and an inalienable part of the Chinese territories, and that the Treaty of Peace Between Japan and the Republic of China, or Treaty of Taipei,¹¹⁰ is unlawful and should be abolished). China had established a toehold of friendly Japanese firms, which by the late 1960s included many dummy firms of the major trading companies. These were

¹⁰⁷ Parties such as Komeito (the Clean Government Party) and JSP played a small, but important pro-China role in Japan-China relations. For example, the two formed organizations such as the Dietmen's League for Japan-China Trade Promotion and the Dietmen's League for Promotion Restoration of Japan-China Diplomatic Relations. The JSP especially demonstrated its ability to maintain linkages with the PRC, thus gaining the reputation of representing pro-China Japanese public opinion. As far as Komeito, it signed a joint statement with China maintaining that only if Japan accepted Komeito's five-point demands – which included acceptance of a one China policy – would the PRC end the state of war; this statement put pressure on the LDP government. Chae-Jin Lee, *Japan Faces China*, *op. cit.*, 12, 94, 98.

¹⁰⁸ *Ibid.*, 113-114. One can speculate that the change in China's position was related to the stance taken by Nixon and Kissinger when they assured the Chinese that the US-Japan Alliance would serve to restrain Japanese militarism. Chinese concerns about the revival of militarism under the Sato cabinet were sincere. The sharp rise of Japanese national strength by the end of the 1960s, coupled with China's backsliding during the Cultural Revolution, meant a worrisome power gap.

¹⁰⁹ Hidenori Ijiri argues that the short time and the intense pressure of the “China Fever” meant that Tanaka had to accept the legacy of Sato's preparations, so that Sato did in the end exert influence on the shape and terms of the Normalization Agreement. See his *The Politics of Japan's Decision to Normalize Relations with China, 1969-1972*, Ph.D. dissertation (Berkeley: University of California, 1987).

¹¹⁰ Treaty of Peace between Japan and the Republic of China, April 28, 1952. <<http://www.taiwandocuments.org/taipei01.htm>>

supposedly independent friendly firms that were in fact wholly-owned subsidiaries of famous companies. The acceptance of the political principles by small pro-China trading firms had little political meaning, but the inclusion of larger firms and the dummy firms in Friendship Trade created a much larger bloc of support for China's position.

Another important aspect of the normalization package was the waiver of war reparations by the Chinese. Sato had made this a condition of Japan's agreement to recognize the PRC, but it was not likely Tanaka would have held out for long in the face of a determined Chinese stance demanding some form of compensation for the injuries done during the 1931-1945 Sino-Japanese War. After all, one of the elements of Japan's desire to open relations with Beijing was to come to closure with a sense of obligation to China. The shrewdness of Zhou Enlai was to recognize that this guilt would continue to motivate Japanese in the absence of formal compensation; indeed, it would redouble the feeling of obligation, as China not only suffered at Japan's hands but also generously refused to demand any reparations. Of course Zhou was correct, and the effort by Japanese to make amends for the past—both private and governmental—formed an important underpinning of the Friendship relationship.¹¹¹

The text of the Normalization Communiqué makes the link quite plain: “The Government of the People's Republic of China declares that in the interest of the friendship between the Chinese and the Japanese peoples, it renounces its demand for war reparation from Japan.”¹¹² In the 1960s China had resolutely opposed the US-Japan Alliance—the linchpin of Japan's security policy—and had launched vituperative rhetorical attacks against the Sato administration. Particularly following the Taiwan reference in the Sato-Nixon Communiqué of 1969, the PRC stepped up its attacks on the re-emergence of Japanese militarism.¹¹³ The Sato cabinet was thus associated with a national identity unacceptable to the Chinese. China's refusal to accept normalization under Sato, which opened the path for Tanaka to seize control of the Prime Minister's office, was thus largely a matter of identity politics.¹¹⁴

Tanaka's acceptance of the “merchant Japan” identity and the Friendship paradigm was largely tactical, although his personal view favoring state-led capitalism based on business priorities certainly did contribute. The heavy industrial development model that had made Japan Steel the linchpin of the Keidanren, the most powerful business group in Japan, was the natural model

¹¹¹ Soeya Yoshihide, interview with author.

¹¹² *Joint Communiqué of the Government of Japan and the Government of the People's Republic of China*, September 29, 1972. <<http://www.mofa.go.jp/region/asia-paci/china/joint72.html>>

¹¹³ Chae-Jin Lee, *Japan Faces China*, *op. cit.*, 85.

¹¹⁴ Given factors such as Sato's political ties with pro-Taiwan LDP leaders and the numerous commitments he had given to Taiwan, the Chinese felt that Sato's statements about improving Japan-China relations, while not accepting Chinese principles for normalization, were solely tactical moves. *Ibid*, 107-108.

not only for continued Japanese success but also for China's modernization. In general, Tanaka's positions were pragmatic, and occasionally opportunistic. As with Yoshida and his eponymous doctrine, the endurance of the arrangements may have been more than Tanaka expected or even hoped, but once Friendship was entrenched in the structure of bilateral relations (including in the personal channels passed down through the Tanaka faction) it would prove nearly impossible to uproot.

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The other side of what many Japanese felt was their obligation to aid China for the war and cultural debt, alike, was that Japan had achieved industrialization and economic modernization and was thus able to contribute to China by teaching it. Inayama Yoshihiro, president of Nippon Steel Corporation, head of the Japan-China Association on Economy and Trade, and President of Keidanren, was representative of those who thought Japan had both a debt to repay and a means of repaying it. Japan's economic plan for China, which became a core component of China's own modernization scheme in the 1970s, was state-led heavy industrialization. Japan's experience could provide important lessons for China, including the possibility of a “third way” between unbridled capitalism and Soviet-style central planning. The model of the developmental state, focused on large-scale heavy industry, was also the paradigm accepted by MITI Minister Nakasone, and promoted during his visit to China in January 1973. Japan entered the Friendship era with the expectation that it would effectively be leading China, shaping the role and behavior of the Chinese state.

¹¹⁵ Green and Self, *op.cit.*, 31; Chae-Jin Lee, *Japan Faces China*, *op. cit.*, 127.

¹¹⁶ Soeya Yoshihide, interview with author.

At the time of Japan-China normalization of relations, there was much optimism about the supposed economic complementarities between Japan and China.¹¹⁷ The resource endowments and cheap labor of the Chinese would supposedly balance the capital and technology of the Japanese, and the combined industrial capabilities would engender a regional superpower.¹¹⁸ Japanese took this same sense of optimism about the mutual economic benefits to be obtained through closer relations with China enthusiastically into the 1970s. Entering the Friendship era, Japan's overall strategy under the Yoshida Doctrine endured. Among the important assumptions behind it was the positive assessment of "forecasting the security consequences of increased transnational economic interdependence by indirectly modifying state behavior toward a more cooperative stance."¹¹⁹

FEVER AND FRICTION, FRIENDSHIP AND FRUSTRATION

If the normalization process transformed the trade-centered Friendship paradigm into the model for bilateral relations incorporating the "merchant Japan" identity, then the post-Normalization period saw the institutionalization of the Friendship approach in the so-called 1970s system. The Normalization Communiqué was only the beginning of a bilateral framework of relations requiring a whole raft of technical agreements on top of a peace treaty. The Friendship model was entrenched under the Tanaka and Miki cabinets, through sometimes difficult negotiations over treaties governing trade (1974), air transport (1974), ocean shipping (1975), and fisheries (1975). They also worked toward the conclusion of a long-term trade agreement (LTTA), as well as the Treaty of Peace and Friendship, both achieved in 1978. After this, the two sides further reached agreements on cultural exchange (1979), scientific and technological cooperation (1980), and protection of migratory birds (1981), while making progress toward a tax treaty eventually concluded in 1983. All of these agreements created an edifice of paper supplementing the personal ties among the leaders to bind the two sides in friendship.

One aspect of the normalization with China that Japan did not fully appreciate at the time was its implication for Japan's relations with the Soviet Union.¹²⁰ As did Washington in the context of détente and the withdrawal from Vietnam, Tokyo hoped to maintain good ties with both its giant Communist neighbors. Tanaka had in fact tried to improve relations with the Soviet Union in 1974, but was unable to achieve a breakthrough as he was forced from office by the

¹¹⁷ Katherine G. Burns, "China and Japan: Economic Partnership to Political Ends," *Economic Cooperation and Regional Security* (Washington, DC: The Henry L. Stimson Center, 2000), 42.

¹¹⁸ Robert Taylor, *The Sino-Japanese Axis* (London: Athlone, 1985).

¹¹⁹ Nakanishi, *op. cit.*, 50.

¹²⁰ See Hidenori Ijiri, "Sino-Japanese Controversy Since the 1972 Diplomatic Normalization," *China Quarterly* December (1990), 641.

Lockheed Scandal.¹²¹ His effort to strengthen Japan-Soviet contacts was entirely consistent not only with the US détente strategy but also with the fundamental strategy of the Yoshida Doctrine—relying on commerce to change the context of relations through interdependence. As such, the Tanaka line was not aimed at taking sides, but rather at making friends with everyone, and everyone making money.

ECONOMIC TIES

The breakthrough in relations in 1972 led to a China Boom in Japanese business circles. So enthusiastic were Japanese about the economic complementarities of Japan-China relations that a sort of “fever” overtook them, and in the grip of this fever they worried not about the risks of doing business with a Communist backwater in the midst of political turmoil, but instead about “missing the bus.”¹²² The Japanese were also subject to a herd mentality: the circumstances for doing business in China must be safe because all the other businessmen were going there to conclude contracts. This sense of safety in numbers reappeared during the first investment boom in China in the 1990s, and is of course not unique to Japan but is the underlying mechanism of speculative bubbles everywhere. Nonetheless, it seems fair to assert that the Japanese underestimated the risks they faced in rushing to do business in China after normalization.

On the Chinese side there was substantial miscalculation as well, although this is perhaps more understandable given the lack of a free market, any experience in international hard-currency-based trading, or even a decent sense of the domestic economic situation. Regardless of where the blame should lie, the result was that the Chinese signed contracts they could not honor, and a sense of shock at the confusion prevailed in China. The gap between expectations and realities in regard to the Chinese economy was reminiscent of the glaring contrast between *kangaku* ideals of China and the actual chaos of the mid- to late-19th century Qing Empire. As a result the enthusiasm for China cooled sharply, and amid the overall flattening of economic growth in the aftermath of

¹²¹ Tanaka Kakuei resigned on November 26, 1974, after the Japanese Diet opened hearings on a number of shady business deals in the mid-1960s. Subsequent to his resignation, he was found to have received some \$1.8 million in bribes for influencing the decision of the quasi-government owned All Nippon Airways (ANA) to purchase its L-1011 Tristar airliner. In October 1983, he was convicted of bribery and sentenced to a four-year prison term, which he never served. His refusal to leave the Diet caused Prime Minister Nakasone to dissolve the Diet and hold what came to be called the “Lockheed Election.” In a bit of poetic justice, Tanaka’s role in the Lockheed bribery case was discovered during a US Securities and Exchange Commission (SEC) investigation of illegal contributions to President Nixon’s 1972 reelection campaign. The SEC did not find evidence of illegal domestic contributions but discovered that Lockheed had bribed officials in Japan and 14 other countries. “Nixon Probe Broke Lockheed Scandal,” *Daily Yomiuri Online*, July 23, 2006. <<http://www.yomiuri.co.jp/dy/national/20060723TDY01005.htm>>

¹²² Lack of information about conditions on the ground in China during the Cultural Revolution was part of the problem, which was related to the role of the Japanese mass media in creating a positive image of China. On the China Fever, see Akihiko Tanaka, *Nitcho kankei, 1945-1990 (Japan-China Relations, 1945-1990)* (Tokyo: Tokyo Daigaku Shuppankai, 1991), 107-130.

the oil shock, the level of trade between Japan and China actually declined sharply.¹²³

If the image of China was relatively rosy in the late 1960s and early 1970s, it had very little to do with the reality of China itself, of course. At one level this was because most Japanese newspapers were complicit in providing propaganda to their readers by agreeing to censorship of their China-based reporting, so the excesses of the Cultural Revolution were not exposed. Even more fundamental, the image of China was abstracted from the reality, as it had been during the *sakoku* era, because it was derived from the image Japanese held of themselves. Japan's successes, at modernization in the prewar period and at recovery and growth in the postwar era, brought new confidence to the nation by the end of the Sato administration. Japan had joined the United Nations and the Organization for Economic Co-operation and Development (OECD), normalized ties with the Republic of Korea, and negotiated the return of Okinawa. Japan was emerging as a major economic power.

Japanese were proudest of their heavy industrial capacity, and it is not surprising that one of the leading figures of Japanese economic cooperation with China following normalization was Inayama Yoshihiro. That he was entirely sincere in his intent to aid Chinese national development is beside the point; Inayama's worldview encapsulated a sense of Japan's strength and China's weakness.¹²⁴ The latter may have caused frustration and disappointment at times, but the ratio was a given.

MIKI MARKS TIME

Prime Minister Miki Takeo was the cleanest of all the faction leaders in the LDP, which is perhaps the main reason he took over from Tanaka on December 9, 1974. Ideologically, Miki was among the most progressive members of the LDP. As already noted, he had been in the Socialist Party immediately after the war, then in the Democratic Party before its merger with the Liberal Party to form the LDP. Miki's intention to make amends to China was sincere, and his attitude about Japan's war history was highly critical.

Miki's perspective on history and identity had consequences for Japan's security policy in the 1970s. Miki instituted the ceiling of one percent of GNP for defense spending, and established the first National Defense Program Outline (NDPO, or *Taiko*), which legitimated but severely constrained the Self-Defense Force (SDF).¹²⁵ Miki's stance on historical issues was also significant: he

¹²³ Tanaka, *Nitchu kankei*, *op. cit.*, p.6.

¹²⁴ For instances of Inayama's accommodationist stance towards China, see Chae-Jin Lee, *China and Japan: New Economic Diplomacy* (Stanford, CA: Hoover Institute Press, 1984), 10-11, 21, 23, 26, 35.

¹²⁵ Thomas Berger and others argue that the one percent ceiling was a tactical trade-off for the opposition's acceptance of the *Taiko*, which was controversial for instituting a "basic defense strength" concept. While this may be true, the *Taiko* also institutionalized political constraints on

refused to visit the Yasukuni Shrine to honor Japan's war dead, breaking a tradition dating back to Yoshida Shigeru.¹²⁶ Miki's decision was all the more significant, since it was made *before* the enshrinement of the Class A war criminals in 1978. In his attitudes about security policy, history, and China, Miki was the quintessential Friendship politician.

Yet Miki had little success in producing the agreement with China he had hoped for. This may have been as much because of his strong identity commitment as despite it. Miki had to contend with opposition from within his party as well as in the MOFA, over the terms of the Treaty of Peace and Friendship. Unlike Tanaka, Miki sat on the left edge of the party, and had greater difficulty persuading the right wing of his sufficient concern for Japanese national interests. Miki also had the bad luck of the worst possible timing. He confronted the aftermath of the oil shock of 1973, which left Japan suddenly facing zero economic growth (after double-digits only a few years earlier). Moreover, he was dealing with China during the aftermath of the Cultural Revolution, when the country was struggling to recover, and also during the dying days of Zhou Enlai and Mao Zedong.

The main sticking point in the negotiations over the Peace and Friendship Treaty (other than the internal confusion in China) was the inclusion of a clause, which had been included in the Normalization Communiqué, committing the parties to oppose efforts by any power to establish hegemony over the Asia-Pacific region or any other region. This anti-hegemony clause was the legal manifestation of the anti-Soviet united front being constructed by China (with the help of Washington).¹²⁷ In the early 1970s, at the time of normalization, the context of US efforts at building détente allowed Japan to agree to the inclusion of the anti-hegemony clause readily enough. By the late 1970s, détente was crumbling and the United States was urging Japan to conclude the agreement with China so as to strengthen the unity of opposition to Soviet power.¹²⁸ This made the anti-hegemony clause not only a matter of rhetoric, but also a strategic decision by Japan. The country that had tried to avoid commitments and entanglements in international power politics was being pressured to choose sides.

the SDF, and was deeply unpopular in the defense establishment. See Michael Green, *Arming Japan: Defense Production, Alliance Politics, and the Postwar Search for Autonomy* (New York: Columbia University Press, 1995), 77.

¹²⁶ Okazaki Hisahiko, interview with author.

¹²⁷ Yung H. Park, "The 'Anti-Hegemony' Controversy in Sino-Japanese Relations," *Pacific Affairs*, vol.49, no.3 (1976), 476-490; Johnson, *op. cit.*, 415.

¹²⁸ Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Advisor, 1977-1981* (New York: Farrar, Straus, Giroux), 216-18, cited in Yoshihide Soeya, "US-Japan-China Relations and the Opening to China: the 1970s," Presented at the National Security Archive and Woodrow Wilson Center conference "The Nixon Shocks and US-Japanese Relations, 1969-1976," April 1996, 16.

FUKUDA TAKEO AND THE CONSOLIDATION OF FRIENDSHIP DIPLOMACY

Miki's successor, Fukuda Takeo, had been the designated successor of Prime Minister Sato in 1972. As one has seen, he was defeated in the party presidential election by Tanaka Kakuei precisely because of his support for Taiwan and opposition to recognizing China. Yet under Fukuda, the Japanese and Chinese governments concluded the Peace and Friendship Treaty. Friendship triumphed in part because of strategic pressures on Japan—the Soviet threat and US advocacy of a clear Japanese stance—and in part because of the consolidation of the postwar image-identity complex in the 1970s.

At the advent of the Fukuda cabinet in late 1976, Japan had recovered from the oil shocks and was continuing to demonstrate its overall economic vitality, confirming the excellence of the “merchant Japan” model for its place in the world. Under Fukuda, the trading-state identity became explicitly part of a foreign policy strategy, the Fukuda Doctrine, which was not only narrowly about Japan's role in post-colonial, post-conflict Indochina, but more broadly about Japan's place in the world as a non-military power, particularly for its vision for its place in Asia. The Fukuda Doctrine was the apotheosis of Japanese ambitions for autonomy within the framework of the US-Japan Alliance, an effort to become a more significant actor in the international political arena without playing power politics. This was encapsulated by Fukuda's support of “omni-directional diplomacy,” which presumed Japan could cultivate positive relations with all countries.

That Japan hoped to blithely continue in the omni-directional path despite the strategic configuration is evident in its efforts to dilute the meaning of the anti-hegemony clause in the 1974 Japan-China Peace and Friendship Treaty with a “third party” clause (indicating the former did not target any third country). Whether anyone sincerely believed that this would alleviate Soviet concerns over the Peace and Friendship Treaty is questionable—it may have merely been a sop to domestic critics of the alignment with China, including those within the Fukuda faction who still resented the abandonment of Taiwan. But the struggle to include the third party clause is testament to the power of the postwar image-identity complex in the face of strategic pressure. To the extent that Japanese did believe the third party clause would assuage Soviet anger at the Treaty, it was evidence of how that image-identity complex relied on ideas about state interests and state behavior that were liberal rather than realist in conception.

It is a historical fact that the Soviet Union responded to the Japan-China Peace and Friendship Treaty by increasing military pressure on both parties.¹²⁹ Soviet

¹²⁹ For example, the Soviets reinforced its bases on several disputed islands, including Kunashiri and Etorofu in May 1978, and increased its aircraft carrier capabilities in the spring of 1979. Peggy L. Falkenheim, “The Impact of the Peace and Friendship Treaty on Soviet-Japanese Relations,” *Asian Survey* vol.19 no.12 (1979), 1220-1221. See also Robert E. Bedeski, *The Fragile Entente: the 1978 Japan-China Peace Treaty in a Global Context* (Boulder, CO: Westview Press, 1983).

support for Vietnam led to the latter's invasion of Cambodia in 1978 (pulling the rug from under the Fukuda Doctrine's ambitions in the region). Moscow reinforced its capabilities in the region, building up the Pacific Fleet in both conventional and strategic terms, and deploying SS-20 nuclear ballistic missiles in the Far East. In 1979, the United States and China normalized their relationship, and US-Soviet détente collapsed. In 1980, the USSR's invasion of Afghanistan, which demonstrated that the US withdrawal from Vietnam had not brought an end to direct intervention in Asia by the superpowers, re-ignited the Cold War.

If the impact of the Peace and Friendship Treaty internationally was not what Tokyo hoped, its relevance for bilateral ties was far more positive. Deng Xiaoping visited Japan in the fall of 1978 to celebrate the conclusion of the treaty, and gave his imprimatur to the expansion of warmer political and especially economic ties. The real meat of the economic relationship was to be developed through the Long Term Trade Agreement, which had been concluded earlier that year in February after lengthy negotiations. The LTTA was based on the economic complementarities that supposedly existed between Japan and China. China would purchase \$7-8 billion of Japanese plant and technology, as well as \$2-3 billion of capital goods, for a total of \$10 billion to build a huge heavy-industrial infrastructure in eight years (the LTTA lasted in theory through 1985). In return China would sell coal and petroleum (developed with Japanese capital and technology) from the Bohai Gulf.¹³⁰

The LTTA realized the vision of Inayama Yoshihiro, its flagship project being a huge steel plant at Baoshan in eastern China modeled on Japan Steel.¹³¹ The plan could go forward thanks to the cooperation of the "petroleum group" among the Chinese leadership who shared the same basic perspective on economic development as the Japanese industrial elite.¹³² The Chinese would modernize with huge projects and would not only integrate their economy closely with Japan's but would accept Japanese input into their industrialization. Japan could repay its debt to China and also act as China's mentor.

OHIRA MASAYOSHI AND "COMPREHENSIVE SECURITY"

The cabinet of Ohira Masayoshi had to cope with the crises of the renewed Soviet threat and the second oil shock. Ohira tried to maintain the omnidirectional stance of the Fukuda administration, and to contribute to regional

¹³⁰ For the text of the agreement, see *Nitchu boeki antei kakudai eno michisuji (The road toward the stable expansion of Japan-China trade)* (Tokyo: Nitchu keizai kyokai, 1978), 40. See also Chae-Jin Lee, *China and Japan: New Economic Diplomacy, op. cit.*, 21-23.

¹³¹ Ryosei Kokubun, "The Politics of Foreign Economic Policymaking in China: The Case of Plant Cancellations with Japan," *The China Quarterly* March (1986), 42 notes that one of the leaders involved in conceiving the Baoshan project, former Beijing mayor Lin Hujia, visited the Nippon Steel Company in the spring of 1978.

¹³² Kenneth Lieberthal and Michael Oksenberg, *Policymaking in China: Leaders, Structures, and Processes* (Princeton, NJ: Princeton University Press, 1988).

security and global stability through non-military means. The doctrine of “Comprehensive Security” (“*hokatsuteki anzen hosho*” was Ohira’s answer to the demand for a greater Japanese contribution to the Western camp. Under Comprehensive Security, Japan would provide economic aid in support of pro-Western regimes, and contribute to global prosperity as an engine of peace.¹³³ This concept has a decidedly post-Cold War ring to it, but at the time it was regarded as naïve and insufficient by many in Washington. Indeed, perhaps it was, but Ohira was at pains to assure the United States he was not backing away from alliance obligations. In a larger sense, however, it did fit within the non-military postwar identity and the Friendship paradigm of Japan-China relations.

In 1979 the Ohira administration made Japan the first non-Communist nation to extend Official Development Assistance (ODA) to the PRC, the first aid of any sort that Beijing had accepted since the withdrawal of Soviet advisors in 1960. In response to a request from the Chinese, Ohira offered a package of concessionary loans in the amount of 300 billion yen (about \$1.5 billion, in 1978 average exchange rates) over five years to 1983. This assistance was to enable the Chinese government under Deng Xiaoping to implement the Four Modernizations in the areas of Industry, Agriculture, Science and Technology, and National Defense. The last of these was highly controversial as an area of cooperation, given Japan’s long-standing views on military matters. To minimize resistance to providing ODA to the Communists, Ohira established three principles to guide the ODA provision: it would not be used for military purposes; Japan would apply balance in aid giving between China and ASEAN; and Japan would coordinate with the United States in regard to ODA to China.¹³⁴

The provision of ODA was in part a means of providing war reparations by another name, as it has been widely understood, but it was also a measure in support of Japan’s strategy for co-opting China and leading its economic modernization.¹³⁵ In concrete terms, ODA was needed to facilitate the LTTA. Japan also provided various other forms of financial support to China’s ambitious capital importation program, including governmental commodity loans, export credits and syndicated commercial loans.¹³⁶ The reward for Ohira’s generosity was a redoubling of his strong political ties to the Chinese leadership, formed when he served as Foreign Minister in the Tanaka cabinet and visited Beijing for normalization. Friendship ties resulted in the May 1980 visit by Chinese Premier Hua Guofeng, the first ever such visit

¹³³ J.W.M. Chapman et al., *Japan's Quest for Comprehensive Security: Defense, Diplomacy and Dependence* (New York: St. Martin's Press, 1982).

¹³⁴ Seizaburō Satō et al., *Postwar Politician: the Life of Former Prime Minister Masayoshi Ohira*, translated by William R. Carter (Tokyo: Kodansha International Ltd., 1990).

¹³⁵ Tsukasa Takamine, *Japan's Development Aid to China: The Long-Running Foreign Policy of Engagement* (London: Routledge, 2005), 50-51.

¹³⁶ Allen S. Whiting, *China Eyes Japan* (Berkeley: University of California Press, 1989), 122.

(although of course paramount leader Deng Xiaoping had attended the signing of the Peace and Friendship Treaty in 1978).

SUZUKI ZENKO STRUGGLES

Factional politics in the LDP had reached a dire state by the late 1970s. Ohira was supported by the Tanaka faction, whereas Fukuda had opposed Tanaka. The intra-party tension, largely in response to the excessive influence wielded by Tanaka despite his disgrace in the Lockheed Scandal, threatened the party's ability to manage the policy process smoothly. In an effort to calm the situation, following Ohira's untimely death in 1980, senior politicians in the LDP party figures agreed on Suzuki Zenko as a consensus choice who would strive to maintain harmony.

In contrast to the close relations Chinese leaders had with Ohira, one of the architects of normalization and a principal of the Friendship model, they were less comfortable with Suzuki. Suzuki was an inept implementer of the Friendship approach, in part because its internal contradictions had begun to emerge. Japan's identity as a non-military non-power was under dual pressure, to allow recognition of Japan's status as a major power and to fulfill a larger military role in the new Cold War—strains that appeared in the 1982 textbook crisis, which is explained below. At the same time, the economic ties that had been so promising as a glue to bond Japan and China were instead causing bilateral friction.

The largest of the plant deals reached in the LTTA was a giant steel complex at Baoshan that was cancelled without warning by the Chinese, along with several other projects in December 1980.¹³⁷ The plan had been undermined by several factors: imbalance in China's national finances; the overly ambitious nature of the ten-year industrialization plan; its over-optimistic assumptions about China's ability to produce oil and coal; and failures of specific elements of the plan.¹³⁸ The political struggle in post-Mao China also contributed.¹³⁹

The shock to Japan was not simply the immediate one of coping with the fallout from Beijing's decision, although that was certainly troubling enough. Necessarily the plan threw into doubt the overall scheme of state-led heavy industrialization that had been intended to facilitate Japanese leadership of Chinese economic modernization.

The Suzuki cabinet had to attempt to recover from the Baoshan shock without the benefit of enthusiastic backing of the business sector, which had recovered from the second China fever of the post-Peace and Friendship Treaty era. At the same time, tensions were emerging in the identity dimension of the Friendship

¹³⁷ Tanaka, *Nitchu kankei*, *op. cit.*, 113-115.

¹³⁸ Kokubun, "The Politics of Foreign Economic Policymaking in China," *op. cit.*, 29-31.

¹³⁹ Johnson, *op. cit.*, 418-19.

paradigm. Japan's postwar pacifism was increasingly problematic as "peace in one country" given the regional environment of increased Soviet military pressure and friction with China, but Japan moving beyond anti-militarism would require a reinterpretation of national identity. It was in this context, and with history retaining powerful salience both within Japan and in Japan's foreign relations, that the textbook incident of 1982 erupted as an issue in Japan-China relations.

The 1982 textbook incident arose when the Japanese media leaked proposed revisions to the guidelines for middle school history textbooks. According to press reports in late June, the screening would allow the term "advance" to replace the word "invasion" to describe how Japan entered China in the 1930s.¹⁴⁰ The issue immediately drew fire from the bastions of pacifism inside Japan, including the Japan Socialist Party and the editorials of the *Asahi Shimbun*. Yet the Chinese remained silent on the diplomatic front for nearly a month, and began a sharp and furious attack on the proposed revisions only after careful consideration. By canceling the visit to China by the Minister of Education and threatening to cancel Suzuki's planned visit to China in the fall, the Chinese extracted some concessions. But one legacy was that, henceforth the management of Japan's textbook screening process would be subject to diplomatic pressure.¹⁴¹

What explains the furor over the change in wording? And why did China wait for four weeks, then apply very heavy pressure? The answers are no doubt complex, and China might well have been careful in its relations with its principal foreign benefactor and largest trading partner, given the more pragmatic style of the post-Mao leadership.

China's reading of the balance in Japanese politics was astute enough to recognize it could intervene in the textbook case without provoking a major backlash. The institutions of friendship were robust, in particular the channel to the Tanaka faction. China also had tactical leverage over Suzuki, who wished to visit China for the tenth anniversary of the normalization of diplomatic relations. Here it is worth noting how the occasions of major anniversaries have been useful to reinforce and reinvigorate the old structures of the Friendship paradigm. In the end Suzuki was able to visit China in September 1982 to commemorate the decade of relations, repaying Zhao Ziyang's June visit. In response to Zhao's June proposal that relations be based on three principles of peace and friendship, equality and mutual benefit, and long-term stability, Suzuki asserted that the bilateral relationship had entered a period of maturity, meanwhile accepting that China's concerns on the history textbook issue would be addressed.

¹⁴⁰ All textbooks for elementary and secondary schools in Japan written by several major private companies are "screened" by the Ministry of Education in accordance with the Ministry's curriculum guideline.

¹⁴¹ H. Suzuki, "Liberalising Textbook Screening," *Japan Echo* vol.9 no.4 (1982), 21-28.

Gaiatsu has been a mainstay of US-Japan relations, particularly but not exclusively in the trade arena. The United States would make demands of the Japanese government, and in order to satisfy Washington the Japanese would concede—or so the surface of the story would routinely go. It has been revealed, however, that as a rule the issue was highly contested within the Japanese policy-making process, with the array of interest groups on either side of the question sufficiently closely matched in strength that the reformists (those promoting any change in the status quo) could not succeed without additional help. So they routinely recruited outside pressure in order to effect change.¹⁴²

One interpretation of the Chinese vituperation about the textbook revisions is that it was likewise *gaiatsu*, essentially invited by the Japanese opponents of ideational change. There were indeed some Japanese who wished to revise the understanding of history and transcend the defeated mentality of the postwar era—historical revisionists. Their efforts had been unsuccessful, in part because the entrenched national identity required the Japanese people to be the passive victim of the military and of foreign powers. This view was institutionalized in the All-Japan Teachers' Union, the *Zen-Nihon Kyoin Kumiai* or *Nikkyoso*, and education was a critical area of identity contestation in which the left strove to maintain anti-militarist, anti-state values.

The fight over the textbook screening process of the “revision plan” was a key battle in the ongoing postwar struggle over national identity in relation to history. Basically, the Japanese Ministry of Education hoped to reduce the degree to which Japanese people opposed the state itself and its legitimacy as an actor in international politics.¹⁴³ The formation of a new national identity that took pride in Japan's accomplishments seemed to require closure or denial of the history of war. This represented a direct threat to those who cherished an identity born in the ashes of war, opposing militarism and fostering a victim consciousness.

The outcome of the 1982 textbook crisis was a reversion to the status quo ante in regard to form, but many lessons had been learned. The Chinese discovered that their rhetoric could have powerful influence on even the LDP government. The Japanese left discovered the same thing—that China could be a useful ally in domestic identity battles. Both of these lessons were to be applied vigorously during the controversial Nakasone administration.

¹⁴² Leonard Schoppa, *Bargaining with Japan: What American Pressure Can and Cannot Do* (New York: Columbia University Press, 1997). See also John Creighton Campbell, “Japan and the United States: Games that Work,” *Japan's Foreign Policy After the Cold War: Coping with Change*, Gerald Curtis, ed. (New York: M.E. Sharpe, 1993), 43-61.

¹⁴³ As Seddon states, education is an important part of the legitimation of the state's actions, and a reduced emphasis on Japan's war past served to legitimize remilitarization and engender a unifying patriotism to counter the social dislocation, which came about as a result of the world recession and the erosion of the working class's traditional material position at the time. Terri Seddon, “Politics and Curriculum: A Case Study of the Japanese History Textbook Dispute, 1982,” *British Journal of Sociology of Education* vol.8 no.2 (1987): pp.221-223.

THE RESURGENCE OF JAPANESE NATIONALISM

At this point, as in the past, most of the problems that arose between Japan and China were related to history in one way or another. Interpretation of history was the critical point of overlap between the domestic political order and Japan-China relations. As this chapter will further explore, for example, the official visit of Prime Minister Nakasone Yasuhiro to worship at Yasukuni shrine in August 1985 marked a key battle in Japan's postwar contest over national identity, and became a major issue in relations with Beijing. The second textbook crisis, in 1986 (discussed in greater detail below), repeated the dynamic of the 1982 crisis with far more vitriol on both sides.

Even positive areas such as growth in trade and investment produced tremendous friction, relating again to images drawn from history. Nakasone's first official visit to the Yasukuni Shrine reverberated through all parts of the relationship. Chinese students began protesting against Japan's second "economic invasion" of China in September 1985, while Japanese businessmen griped about anti-Japanese discrimination amid their general frustration about the poor conditions for doing business in the PRC.¹⁴⁴ Finally there was the extremely sensitive issue of relations with Taiwan, which arose in the *Kokaryo* case in 1987 discussed below.

All of these issues had proximate causes, and political interests behind them. For the purposes here, the key factor was linkage between the image-identity complex and the Friendship model of bilateral ties that underlay the 1970s system. Simply put, Nakasone's efforts to adjust the meaning of Friendship to allow for a more positive image of Japan as a nation-state was a threat to a range of interests both in Japan and in China.

Even in the exploration of image-identity factors, political leadership remains a crucial element. The "bully pulpit" provided by a cabinet post, especially the premiership, lent tremendous leverage to the political leaders engaged in the contests that constitute the process of identity construction. Media coverage and public exposure create opportunity—and incentive—for politicians to engage in battles of interpretation. The cabinets of Prime Minister Nakasone included several figures unable to resist the temptation to voice their views of salient issues, notably the history of Japan's war with China, including most spectacularly the statement in August 1986 by Fujio Masayuki, not coincidentally Minister of Education, who among other things effectively denied the Nanjing Massacre.

¹⁴⁴ See Allen S. Whiting, *China Eyes Japan*, op.cit., 67.

The most important of the individuals in the five years of the Nakasone administration in regard to both identity contestation and Japan-China relations was Nakasone Yasuhiro himself. His personal beliefs and the vision he espoused made him tower over Japan in the 1980s, in a way similar to Margaret Thatcher in Britain or Ronald Reagan in the United States.

NAKASONE YASUHIRO AND THE NEW JAPANESE NATIONALISM

Nakasone Yasuhiro was born a land-owner's son in 1918 in Takasaki city, Gunma prefecture. He graduated from Tokyo Imperial University, graduating in 1941 and joined the government as a bureaucrat in the Ministry of Internal Affairs—the dreaded *Naimusho*. Before long, however, he joined the Imperial Navy as a junior paymaster, serving until the end of the war. After the defeat, Nakasone worked in the *Naimusho* overseeing police matters until the end of 1946. Perhaps the sense that the Occupation reforms would soon put his ministry out of business propelled him to make the great leap to run for a Diet seat in 1947, for which he campaigned with extraordinary energy, riding his bicycle all over the district.¹⁴⁵

Winning a seat in his first campaign, Nakasone joined the Democratic Party and rose quickly to prominent posts. As the party structure shifted to the National Democratic Party (*Kokumin Minshuto*), then the Progressive Party (*Kaishinto*), and finally the Japan Democratic Party (*Nihon Minshuto*), he stayed in the core policy apparatus. When the conservative parties merged in 1955 to form the Liberal Democratic Party (LDP), Nakasone was appointed as Deputy Secretary General. Nakasone was by all accounts very bright and a very hard worker; he certainly had a knack for making himself useful. But he also had a flair for garnering attention. After joining the Diet he became well known for wearing a black armband, in mourning for Japan's sovereignty. He maintained this symbolic gesture until the end of the Occupation. Nakasone was among the original advocates of an independent posture in international affairs (befitting a great power Japan), and accordingly supported constitutional revision and military rearmament.

As a strong nationalist, Nakasone got on well with Prime Minister Kishi, who gave Nakasone his first cabinet post in 1959: Minister of Science, who was in charge of science and technology and overseeing the peaceful use of nuclear energy. Nakasone also spent the late 1950s and early 1960s on the party and cabinet committees on constitutional reform, but was shut out of further cabinet posts until the second Sato cabinet in late 1967, when he became Minister of Transportation. Nakasone had at that time been elected nine times, and had taken over the leadership of the Kono faction after Kono Ichiro's death in 1965.

¹⁴⁵ This and the following paragraphs draw on his memoir. See Nakasone Yasuhiro, *The Making of a New Japan: Reclaiming the Political Mainstream*, trans. by Lesley Connors (Richmond: Curzon, 1999). Also, his website <<http://www.yatchan.com>> contains information and many photographs from his long political career.

With votes to deliver he could expect ever more important posts, taking over as Director-General of the Japan Defense Agency (JDA) in 1970. His tenure at the JDA is notable for his introduction of the first White Paper on National Defense, part of his long-standing effort to bring the military into the mainstream.

When the China issue became critical to the question of Sato Eisaku's succession, Nakasone supported Tanaka Kakuei, and was rewarded with the post of Minister of International Trade and Industry. (see chapter 3). It should be noted that despite his strongly nationalistic and generally anti-communist views, Nakasone was not hostile to the PRC. Moreover, Nakasone accepted the Inayama component of the Friendship paradigm: to support Chinese modernization through cooperation in industrialization.

After his stint as MITI Minister, Nakasone took over the key party posts, serving as Secretary-General (*Kanjicho*) and later as Chairman of the General Council (*Somukaicho*). In the spring of 1980, while he was *Somukaicho* under Ohira, Nakasone spent two weeks in China exploiting the Tanaka-Ohira connections with Chinese leaders and learning about the modernization efforts. In the Suzuki cabinet Nakasone accepted the post as Director-General of the Administrative Management Agency, an experience that would decisively influence his priorities as Prime Minister only a few years later.

Suzuki had been brought into the job of premier to ensure party harmony, and when he became convinced in late 1982 that his continuing in the *kantei* was harmful to party unity he immediately decided to step down. Who would succeed him was unclear: although Nakasone had recently earned positive regard for his leadership of administrative reform, he did not have the power to make himself prime minister. It was Tanaka who still controlled the largest and most powerful political faction in the LDP. Even so, he could not himself assume a high-profile position after his indictment for accepting bribes from Lockheed. Nor could he appoint one of his lieutenants in the faction to the premiership, for fear of upsetting the careful balance that had enabled his faction to swell to twice the size of any other. Tanaka was compelled to exercise influence through another, preferably the leader of a small faction without a broad base of support in the party or beyond. Nakasone seemed a perfect choice.

Since it was the Tanaka faction that had the votes to choose the party president (and thus the prime minister), Tanaka himself was still the kingmaker in Japanese politics. Nakasone was considered weak, in part because of the small size of his faction, and in part because his longstanding hawkishness had put him outside the mainstream of postwar identity and his own party. Reporters even jokingly referred to Nakasone cabinet as *TaNakasone naikaku* (Nakasone cabinet which is effectively controlled by Tanaka), noting that the influence of Tanaka would guide his every policy decision. He was also called the "weathervane" for changing his position depending on the prevailing political winds. The relationship seemed a reasonable compromise for both parties, and on November 26, 1982, Nakasone was elected Prime Minister.

How much Tanaka actually exerted his influence is hard to measure. He did frequently speak to Nakasone, calling him on the telephone several times a day.¹⁴⁶ And it does seem as though Nakasone was at first a far more cautious leader than one would have predicted from his postwar rhetoric. For example, he decided early on that he would give up his push to revise the Constitution, despite cherishing the opportunity to do so for decades. Nakasone himself argued that it was a matter of priorities—that spending all his political capital and energy on a risky effort to revoke Article 9 would have been foolish.¹⁴⁷ One might also speculate that Tanaka, more comfortable with the postwar identity of merchant Japan and less committed to a great power image, squashed the constitutional reform agenda. Certainly public and media reaction to Nakasone's early remarks were not encouraging. Whatever the reason, Nakasone initially concentrated his political energies on foreign relations.

Few Japanese politicians put much time into foreign affairs. The expression was “*gaiko wa hyoden ni tsunagaranaï*”—there are no votes in diplomacy. Elections in Japan were (and some say they still are) principally about constituent services. Posts in the Ministry of Construction which could be used to funnel contracts to local firms and bring pork barrel building projects to the district were a considerable plum. Most other cabinet posts came with a domestic interest group—the Ministry of Health and Welfare might earn votes from the well-organized Japan Medical Association, while the Ministry of Posts and Telecommunications could draw on the tens of thousands of postal employees. But foreign affairs were not a pocketbook issue, and in the context of the postwar consensus on the Yoshida Doctrine there was little room for substantial leadership. Hatoyama's breakthrough with the Soviet Union in 1956 (based on his strong desire for autonomy) and Tanaka's rapprochement with China (which was opportunistic) were the notable exceptions to the rule that diplomacy offered no reward to the aspiring politician.

Yet Nakasone used foreign (and defense) policy to build his independent political base and escape Tanaka's influence, eventually enabling him to sustain his premiership for over five years. Within the field of diplomacy, he took characteristically distinctive positions. For example, his first foreign trip was not to Washington, but to Seoul. Nakasone pushed for speedy improvement in ties with the ROK, insisting on a substantial package of economic aid to take with him in his January 1983 visit. His frank attitude of respect for South Korea had at least as much impact as the money, and he scored a decisive victory.¹⁴⁸ Nakasone exploited the opportunity presented by the reemergence of the Soviet threat in Asia to build closer ties first with South Korea, then with the

¹⁴⁶ Nathaniel Thayer, interview with author.

¹⁴⁷ Ibid.

¹⁴⁸ Nathaniel Thayer, “Japanese Foreign Policy in the Nakasone Years,” in Curtis ed., *Japanese Foreign Policy After the Cold War*, *op. cit.*, 90-104.

United States. But he did so with his personal diplomacy, and his vision of Japan as a major power in the western camp.

Having established a rapport with Chun Doo-hwan in Seoul, Nakasone immediately set about building a close relationship with President Ronald Reagan in Washington. He came to Washington talking up defense issues and describing the United States and Japan not merely as allies but as “countries with a shared destiny.” He further endorsed far greater military cooperation with the United States in confronting the Soviet threat, a sharp contrast to his predecessor Suzuki, who only months earlier had seemed unsure whether the alliance included any military aspects. He told Reagan that Japan was an unsinkable aircraft carrier that Japan could block the straits to the Sea of Okhotsk to bottle up Soviet SSBNs, and that Japan would increase its efforts against Soviet “Backfire” strategic bombers.

Nakasone also used his knowledge of American politics and the leverage of images back in Japan to display his personal familiarity with President Reagan. Later he enhanced the relationship by repeatedly addressing the President as “Ron.” When Reagan asked a US diplomat how he should respond, he was advised that the Prime Minister would be very glad to be called “Yasu.”¹⁴⁹

The strategic context of Japan-China relations in the Nakasone years offered a new freedom of action in foreign affairs. The United States was no longer acting to prevent or obstruct ties between Japan and China, as it had done from 1952 until 1971. Nor was Washington urging Japan to enter into a strategic entente with China against the Soviet Union, as Brzezinski had done in the later years of the Carter administration.

NAKASONE AND CHINA

Nakasone used the November 1983 visit of Hu Yaobang, Secretary General of the Chinese Communist Party (CCP), to establish his personal diplomatic channel, as he had done with Reagan in Washington and Chun Doo-Hwan in Seoul. Celebrating five years of peace and friendship, he attempted to reassure China that—despite his long-standing image as a nationalist and militarist—he would support the Friendship Diplomacy of his predecessors and maintain a stable defense policy. He agreed with Hu on four principles of Japan-China relations— Zhao Ziyang’s three: peace and friendship, equality and mutual benefit, and long-term stability, as well as a fourth: mutual trust. To buttress their personal trust, Nakasone and Hu also agreed to establish a “Japan-China 21st Century Friendship Commission.” On this basis the relationship with China was set to build on the maturity described by Suzuki into a full-blown partnership.¹⁵⁰

¹⁴⁹ Interview with Bill Sherman, retired Foreign Service Officer.

¹⁵⁰ Tanaka, *Nitchu kankei*, *op. cit.*, 132.

Nakasone's strategy combined the Tanaka-Ohira friendship tactic of throwing money at the problem with his personal leadership diplomacy. Building on the success of Hu's visit, Nakasone made a trip to China in March 1984. He took with him a package of yen loans totaling 470 billion yen (\$2.1 billion), quite substantially surpassing the 300 billion yen Ohira package of 1979. That the amount of ODA could be expected to grow in each round was to become an unconscious assumption on both sides, with focus now on the margin of increase. At the same time the two sides developed something of a gap in their appreciation of the ODA program, with the Japanese believing they were being generous and the Chinese believing this was only a small beginning toward compensation. In one sense Zhou Enlai's strategy to exploit the Japanese people's sense of guilt rather than negotiating fixed reparations was proving quite brilliant, in that the issue could remain open-ended while the amounts of aid continually increased. On the other hand, relying on sentiment in this way also had costs, as once Japan began to believe that China would never be satisfied, its policy toward China shifted dramatically.

In addition to economic cooperation and personal diplomacy, Nakasone struggled to fit into the Friendship identity acceptable to the Chinese. It should come as no surprise that many were suspicious—he was viewed as a retrograde militarist even before his comments during his first visit. But Nakasone tried to reassure Hu and the Chinese that Japan would stick to its Yoshida Doctrine strategy of exclusively-defensive defense policy (*senshu boei*). While in China, Nakasone made a speech at Peking University in which he stated that “Here as Japan's highest political authority, I declare without hesitation that our country will absolutely not allow the recovery of militarism.”¹⁵¹

Such promises did little to reassure the Chinese in the face of Nakasone's actual efforts to break the constraints of postwar pacifism and reconstruct national identity in opposition to the anti-militarist, defeated country postwar paradigm. Nakasone attempted this in several different ways, some direct and some more circuitous. Most significant in the area of national defense was the effort to cross through the so-called one percent ceiling. In the area of national identity, Nakasone sought to achieve the “final accounting” of the postwar era, to amend the Tokyo War Crimes Trials view of history, to foster national pride and patriotism, and to undermine the structures of leftist anti-state pacifism. Among these activities, it was the highly symbolic act of paying homage at the Yasukuni Shrine that triggered the most violent reaction from China (and elsewhere), but one must consider the entire package of Nakasone's policies to fully understand the linkage between image, identity, and policy.

It may be that China was genuinely concerned about Japan's potential to become a military power, or it may have been mainly an excuse to criticize Japan to advance other concerns—leverage in economic negotiations or domestic political contests, for example. But the linkage between interpretation of history and the framework of national security policy was deeply—and properly—

¹⁵¹ *Ibid.*, 133, author's translation.

appreciated by the Chinese.¹⁵² Although Japanese often complain that the Chinese use the history issue tactically to extract concessions and gain leverage in a bargaining situation where they are very much the weaker party, the fact is that China's concern over the evolution of the image-identity complex in Japan was sincere and was shared by many inside Japan. Friendship with China had assumed a core place in the political mainstream so the challenge was how to define and manage that friendship. The power of symbols and rhetoric should draw notice from materialists, especially structural realists, as decisively setting the range of policy options. Anti-sentimentalists can argue that "there are no permanent alliances, only permanent interests,"¹⁵³ but this overlooks how interests are themselves formed.

NAKASONE-HU PARTNERSHIP

The personal relationship never developed into Yaobang-Yasu relations, but Hu did make an effort to respond to the overtures from Nakasone. On an apparently spur of the moment decision, Hu invited 3,000 young Japanese to visit China to build people-to-people relations among the next generation.¹⁵⁴ He also invited Nakasone to his home for a meal with his family. These bold gestures were later to cost him because of anti-Japanese sentiment among the Chinese public, but it was clear that he gave his best effort on behalf of Japan-China relations.

THE TWENTY-FIRST CENTURY FRIENDSHIP COMMISSION

One of Nakasone's ideas for opening avenues to progress with China was to find a place to bury the problems. He was the one who proposed the creation of a special new forum for political dialogue, the Japan-China 21st Century Friendship Commission, which was agreed to during Hu's 1983 visit to Tokyo. In some measures it was a success; it still exists, and it did provide a venue for discussion of political problems between the two countries. But it did not allow the problems to be contained in committee and sealed off from the diplomatic relationship. Rather, disagreements within the Friendship Commission reflected larger disputes.¹⁵⁵ The Friendship Diplomacy of the 1960s and 1970s had consisted of agreements between China and Japanese who explicitly opposed the very stance Nakasone took regarding history and security. In the end Nakasone managed to construct nothing of lasting significance in Japan-China relations. Part of Nakasone's failure was bad luck. He had counted on Hu as a leader of both vision and ability. Hu turned out to be a disappointment, seeing the benefits of Japan-China cooperation but mishandling the domestic and intra-party complications arising from his efforts. The invitation to 3000 young

¹⁵² Interviews with Chinese specialist on Japan, June 1998 and June 2004, in Shanghai and Beijing.

¹⁵³ Lord Palmerston, 19th century British Foreign Secretary.

¹⁵⁴ Interview, Kato Chihiro, *Asahi Shimbun*, China specialist, March 1996.

¹⁵⁵ Interviews with Ishikawa Tadao and Okabe Tatsumi.

Japanese ended up being quite costly for China, which did not have resources to spare, and the impression made by the Japanese youth was in the end less than favorable. Furthermore, the Japanese in response invited only a tenth as many Chinese to visit Japan. Hu's personal relationship with Nakasone was the basis for attacks as well, since Nakasone was tarred with the image of ultranationalism.¹⁵⁶

Another dimension of the bad luck hypothesis is that the economic ebb and flow of the bilateral relationship caught Nakasone on the wrong foot. Many of the reviews of this period emphasize how much the diplomatic relationship was influenced by factors including the sharp rise in the bilateral trade imbalance and the overall disparity of economic competitiveness.¹⁵⁷ The general frictions arising during the mid-1980s in Japan's foreign relations, and especially in US-Japan relations, have some bearing here: it was a matter of both narrow economic policy conflict and broader concern over relative gains that let these trade frictions become substantial political issues. China's apprehensions about Japan derived mainly from its emergence as an economic and technological power, which Beijing feared would lead eventually to new efforts by Japan to seek commensurate military power.

TENSIONS BETWEEN NATIONAL IDENTITY AND FRIENDSHIP WITH CHINA

In his attempt to update the 1970s system, Nakasone ran into an ideational contradiction, calling for Friendship while trying to transcend the national identity basis that underpinned the Friendship framework. In his Japan-China 21st Century Friendship Commission, the name was still Friendship, but the content was not the particular ideational posture that had been mutually acceptable—even within the broad parameters of avoiding militarism to which Nakasone had agreed.

While Nakasone's individual leadership had significance, the identity shift he attempted to lead was not subject to his initiative. As noted earlier, intellectual entrepreneurs can do no more than bring ideas to the market of national consciousness. What suits the tenor of the time depends not solely on the salesmanship, but on also the circumstances of the nation and the public. Faced with the global strategic context of the mid-1980s, Nakasone and other conservatives felt that Japan needed a more positive attitude about the military if it were to adjust its identity to support an expanded security role. The national pride that Nakasone represented was not entirely retrograde—it did not look down on other Asians, nor was it anti-democratic per se—but its appropriation

¹⁵⁶ Interviews with Kato Chihiro of *Asahi Shinbun*, and Mr. Hayashi, the leader of the Japanese student delegation to China.

¹⁵⁷ For example, Tanaka, *Nitchu kankei, op. cit.*; Whiting, *China Eyes Japan, op. cit.*; Hidenori Ijiri, "Sino-Japanese Controversy," *China Quarterly* No. 124 (1990); Hong N. Kim, "Sino-Japanese Relations," *Current History* (April 1988). For a contrasting view, see Wakamiya Yoshibumi, *The Postwar Conservative View of Asia* (Tokyo: LTCB International Library Foundation, 1999).

of symbols of Imperial Japan (the only symbols available¹⁵⁸) made it reactionary in the ideational context of postwar Japan.

THE YASUKUNI SHRINE VISITS

Most potent among the symbolic actions, and the one that raised most concern about the trend in national identity, was Nakasone's official visit to Yasukuni Shrine on August 15, 1985. Yasukuni Shrine is the Shinto shrine that holds the spirits of Japanese who gave their lives in defense of the nation, beginning with the formation of modern Japan in the Meiji period in the late 19th century. The first enshrined were those who died in the restoration war on the side of the Emperor, against the Tokugawa shogunate. Yasukuni was at the heart of State Shinto, the distortion of traditional Japanese animism to center on the Emperor and create an ideational framework for totalitarianism. Any association with Yasukuni is therefore tarred with ultranationalist symbolism. But after 1978 a more specific aspect of the shrine became a sensitive matter: the enshrinement of 14 convicted Class A war criminals that year, and the Shrine's claim that their spirits, once enshrined, are inseparable from the 2.5 million others enshrined there..

On August 15 1985, the fortieth anniversary of Japan's surrender, Nakasone became the first Prime Minister after the inclusion of the Class A war criminals to pay an "official visit" to the shrine, signing *shusho* (Prime Minister) in the register. In the context of his campaign for a "final accounting of the postwar (*senjo so kessan*)," this appeared both within Japan and to neighbors from Korea to Singapore to be a dangerous retrogression.

From the shrine supporters' viewpoint, the worship there is not about judgment of Japan's deeds or the actions of dead individuals. It is about honoring the spirit of self-sacrifice on behalf of the common good, and collective appreciation of those who made today's Japan possible. Yet they also concede that they are striving to redress what they see as flaws in postwar Japanese identity. Nakasone himself said, shortly before paying homage at the shrine, that "there spread through Japan a self-torturing belief that our country was to blame for everything. This thinking persists even today. It was fashionable to blame Japan alone and condemn everything prewar. I'm against this."¹⁵⁹

For the left, and for the Chinese, this stance was pure and unadulterated historical revisionism. In one possible reading of his remarks, Nakasone was simply against the most extremely self-critical view, associated with the opposition to *Tennosei* imperial system and the overall socio-political order. But the more common interpretation was that he was in fact in favor of the

¹⁵⁸ Carol Gluck, *Japan's Modern Myths: Ideology in the Late Meiji Period* (Princeton, NJ: Princeton University Press, 1985).

¹⁵⁹ Nakasone speech to LDP summer seminar, Karuizawa, July 27, 1985. Quoted in Wakamiya *op. cit.*, 171.

prewar system, and espoused it as an ideal. It was in the interest of the left to paint Nakasone as such a reactionary, although in fact his thinking included appreciation of the postwar reforms as well. As he said at the time, “We must look critically at Japan’s actions in the past and establish our country’s identity from this point of view.”¹⁶⁰

CHANGING DEFENSE POLICY: BREAKING THE ONE PERCENT CEILING

Another political initiative that must not be overlooked in the context of Friendship with China was Nakasone’s effort to abolish Japan’s self-imposed policy of limiting the defense budget to one percent of GDP. In the 1970s, when Miki Takeo made the pledge defense spending had already dropped from just over one percent in the mid-1960s to 0.84 percent in 1975. It was therefore a relatively easy political pledge for Miki to make, given the trends in both defense spending and overall economic growth.

By the mid-1980s the limit was proving difficult to explain to the United States. The international context had shifted from détente and the decline of superpower struggle after the end of the Vietnam War to renewed confrontation and new dimensions of strategic competition, including Reagan’s Strategic Defense Initiative. Although the Japanese defense budget had continued to swell with rapid economic growth, the share of GNP figure was controversial in US-Japan relations. The figures were not exactly comparable, because Japan’s calculations exclude elements such as pensions for retired military personnel (generally included in NATO standard defense budgets), but the general American reaction was that Japan was “free riding” on US defense efforts.

Nakasone was very sensitive to this criticism, in part because trade friction with the United States was becoming more problematic. Pressure grew to revalue the yen, which was so relatively cheap that Japanese exports to the United States easily gained market share. Eventually Japan conceded at the Plaza Accord to coordinated central bank intervention in the currency exchange markets to increase the value of the yen sharply. This raised the nominal value of Japan’s defense spending to third-highest in the world, behind only the United States and the Soviet Union, but this measure did little to appease complaints and frustration within the United States about free riding.

Nakasone also had identity politics reasons for breaking the one percent ceiling: he wanted the nation to take matters of defense more seriously, and to shatter the taboo over national security issues. As such, he refused to frame the reasons for increasing defense spending as American *gaiatsu*, although many in Japan did so. Instead, Nakasone argued directly about the Soviet military threat to Japan and the need for Japan to respond vigorously.

¹⁶⁰ *Ibid.*, 171-2.

China had been eager for Japan to contribute more to the anti-Soviet efforts in the 1970s and even the early 1980s. Before achieving diplomatic normalization with the United States, Chinese leaders had even urged Japan to increase defense spending well beyond the one percent limit, suggesting that Japan could safely spend three percent of GNP on defense. By the time Nakasone actually began his assault on the one percent ceiling, however, China was more conflicted. The era of Sino-Soviet tension had passed, and while the People's Liberation Army (PLA) was eager to learn what it could from advanced militaries in the West, Chinese political leaders were no longer as enthusiastic about Japan's defense role. Nakasone's Yasukuni Shrine visit also created second thoughts about a stronger

Nakasone's efforts to increase defense spending encountered significant public and political resistance, as the need abandoning the one percent ceiling were not self-evident to most of the public and the political world. Moreover, Nakasone's grip on power was not strong, having led the party into a rather poor showing in the elections at the end of 1983. The mainstream of his own party was concerned enough about the image costs of ramping up defense spending—and eager enough to use the money for more politically rewarding purposes—that he failed in his first attempt to augment the budget. Nonetheless, Nakasone would persevere, as always, and would eventually prevail.

NIHONJINRON, KOKUSAIKA, AND THE SEARCH FOR A NEW NATIONAL IDENTITY

Nakasone's version of Japanese national identity also relied on racial and ethnic exclusiveness as sources of pride. *Nihonjinron* was an attempt to create a new national identity out of ethnic homogeneity, albeit of a somewhat muddled sort. *Nihonjinron* ignored ethnic, cultural or even physical variability within the population. For example, Nakasone argued that the Ainu had all been absorbed into the Japanese population, citing his own hairier-than-average body as proof.

The *Nihonjinron* nationalism was not in itself militaristic. Instead, it emphasized the uniquely cooperative nature of Japanese, the importance they place on social harmony. Nonetheless, its emphasis on exclusivity disturbingly echoed the Imperial propaganda of a sacred nation above all others. Furthermore, as a challenge to the postwar national identity, which incorporated societal cleavages over the legitimacy of the state and the use of force, *Nihonjinron* was inherently a threat to the framework of Friendship relations with China.

Another weapon in Nakasone's arsenal of identity contestation was the re-contextualization of Japan from its "small, insular" self-image to an identity that was more "in the world." The campaign for *kokusaika* (internationalization) was not merely about economic competitiveness in an era of *endaka* (rising yen), but was also an attempt to force Japanese to confront their stature as the world's third, or even second-largest economy. Nakasone felt that Japanese should overcome their shame at defeat and their habitual self-effacement and

low-posture in international affairs. He believed that Japanese should be able to engage in the broader world with confidence, following his admonition to “advance forward in the pursuit of glory.”

CHINA'S REACTION

The wave of political, military, and identity assaults by Nakasone drew severe concern from the domestic left and the international community, nowhere more so than in China. The Chinese government criticized the visit to worship at the Yasukuni Shrine as injurious to the feelings of the Chinese people. The Chinese people responded, with a student demonstration erupting in Tiananmen Square on September 18, 1985. Protesters carried placards denouncing the recovery of Japanese militarism and Japan's “economic invasion” of China.¹⁶¹ Protests spread in October to Xi'an, Chengdu, and Wuhan, and the issue of anti-Japanese sentiment among Chinese emerged as a diplomatic issue.

Both governments tried to manage the crisis to a degree. Nakasone avoided a second visit to the shrine, backed off from his contention that the Tokyo War Crimes Trials' verdicts were not “final,” and reassured Chinese of his intention to maintain the four principles of Japan-China Relations. The Chinese leaders, worried about both domestic stability and the important economic relationship with Japan, strove to defuse the protests, and to explain to Tokyo that they “understood” the feelings of the Japanese people.

The Chinese student protests have been interpreted in different lights. One Japanese interpretation was that the anti-Japanese riots were a really a way for Chinese students to vent their frustrations with the government. By protesting in support of the government's own policy in a politically acceptable manner, the students could also promote their right to democratic protest. Under this interpretation, the Chinese government was fearful of allowing the protests to grow too domestically oriented, yet unwilling to suppress them violently.

Another school of thought is that the protests were manipulated, if not instigated, by Chinese leaders opposed to Hu Yaobang's policies and hopeful of using the issue of civil order to oust him—an argument given retroactive credibility by the decision to remove Hu in early 1987. While not denying that political intrigue, economic interests and masquerading democratization efforts have aspects of persuasiveness; the notion that the Chinese leaders might also be reacting against worrisome ideational change in Japan seems to have been neglected. The recovery of Japanese militarism was a common concern of the Chinese students and the Japanese left. In fact the domestic left learned that the Chinese reaction could be predicted—and exploited—to hamper Nakasone's initiatives in identity politics.

¹⁶¹ Tanaka, *Nitchu kankei*, 140-5; Whiting, *China Eyes Japan*, pp. 66-79, Ijiri, “Sino-Japanese Controversy,” 650.

THE SECOND TEXTBOOK INCIDENT AND HISTORICAL REVISIONISM IN 1986

In the summer of 1986, Nakasone did not visit the Yasukuni Shrine again. Ostensibly he avoided going because it would damage Hu Yaobang, who was already in political difficulties. But the relationship with China did not remain smooth. A Japanese rightist group was preparing a high school textbook that would whitewash history, glorify the Emperor, deny aggression, and remedy what Nakasone and others had described as the “self-torturing belief” that underlay postwar pacifism. This textbook had not undergone the full screening process in the Ministry of Education and Culture, and was in fact unlikely to have been approved—it was a propaganda effort by the rightist group, the Association for the Protection of Japan. Yet the textbook became a major issue between Japan and China over the course of the summer of 1986.¹⁶²

The reasons for this in the dynamic of Japan-China relations are hard to discern without attention to identity politics. The leaking of the fact of the textbooks submission and the immediate reaction from the Chinese government show that the Chinese had joined in the domestic debate over Japanese images of their history and themselves. The left’s manipulation of the Chinese to advance their own domestic agenda rested on the argument that this was a matter of domestic Chinese politics centered on the political fate of Hu Yaobang. It was about Japanese domestic politics, and came just as the Diet was preparing for a rare double election of both Lower and Upper Houses of the Diet. Nakasone won a huge victory, winning himself an extra year as LDP president and thus as Prime Minister in the process.

Later in the summer of 1986, Education Minister Fujio Masayuki criticized Nakasone’s decision not to visit the Yasukuni Shrine, and declared that the verdict against Tojo Hideki “could not be considered correct.”¹⁶³ Emboldened by Nakasone’s electoral victory in July, the right wing demagogues were not afraid to engage in battles of identity contestation, even when they were confronting the combination of domestic leftists and the Chinese. Predictably, Fujio was forced out of office, although he refused to resign when Nakasone asked and had to be fired, drawing further attention to his point of view.

Nakasone tried to patch things up with Beijing, visiting China once again in November and reaffirming his commitment to the Four Principles. It was an effort in vain. The Friendship paradigm had no room for the nationalistic views of someone like Nakasone, although he had always been rather sympathetic to China. As he argued, his own sense of shame at the defeat and Occupation by the United States made him particularly sensitive to the issue of how Japan had impinged on the sovereignty of its neighbors. Without being explicitly apologetic about the past, he tried to display his sense that Japan had made

¹⁶² Tanaka, *Nitchu Kankei*, 150-154.

¹⁶³ See Whiting, *China Eyes Japan*, 62-65.

mistakes in this regard. Yet his hope to “cast disgrace aside, advancing forward in the pursuit of glory” was simply not acceptable to the Chinese.

Chinese vitriol in response to Japan's treatment of historical issues was in fact a highly effective tactic for sustaining the internal cleavages of the postwar image-identity complex in Japan, which was vital to China's maintaining its political leverage over Japan. It was the cooperation of the Japanese left and the Chinese that created the counterattack against reviving Japanese nationalism. The aggressive Chinese posture taken—major battles over minor issues—is difficult to explain from a traditional, rational interest-driven model of foreign policy behavior. When the domestic identity politics and the ideational structure of the 1970s system are understood, however, the belligerence of the Chinese makes perfect sense.

THE KOKARYO CASE AND THE TAIWAN ISSUE

In January 1987, Hu Yaobang was ousted from his position as General Secretary of the CCP. He was criticized in part for mismanaging relations with Japan, having been seen as too close to Nakasone, who was no longer considered friendly to China. The Japanese government had approved at the end of 1986 a budget that would finally break the one percent ceiling of defense spending (by the slimmest of margins). The relationship between Japan and China, which had been so “mature” and positive in 1983 was fraying at the edges as Nakasone entered his fifth year in office.

As if the tense relationship really needed another diplomatic blowup, the Osaka High court ruled in February 1987 that a building in Kyoto used as a Chinese student dormitory (known as the *Kokaryo*) was in fact the property of the ROC government on Taiwan. The building had been subject to a court case since 1967, when Japan had diplomatic relations with the ROC, and had been tossed back and forth in appeal after appeal. The decision to grant ownership of the property to Taiwan reflected the court's belief that the transfer of power from the Kuomintang to the Communists had been “incomplete.”

China's reaction was swift and vigorous. The understanding over Taiwan was a core component of Friendship relations, as it had been since the 1950s, through the friendship trade era, and as an element of the normalization framework. China attacked all aspects of Japanese straying from the terms of the Friendship paradigm, whether directly related to Taiwan or not. The first point was of course that the decision amounted to a “two Chinas” policy, which Japan had foresworn. Following, however, were criticisms of Japanese militarism (the breaking of the one percent ceiling), attitudes about history (Yasukuni), and economic policies (violating the principle of equality and mutual benefit).

That the Chinese would link together the various issues and question the very foundations of the bilateral relationship came as a shock to Tokyo. They tried to explain that the separation of powers required the political branch to respect the authority of the courts, and that the political decision to recognize China had not

meant the end of the legal existence of the ROC. While diplomatic property had of course been transferred, the *Kokaryo* was not considered diplomatic property. But the Chinese would have none of this sophistry. They redoubled their attack. In June, Deng Xiaoping declared in a meeting with Komeito Chairman Yano Junya that “frankly, Japan is indebted to China more than any nation in the world. When relations between our two countries were normalized, we did not require Japan to pay war reparations. Therefore, Japan should do more to help China than it has done.”¹⁶⁴

Deng’s opinion struck some Japanese as absurd; perhaps he just did not understand Japan-China relations. One diplomat muttered that Deng was “a person above the clouds,” implying he was out of touch with reality (if not completely senile). He resigned, and Deng had his way in the end. This marked the end of Zhou Enlai strategy to rely on Japan’s own feelings of guilt and obligation, and instead shifted the matter into an open demand for more money. The Japanese, who thought they had been generous with 770 billion yen (about \$5.85 billion in average 1988 exchange rates) in ODA, realized they had not even begun to come to terms with history in Japan-China relations.

¹⁶⁴ Quoted in Tanaka Akihiko, “Sino-Japanese Relations in the 1980s,” unpublished paper, 15.

RELUCTANT REALISM

By the mid-1990s, Friendship Diplomacy was fraying at the edges. The debate over Emperor Akihito's visit to China in 1992 had crystallized the anti-Friendship perspective around issues of national security.

A combination of pragmatism and inertia sustained the paradigm even as its structure eroded from within. The political leaders who built friendship—before and at normalization—were vanishing from the scene. Generational change in Japanese politics undermined the institutional “pipes” of Japan-China relations. In general, generational change has had a negative impact on Japan-China relations due to the passing of the Japanese politicians, businessmen, and China-hands who had devoted themselves to building bridges and smoothing differences between Japan and China since the normalization of diplomatic relations. Younger Japanese politicians and intellectuals feel less culpability for the actions of their parents in the war and are resentful of China's continual use of the historical card in negotiating with Japan.¹⁶⁵

Generational change also enabled ideational change, as one of the main engines of change in images and worldviews among leaders is the change of those leaders themselves. Under Prime Minister Murayama Tomiichi, different attitudes about history began to accumulate greater weight in the relationship. At the same time, Japanese felt less willing to swallow their pride and let their own beliefs go unspoken.

The economic dimension of Japan-China relations had run hot and cold ever since the 1950s, increasing in amplitude but not in the basic dynamic: mutual enthusiasm followed by mutual frustration. The mid-1990s saw another similar cycle, as Japanese companies rushed to invest in China, driven by the high yen and a sense of urgency, followed by a litany of complaints and recriminations. In effect, trade and investment relationships remained beneficial to both sides, but this economic dimension never developed into improved political relationships as expected.

THE MURAYAMA CABINET

Murayama Tomiichi became Prime Minister of Japan on June 30, 1994. The first Socialist to hold the office in 47 years, he was heading a coalition government including his Japan Socialist Party (JSP), the Liberal Democratic Party (LDP) and the small New Party *Sakigake* (*JiShaSa* coalition). The LDP regained most of the cabinet seats, including Foreign Affairs (Kono Yohei,

¹⁶⁵ Michael Green, *Japan's Reluctant Realism: Foreign Policy Changes in an Era of Uncertain Power* (NY: Palgrave, 2001), 28.

President of the LDP) and International Trade and Industry (Hashimoto Ryutaro).

Takemura Masayoshi of *Sakigake* was rewarded with the Finance Ministry portfolio; having been Chief Cabinet Secretary of the Hosokawa cabinet, he was one of only two politicians to serve in both the anti-LDP coalition and the *JiShaSa* coalition (the other being Igarashi Kozo of the Socialist Party, who became Murayama's Chief Cabinet Secretary).

Takemura's views on Japanese national identity and its role in the world deserve mention here, because he represents the element of continuity that runs through the period of non-LDP coalition governments. Takemura released his reply to Ozawa Ichiro's *Blueprint for a New Japan* "normal nation" argument in 1994, calling for *Chiisakutomo Kirari to Hikaru Kuni Nihon* [*Japan: A Small but Bright and Shining Country*]. Takemura, who spent most of his political career in the LDP until 1993, was nonetheless dedicated to Small Japanism, in the tradition of Shidehara Kijuro and Ishibashi Tanzan. What Takemura shared with them, and with Hosokawa and Murayama, was a deep and abiding desire to be purified of the taint of Japan's historical crimes. Dealing with history frankly and sincerely was a strikingly consistent element of the non-LDP prime ministers, who may not have shared all of Takemura's ideas but did largely endorse the point about avoiding becoming a military power.

Murayama focused on the lessons of history, and in his kind and grandfatherly way he offered to the Japanese people a sense of genuine penitence that did not seem shameful. Nor was it opportunistic or perfunctory. Whereas Hosokawa began his administration resolving to deal forthrightly with historical issues, and followed through in his speeches to the Diet and in China, Murayama built an institution for coming to terms with history. Within two months of taking office, Murayama announced the "Peace, Friendship and Exchange Initiative," to spend 100 billion yen (about \$1 billion) over ten years on fostering historical research and various related exchange activities.

Security

Murayama's position on history and identity undoubtedly conditioned his views on security. The stance taken by his party throughout the Cold War was that the Self-Defense Forces (SDF) and the US-Japan Alliance were unconstitutional. This rhetorical background made any reasonable and pragmatic security policy seem like a total reversal that called into question the sincerity of socialist pacifism. When Murayama accepted the legitimacy of the SDF and argued that the US-Japan Alliance "should be firmly maintained," there was an air of confusion about his intentions. Some wondered if he even understood what he was saying, or was simply mouthing the words his bureaucrat handlers put in front of him. For others, it was a refreshing change from the ideological and inflexible debate of the Cold War era and a move toward focus on the real limits of Japan's international military role. While Murayama had stoutly opposed passage of the International Peace Cooperation Law (PKO Law) and dispatch of

the SDF to Cambodia,¹⁶⁶ he was as Prime Minister prepared to go along with mainstream views of what the future shape of Japanese defense policy should be.

In February 1994, reflecting the freedom to reexamine all aspects of policy after the 38-year period of one-party LDP rule, and opportunity to do so after the end of the Cold War, Prime Minister Hosokawa Morihiro had commissioned the Advisory Group on Defense Issues to examine the future of Japan's security needs and to recommend appropriate policies. This advisory group was known as the Higuchi Commission, as it was chaired by Higuchi Hirotaro, chairman of Asahi Breweries. The main work of rethinking Japanese security was entrusted to experts like Nishihiro Seiki, former administrative vice minister of the Japan Defense Agency (JDA), and Watanabe Akio, a distinguished professor of international politics at Aoyama Gakuin University. The principal drafter for the Commission report was Takamizawa Nobushige, an elite bureaucrat in the JDA's policy track. The report, "The Modality of the Security and Defense Capabilities of Japan—Outlook for the 21st Century," was aimed at revising the National Defense Program Outline (NDPO), the basic framework for Japanese defense policy that had been introduced in the Miki administration in 1976.

Whatever Hosokawa's intentions in fostering a reexamination of defense needs (it seems from his later arguments that he had hoped for a more strenuous call to rethink the US-Japan Alliance and the architecture of its deployments), the presence of Nishihiro and Takamizawa yielded a draft in line with mainstream JDA thinking. That Murayama was prepared to go along demonstrated pragmatic flexibility and the degree to which the identity battles of the postwar era actually masked a broad consensus on the limits of the state's role in security affairs. Put another way, the Socialists did not expect to reverse the reality of the SDF and the US-Japan Alliance, but strove to protect the status quo and resist activism in Japan's defense policy by engaging in symbolic contests that privileged the Constitution.

The first draft of the Higuchi Commission report, circulated in Washington defense intellectual circles, caused concern over the degree of enthusiasm for a regional multilateral security framework as an alternative to reliance on the "hub and spokes" arrangement of US alliances. Japan's Asian identity and distancing from America were visible even in its security policy.¹⁶⁷

¹⁶⁶ The PKO Law "empowers the Japanese government to dispatch the Self-Defense Forces to participate in the logistical aspects of peace-keeping operations." See "MOFA: Current Issues Surrounding UN Peace-keeping Operations and Japanese Perspective," <<http://www.mofa.go.jp/policy/un/pko/issues.html>>

¹⁶⁷ Interview with Michael Green. See also Yoichi Funabashi, *Alliance Adrift* (NY: Council of Foreign Relations Press, 1999), 225. The intellectual climate in Japanese defense circles at the time is revealed by Yoshihide Soeya, "Jishu Gaiko in Action: Japan's Diplomacy in Vietnam," and Hisayoshi Ina, *A New Multilateral Approach for the Pacific: Beyond the Bilateral Security Network*, Foreign Policy Institute, 1994.

The energetic effort to restore Alliance relations begun in the Pentagon under Joseph Nye—the so-called “Nye Initiative” (discussed below) responded to this “drift” in the Japanese attitude and decisively altered the trajectory of Japanese security policymaking.¹⁶⁸ The relevant aspects for this discussion are two: China was a major cause of the decision in Washington and Tokyo to reaffirm their relations, and a transnational epistemic community was able to provide ideational entrepreneurship.

The North Korea Nuclear Crisis

The 1993-1994 North Korean nuclear crises was another factor in Japan's shift away from anti-militarist pacifisms and toward a stance centered on national security that created a negative reaction in China. The year of the crisis—1994—is often characterized as the time the United States almost went to war on the Korean Peninsula. In the midst of Japan's reevaluation of its security needs in the post-Cold War era, the Democratic People's Republic of Korea (DPRK) announced its withdrawal from the Nuclear Non-Proliferation Treaty (NPT) in March 1993. The issue had been brewing for some time; Hosokawa had raised it in his meeting with Jiang the year prior, but the Chinese showed no willingness to engage.

The Clinton administration faced the threat of nuclear proliferation with intense concern, and prepared to impose sanctions on Pyongyang. The Defense Department prepared to carry out military operations, only to find that cooperation from the Japanese government to use force against North Korean nuclear facilities at Yongbyon might not be forthcoming. The US-Japan Alliance, facing its first test since the end of the Cold War, in a time of trade tensions and mutual frustration, was about to fail. With Murayama as Prime Minister, there was no guarantee that at the moment of crisis the United States could rely on Tokyo. Then ex-president Jimmy Carter brokered a peaceful resolution, opening the path for the Agreed Framework that established the Korean Peninsula Energy Development Organization (KEDO) to replace North Korea's planned graphite-moderated reactor with two light-water reactors (LWRs). South Korea and Japan were to provide the bulk of financing for the LWRs, while the United States was to provide heavy fuel oil to the DPRK in the interim. After the tensions eased, the United States and Japan had to sit down and ensure that no regional contingency would again loom as an “Alliance breaker.”

That the threat of North Korea helped to undermine Japanese resistance to an active security role is axiomatic. The evolution of Japanese threat perceptions vis-à-vis North Korea closely parallels the shift in public opinion in favor of the US-Japan Alliance and the SDF. While Japanese remain, to this day, vastly in favor of non-military solutions, their acceptance of the value of deterrence has increased exponentially. Furthermore, their comfort with military matters has

¹⁶⁸ Funabashi, *Alliance Adrift*; Koji Murata, “Japan's Security Policy and US-Japan-China Relations,” in *An Alliance for Engagement: Building Cooperation in Security Relations with China*, Self and Thompson eds. (Washington, DC: The Henry L. Stimson Center, 2002), 129-144.

grown thanks to detailed coverage of North Korea in the media. However, the claim that the challenge of North Korea alone can explain Japan's identity shift away from anti-militarist pacifism is over-reaching. Nor is North Korea the only factor that induced Japanese to hold more positive feelings toward the SDF.

Among the other elements that increased the sense of need for a meaningful military and emergency capability was the January 17, 1995 Hanshin-Awaji earthquake, in which over 6,000 people lost their lives, mostly in Kobe. The lack of adequate response by the central government, and the opposition of local authorities to calling in the SDF for rescue and relief operations, convinced many of the urgency of crisis management capability, especially in the wake of the North Korea crisis. Another infamous crisis was the Sarin gas attack against the Tokyo subway system by the Japanese religious sect Aum Shinrikyo (also known as Aum Supreme Truth and later as Aleph) on March 20, 1995. The vulnerability of Tokyo to terrorism or unconventional attacks had been known in theory, but its actual demonstration revealed a need for better preparedness.

Taiwan's International Profile

The issue of Taiwan arose in Japan-China relations in 1994, becoming the next major catalyst in Japan's move to an anti-Friendship identity. This event came about over the issue of inviting Taiwanese President Lee Teng-hui to attend the Asian Games in Hiroshima. The efforts of the Taiwan authorities to achieve a larger international profile had increased sharply since the end of the Cold War. Beyond the fundamental shock to Taiwan's self-confidence that came from the wholesale shift of diplomatic relations from Taipei to Beijing in the 1970s, Taiwan felt decidedly insecure with the rise of Chinese military capabilities, the perceived trend toward withdrawal from the region by the United States, and its growing isolation from any connection to the United Nations system, which had gained salience after the end of the Cold War. To assure Taiwan's status, Lee embarked on a personal diplomatic campaign, relying on his private channels to Tokyo and the United States. The Japanese were sympathetic to Lee at the time, but backed down from inviting him to Hiroshima to avoid a confrontation with Beijing.

WATERSHED: 1995

The interplay of identity and expectations around the 50th anniversary of the end of World War II revealed the sterility of Friendship. Rather than healing the wounds of the war, the Friendship model had allowed them to fester. Neither side could sustain its commitment to the common interpretation reached in the 1970s—the clear villainy of the Japanese military and leadership, and the innocence and victimization of the Japanese nation. As Japan moved toward a more nuanced, synthetic understanding of the war, and China toward a starker one, the prospects for a shared perspective on history grew dim. These issues were intensified by Chinese nuclear testing in mid-1995.

Murayama Goes to China

In Beijing on May 4, 1995, Murayama strove to settle the atmosphere surrounding the history issue. He had paid a personal visit the day before to Marco Polo Bridge, the site of the incident that precipitated the Sino-Japanese War in 1937, and mentioned that this had made a profound impression on him, expressing his conviction that “the Japanese people are firmly determined that Japan will never become a military power.” Murayama repeatedly stressed mutual understanding and confidence, indicating his hope that China would begin to meet the Japanese partway on the history issue. In particular, rather than inflaming Japanese sentiment through vilification of Japan’s war atrocities in the 50th anniversary commemorations, Murayama wished the Chinese to exercise some restraint and to consider the 50 years of peaceful postwar Japan as well. He was to be disappointed.

One of Murayama’s failures was his effort to pass a Diet Resolution that would take the occasion of the 50th anniversary of the end of the war to clearly and forthrightly apologize. Many in the Diet felt that Japan had already apologized enough, given the statements in the Normalization Communiqué, the Emperor’s remarks during his visit to China in 1992, and Hosokawa’s forthright personal apology in 1993. More fundamentally, they no longer felt comfortable with the idea of total condemnation of Japan, what Nakasone had called the “self-torturing” or “self-flagellating” view of history. Japanese national identity had evolved—there was still a high degree of contestation within it, but the parameters were narrower. Certainly no Japanese leaders were calling for a restoration of the Emperor’s prerogatives, as they had done in the immediate aftermath of the Occupation. On the other hand, the strength of Japan’s anti-militaristic pacifism had also somewhat eroded. The popular base of political leadership on history had moved to the center. They welcomed gestures—Hosokawa’s comments had been extremely well received—yet they sought some closure to the debate. It was this desire to reach a consensus that led to the following insertion in the 50th Anniversary Diet Resolution:

We must transcend the differences over historical views of the past war and learn humbly the lessons of history so as to build a peaceful international society.¹⁶⁹

This line of reasoning suggested that the issue of war responsibility, the most divisive and thus the fundamental issue of the postwar identity contest, should be considered moot. Japan recognized that the lesson of history was to avoid war, yet they remained agnostic as to how they had become embroiled in that horrid war to begin with. Needless to say, the Chinese were not pleased by the revelation of this thinking in Japan. The *very basis* of the Friendship paradigm was to attribute war responsibility clearly on the Japanese militarists. There could be no “transcending the differences over historical views of the past war.” There was one “correct” understanding, and there were attempts to glorify

¹⁶⁹ Quoted in Yoshibumi Wakamiya, *The Postwar Conservative View of Asia* (Tokyo: LTCB International Library Foundation), 9.

militarism, whitewash atrocities, and hurt the feelings of the Chinese people. The Chinese effectively brought the suffering of the past into the present in this way: not only did Japan commit crimes against China, but whenever Japanese publicly denied those historical crimes, it further injured the people of China.

In the summer of 1995, China conducted a major media campaign against Japanese historical crimes, publishing photos and accounts of atrocities. The government also dispatched a traveling exhibition with vivid details of the cruelty of Japanese Imperial Army Forces. Many analysts attributed the Chinese campaign to one of two factors, neither related to Japan itself: the personal anti-Japanese sentiments of Jiang Zemin, whose experiences as a child suffering at the hands of the invading troops had strongly shaped his perceptions of Japan; and the fading legitimacy of the CCP, which sought to buttress its rule by replacing communist ideology with nationalist feeling. The CCP derived its legitimacy from fighting and defeating the Japanese invaders, so by reemphasizing to the Chinese people how the CCP had liberated them from the undeniably cruel and oppressive Japanese, the Party could win popular support.

Whether these arguments have any merit or not is beside the point. The terms and understandings of Friendship in the Japan-China context had included the full acceptance of the Tokyo War Crimes Trials view of history, as well as recognition of the legitimacy of the Mainland regime and opposition to any “two China” or “one China, one Taiwan” policy. Over the course of the postwar era, even into the 1990s, whenever Japanese reaffirmed their desire to foster “friendship” relations with China, they implied their acceptance of the paradigm in its entirety. As we saw in chapter 4, the Nakasone administration had sought to establish a version of friendship relations that would accommodate a more positive national identity, to no avail. Murayama, much more sympathetic to Chinese sensitivities about historical interpretation—indeed, largely sympathetic to Chinese interpretations of history—tried as hard as he could to adapt the Friendship model to Japan’s evolving identity, yet he also failed to bridge the growing divide between Japan and China.

Nuclear Tests

In his effort to repair Japan-China ties, Murayama had glossed over the sensitive security issue that had caused Hosokawa such trouble the year before: nuclear weapons. Although he made no mention of the problem in his Beijing remarks, in fact the major issue on the bilateral diplomatic agenda in 1995 was China’s nuclear testing. Japan’s response was strong for several reasons. First, there was genuine concern; China’s nuclear testing was a severe signal for Japan, because it implied continued reliance on nuclear weapons even in the post-Cold War era. This created a coalition of left (anti-nuclear) and right (anti-China) to unite the political establishment and opinion community as never before. Ito Kenichi described this consensus on opposition to Chinese nuclear testing as Japan’s Rainbow Coalition. Although there had been agreement in 1992 by left and right extremes on opposition to the Emperor’s visit to China, the 1995 case penetrated the policy mainstream and left China with no defenders. Editorialists

from the Asahi, Yomiuri, Mainichi, and Sankei newspapers were all in agreement that Japan had to resolutely oppose China's continued testing.

Second, 1995 was the year of the permanent extension of the Non-Proliferation Treaty (NPT), which created an international climate of pressure for China to sign the Comprehensive Test Ban Treaty (CTBT). It also fostered a strong sense among Japanese of having the moral high ground. Third, the emergence of profound doubts about the entire Friendship paradigm and the durability of the 1970s system made this issue a test case for Japanese ability to influence Chinese security policy.

The Chinese conducted tests on May 15 and August 17, 1995. The first of these came only three days after the conclusion of the NPT Review Conference at which the treaty had been indefinitely extended, and this was seen as particularly insulting by the Japanese. The diplomats initially attempted to minimize the damage and stuck to the friendship paradigm. Having announced that Japan would consider cutting grants-in-aid to China, the Foreign Ministry spokesman stated on May 23 that "We are not imposing any sanction at all. ...we attach great importance to the maintenance of the good and friendly relationship between Japan and China."¹⁷⁰

In the end, China's nuclear tests resulted in the freezing of grants-in-aid, but not yen loans. Even this was a largely symbolic step because of the relatively small scale of that form of aid, but the symbolism was important not only in the diplomatic sense. The sense of political risk associated with China grew sharply, leading to significant restraint on the part of the Japanese in a broad array of economic and financial negotiations with China. The Japan Export-Import (JEXIM) Bank, for example, felt compelled by the awkward environment to delay agreement on a package of loan guarantees for China. JEXIM officials insisted it was not an attempt to exercise leverage over the PRC, since they were only bankers whose clients were after all Japanese firms, but whether openly or not, the link between China's behavior and Japan's response was demonstrable. Bureaucrats can deny they have a national interest strategy, and are acting based on the political climate in Tokyo, but this is a distinction without a difference.¹⁷¹

More significantly, the same climate applied to the important Yen Loan side of Japanese ODA to China. These loans have provided much-needed capital investment in the PRC and continue to alleviate bottlenecks in the path of Chinese economic development. They are so important that the Japanese government decided not to freeze their implementation in protest for the nuclear

¹⁷⁰ "MOFA: Press Conference by Press Secretary 23 May 1995."
<<http://www.mofa.go.jp/announce/press/1995/5/523.html#3>>

¹⁷¹ FBIS-EAS-95-241, p. 12, translates *Mainichi Shinbun* article "PRC Nuclear Testing Delays Loan Negotiations." JEXIM officials in Washington DC interviewed March 1996 presented the argument that they had no intention to apply financial leverage on China.

tests—although the ODA principles established in 1992 gave them a basis for doing so.¹⁷² Interestingly, however, the political climate in Tokyo for preparing the next five-year package of Yen Loans was such that the Foreign Ministry could not begin negotiations with China. There was no high-profile statement or public signal, but the message was conveyed to China that the Japanese position had to be respected or the flow of funds would stop.¹⁷³

US-China Relations, Taiwan, and Japan

The Taiwan issue again came to the fore, affecting Japan's policy even when the matter did not actually involve the Japanese. In June 1995, Lee Teng-hui accepted an invitation to visit Cornell University in Ithaca, New York, where he had earned his Ph.D. in 1968. Although the Clinton administration had initially refused to issue a visa, and had promised Beijing that it would not do so, the Congress intervened and put enormous pressure on the White House and State Department. The President's party had lost control of Congress in the previous mid-term elections, due in large part to Newt Gingrich's Republican "Contract with America." The Republican Party vehemently attacked the Clinton administration for "abandoning" Taiwan, despite the island's achievement of democratic legitimacy. In the end, Lee obtained his visa and was able to visit the United States.

Beijing was livid. Given that the CCP leadership depended on nationalism to maintain its regime while abandoning Marxism for Market Socialism, any international status for Taiwan would be harmful. Furthermore, Jiang Zemin had established the goal of reunification with Taiwan to follow the return of Hong Kong (1997) and Macao (1999) to Chinese sovereignty. If Lee succeeded in heightening Taiwan's international profile and building closer political relations with Washington (and Tokyo), Jiang's goal would be unreachable.

The Japanese had been angry about China's nuclear tests and treatment of history during the spring of 1995, and had considered accepting Lee's visit the year before for the Asian Games. After witnessing Beijing's ferocious reaction to the Cornell visit, however, Tokyo blinked. Japan's experts on China had not predicted how severely the visit would harm US-China relations, which were critical for the peace and stability of Asia and the world. Although Tokyo might wish to goad China, or to demonstrate that there would be consequences if China failed to respect Japan's interests, the Taiwan issue appeared too hot.¹⁷⁴

¹⁷² The third of the ODA charter's four principles stated full attention should be paid to trends in recipient countries' military expenditures, their development and production of mass destruction weapons and missiles, their export and import of arms, etc., so as to maintain and strengthen international peace and stability, and from the viewpoint that developing countries should place appropriate priorities in the allocation of their resources in their own economic and social development.

¹⁷³ Interview with Kokubun Ryosei (Professor, Keio University).

¹⁷⁴ Interview with Kojima Tomoyuki (Professor, Keio University).

HASHI-RYU

The coalition of the LDP, Socialists, and *Sakigake* agreed to replace Murayama with the LDP president, Hashimoto Ryutaro, who had been MITI Minister in the Murayama cabinet and Finance Minister in the Kaifu cabinet. Hashimoto, like Hosokawa, had proven that he could say “no” to the United States. Unlike Hosokawa, he was also prepared to say “yes,” and was prepared to say “no” to China.

In the perceived strategic circumstances, Hashimoto said yes to the United States in order to realize the Joint Security Declaration. After intensive negotiations under the Special Action Committee on Okinawa (SACO), the two sides agreed on adjustments to the US presence in Okinawa, including the return of Futenma Naval Air Station to Japan.¹⁷⁵ Futenma is located in the densely populated southern part of Okinawa’s main island, inside the town of Ginowan. The two governments reached a deal to relocate the base to the northern part of the island, in Nago town, an action that has never been completed because of objections from the residents of Nago and other communities.

The relocation agreement was a central element allowing the two sides to go ahead with the rescheduled visit of President Clinton, and to realize (ensure?) success for (implementation of?) the Nye Initiative through issuance of the Joint Security Declaration. Under this approach, after years of trade friction and lack of mutual confidence, it was agreed that the US-Japan Alliance was to be shored up for mutual security and regional stability. The two would conduct a review of the US-Japan Guidelines for Defense Cooperation established in 1978 to fulfill the framework of the 1976 National Defense Program Outline (NDPO). They would shift the focus from Article 5 of the US-Japan Treaty of Mutual Cooperation and Security, which provided for defense of Japan, to Article 6, which provides for security of Japan and maintenance of international peace and security in the Far East. As the NDPO had been revised in 1995 to shift focus from defense of Japan to contributions to a more stable international security environment, the adjustment of the Guidelines made perfect sense in terms of the framework of Japanese security policy. From the perspective of potential regional contingencies, the 1994 North Korea crisis had revealed the need to put on paper the modes of cooperation the two countries could plan for. What no one had expected, yet what became the core issue in Japanese security debates over the next several months, was the relevance of the US-Japan Alliance to Taiwan.

In March of 1996, Taiwan held the first direct popular election of a leader in the history of the Republic of China—or any China, for that matter. President Lee Teng-hui was running for reelection under the banner of the ruling Kuomintang, or Nationalist Party, while competing against him were candidates from the

¹⁷⁵ See “Japan-US Special Action Committee Interim Report, April 15, 1996.” <<http://www.mofa.go.jp/region/n-america/us/security/seco.html>>; “The SACO Final Report, December 2, 1996.” <<http://www.mofa.go.jp/region/n-america/us/security/96saco1.html>>

Democratic People's Party (DPP), a pro-independence party, and the New Party, which is generally regarded as more conciliatory toward Beijing. At the time of these elections, presumably hoping to influence how the Taiwan voters would cast their ballots, the People's Liberation Army conducted massive military exercises, including launching ballistic missiles from Fujian province into international waters off of the two major Taiwan ports of Kaohsiung and Keelung. This missile diplomacy created an international crisis, leading to the dispatch of two US Navy aircraft carrier battles groups—nearly 40 ships—to the area near the Taiwan Strait. After the March 23 election, Lee was reelected and the crisis passed. Yet direct military confrontation between the United States and China, which had seemed inconceivable since the end of the Vietnam War, was suddenly once again a strategic reality.

President Clinton's visited Japan to announce the Joint Security Declaration on April 17. The text, which had been agreed upon by the two governments in advance, contained the following reference to China: "The two leaders stressed the importance of peaceful resolution of problems in the region. They emphasized that it is extremely important for the stability and prosperity of the region that China play a positive and constructive role, and, in this context, stressed the interest of both countries in furthering cooperation with China." While the reference to "peaceful resolution of problems" was in direct opposition to Beijing's reservation of the right to use force to settle its internal affairs—including, as viewed by Beijing, cross-Strait relations with Taiwan—the emphasis on cooperation with China was included as a palliative gesture. Later the same day, Clinton addressed US Navy and Japan Maritime Self-Defense Force Personnel aboard the aircraft carrier USS Independence in Yokosuka, mentioning the "last deployment off Taiwan" which gave another "example of America's power." He went on to conclude with praise for the Seventh Fleet: "Thanks to you, the world knows now that the United States will stand firm in Asia. Thanks to you, we can make this new Security Declaration with Japan. And everybody knows that we mean it and that we can mean it."¹⁷⁶ The message of cooperation with China was submerged under the applause of thousands of men and women in military uniforms.

The Yasukuni Shrine

On July 29, 1996, on his 59th birthday, Prime Minister Hashimoto paid a visit to the Yasukuni Shrine. He had routinely visited the shrine on August 15 to honor the Japanese military dead, but was the first premier to do so since Nakasone's controversial visit in 1985. Hashimoto argued that it was time to stop letting such matters as visits to Yasukuni affect Japan's diplomacy, and argued that he felt an obligation to worship, especially in his capacity as former president of the *Izokukai*, the Association of War Bereaved Families.

As with the Chinese response to Lee Teng-hui's Cornell visit, the Japanese expectations of the reaction to the Yasukuni visit were far short of the reality.

¹⁷⁶ "Remarks by the President to US Military Personnel on Board the USS Independence Yokosuka, Japan, April 17, 1996." <<http://www.mofa.go.jp/region/n-america/us/archive/1996/speeches.html>>

From the Chinese point of view, the entire relationship with Japan depended on the Normalization Communiqué and the Peace and Friendship Treaty. For Japan's Prime Minister to reject the concept of Friendship embodied in those documents by honoring Class A war criminals would completely undermine Japan-China relations. Beijing had tried many times to make this clear, but the Japanese had their own evolving national identity issues driving their behavior. The clash of these ideas created truly atrocious relations.

Japan Tries Friendship Once More

Tokyo worried about the possibility of conflict between the United States and China. The Japanese began to urge Washington to patch things up with Beijing, and sought ways to do so themselves. As Japan and China approached the twenty-fifth anniversary of normalization, in 1997, the pressure mounted on Hashimoto to repair the damage he had caused to the relationship.

Hashimoto was a member of the Tanaka faction when he entered the Diet. He was more of a loner than most politicians, and much more focused on details of policy. But he had never served as Foreign Minister, and had not been sensitive to the China School perspective. Now, as Prime Minister, he was learning on the job, and in doing so he found himself relying on the established core of China hands in the party and the bureaucracy. In other words, he turned for help to the Friendship cadres.

Hashimoto learned that he would have to avoid going to Yasukuni. As long as he was prime minister, he stayed away from the shrine. He also learned that when he went to China he should pay a visit to a site associated with Japan's acts of aggression. On September 6, 1997, he visited Shenyang (Mukden), site of the 1931 incident that led to Japan's intervention and establishment puppet government of *Manchukuo*. He also learned that the Chinese were deeply suspicious of the ongoing review of the Guidelines for US-Japan Defense Cooperation. They wanted assurances that Japan would not support the United States in case of a Taiwan contingency, and he tried to give such assurances.

Before Hashimoto's September visit to China, the Guidelines matter received extra attention when Kato Koichi, an LDP heavyweight from a different faction and potential prime ministerial candidate, affirmed to the Chinese during a trip in July that the Guidelines would not apply to Taiwan, which is an internal Chinese affair. In retaliation, Kajiyama Seiroku, Hashimoto's Chief Cabinet Secretary, told the Chinese in August that the revamped Guidelines "should naturally cover" Taiwan.

Hashimoto struggled to preserve ambiguity: he could not tell the Chinese that Taiwan was excluded, but neither could he reveal that it was included. The Guidelines review process had naturally paid more attention to a Taiwan scenario after the March 1996 crisis, but had been intended from its conception to allow for US operations against North Korea, should they become necessary. Flummoxed, the Japanese came up with a non-answer, that the scope of the Guidelines was not geographical but situational. In other words, "it depends."

This answer hardly satisfied the Chinese, who became more suspicious of the US-Japan Alliance and began criticizing it as a “Cold War relic.” Hashimoto redoubled his efforts to rebuild friendship and mutual trust by calling for security dialogue with the Chinese. Japanese remained concerned about Chinese claims to the Senkaku/Diaoyu islands and Chinese oceanographic research activities in the East China Sea, inside the Exclusive Economic Zone (EEZ) claimed by Japan. Tokyo also worried about Chinese ballistic missiles and nuclear weapons, and Chinese procurement of advanced Russian military hardware. In this climate, Hashimoto hoped to show that Japan would still support peaceful unification, and opposed Taiwan independence.

JAPAN PASSING

The US-China relationship had caused worry in Washington as well as Tokyo, and the White House and State Department sought ways to mend the dangerously eroded sense of mutual trust. Clinton invited Jiang Zemin, now China’s head of state as well as General Secretary of the CCP, to the United States for a summit as part of restoring harmony to bilateral ties. Although this was what Tokyo had asked for, when it happened it was not what Tokyo wanted. Jiang made every effort to show his hostility toward Japan by stopping in Hawaii en route to Washington and visiting Pearl Harbor. His reminder that the US and China had fought together against Japan ruffled feathers in Tokyo.

Still worse was when Clinton repaid the visit the following June. He spent nine days in China, but at the request of the Chinese government he did not stop in Japan either coming or going. His party even made derogatory comments about Japan’s economic policies when in Beijing, while praising China for not devaluing the yuan in the aftermath of the Asian financial crisis. Having been subjected to Japan bashing at the outset of the Clinton administration, then won over by the Nye Initiative, Tokyo was now enduring “Japan passing.”

Clinton also used the occasion of his visit to China to state publicly that the United States would not support Taiwan independence, not support “two Chinas” or “one China, one Taiwan,” and would not support Taiwan’s membership in any international organizations for which statehood is a requirement (such as the United Nations), the so-called “3 No’s.” Although the “3 No’s” represented no change in US policy, and it was widely known that Clinton had articulated them during Jiang Zemin’s October 1997 visit to Washington, this public utterance by Clinton in the PRC caught Taiwan off guard, and now it was Taipei’s turn to be furious. The perception was that China had persuaded Clinton to snub both Japan and Taiwan. As a result, Japan and Taiwan became much more mutually sympathetic, with great consequences for Japan-China relations.

LAST GASP OF FRIENDSHIP

As the diplomats sought means to repair Japan-China relations, they came up with the notion to add a third document to the Normalization Communiqué and Peace and Friendship Treaty. They decided to establish a Partnership of

Friendship and Cooperation for Peace and Development. The slogan *heping fazhan* (peace and development, in Japanese *heiwa hatten*) was added to be consonant with China's national goals, which call for a peaceful external environment for China to complete the task of modernization. The two sides negotiated intensely and produced an action plan to be agreed to with the declaration, one that eventually included 33 points. Yet as they strove to build the foundation for twenty-first century friendship, incorporating all the traditional elements of the paradigm, they failed to account for political reality.

Jiang Zemin was supposed to visit in September 1998, but his visit had to be postponed. The public rationale was major flooding that caused enormous damage and casualties in the middle of the Yangtze River. Yet the context of negotiations over the content of his visit reveals other dimensions of the postponement. Chinese diplomats tried all summer long to persuade Japan to issue a "3 No's" declaration of its own with no success. After the visit was postponed until November, the context changed.

Hashimoto resigned to take responsibility for poor results in the July 12, 1998 Upper House elections. Hashimoto had listened to the economic advice of his friends in the Ministry of Finance, which had failed miserably. Obuchi Keizo, now the head of the former Takeshita faction, took over as premier on July 30.

Obuchi took a bold initiative to improve relations with the Republic of Korea, and agreed with South Korean President Kim Dae-Jung to formally apologize, in a joint written declaration, for Japan's colonization of Korea. After the early October visit was deemed an enormous success, the Chinese began asking for a similar formal, written declaration of apology for Japanese colonization, again without success. The circumstances were not comparable, came the cool reply from the Japanese government. Japan occupied Korea for 36 years, said the Japanese, and Koreans were incorporated into the Japanese empire in a way that was never true of China.

Jiang had personal reasons to feel hostile to Japan, including his own childhood experience and the suffering of his family. He also had reasons to worry about the political fallout of a visit to Japan if he appeared to lose the moral high ground. For these reasons, with neither a "3 No's" nor a written apology, Jiang had to take the offensive. Some of his advisors argued that the Japanese would quail under the criticism of their history, as they had always done, but Jiang had no choice: if the summit could not be a success, he had at least to make the Chinese perceive the failure as Japan's fault.

Jiang harped on the history issue throughout his visit to Japan. He also wore his Mao suit to the state dinner hosted by Emperor Akihito, which was taken as an affront by the Japanese. Although the two sides issued their Joint Declaration of Friendship, in fact the era of Friendship Diplomacy had come to an end.

NEW THREATS AND NEW RESPONSES: JAPAN'S CHINA POLICY AFTER 1998

Japanese realism in regard to national security and a more critical attitude toward China are two sides of the same coin. Both emerge from a shift to defensive, status quo orientation as part of Japan's new, post-economic miracle, national identity. Strongly emphasizing close relations with its ally the United States, Japan has moved away from any triangular diplomatic strategy and is increasingly identifying itself as a democracy. There is a knot of national interest binding Tokyo and Washington.

CHINESE ADVENTURISM AND THE JAPANESE RESPONSE

Repairing relations after the 1996 Taiwan Strait crisis led to the Sino-American summits of 1997 and 1998, but Jiang Zemin's didactic criticism of Japan's interpretation of history during his ill-fated state visit in November 1998 alienated the entire spectrum of Japanese political and social elites, shattering the façade of friendship that had papered over deep fissures in the relationship.

China's irritation over the failure of Jiang's visit was revealed in the activities of the PLA Navy, which began to intrude on Japanese claimed Exclusive Economic Zone (EEZ) more aggressively. In addition to oceanological research vessels, the number of warships sighted by the JMSDF jumped from two in 1998 to 27 in 1999. In May 2000 a Chinese PLAN icebreaker navigated the Tsugaru and Tsushima straits around Japan's main island of Honshu, conducting research activities thought to be mapping the ocean floor. Such activities in the East China Sea had long been thought by Japan to be related to Chinese PLA Navy submarine routes past the first island chain into the open Pacific Ocean—a part of China's longstanding plan to pose a threat to any US Navy vessel in the Western Pacific, particularly in relation to a Taiwan scenario. By extending this research to Japan's doorstep, the PLA sent a message.

Although Chinese naval capabilities were a serious concern for Prime Minister Obuchi during 1999, he did not spend any time trying to resolve the tensions. His summit visit in July was by far the shortest ever, as he stayed less than 24 hours before heading north to Mongolia. Obuchi's lunch meeting and formal summit session with Jiang Zemin were characterized by his anodyne references to the 33 point cooperative partnership for the 21st century and no pretense was made that Japan would work to improve ties—the ball was in China's court.

Obuchi, despite having been in the Takeshita faction, did not have the personal channels to China that had been the Tanaka legacy. Obuchi did use his predecessor, former Prime Minister Hashimoto Ryutaro, as a “senior foreign

policy advisor to the Prime Minister,” who had established his friendship credentials (see previous chapter), to convey to the Chinese side that Japan would not bend.

Obuchi also worked to buttress Japanese patriotism, recognizing that the competition among societies under globalization still demanded a strong sense of national identity. The LDP-Komeito coalition government passed legislation that established a national flag and national anthem for Japan for the first time since World War II. Posing these as perfectly natural accoutrements to a nation-state, the government pointed to the 1998 Nagano Winter Olympic Games as a benign celebration of national identity centering on flags and anthems. Although leftists lambasted the government for glossing over the brutality inflicted on millions of people in Japan and across Asia under those very same flags and that very anthem, the overall reaction was muted.

MORI YOSHIRO

After Obuchi's untimely death following a coma, Mori Yoshiro took over the premiership. His political style was like his rugby play in college: he bulldozed straight on with little strategy. Taking over the reins shortly before the Okinawa G-8 summit of 2000, Mori went along with the Foreign Ministry's wish to invite China as an observer bringing the world's largest developing economy together with the largest developed economies. Not wanting to let Japan reprise the role of bridge between Asia and the West, China refused, but saw that they could work with Mori's administration in a give and take manner.

It soon became clear that the giving would take the form of the familiar façade that relations were on track and the taking would be more Japanese money to sustain the delicate juggernaut. In October 2000, Zhu Rongji followed the script for a successful summit visit to Japan—literally. Holding a Bill Clinton style “town hall” meeting with members of the Japanese public in Osaka, Zhu fielded questions from the floor in his trademark lighthearted seriousness. The whole event, however, had been scripted by officials from the Japanese and Chinese foreign ministries, including one question on the history issue. Such conniving helped Zhu get what he wanted but cost the China School in MOFA, who were to come under severe attack for serving China's interests more than Japan's.

BALLISTIC MISSILE DEFENSE

The August 31, 1998 firing in space over Japan of the North Korean Taepodong rocket (claimed by Pyongyang to be a three-stage space launch vehicle) intensified Japanese awareness of its vulnerability to ballistic missile attack, especially given the extreme density of Japan's urban population. The result was a strong impulse for missile defense cooperation with the United States, already in its nascent stages. The Taepodong allowed the plan to go forward in record time, clearing away the usual political barriers to any defense arrangement and leading to a Memorandum of Understanding between Tokyo

and Washington by December. Theater missile defense (TMD) was becoming a reality.

TMD quickly became the most contentious issue in regional security, clearly setting the US and Japan against China for the first time. Although Taiwan and North Korea were certainly the most serious problems, Washington, Tokyo and Beijing had all agreed that they were basically willing to accept the status quo—even though they had different expectations and hopes for regime change in one or the other of those places. On TMD, however, there was no agreement on what the status quo was, let alone on preserving it. China's missile modernization, North Korea's proliferation behavior, and missile defense technology were all dynamic factors. Chinese objections to Japan's participation in TMD development only highlighted the degree to which Beijing valued the nuclear leverage it could exert against Tokyo.

Japanese were cautious about the Taiwan aspects of TMD, seeking to avoid any entanglement in that issue, but by its very nature the sea-based interceptor system would be portable to potentially help shield Taiwan from PRC ballistic missile attack. Japan's defense policy was increasingly confronting the reality of confronting China, and increasingly tied at the hip to the United States.

Washington, for its part, recognized that the free use of Japanese bases in Okinawa was vital to preserving stability in the region and especially in deterring PRC aggression against Taiwan. Both allies were pushed toward closer cooperation as they increasingly defined their interests in reference to each other.

JAPAN, THE UNITED STATES, AND CHINA

Throughout the Cold War, Japan had sought room to maneuver in terms of its policies toward China while maintaining its sheltered position under the American security umbrella. It quietly pursued its own approach of economic track two diplomacy, luring China with the promise of a more productive economy. After the Tiananmen Massacre of 1989, Tokyo argued for keeping contact with China to prevent a fall back to the isolation and destruction of the Cultural Revolution, against those in the West who wanted to ostracize the PRC for its brutality. It is somewhat ironic, then, that Japan's relationship with China has continued to be shaped by its alliance with the United States.

It was earlier explained how the reaffirmation of the Alliance in 1996, intended to cope with North Korea's nuclear threat, coincidentally overlapped with the Taiwan Straits crisis and brought the allies into opposition with Beijing. One also saw how in the aftermath, Tokyo saw the need to reconstruct its ties to China, and pleaded with Washington to do the same, leading to a spectacular reconciliation between Washington and Beijing that caused fear of "Japan Passing" in Tokyo. This incident demonstrates how all along Japan has been highly sensitive to its place in the international order, being not entirely committed to an identity as part of the West, but equally ambivalent about being

part of Asia. For Japan, the most comfortable position has been that of a bridge between Asia and the West, a role that Japan best plays by having closer ties with the United States and with China than they have with each other. The top priority when the fear of being bypassed by the United States as it sought to engage China more deeply in the second half of 1998 was to cozy up to Washington, ensuring at least that the US-Japan Alliance would be the most important partnership in the region. Thus, the actions of the United States had repercussions for Japan-China relations, as Japan wanted to be seen through the lens of that partnership, not only to deter any possible Chinese threat, but also to maintain the international identity with which it is most comfortable: a country that, while still pleasing China with its generally defensive nature, can project a semblance of regional power through its US partnership.

THE BELGRADE EMBASSY BOMBING

On May 7, 1999, NATO forces mistakenly bombed the Chinese Embassy in Belgrade, Yugoslavia, killing two Xinhua journalists commonly known to have been working as Chinese intelligence agents. Since all NATO bombing operations were in fact carried out by the United States, and the explanation for the mistake was that outdated maps were used for targeting, it was fairly simple to draw the conclusion that the United States intentionally bombed the Chinese embassy, perhaps intending to punish China for warm ties to Yugoslavia.

Obviously the Chinese were infuriated, and while they were especially angry at Washington, they viewed the entire complex of US allies—NATO and Japan—as somehow complicit in supporting American hegemony. China's own version of the "with us or against us" doctrine clearly placed Japan on the enemy side. Chinese concerns about allied cooperation on missile defense and Taiwan made Japan as much a part of their problem as the United States. Even under the Clinton administration, the Pentagon saw China as a principal source of threat. How much worse would things get if pro-Japan, hawkish Republicans took over?

THE EP-3 INCIDENT

Despite its own problems with Beijing, there remained in Japan a belief that hostile Sino-American relations did not serve Japanese interests. As the George W. Bush administration took office in early 2001, with a cooler attitude toward cooperation with China than at least the latter years of the Clinton administration, concern about US-China relations grew in Tokyo. President Bush had termed China at least once a "strategic competitor" rather than a partner (or an enemy), and had explicitly promised that there would be no downgrading of relations with Japan under his presidency. Heavy with Japan hands and light on China specialists, his foreign and defense policy team was seen as preparing to apply greater pressure on Beijing.

On the first of April 2001, the mounting tensions exploded with the collision of a Chinese jet fighter and a US Navy EP-3 reconnaissance plane, based in

Okinawa and monitoring Chinese electronic communications from just outside its territorial airspace. Despite their anger over what they perceived as Chinese responsibility for the incident and, especially, over detention of the American crew after they had managed to land their damaged aircraft at a PLA base on Hainan island, President Bush and Secretary of Defense Donald Rumsfeld responded in a calm and careful fashion. But, for Washington, the challenge of the PLA was a clear and present danger. Through a new strategic dialogue mechanism with Japan, the Pentagon and the State Department joined with the Foreign Ministry and Defense Agency to reach consensus on this view.

RELUCTANT REALISM AFTER 9/11

The shock five months later of 9/11 and the US policies taken in its aftermath acted as a catalyst for change in Japanese defense policy, but did not alter the basic course of incremental policy change. The Global War on Terrorism has not, yet, caused much shift in Japanese strategic thinking.

Relative decline in its overall international position fundamentally drove the rise of Japan's reluctant Realism—just as Soviet decline led Gorbachev to abandon militarism, and Britain's decline fed Thatcherism. While not abandoning its hopes that liberal approaches to international cooperative security could yield impressive results, Japan began to hedge against challenges to its established position. As with other states that become aware they have reached their pinnacle of relative power, Japan transformed into a status quo power.

It was the emergence of a challenger that made Japan defensive, that is to say, status quo oriented. China's rise from developing backwater to industrial proto-superpower has been the critical factor in Japan's internal change. Yet the tremendous reluctance Japanese felt in shifting to a realist paradigm both delayed the adaptation (admittedly to circumstances that changed very rapidly) and also caused deep resentment against the instigator of that change.

The rise of China, while the most important structurally, was far from the only disturbing change in Japan's security environment. Well before 9/11, Japan began to confront the possibility of unconventional attack and the threat of weapons of mass destruction (WMD), principally from North Korea.

Infiltration of North Korean spy ships into Japan—for landing clandestine agents, drugs, counterfeit currency, and weapons—had been suspected for decades, but Japanese became newly sensitized to the danger in conjunction with the 9/11 attacks on the United States. The risk that a saboteur could cause major damage to one of Japan's many nuclear power plants was only one high-profile example of the unconventional threat.

JAPAN'S POST-9/11 ROLE IN THE ALLIANCE

Heeding President Bush's call for support to defeat the enemies of freedom, the Japanese have contributed forces to operations in the Indian Ocean and in Iraq—

well beyond the geographic limit of “the Far East” set forth in the 2004 revised Guidelines and well past what had been possible before 9/11. But for both Washington and Tokyo, it is only a beginning. Japanese defense officials confirm that their top priority is to do enough to sustain the alliance in the face of demands from the United States—the Pentagon as much as the Congress—to fulfill the role of ally.

Japan was able to meet the expectations of Richard Armitage, former Deputy Secretary of State, to “show the flag” and put “boots on the ground” through its dispatch of personnel to the Indian Ocean and Iraq. Japan has had MSDF vessels on station thousands of kilometers away for almost five years now, and kept GSDF troops in Samawah, Iraq for 2½ years, ending in July 2006. Yet Armitage, an expert in Japanese defense issues, may have set the bar too low, as far as his Administration colleagues are concerned. The Pentagon has higher expectations, and Secretary of Defense Donald Rumsfeld has shown no hesitation in castigating allies that are slow to support the United States. Given Japan’s strategic choice of dependence on the United States, Japan may need to do more to maintain the alliance.

In the 1990s the United States realized that it needed Japan to maintain its interests in the region, especially with regard to the Korean Peninsula and Taiwan. In the 21st century, Japan has realized that it needs the United States engaged in the region for those same ends. There is a greater congruence of interest than ever before, but this leaves Japan with less leverage than in the past. When Tokyo felt that Taiwan was basically secure because it doubted Beijing’s capabilities and intentions, it had little need to buttress the American commitment to Taiwan’s defense. However, intelligence officers in both Japan and the United States are in agreement that the PLA is a serious threat to Taiwan in the near term, so Japan’s involvement is a real issue. At the same time, Japanese strategists realize that the loss of Taiwan would be a setback for the United States but a disaster for Japan.

The most obvious consequence of this dependence is the Japanese government’s willingness to bear the expense of relocating US forces in the region. Tokyo has agreed to shoulder the expense of improving facilities even in Guam in order to allow the return of land in Okinawa.

ANTI-JAPANESE SENTIMENT AND JAPAN’S RESPONSE

Since 1998 the Chinese people have repeatedly expressed their negative feelings toward Japan, often but not always in conjunction with differences over historical issues. Japanese diplomats and defense intellectuals are continually surprised at the vehemence of public antagonism, expecting some protests as a matter of course but not the depth and durability of the visceral hatred toward Japan.

Japanese often divide behavior into categories of *tatemaie* and *honne*, meaning the surface behavior and the true inner motive. Many experts, even those

familiar with China, have tended to see China's critique of Japan as the former, a pro forma expression of disagreement rather than a sincere and even unshakeable hostility. But others sense a deeper antagonism, perhaps partially based on history but also grounded in contemporary competition for power and influence.

In part their Chinese friends make this inevitable, by explaining away the public negativity as a necessary matter of face while emphasizing their agreement with Japan on many issues. Japanese experts have been misled in this way for decades—perhaps most severely around the negotiations for the Japanese Emperor's visit to China soon after the Tiananmen Massacre. Chinese flattery was hard to resist at the height of Japan's relative power in the early 1990s, but the accumulation of evidence is difficult to ignore.

In the 1980s Chinese protested against Japan over history textbooks and Prime Minister Nakasone's visit to the Yasukuni Shrine, as well as the sudden imbalance in economic relations called the "second Japanese invasion." These protests, especially the last, were routinely dismissed by Japanese as being really about something else—domestic policy struggles—masquerading as anti-Japanese protests.

In the 1990s, an increasingly hostile Chinese public attitude was explained away as the result of Jiang Zemin's campaign to educate the people about the history of the CCP's victory over Japan, a prop to the ruling party's legitimacy in the aftermath of reforms that abandoned Maoism. In the 21st century, however, Chinese have rioted against Japan at soccer matches (during the Asia Cup hosted by China), over Prime Minister Koizumi's annual visits to the Yasukuni Shrine, over the approval of history textbooks that whitewash Japanese atrocities, over Japanese sex tourism to China, and even over the antics of a Japanese band performing in Xi'an. The accumulation of evidence indicated that China really is hostile to Japan. Most shocking of all—at least to the foreign policy elite—was the extreme reaction to Tokyo's bid for a permanent seat on the UN Security Council (UNSC). Millions of Chinese demonstrated against Japan's bid, and demanded that the government use its veto power to block expansion of the UNSC specifically to exclude Japan. Japanese were expecting that the billions of dollars of funding that Japan has provided to the UN and its agencies, and its six decades of peaceful cooperation with the international community, would earn merit points in considering Japan's role in the organization. Furthermore, Japan had begun to participate in UN Peacekeeping Operations in a meaningful way, providing human as well as financial contributions. There is no doubt that China's stance dealt a severe blow to prospects for Japan-China relations.¹⁷⁷

¹⁷⁷ Interviews, Japanese diplomats, November 2005.

THE KOIZUMI ERA: THINGS FALL APART

Of all the sources of Chinese animosity during the seven years of Prime Minister Koizumi's leadership, none trumped his visits to the Yasukuni Shrine. Some of Koizumi's determination can be attributed to the certainty of his conviction and his insistence that he went to the Shrine out of respect for the dead of all of Japan's wars since the Meiji Restoration and to pray for peace. He repeatedly made clear that he was not going to the Shrine to honor the 14 enshrined war criminals.

Even the argument that he went to pray carried disturbing implications to China. "I can't understand why foreign governments would intervene in a spiritual matter and try to turn it into a diplomatic problem," Koizumi complained in early January 2006.¹⁷⁸ In emphasizing the spiritual nature of the occasion, Koizumi and other supporters of the Shrine visits, including his successor, then-Chief Cabinet Secretary Abe Shinzo, appear to be consciously or unconsciously re-linking the Shrine with Shintoism and Emperor worship in the eyes of China and other past victims of Japanese imperialism.

China's reaction created an additional reason for Koizumi to maintain the practice. By demanding that he stop the visits and withholding summits and state visits until he did so, Beijing effectively made it impossible for Koizumi to change his policy without appearing to cave in to Chinese pressure, even if he had wanted to do so. Whether China deliberately put Koizumi in this position to gain a propaganda advantage in the competition for leadership in Asia, or whether it had backed itself into its own corner from which it could not get out without losing face is difficult to assess. Perhaps both of these factors were at play.

Additionally, the Koizumi government touched another nerve when Foreign Minister Machimura Nobutaka and Defense Agency head Ono Yoshinori emerged from the February 19, 2005 meeting of the Security Consultative Committee, also known as the "two-plus-two" meeting with their American counterparts and declared that Taiwan had been designated a "Common Strategic Objective (CSO) with their American counterparts. The stated purpose of the COB was to "encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue."¹⁷⁹

Interestingly, Beijing's refusal to have summit meetings with Koizumi paralleled the way that Mao Zedong and Zhou Enlai treated Prime Minister Sato Eisaku for his joint statement with US President Richard Nixon in 1972 which linked peace and security in the area around Taiwan as of key importance to Japan's security. As noted in Chapter 3, China adopted the "anybody but Sato" stance and refused to move forward on normalization until he was succeeded by Tanaka in 1972.

¹⁷⁸ Norimitsu Onishi, "Koizumi Blames China and South Korea for Rift, *The New York Times*, January 5, 2006.

¹⁷⁹ "Text of Joint Statement of US-Japan Security Consultative Committee, *Kyodo News*, February 19, 2005.

AFTERWORD

BY DR. RICHARD P. CRONIN

To many observers the election of the “hawkish” 52-year old Abe Shinzo as Prime Minister by the National Diet on September 26, 2006 appeared to complete Japan’s transition from the “penitent” pacifism that defined its policy towards China during the four decade long Cold War to a new era of assertive nationalism. In his first policy address to a joint meeting of both houses of the Diet on September 29, 2006, Abe pledged to bring about a “beautiful” Japan based on traditional culture and values, and “a country that is trusted, respected, and loved in the world, and which demonstrates leadership.”¹⁸⁰

In terms of the broad sweep of Japan’s postwar political history, Abe’s rise to power has been nothing less than extraordinary. First elected to the Diet in 1993, Abe had served only five terms instead of the six normally required to be elected to a 3-year term as LDP president. He had never held a cabinet-level position until Prime Minister Koizumi Junichiro appointed him Chief Cabinet Secretary in October 2005.

As will be shown below, Abe’s assertive nationalism probably was not the main factor in his selection as the LDP standard-bearer, and his agenda is likely to engender opposition even within the party. That said, his triumph represents a significant milestone in two respects. First, the election of a politician with Abe’s energy and popular touch suggests the Japanese have come to expect a leader in the mold of former Prime Minister Koizumi Junichiro, who can hold his own on the world stage. Second, and more important to the themes of this book, Abe’s views are in keeping with the national mood, even if not supported by the public in every detail. From this perspective, to differentiate Abe’s nationalism from other more mundane factors that led the LDP to choose him as its standard-bearer may create a distinction without much difference.

Abe’s rise was boosted by the instant popularity he achieved in 2002 for championing the cause of the families of Japanese citizens kidnapped by North Korean agents in the 1970s and 1980s. As Koizumi’s last Chief Cabinet Secretary, Abe furthered his reputation for “sticking up for Japan” by strongly rejecting criticism by China and South Korea of the prime minister’s controversial visits to the Yasukuni Shrine.

A closer look at the factors behind Abe’s election as well as his actions since taking office reveals a more complex picture than many observers have painted. For one thing, the impact of generational change in Japan goes well beyond the

¹⁸⁰ Office of the Prime Minister of Japan and His Cabinet, “Policy Speech by Prime Minister Shinzo Abe to the 165th Session of the Diet,” September 29, 2006
<http://www.kantei.go.jp/foreign/abepphoto/2006/09/29shoshin_e.html>

deficiencies of how the history of the wartime era is taught, or calculated historical amnesia, however troubling those may be. For instance, Abe's flamboyant but soft-spoken style and emphasis on the need for more far-reaching economic and administrative reforms have resonated well with many younger Japanese, particularly the urban professionals whose increased support garnered under Koizumi the LDP needs to solidify. Among other campaign pledges, Abe said that, while maintaining the recently achieved 3 percent annual economic growth rate he would work to close the growing income gap that was threatening Japan's comparatively egalitarian social order.

A significant source of Abe's appeal to the LDP is his image, which was both fresh and conservative at the same time. For the Japanese public, Abe's youth and style alone are enough to make him popular. A well-known Japanese political commentator attributed Abe's popularity in part to his "very noble, prince-type of image like that of aristocrats," one that particularly resonated with "Japanese conservatives, housewives and the media."¹⁸¹

The most critical factors in Abe's successful bid for the LDP presidency appear to have been the support of his predecessor, Koizumi, and the hope within the party that his popularity and telegenic persona would give the party its best chance for victory in next year's Upper House parliamentary elections. Koizumi, who had greatly increased his personal influence through the victory of his chosen candidates in the September 2005 general election, had been grooming Abe for more than a year.

Even China's *People's Daily* agreed that the election was not a referendum on Abe's assertive nationalism. The official organ of the Chinese Communist Party, gave more emphasis to the concentration of power in Koizumi's hands and Abe's personality than his hawkish views.¹⁸²

CENTRALITY OF CHINA IN THE ELECTION CAMPAIGN

Much as the American 2006 mid-term relations were said to be about the George W. Bush administration's handling of the war in Iraq, the competition for the LDP presidency turned importantly on the poor state of Japan's relations with China. Views on how best to manage relations with China vary widely, and many Japanese blame the PRC for the deterioration in bilateral relations. For instance, some Japanese accuse China of making Koizumi's Yasukuni Shrine visits into a test of wills as a ploy to isolate Japan from the rest of Asia.

¹⁸¹ Views of political analyst Watanabe Tsuneo of the Mitsui Global Strategic Studies Institute in "Japan's PM Race in Final Stretch, Debate Focuses on Asia Ties, Tax," *Japan Policy and Politics*, September 4, 2006. <http://www.findarticles.com/p/articles/mi_m0XPQ/is_2006_Sept_4/ai_n16704215>

¹⁸² "Why Abe Wins in Such a Carefree, Light-Hearted Air?," *People's Daily Online*, September 22, 2006. <http://english.peopledaily.com.cn/200609/21/eng20060921_304986.html>

Many Japanese also attribute strained relations to provocative Chinese actions such as conducting deep-seabed oil and gas explorations in areas claimed by both countries, and blatant intrusions into Japanese waters by Chinese submarines. Nonetheless, Japanese on both sides of the issue generally accept that the Yasukuni visits have been the single most important cause of the decline in Japan's relations with China and South Korea. Revealingly, in a national poll conducted by *Kyodo News* in the wake of Abe's trip to Beijing and Seoul in October, shortly after taking office, 83.2 percent of the respondents favored the trip and 56.6 opposed a prime ministerial visit to the Yasukuni Shrine. The latter figure represented an increase of 5.3 percentage points from a poll taken just after Abe's election in late September.¹⁸³

While campaigning, Abe had carefully protected his option to make a new start with Beijing and Seoul by declining to say whether he would continue Koizumi's practice of visiting the Shrine. Because Chinese and South Korean governments were as eager as the Japanese government to reestablish more normal relations, Abe's maintenance of ambiguity about his future plans was sufficient to clear the way for receiving him. Both the Chinese and South Korean governments, however, made clear that a visit by Abe to the Yasukuni Shrine remained unacceptable.

Abe's positions on the history issue and Japanese security policy likely will continue to cause frictions in relations with both China and South Korea. These include especially his promise to hold a referendum on revising the Constitution to allow exercise of the right of collective self-defense, for instance to use military force against a country that has attacked the United States, even if Japan itself is not under direct attack,¹⁸⁴ to elevate the Japan Defense Agency (JDA) to ministry status, to change the 60-year old basic education law to promote patriotism and a more positive national self-image, and to work to strengthen the US-Japan alliance. During his election campaign, then-Chief Cabinet Secretary Abe opined about the constitutionality of a preemptive attack on North Korean missile bases in a crisis, commenting that "there is the view" that such action would be constitutional, and that the discussion should be deepened about acquiring that capability.¹⁸⁵

¹⁸³ "83% Happy with Abe's China trip, Opposition to Yasukuni Visit Rises." *Japan Policy & Politics*, October 16, 2006.

¹⁸⁴ The 2006 issue of the Japan Defense Agency's annual publication, *The Defense of Japan*, explains that Japan has the right under international law to engage in collective self-defense with one or more countries but that the Government of Japan "believes that the exercise of collective self-defense exceeds the limit of self-defense authorized under Article 9 of the Constitution and is not therefore permissible under the Constitution." Japan Defense Agency, *Defense of Japan 2006* (provisional English translation), 3. <http://www.jda.go.jp/e/index_.htm>

¹⁸⁵ James Joyner, "Japan Considering Preemptive Strike on North Korea." *Outside the Beltway*, July 10, 2006. <http://www.outsidethebeltway.com/archives/2006/07/japan_considering_preemptive_strike_on_north_korea/>

ABE'S RISE AND THE SOURCES OF JAPAN'S CHANGING SELF-IDEATION

The broader internal and external circumstances that contributed to Abe's dramatic rise bear importantly on the themes in this book. These include fundamental shifts such as the end of the Cold War and the related decimation of the Japan Socialist Party (JSP), the juxtaposition of a rising, self-assured China with the post-bubble decline in Japanese confidence, the passing from the scene of major figures in the China "pipe," and other institutional and generational changes within the LDP.

Beyond specific policy issues, the Japanese public's embrace of the young, brash, and openly revisionist-nationalist politician indicates growing acceptance of the need for a consciously Realist approach to regional foreign and security policy. The perception of a growing military and economic threat from China and the emergence of a nuclear-armed North Korea have been the main causes of this growing security consciousness. The Japanese public still opposes the use of military force except in strictly defined situations of self-defense, but otherwise the Japanese people have become increasingly accepting of increases in the capabilities of the Japanese military, such as the acquisition of a BMD capability, and the expansion of non-combat military cooperation with US forces.

In addition, both the public and the new generation of political leaders have been frustrated by Japan's comparative lack of international recognition and respect and, in the view of many Japanese, an excessively subordinate and dependent alliance relationship with an increasingly unilateralist United States. Overall public support for the alliance remains high, but those on the right tend to favor a more self-sufficient and independent military posture, while those on the left tend to fear being drawn into future Iraq-type situations that do not serve Japanese national interests.¹⁸⁶ In addition, some analysts argue more broadly that the Japanese people remain "instinctively suspicious of the military both as an institution and as an instrument of foreign policy."¹⁸⁷ While Abe himself has pledged to strengthen alliance cooperation, he also has called for a more broadly based military capability. All of these factors are likely to have significant implications for the future of the US-Japan Alliance, which will be discussed later in this chapter.

¹⁸⁶ This concern appears to be a minority view among the public at large. A survey conducted by the prime minister's office in 2006 reportedly found that 19 percent saw the risk of war resulting from inadequate Japanese military power, and 17 percent saw it as coming from being drawn into an American war. Hikari Agkimi, "'We the Japanese People'" – A Reflection on Public Opinion." *The Japan Institute of International Affairs*, May 22, 2006.

¹⁸⁷ Thomas U. Berger, "Focus on a Changing Japan – The National Security Dimension." Testimony to the House International Relations' Subcommittee on Asia and the Pacific, April 20, 2005. <<http://www.internationalrelations.house.gov/archives/aphear.htm>>

Japan's failure thus far to win a coveted permanent seat on the UN Security Council has underscored both the country's limited influence and the degree to which China had gained the upper hand. Despite public support from both the Clinton and George W. Bush administrations, Japanese policymakers suspect that the caveats attached to US support since the Clinton administration effectively have made such support largely rhetorical. That is, American support for Japan's bid has been secondary to the desire of the United States to maintain its influence by restricting the size of an expanded council. In mid-2005 the Bush administration declared that it only supported Japan's accession among the so-called G-4 countries of Japan, Brazil, Germany and India which have supported each other's accession and pushed to enter the Security Council as a bloc. Speaking candidly of U.S. support, then-foreign minister Machimura Nobutaka reportedly told group of Diet Members "I think they threw a difficult curveball that at first glance looks favorable, yet also problematic."¹⁸⁸

The Koizumi administration and the Ministry of Foreign Affairs reacted bitterly to China's adamant stance against the G-4 plan, which was its way of blocking Japan's entry. Beijing has flatly and consistently opposed Japan's bid, but sometimes directly and sometimes obliquely, by talking about the feelings of the Chinese people. In April 2005, Chinese opponents of accession reportedly gathered 24 million signatures on a petition circulated on the internet calling for the permanent denial of a seat to Japan, a remarkable development in a country with such strict controls on the discussion of political issues on the web.¹⁸⁹

A few days before a late December 2005 visit to Beijing by UN Secretary General Kofi Annan, the Chinese foreign ministry's spokesman, Qin Gang, told journalists that China gave first priority to getting African representation on the Security Council. When asked about Japan and the Yasukuni Shrine visits, Qin responded that "The sentiment of our two peoples for each other does slide down, and a host of factors contribute to this reality. Among them, the root cause is the continual wrong remarks and practices of the Japanese side on the history, Taiwan and other questions." The spokesman made clear that the view of the Chinese people were the same as the government, commenting "We hope that Japan will do more in the benefit of better mutual understanding and stronger friendship between our people, because China-Japan friendship is, in the final analysis, the friendship between the people of the two countries. We expect Japan to take earnest measures to redress the current situation."¹⁹⁰

¹⁸⁸ Brian Knowlton, "Japan Cool to U.S. Support at UN." *International Herald Tribune*, June 18, 2005. <<http://www.iht.com/articles/2005/06/17/news/nations.php>> Soeren Kern, "Why Changing the Security Council Threatens Broader UN Reform."

¹⁸⁹ "China Working to Block Japan from UN." Newsmax.com wires, April 6, 2005. <<http://www.newsmax.com/archives/articles/2005/4/5/163645.shtml>>

¹⁹⁰ Embassy of the People's Republic of China to the United States, Foreign Ministry Spokesman Qin Gang's Press Conference on 27 December 2005. <<http://www.china-embassy.org/eng/fyrth/t228431.htm>>

Many other factors make Security Council expansion unlikely in the near future, but unlike Koizumi, who would not bend on the issue of his Yasukuni Shrine visits, Abe surely knows that he would put his “new relationship” with China at risk if he emulated his predecessor’s pattern of behavior on this question. This reality creates a sobering contradiction between his desire to gain Japan’s accession to the UNSC (and to enhance the LDP’s political fortunes in the Upper House election in July 2007 by showing he can manage relations with China) and his revisionist-nationalist agenda.

Even if Abe were to somehow satisfy China regarding the history issue, the Yasukuni Shrine visits, and Taiwan, China will still have a practical interest in not giving its regional rival equality of status and the opportunity to block Chinese initiatives. Japan is unlikely to achieve its goal without a major breakthrough in Sino-Japanese relations and agreement by the US and China on the terms of an expansion plan.

DOMESTIC CONSTRAINTS ON A MORE ASSERTIVE AND NATIONALISTIC JAPAN

Partly because Abe pragmatically retreated from several revisionist positions almost immediately after taking office, the real significance of his election for Japan’s future direction requires probing into what this book describes as “the deeper level of structural change in normative or ideational factors.” (p. 4) Largely as a result of globalization, Japan has gone through a wrenching decade of economic structural change and seen the decline of once stabilizing institutions such as “life-time” employment and a hollowing out of core industries. Prime Minister Koizumi’s economic reforms have only generated moderate change in Japan’s global economic competitiveness but have nonetheless, as in most other industrial economies, created a society in which income about the future. Abe’s campaign included both a pledge to address those growing income disparities and completing Koizumi’s reform agenda. Though these goals are seemingly contradictory, Abe and the LDP leadership understand that that the party’s survival depends on both reducing dependence on—without alienating—its traditional “old economy” support base and realigning itself with the “new economy” winners and urban voters.

While Abe’s call for the creation of a Japan that enjoys more international respect has played well with the public, both the Japanese people and the LDP remain divided over how to reconcile this goal with practical realities and symbols of rising nationalism. The hurdles include not only difficult issues of international and UN politics, but also opposition from China and both Koreas and to Japan’s political tone-deafness over historical revisionism and Koizumi’s Yasukuni Shrine visits. In fact, two of Abe’s three rivals for the LDP presidency opposed Koizumi’s willingness to confront China and South Korea over the history issue.

Abe's most serious challenger, for example, the 70-year old party heavyweight Fukuda Yasuo criticized Koizumi's Yasukuni visits and called for a return to the conciliatory approach to China and Asia taken by his father, the late Prime Minister Fukuda Takeo, who promulgated the "Fukuda Doctrine" of "heart-to-heart" peaceful engagement with Asia in a speech to ASEAN leaders in Manila in 1997.¹⁹¹ Fukuda also criticized the revisionist history textbooks and pledged to concentrate on rebuilding Japan's ties with its neighbors.

Significantly, Fukuda remained a credible candidate for the presidency until his withdrawal from the race in July 2006, in spite of Abe's advantages of youth, support from Koizumi and more popular touch. Interestingly, in announcing his withdrawal, Fukuda acknowledged Abe's greater popularity but said that his main reason not officially declaring his candidacy was his desire to avoid a divisive internal argument within the LDP over the Yasukuni issue. Fukuda also explained that because of his age, which was not old by traditional LDP standards, his bid "would run counter to the trend in the party of generational change."¹⁹²

Some in the Japanese political world who had been looking for a debate on policy were disappointed. "When Fukuda decided not to run," wrote one Japanese political analyst, "the deepest meaning of this election was actually lost....That meant the LDP decided not to debate the serious issues."¹⁹³ A number of major dailies of various political leanings, including the *Asahi Shimbun*, the *Mainichi*, and the *Yomiuri* editorialized against the absence of debate and called on Abe in particular to spell out his plans for Japan's future.¹⁹⁴

Two other candidates who stayed in the race until the end also have sharply conflicting opinions about the issues of history and how to conduct relations with China. Foreign minister Aso Taro, age 66, has views similar to Abe's and is part of his nationalistic circle. Aso raised concerns because of his unusually unrepentant views about the history issue. (Abe reappointed Aso as foreign minister after the election.) Finance Minister Tanigaki Sadakazu, a 61 year-old LDP veteran, opposed the Yasukuni Shrine visits and called for new efforts to reestablish good relations with China and South Korea. Tanigaki imposed a drag on his own candidacy by calling for a 5 percent increase in the consumption tax to reduce Japan's huge fiscal deficit, a move many analysts feared would choke off Japan's still nascent economic recovery. Out of 702 total votes cast (including both Diet Members and unelected party members) Abe garnered 464 votes versus 136 for Aso and 102 for Tanigaki.

¹⁹¹ See discussion of the Fukuda Doctrine on p. 41.

¹⁹² "Fukuda Not to Run in LDP Presidential Election," *Kyodo News*, July 31, 2006.

¹⁹³ "Japan's Premier Race Lacks Competition," *Town Hall.Com*, September 16, 2005. <<http://www.townhall.com/News/NewsArticle.aspx?ContentGuid=b802414f-fcb3-4c18-be82-5f653b6f4fbf>>

¹⁹⁴ "Three Candidates Compete in LDP Presidential Election; Abe Remains Overwhelming Favorite," *Japan Brief*, Foreign Press Center Japan, September 10, 2006.

A PERSONAL ASPECT TO ABE'S HISTORICAL REVISIONISM?

Another reason to question the actual depth of support for creating a new historical narrative for Japan is the uniquely personal aspect to the campaign on the part of some proponents, most notably Prime Minister Abe and foreign minister Aso. The families of both men bear the taint of association with Japan's imperial aggression before and during World War II. Abe's maternal grandfather, Prime Minister Kishi Nobosuke (1957-1960), had been a senior economic official in the Japanese puppet state of Manchuko (Manchuria) in the late 1930s and an economic minister in General Tojo Hideki's wartime cabinet. He was also a signer of the declaration of war against the United States. Kishi had been jailed by the Occupation authorities for three years as a suspected Class A war criminal until being rehabilitated and going on to become a founding member of the LDP.¹⁹⁵ Whatever was in his file, the rehabilitation of Kishi and numerous other conservative wartime leaders appeared to stem from the growing fear of Communism following Mao Zedong's victory over the Chinese nationalist regime of Chang Kai-shek in 1949, not the merits of the case. Abe has proudly described his grandfather as a role model, and those close to him have commented that he has inherited Kishi's political "DNA."¹⁹⁶

Foreign Minister Aso also appears to take the history issue personally. Aso's father owned a mine in Kyushu that reportedly employed forced labor from China, Korea, and Allied countries during World War II.¹⁹⁷ Aso has garnered criticism both in Japan and the rest of Asia for arguing the benefits of Japanese colonialism for conquered peoples, such as the modernizing education, developing economic infrastructure and initiating industrialization. Among other egregious examples of historical denial, Aso has insisted with a straight face that Koreans under Japanese colonial rule willingly adopted the Japanese language and Japanese names.¹⁹⁸ It seems reasonable to assume that in seeking to create a new national historical narrative, Abe, Aso and other revisionists are at least

¹⁹⁵ Kishi and 19 other high level suspects were released from prison on December 24, 1948, the day after the hanging of those convicted by the Tokyo war crimes Tribunal. It was Prime Minister Kishi who bulldozed through the Diet the highly contested renewal of the US-Japan Mutual Security Treaty in 1960 in the face of serious leftist riots and opposition from some conservatives in his own party who had a different set of concerns from the anti-US demonstrators.

¹⁹⁶ "The Abe Enigma," *Time Asia Edition*, October 30, 2006. <<http://www.time.com/time/asia/magazine/article/0,13673,501060918-1533514-2,00.html>>

¹⁹⁷ Christopher Reed, "Family Skeletons: Japan's Foreign Minister and Forced Labor by Koreans and Allied POWs," *ZNet*, April 30, 2006. <<http://www.king.org/listen/index.aspx>>

¹⁹⁸ Both Taiwanese and Koreans were forced to speak and write Japanese. "Japan FM: Colonialization Helped Taiwan," *Reuters*, February 6, 2006; Editorial, "Japan's Offensive Foreign Minister," *New York Times*, February 13, 2006. <<http://select.nytimes.com/search/restricted/article?res=F40914FD395A0C708DDDB0894DE404482>>

partly influenced by the desire to restore the tainted reputations of their forbearers.

Many older Japanese, especially those who personally experienced the trauma of the war and the deprivation of the early postwar era, do not welcome the new nationalism. Along with younger Japanese on the left, they continue to support pacifism and to value the democratic reforms introduced by the Occupation and the restrictions on the role of the military under the 1947 constitution.¹⁹⁹

Even within the LDP these concerns resonate sufficiently that finance minister Takigaki tried to score points in pre-election debates by asking Abe and Aso embarrassing questions about the issue of war responsibility. In a September 11 debate organized by the Japanese National Press Club, Tanigaki challenged Abe to give his view on the PRC line that the Japanese militarists alone bore responsibility for the war and that the Japanese people were also victims along with Chinese, Koreans, and other Asians. Abe angrily rejected the Chinese line as “classism,” that is, what he called an effort “to divide the Japanese into militarists and ordinary citizens,” which he said was “a view to which Japan did not agree.” Abe responded that he was not qualified to make historical judgments about Japan’s World War II role.²⁰⁰

OPPORTUNITY FOR A FRESH START: ABE’S OCTOBER 2006 TRIP TO CHINA AND SOUTH KOREA

That Abe was able to make state visits to both Beijing and Seoul within two weeks of his election underscores the eagerness of all three countries to reestablish head of state level contacts once Koizumi had left office. Although Abe had pledged prior to his election to improve relations with China and South Korea, his insistence at that time on reciprocity in resolving differences with both countries did not seem to augur well for success. His insistence that both countries’ leaders would have to meet him half way implied that the PRC and ROK would have to recognize Japan’s right to honor its war dead as it pleased. For both neighboring countries, stopping the Shrine visits had become the sine qua non of restoring summit meetings and state visits. Abe could expect no retreat on this point from either country, and he wisely did not try.

To facilitate his visit, Abe deftly abandoned his more controversial nationalistic positions. He reversed his previous position and affirmed that former Prime Minister Murayama Tomichii’s 1995 apology for Japan’s World War II aggression was still official Japanese policy. He acknowledged that all of Japan’s wartime ministers bore some responsibility, including his grandfather.

¹⁹⁹ Hiroyuki Sakai, “Constitutional Tampering Only Risks Progress.” Point of View, *Asahi Shimbun*, October 7, 2006.

²⁰⁰ “Aso, Tanigaki Vie for 2nd Spot,” *Yomiuri Shimbun*, September 20, 2006. <<http://www.yomiuri.co.jp/dy/national/20060920TDY03004.htm>>

He also withdrew his past statements that the postwar international tribunals were illegitimate, while still maintaining the position that the 14 convicted Class A war criminals were not guilty under Japanese domestic law.²⁰¹

Abe backtracked further during his October 8 visit to Beijing. Most important, in a post-visit press conference, Abe related that he had told Hu that “from the viewpoint of solving political difficulties” he would handle the Yasukuni Shrine issue “appropriately,” and he reiterated to the media that he would not say whether he had visited or would visit the Shrine. Abe also told the press that he believed he had gained China’s “understanding” of his insistence on maintaining ambiguity about the issue. He sought to defuse the textbook issue by resurrecting an idea first informally agreed by the foreign ministers of Japan and China in April 2005. Abe proposed, and Chinese President Hu Jintao agreed to consider, the review of each other’s textbooks and the possible establishment of a joint study on history. Finally, Abe said that he had extended invitations to both President Hu and Premier Wen Jiabao to visit Japan, and that both had accepted, though no dates were set.²⁰²

It was rumored but officially denied that the three governments had carefully worked out how to deal with the Yasukuni Shrine issue prior to the visit, probably in vice-ministerial talks in Beijing soon after Abe’s election and in a meeting in Tokyo between Foreign Minister Aso and Chinese Vice Foreign Minister Dai Bingguo.²⁰³ Given the stakes, including the expectation of a North Korean nuclear test, it would have been extraordinary if they had not. By neither insisting on acceptance of the Shrine visits nor surrendering his right to make them, Abe saved sufficient face on all sides to break the existing deadlock.

The readiness of Beijing and Seoul to make a new start with Tokyo did not reflect a sanguine view of Abe’s nationalism or reduced wariness about future Japanese policy. Rather both China and South Korea recognized that their important interest in reestablishing stable relations with Japan was reason enough for taking advantage of the opportunity to escape the double bind that resulted from their insistence that Koizumi cease visiting the Shrine. For the time being, both governments also seemed willing to give Abe the benefit of the doubt that his studied ambiguity about future visits to the Yasukuni Shrine means that he understands the consequences of a Shrine visit. Whether he might reverse course in the months ahead, either because of new frictions in Tokyo’s relations with Beijing or for domestic political reasons, remains to be seen.

²⁰¹ “Abe Endorses Murayama’s War Apology,” *Xinhua/Agencies*, Oct 7, 2006. <http://www.chinadaily.com.cn/china/2006-10/07/content_702556.htm>

²⁰² Japan, Ministry of Foreign Affairs, Press Conference 22 April 2005. <<http://www.mofa.go.jp/announce/press/2005/4/0422.html#9>>; Office of the Prime Minister of Japan and His Cabinet., “Press Conference by Prime Minister Shinzo Abe Following His Visit to China,” October 8, 2006. <http://www.kantei.go.jp/foreign/abespeech/2006/10/08chinapress_e.html>

²⁰³ Hisane Misaki, “Abe’s Multiple Policy Dilemmas.” *Asia Times Online*, September 28, 2006. <<http://www.atimes.com/atimes/Japan/HI28Dh01.html>>

POSITIVE IMPACT OF NORTH KOREA'S OCTOBER 9 NUCLEAR

Somewhat ironically, North Korea's October 9, 2006, nuclear test appears to have created a new opening for reestablishing normal and even cooperative relations between Tokyo and Beijing, at least regarding the Korean Peninsula. Although Abe's trip to Beijing and Seoul was arranged prior to the DPRK's nuclear test—indeed he had already completed his visit to China when the test occurred—the rumors of a test had supplied common ground for substantive discussion.

Initially, at least, the three countries' leaders took a similar rhetorical approach to North's action. In an official statement immediately after the test, China condemned Pyongyang's action as a “brazen” affront to “the general concern of the international community” and expressed “its resolute opposition.”²⁰⁴ Later, China for the first time supported a UNSC resolution that imposed binding economic, financial, and nuclear-related trade sanctions on North Korea, but only after working with Russia to defeat an even stronger US-Japan version that could have been cited at some future point as authorizing the use of military force. As passed, Resolution 1718 explicitly bars the use of force to enforce the sanctions.²⁰⁵

Significantly, China also reacted in unusually mild terms after foreign minister Aso Taro and LDP policy Chief Nakagawa Shoichi remarked publicly that, while they were not advocating the acquisition of nuclear weapons, it seemed time at least to discuss the issue in view of the North Korean test.²⁰⁶ Abe quickly countered that Japan had no intention to consider revising its self-imposed non-nuclear policy, but his efforts to squelch provocative statements, apart from an affirmation by Aso that the government had no intentions of discussing the issue, were frustrated.²⁰⁷

On October 17, Chinese government spokesman Liu Jianchao, mildly expressed hope that Japan “is able to strictly carry out its [NPT] treaty obligations and appropriately defend the three-point nuclear principle.” He urged Japan to

²⁰⁴ “Test Rattles Awkward Peace: Onetime Ally China Condemns ‘Brazen’ Actions As South Korea Enters Emergency Meetings,” *Edmonton Journal* (from Bloomberg News and AFP), October 9, 2006.

²⁰⁵ “UN Security Council Passes Resolution Sanctioning North Korea,” *VOA News*, October 14, 2006.

²⁰⁶ “LDP, Komeito Officials Seek to Rein in Nuke Talk.” *The Japan Times Online*, Nov. 6, 2006.

²⁰⁷ “Japanese Prime Minister Struggles to Quell Talk of Nuclear Weapons for Japan.” *Associated Press*, October 18, 2006. <<http://www3.whdh.com/news/articles/world/MI31154/>> Some observers have suggested that, while Abe's quick rejection of debate on acquisition of nuclear weapons was wise, he might not have been overly upset to have others raise the issue in their “personal” capacities as a reminder that Japan should not be treated as a toothless tiger.

“adopt a responsible attitude” to support peace and stability in the region.²⁰⁸ A few days later, Chinese Premier Wen Jiabao also welcomed Abe’s assurances that Japan would not abandon its non-nuclear principles with the mild statement that this stance “benefits Asia.”²⁰⁹

These statements were in marked contrast to China’s response when, after North Korea’s missile tests in early July 2006, Abe – then Chief Cabinet Secretary – himself asserted that in the face of pending missile attack from North Korea, the constitution would allow attacking North Korean missiles on their launch pads. At that time, a Chinese foreign ministry spokeswoman said that the “threat” by Abe and other LDP figures was “extremely irresponsible and incomprehensible” and was “like pouring oil on a fire.”²¹⁰

KEY FACTORS GOVERNING THE FUTURE OF JAPAN-CHINA RELATIONS AND THE VIABILITY OF THE US-JAPAN ALLIANCE

The United States has a strong interest in the establishment of stable and cooperative relations between Japan and the PRC. American interests are not served if Japan becomes unnecessarily involved in an open regional rivalry with China. Unfortunately, the United States has only limited ability to influence the course of Sino-Japanese relations. The following issues are likely to constitute the main determinants of Tokyo’s future relations with Beijing as well as the United States’ other Northeast Asian ally, South Korea.

The Content and Context of Japan’s New Historical Narrative

By itself, the desire of the historical revisionists to create an historical narrative as the basis for restoring a sense of patriotism and pride among the Japanese people is understandable. Most countries’ official and popular histories gloss over issues that undermine their “national story.” Even during the height of the Friendship period, nationalism and recalcitrance about war responsibility always lurked just below the surface.

Ideally, the Abe government will address the issue of textbook revision with at least a minimally credible degree of sensitivity. By achieving success in other priority areas, such as continued economic reform, it may be able to address the issue from a position of strength and self-confidence. All of the opposition parties as well as a substantial number of LDP Diet Members will be amenable

²⁰⁸ “China Urges Japan Not to Develop Nuclear Weapons,” *Japan Economic Newswire*, October 17, 2006.

²⁰⁹ “China’s Wen Says Abe’s Nonnuclear Pledge Benefits Asia,” *Japan Economic Newswire*, October 23, 2006.

²¹⁰ “Japan Is Pouring Oil on Fire with Strike Threat,” *China Daily*, July 13, 2006.

to an educational reform process that meets the minimum needs of a working relationship with China, North Korea, and other countries formerly the victims of Japanese imperial aggression.

Another problem with the failure to come fully to terms with its militarist past is that it denies Japan the opportunity to learn from past experience in making future security policy decisions. In most countries, the failure to clearly understand the past is considered a potentially dangerous shortcoming, but this view may be less widely held in Japan. Commenting approvingly on Abe's assertive nationalism, Takashi Sasagawa, an LDP lawmaker, observed "He's from the generation that doesn't know war... Not knowing war is his strength, because he can be on equal terms with other countries."²¹¹

Constitutional Revision and Japan's "Normal Nation" Status

Prime Minister Abe appears determined to go through with his promise to hold a national referendum on revising Article 9 of the constitution, which currently is interpreted as barring the use of force except strictly in self-defense or exercising the right of collective self-defense (against a third party). Abe has also committed himself to elevating the Self Defense Agency to the ministry level as well as authorize the export of military weapons and hardware. Abe may well preside over Japan's full return to "normal country" status.

Abe has already implied that even without constitutional change Japan can participate in collective defense against North Korean missiles. If we accept that there is no other option to prevent a missile attack," Abe told reporters, "there is an argument that attacking the missile bases would be within the legal right of self-defense."²¹² Abe has dismissed the arguments of those who deem that under the Constitution, Japan cannot intercept missiles that might be aimed at US territory or bases in the Western Pacific outside of Japan. For practical reasons alone, Japanese and US naval and air forces must exchange real-time data on a continuing basis in order to be in a position to conduct a coordinated defense against North Korean missiles that might be launched at Japanese territory.

Giving substance to this constitutional policy creep would depend on steps that Japan has not taken thus far, especially the decision to boost its stagnant level of defense spending. Japan has long limited defense spending to one percent of GDP. At about \$42 billion annually Japan still has one of the world's top four defense budgets, but without a significant budget increase or a radical reallocation of priorities, Japan likely will have difficulty financing both the

²¹¹ "Japan Takes A Step To The Right," *CBS News* (from *Associated Press*), September 20, 2006. <<http://www.cbsnews.com/stories/2006/09/20/world/main2024770.shtml>>

²¹² Martin Fackler, "Japan Finds Still Harsher Words for North Korea's Missile Tests." *New York Times*, July 11, 2006. <<http://travel2.nytimes.com/2006/07/11/world/asia/11missiles.html?n=Top%2FNews%2FWorld%2FCountries%20and%20Territories%2FNorth%20Korea>>

acquisition of two different US ballistic missile defense systems as well as a capability to conduct long-range precision strikes, whether by air or sea.²¹³

Although China's leaders have railed against the alleged revival of Japanese militarism, it is questionable at a minimum whether a new historical narrative built partly on historical amnesia necessarily presages a return to pre-war style militarism. In fact, Japanese military spending has been relatively stagnant for a decade. Despite the assertion by Prime Minister Abe and other "hawks" regarding the "right" to make a preemptive strike on missiles about to be launched at Japan, the government has yet to make the necessary investment in an offensive capability. Japanese youth show no indication of rushing to the enlistment offices in a burst of new patriotism or jingoist passion.

Moreover, it is China, not Japan, whose defense spending is growing by double digits every year. The growth of revisionist nationalism and talk of acquiring a preemptive strike capability does, however, touch a still sensitive historical nerve in East and to a lesser extent Southeast Asia. The LDP as well as the more conservative wing of the opposition Democratic Party of Japan (DJP) have stopped speaking in oblique language and now openly identify China and North Korea as threats to Japan's security.²¹⁴

Considering that China is by no means the only foreign and security policy challenge for Tokyo, the appeal of Abe's broader call for a more assertive and activist Japan validates one of the main themes of this book, that is, "changes in Japanese thinking about China are a result partly of changes in the real world – in Japan as well as China – but more profoundly derived from changes in Japanese thinking about the world and their place in it."²¹⁵

Outcome of the 2007 Upper House Elections

Abe's ability to pursue a strongly nationalist agenda, should he choose to, could depend importantly on the LDP's ability to end its dependence on support from its coalition partner, the New Komeito, a small but highly disciplined party affiliated with the Nichiren Buddhist sect. The LDP routed the DPJ in the 2005 general election, and has a comfortable majority in the lower House of Representatives. But the ruling party depends on the New Komeito to maintain the two-thirds majority in the lower house necessary to pass legislation without requiring the assent of the upper House of Councilors. In the upper house, which has a similar role to the British House of Lords, the LDP is well short of a majority. This imperative is the main the reason that the LDP has put so much

²¹³ Eric Talmadge, "Japan Rearming As Tensions Rise in Asia." *Associated Press*, October 30, 2006.

<<http://www.theglobeandmail.com/servlet/story/RTGAM.20061030.wjapann1030/BNStory/International>>

²¹⁴ "What is Japanese FM's intention fanfaring 'China threat'?", *People's Daily Online*, December 23, 2005. <http://english.peopledaily.com.cn/200512/23/eng20051223_230393.html>

²¹⁵ See Chapter 1, p. 3.

emphasis on electing a popular and articulate Prime Minister who could lead the party to a clear majority in next year's upper house elections.

Despite its pacifist orientation, the New Komeito has moved rightward in recent years in response to concerns about the threat from North Korea's missiles and nuclear capability and Japanese domestic political realities. The party supported the dispatch of warships to provide non-combat logistical support of US and allied operations in the Indian Ocean following 9/11 and sending military units to support reconstruction in Iraq following the invasion in 2003. On the other hand, the New Komeito openly acknowledges and apologizes for Japan's imperial aggression and it disapproved of Koizumi's visits to the Yasukuni Shrine. Thus, although the party has grown more accepting of a wider role for Japanese forces and grown more supportive of the US-Japan alliance, it continues to oppose changing or reinterpreting Article 9 of the Constitution to permit collective security arrangements involving the possible use of force in support of US actions against third countries.²¹⁶

The New Komeito already has strongly supported Abe's initiative to repair relations with China, but the party will be in a position to block any future nationalist measures that it opposes. Winning next year's upper house elections and thereby breaking free of dependence on the New Komeito will be a critical determinant of how far Abe can go with his nationalist agenda.

Japan's Ability to Achieve Sustained Economic Revitalization

In the longer term, the state of relations between Tokyo and Beijing could depend to a significant extent on Abe's ability to carry out continued economic reform. As has been described in preceding chapters, mutually beneficial economic relations provided the main underpinning of the Friendship strategy. China's subsequent emergence as an economic competitor played an important indirect role in the decline of Sino-Japanese relations, even in the face of growing ties of trade and investment. The stabilizing effect of economic diplomacy declined steadily in the face of China's economic rise and Japan's prolonged post-bubble slump during the 1990s.

Tanaka Kakui's "merchant state" paradigm and Japan's commitment to conciliation and its official anti-militarism depended substantially not just on mutual benefit but also on the disparity of economic power in Japan's favor. Until the early 1990's, China's economic modernization promoted by a paramount leader created more opportunities than challenges for Japan. But as observed earlier, by the mid-1990's, China's growing economic competitiveness—which Japan had helped foster—began to pose both commercial and strategic challenges.

²¹⁶ New Komeito Home Page, Policy Detail: "Chapter 5: Strategies for International Peace Building, 2. National Security and Crisis Management System."
<<http://www.komei.or.jp/en/policy/11.html>>

The unprecedented anti-Japanese riots in Beijing and Guangzhou in April 2003 and the April 2005 demonstrations in Shanghai and other Chinese cities dramatized the longer-term political risks of high dependence on the Chinese market. China's surging growth had largely powered Japan's recovery from the post-"bubble" years, contrary to the predictions of economists who argued that Japan could not regain a growth path based primarily on exports. The Chinese riots threatened to undercut Japan's nascent recovery and caused Japanese companies to begin to re-think their investment strategies. China remains a huge market and a major offshore manufacturing platform, but increasingly Japanese companies have been hedging against political risk in China by adopting a "China plus One" [Southeast Asian country] investment strategy.²¹⁷

China's emerging displacement of Japan as the regional "core" economy has increased anxiety both in the government offices and in the boardrooms of major Japanese companies. If current trends continue, China will soon become a larger trading partner with Southeast Asia than Japan, although the latter remains a far more important source of investment and technology.

IMPLICATIONS FOR US ENGAGEMENT WITH THE ABE GOVERNMENT

The broad thesis of this book raises important issues for US policy, both regarding the future of the alliance and U.S. policy towards China. On the positive side, the election of Prime Minister Abe offers a new opportunity for the United States to engage with the Japanese government on the issue of Japan's relations with China and Korea. Despite their concern with Abe's assertive nationalism, both China and South Korea have welcomed the opportunity to reestablish ties at the head of state level.

It also remains to be seen what steps Abe will take to follow up on the positive atmosphere surrounding his meetings with Hu Jintao and Roh Moo-hyun in the longer term, but the leadership transition gives the United States a fresh opportunity to emphasize its concerns about the deterioration of Japan's relations with China and South Korea. Although he speaks in more hawkish tones than his predecessor, Abe appears less stubborn, and has shown the flexibility needed to get relations back on track.

Especially in light of the North Korean nuclear test, the time would appear ripe for the United States to reengage in the two main triangular relationships in the region. This can include renewed efforts to promote better ties between Japan and China, and between its two regional allies, Japan and South Korea. In both cases, a common exasperation with North Korea could facilitate efforts to promote confidence building, although China and the ROK remain opposed to sanctions measures that would potentially lead to chaos in the North.

²¹⁷ Shingo Konomoto, "Responses by Japanese Companies to Business Risks in China. Nomura Research Institute, NRI Papers No. 98, December 1, 2005.
<<http://www.nri.co.jp/english/opinion/papers/2005/np200598.html>>

The United States has little leverage with the Abe administration over the broader issue of historical revisionism. Nonetheless, to the extent that Abe's assertiveness regarding the role of the Japanese military is emphasized, including the possibility of a qualitative increase in defense cooperation and the acceptance of new roles and missions, US officials and senior military may have an increased opportunity for dialogue on this issue.

Policy Towards North Korea

Japan's policy towards North Korea has hardened significantly since Pyongyang's July 2006 missile tests and the October 2006 nuclear test, reintroducing a persistent source of friction between China and Japan. After the July missile tests, although they agreed to "condemn" the North's action, China and Russia joined to block a strong Japanese resolution that included sanctions. As a consequence, both the United States and Japan adopted further economic and other sanctions unilaterally.

China took North Korea's October 2006 nuclear test much more seriously, but still refused to accept a US-Japan draft resolution that would have both included sanctions and authorized the use of military force to enforce them. China insisted that the resolution under Article 41 of Chapter Seven of the UN Charter, which is restricted to non-military sanctions. Publicly, China has said that will enforce sanctions but not to the extent that they might "increase tensions" or cause the Kim regime to collapse. It has been widely rumored that Beijing quietly has adopted a number of sanctions or warnings that make clear its displeasure with the tests and imply stronger action in the event of another test.²¹⁸

As of early November 2006 North Korea has formally committed to rejoining the Six-Party Talks. If these talks should one day lead to concrete progress towards an agreement that North Korea will abandon its nuclear program in return for economic benefits and security guarantees, Japan will face a moment of truth. Tokyo's past implied commitment that, upon normalization with North Korea, it will provide a financial aid package equal to that it gave South Korea when relations were normalized in 1965. That package is estimated to be worth about \$10 billion allowing for inflation since 1965.

Making a decision to normalize relations will require some kind of Japanese compromise on the issue of the Japanese abductees, Abe's signature issue. This cannot happen without some movement by North Korea. Without action by North Korea it is unlikely that any Japanese administration would be willing to move towards normalizing relations given the huge amount of political capital that would have to be spent, not to mention the the wrenching emotional aspects of the situation..

²¹⁸ Foster Klug, "U.S. presses China for tough action against North Korea ahead of Rice trip to Asia." *Associated Press*, October 16, 2006.

To date Japan has generally sat on the sidelines and of the talks and made a full accounting of the fate of the abductees and related actions by North Korea the sine qua non of any agreement for it to participate in a deal and normalize relations with North Korea. Should North Korea ever show willingness to reach an agreement to abandon its nuclear weapons capability Japan could come under enormous pressure from the United States and the other participants in the talks? At present, US support of Japan's position on the abductees has no practical cost. Should that situation change, Japan would be presented with a choice of historic proportions.

That contingency remains remote, but in the meantime Japan has compelling reasons to work not just with the United States, but with China and South Korea especially to at least stabilize the situation. This may require more flexibility on the part of all of the parties, but especially on China and Japan.

The Taiwan Issue

How Japan deals with the Taiwan issue under a more assertive and more nationalist administration could be critically important to the maintenance of stable relations between Tokyo and Beijing. In general, LDP members on the political right have long been supportive of Taiwan. Not only are trade and economic relations important, but the Japanese military and the Defense Agency appear to be showing more interest in Taiwan's strategic value, given its closeness to the Japan's southern Ryukyu island chain and its strategic location along the sea lanes leading to the oil-rich Middle East. Okinawa is an hour closer by air to Taipei and Beijing than it is to Tokyo. Moreover, in recent years some Japanese, American and other strategists and observers have started to comment on the significance of Taiwan to anti-submarine defense. The argument is that Chinese submarines are vulnerable along its continental shelf in the South China Sea, but that on the east side of Taiwan the ocean deepens significantly.²¹⁹

Especially because of the erratic behavior of Taiwan's president, Chen Shui-bian, Japanese nationalists would be playing with fire to promote the elevation of the status of Japan's relations with Taiwan. The US Defense Department has also begun to give more consideration to this particular strategic aspect.²²⁰ Nonetheless, it seems likely that both Tokyo and Taipei will seek to strengthen their relations in ways that fall short of that.

Territorial Disputes

The dangers to US interests posed by tensions between Japan and China that have substantive content are serious. For instance, rising tempers over the competing claims to the deep sea resources around what Japan calls the

²¹⁹ Chris Rahman, "Defending Taiwan, and Why It Matters." *Naval War College Review*, Autumn 2001, Vol. LIV, No. 4, 69-93.

²²⁰ Zalmay Khalilzad, et al, *The United States and Asia: Towards a New U.S. Strategy and Force Posture*. Santa Monica, CA: RAND, 2001.

Senkakus and China calls Daiyutai, could lead to a situation what would damage both the alliance and US relations with China. For some time both countries have been sending research vessels into the disputed areas, and the Japanese Coast Guard has sent ships to monitor Chinese activities near or within Japan's 200-mile exclusive economic zone (EEZ). Unless these tensions are dampened, a future bumping incident involving Chinese and Japanese ships could escalate if neither side were willing to back down.

There are two related issues in dispute. The first is the ownership of the Senkakus/Daiyutai, which are occupied by Japan. The second concerns Chinese drilling near, and penetration into Japan's recognized Exclusive Economic Zone (EEZ). The islands dispute is important because Japan seeks to use its occupation of the large of these rocks to as a basis for extending its EEZ further towards Chinese territory, which goes against China's effort to claim the entire continental shelf off its shores, of which the islands are a part. China has proposed sharing the resources, but that would require Japan effectively to abandon its claim to the islands, and accept China's challenge to the Japanese EEZ.²²¹

Depending on interpretations of the 1972 Reversion of Okinawa agreement, Japan could invoke the alliance and request US support in the event of a military conflict. Even without invoking what it sees as treaty obligations, Japan would expect US support. Either situation would present the United States with extremely difficult policy choices.

Deng Xiaoping reportedly once declared that the dispute could be left to future generations. The very idea that there was a legitimate dispute angered Japan, but the issue was moot so long as China took no steps to establish its claim. Now, the vastly increased value of fishery resources and the presumed oil and gas deposits has made the question a much more urgent one.²²² At present, the tattered state of Japan-China relations and the high economic stakes makes progress on the issue unlikely and keeps alive the possibility of a clash.²²³

Japan and the Issue of Nuclear Weapons

Without a doubt, the issue of whether Japan will maintain its non-nuclear posture is likely to be the single most important determinant of future cooperation on peace and security in Northeast Asia. Thus far, Abe and defense hawks in his circle speak mainly of obtaining a conventional strike capability as one means to defend against North Korean missiles. Nonetheless, concern that North Korea's demonstrated nuclear capability has the potential to tip the

²²¹ Mark J. Valencia, "The East China Seas Dispute: Ways Forward." Japanese Institute of Global Communications (GLOCOM), September 19, 2006.
<http://www.glocom.org/debates/20060919_valencia_east/index.html>

²²² Koji Taira, The China-Japan Clash over the Diaoyu/Senkaku Islands, ZNET, September 20, 2004
<<http://www.zmag.org/content/showarticle.cfm?ItemID=6269>>

²²³ "China, Japan gas talks end with no agreement," *Reuters*, Updated: 2006-03-07 17:24

balance in Japan towards acquiring a nuclear weapons capability, a development that would in all likelihood be followed by South Korea as well.

That said, in a 1993 Stimson Center book *Japan's Nuclear Option: Security, Politics and Policy in the 21st Century*, the co-editors Benjamin L. Self and Jeffrey W. Thomson concluded that because Japan maintains nuclear inspections and safeguards, has not maintained a surplus stock of plutonium on its territory, has not developed a bomb design, and has not produced appropriate delivery technology, a nuclear breakout is unlikely. There is no evidence that Japan is preparing to acquire a nuclear deterrent.²²⁴ Moreover, of great importance in the current post-DPRK nuclear test context, Prime Minister Abe has reaffirmed Japan's three non-nuclear principles, which are not possessing, not producing and not permitting the introduction of nuclear weapons into Japan.²²⁵

At this point in time, Abe and a number of LDP leaders have come down hard on Aso and others who seek to open a discussion about Japan's current no-nuclear weapons principle. Aso's critics include Defense Agency chief Kyuma Fumio, who comes from Nagasaki, and the Chairman of the LDP's Diet Affairs Committee, Nikai Toshihiro. The important argument against nuclear weapons is realization that such a step could lead to similar action by South Korea and Taiwan, and also seemingly make Japan a more legitimate target of nuclear weapons in any confrontation with the PRC, all of which would make Japan less rather than more secure. On the other hand, the impulse to consider the nuclear option stems largely from an emotional response to the current threat posed by North Korea and the possible future threat from China.

Confidence in the American nuclear umbrella will remain a major factor in whether Japan rethinks its policy on not possessing nuclear weapons; some in Japan appear to see U.S. credibility as having been diminished by the end of the Cold War. Until the collapse of the USSR, deterrence against Moscow's nuclear missiles and bombers was at one with deterring an attack on Japan. Since the Cold War ended, however, the certainty of an American nuclear response to a nuclear attack on Japan by North Korea or China has diminished in the eyes of some people. But so long as American forces are stationed on Japanese soil and the alliance remains strong, Japan has reason to accept American assurances. Should this situation change, circumstances could be foreseen under which the United States would not be prepared to risk a US city to retaliate against an attack on Japan.

The argument in favor of US credibility is that the United States simply would have to get involved. To stand by in the face of a nuclear attack on Japan would cause a major vulnerability. If the United States failed to respond to an attack on Japan, where would it draw the line? The fact that Secretary Rice flew to Tokyo almost immediately after the North Korean test to reiterate the American

²²⁴ Self and Thomson (eds.), *Japan's Nuclear Option*, 176.

²²⁵ "On the Three Non-Nuclear Principles." Ministry of Foreign Affairs (MOFA). <<http://www.mofa.go.jp/policy/un/disarmament/nnp/index.html>>

commitment to Japan's defense suggests that the Bush administration is determined both to leave no doubt about the American commitment and that a decision by Japan to go nuclear would gravely threaten the alliance. To drive home the point, Rice made a second visit to Tokyo in early November 2006 and publicly exchanged mutual reassurances at a joint press conference with foreign minister Aso, amidst growing evidence that Prime Minister Abe was losing the battle to put a stop to discussions about Japan's no-nuclear commitment. As noted earlier, Aso's statement "The government of Japan has no position at all to consider going nuclear," was less categorical a statement than Rice was looking for.²²⁶

CONCLUSION

Six decades after the end of World War II, Japan, China and South Korea continue to face each other uneasily. Despite their economic success and key roles in the global economy, both China and Japan are striving to become the leaders of East Asia.

For decades, Japan has defined its identity in relation to China and the rest of the world. In the full flush of the bubble economy, Prime Minister Miyazawa Kiichi, sensitive to the gap between Japan's surging dollar holdings and the realities of Japanese life such as housing that is cramped and not comparable to the standard of other developed countries, called for Japan to become a "lifestyle" superpower. The dollar value of its foreign aid also bolstered by the weakening dollar, Japanese leaders also talked about the country as an "ODA" superpower.

Now Abe Shinzo wants to make Japan the "beautiful country" – "a country filled with vitality, opportunity, and compassion, which cherishes a spirit of self-discipline, and is open to the world." Among the more important characteristics of a beautiful Japan, as explained by Abe, is a country that respects its traditional core values, that possesses the vitality to grow and change, and that plays an active global international role and receives international respect.

The three Northeast Asian powers – Japan, China, and South Korea -- have many mutual interests, most notably their high degree of economic integration and need to keep North Korea in its box and maintain peace and stability on the Korean Peninsula. Unfortunately, China's rise and the fundamental international political and economic and geopolitical changes that were set in motion by China's rise make it unlikely that Tokyo and Beijing can achieve much more than controlled and peaceful competition. Arguably, Japan's inability to process its history in terms that are acceptable to the outside world is the primary obstacle to the achievement of the acceptance and respect that it

²²⁶ Thom Shanker and Norimitsu Onishi, with David E. Sanger, "Japan Assures Rice That It Has No Nuclear Intentions." *New York Times*, November 6, 2006.
<<http://select.nytimes.com/search/restricted/article?res=F60815FA34540C7A8DDDA90994DE404482>>

seeks. Abe at least appears to understand that China is in a position to block his goals.

Even more so than in the case of Japan, South Korean nationalism as well as that of North Korea, in its own inimitable way, is based on ethnocentricity and a drive to develop a world class economy. China, with its Middle Kingdom perspective, is psychologically more able to think strategically, but is burdened by severe internal weaknesses. Moreover, its hyper-competitiveness in manufacturing tends to threaten, unintentionally, perhaps, the economic and other interests of the countries around its periphery; regardless of Beijing's "smile" diplomacy and other efforts to provide reassurance of its benign intentions.

Because there seems so little prospect that Japan and China can achieve anything more than the establishment of correct relations, a continuing political and security role on the part of the United States remains essential to regional peace and stability. The United States is still the only Pacific power with the appropriate self-ideation, experience, and wherewithal to play the role of a regional stabilizer. Playing this role requires simultaneously maintaining close alliance relations with Japan and a cooperative relationship with China, which has become critically important to the achievement of key U.S. goals such as denuclearizing the Korean Peninsula. Even with a strong US regional role, Japan and China appear destined to become rivals for regional power and influence. The Japan-China Friendship trope has been overtaken by the new realities of a multi-polar world.