

A BRIEF HISTORY OF POSTWAR JAPAN-CHINA RELATIONS

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RELATIONS BETWEEN Japan and China following World War II made an unfortunate start. These unfortunate relations still remain uncorrected today, after twenty-seven years, and the diplomatic relations between the two countries have not been normalized. But the twenty-seven years have not been uneventful. There were countless efforts and actions to mend the relations, as well as countercurrents to prevent them. Tracing the history of postwar Sino-Japanese relations is no other than recording the path of Japan's postwar diplomacy, or following the course of politics itself in postwar Japan.

The relations between the two nations quickly deteriorated with the outbreak of the Manchurian Incident in 1931, and were aggravated when the China Affair of 1937 developed into a total armed confrontation which ended with Japan's defeat in World War II in August 1945. In China, the second Nationalist-Communist collaboration continued throughout the Sino-Japanese war. But as their common enemy Japan was defeated, the Nationalist and Communist camps entered into civil war in August 1946. The Communist victory in the civil war resulted in the founding of the People's Republic of China with its capital in Peking on October 1, 1949. The defeated Nationalist Government declared the transfer of its capital to Taipei in December of that year.

In reaction to such developments in China, the U.S. Government released a white paper on China in August 1949 severely criticizing the Nationalists, followed by President Harry S. Truman's declaration of non-intervention in the case in January 1950. That same month, the United Kingdom recognized the new Peking regime. The United States did not venture that far, but its support for the Nationalist Government was severely strained. The outbreak of the Korean War in June 1950, abruptly changed Sino-U.S. relations. The U.S. Government deployed its Seventh Fleet to the Taiwan Straits, and declared (1) that the fleet was to prevent an attack on Taiwan by Communist China, (2) likewise, it was to prevent an attack on mainland by Nationalists, and (3) that the future of Taiwan was to be decided by the United Nations. This became the U.S. policy to neutralize Taiwan. In October of that year, when the forces of General MacArthur stormed into North Korea, Communist China sent a large force of volunteers across the Yalu River, delivering a hard blow to the U.S. forces, and thereby pushing Sino-U.S. relations to their worst. The U.N. General Assembly branded Communist China as an aggressor at the initiative of the United States in February 1951.

These developments gravely affected the conclusion of the peace treaty with Japan. The question of whether the Communist Government or the Nationalist Government was to represent China as a signatory in the peace negotiations with Japan, emerged as a big issue between the United States and the United Kingdom. John F. Dulles, then special Adviser to the Secretary of State, was the U.S. representative at the Japan peace negotiations. He visited the United Kingdom in June 1951, seeking settlement of the issue. But, having recognized the Peking regime, the United Kingdom strongly insisted on inviting Peking on the grounds that Communist China, which had long been subjected to Japanese outrages was entitled to a strong voice in the peace treaty. Dulles presented a compromise in which neither the Communist nor the Nationalist government would be invited to the peace negotiations and that Japan was to conclude peace with whomever it preferred. His proposal was accepted.

Dulles, in fact, had meant to have Japan choose Nationalist China as the peace treaty signatory. The Japan peace treaty, known as the Treaty of San Francisco, was concluded in San Francisco on September 8, 1951 without the participation of any Chinese government. This treaty became a subject of heated discussion at an extraordinary Diet session in the autumn of 1951, when Diet ratification was requested. At that session, Prime Minister Shigeru Yoshida stated that a Japanese Overseas Office to be set up in Taiwan was for the protection of Japanese residents, if any, and trade relations. Should Communist China ask Japan to set up a similar office in Shanghai, Yoshida said, Japan might as well accept the request (October 29).

The statement of Yoshida's dealt a surprising blow to the United States. Secretary Dulles, when visiting Japan for the fourth time, in December 1951, explained to Yoshida that ratification of the treaty by the U.S. Senate may not be forthcoming unless Japan showed definite proof that it would normalize relations solely with Nationalist China. In response, Yoshida wrote a letter to Dulles on December 24, 1951. In this letter, which was made public on February 26, 1952, Yoshida stated:

My government is prepared as soon as legally possible to conclude with the National Government of China, if that government so desires, a Treaty which will reestablish normal relations between the two Governments. . . . The terms of such bilateral treaty shall, in respect of the Republic of China, be applicable to all territories which are now, or which may hereafter be, under the control of the National Government of the Republic of China.

As regards the Chinese Communist regime, that regime stands actually condemned by the United Nations of being an aggressor and in consequence, the United Nations has recommended certain measures against that regime, in which Japan is now concurring. . . . Furthermore, the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance concluded in Moscow in 1950 is virtually a military alliance aimed against Japan. In fact there are many reasons to believe that the Communist regime in China is backing the Japan Communist Party in its program of selecting violently to overthrow the constitutional system and the present Government of Japan. In view of these considerations, I can assure you that the Japanese Government has no intention to conclude a bilateral Treaty with the Communist regime of China. [3]

The United States was satisfied with this "firm commitment" from Japan, and its Congress began deliberations on treaty ratification on January 21, 1952; the Senate ratified it on March 20, 1952.

On the other hand, Deputy Foreign Minister Chang Han-fu of Communist China released a statement on January 23 of that year denouncing the Yoshida letter as "the gravest and most naked act of war provocation," comparable to the wicked crime of the San Francisco Peace Treaty, committed against China by the American imperialists and the Japanese reactionary government.

As a result of the Yoshida letter, negotiations began on February 19, 1952, for conclusion of the Japan-Republic of China peace treaty. The treaty was signed on April 28 of that year, simultaneously with the effectuation of the San Francisco Treaty and the Japan-U.S. Security Treaty. Postwar Sino-Japanese relations started from such a falsehood that a peace treaty to end the state of war between China and Japan was concluded with the Taiwan Government two and a half years after the founding of the People's Republic, which truly represented the Chinese people. A button was put in the wrong hole at the beginning of Sino-Japanese relations, and innumerable contradictions have risen, steadily increasing the embarrassment and dilemma of Japan in trying to keep pace with the elevation of China's international position. A major issue in the postwar diplomacy of Japan has been whether to admit the contradiction and try to urgently correct the situation or to allow the contradiction to continue as a fait accompli. Delicate changes can be observed in the attitude of the consecutive Liberal Democrat governments of Japan toward this issue.

Sino-Japanese relations in the two decades from April of 1952 to April of 1972 can be divided into four periods.

The first period (April 1952 to May 1958) saw efforts to "build up" relations between the two nations, but ended with the severance of relations during the Kishi government in May 1958.

The second period (May 1958 to April 1964): Late in this period the Ikeda government started rebuilding relations.

The third period (May 1964 to July 1971) covers the last days of the Ikeda government and virtually the entire length of the Satō government. Sino-Japanese relations in this period may be said "cool."

The fourth and present period (after July 1971) began with the announcement by President Nixon of his plan to visit China. This period saw many drastic developments, including the restoration of China to the United Nations.

We can observe in Sino-Japanese relations the heavy reflection of the character of each Japanese government. The Kishi government trampled the efforts of the previous governments of Yoshida, Hatoyama, and Ishibashi to improve relations. The Ikeda government then endeavored to build them up again. And the Satō government chose to maintain relations with China aloof. The transitions merely show the fluctuations of power and attitudes of each Japanese government in the postwar period.

I. THE FIRST PERIOD (APRIL 1952–MAY 1958)

On April 28, 1952, the Yoshida government concluded the Sino-Japanese Peace Treaty with the Nationalist Government of China. Barely a month later on June 1, Tomi Kōra, Kei Hoashi, and Kisuke Miyagoshi visited Peking and signed the first Sino-Japanese private trade agreement with Nan Han-ch'ên, chairman of the China Committee for the Promotion of International Trade. In the Diet deliberations of the Japan–Republic of China Peace Treaty, efforts by the Yoshida government to leave the possibility open for normalization of relations in future with all of China were clearly visible. Strong awareness of the irrationality of the treaty resulting from the pressure of Secretary Dulles led the Diet to limit the treaty's applicable boundaries to the minimum. According to Prime Minister Yoshida, Japan was entering into a treaty relationship with the Republic of China that controlled a limited territory. The future is the future, he said, adding that the government eagerly hoped to enter ultimately into a treaty with one, entire China. Asked whether the government position meant something short of a total recognition of Taiwan, Yoshida replied that it was in fact the case.

Of course, progressive forces denounced this treaty as unjust from the start, and organized the Japan-China Friendship Association as early as October 1, 1950. The Korean Armistice, signed in July 1953, the "five principles for peace and coexistence" proclaimed by Chou En-lai and Nehru in June 1954, and the "ten principles for peace" adopted at the Afro-Asian Conference held in Bandung in May 1955, all helped create a new trend for peace and coexistence, which promoted various exchanges as well as trade between Japan and China.

Immediately following the signing of the Korean Armistice, the House of Representatives and the House of Councillors of the Japanese Diet adopted a suprapartisan resolution to promote Sino-Japanese trade, and the second trade agreement was signed in October that year. In a Sino-Soviet joint communique released in October 1954, China expressed its intention to normalize diplomatic relations with Japan on the basis of the four principles for peace and coexistence. But the Yoshida government ignored the statement as a "stunt designed to alienate Japan from the United States." Sino-Japanese exchange, however, was much promoted in the last days of the Yoshida government and during the succeeding Hatoyama government which came to power two months after the Sino-Soviet communique. The Japan Association for the Promotion of International Trade was inaugurated in September 1954 with Shōzo Murata as its executive director, followed by the organization of the National Council for Restoration of Japan-China and Japan-Soviet Diplomatic Relations in October with Akira Kazami as chairman, the establishment of the Japan-China Fisheries Council in November with Tsunejirō Hiratsuka as chairman, and the conclusion of the first Japan-China private fishery agreement in April 1955, and the third Japan-China private trade agreement in May 1955.

Japan-China trade resumed in July 1949 immediately prior to the founding of the People's Republic of China, and the two-way trade amassed an aggregate of

\$24 million that year. The annual trade volume increased to \$59 million in 1950, but drastically decreased in 1951 and 1952 due to the Korean War. It picked up again in 1953 amounting to \$34 million and increased to \$59 million in 1954, to \$109 million in 1955, and to \$150 million by 1956. In the third trade agreement in May 1955, the two sides agreed to hold sample expositions on a reciprocal basis. The expositions were held in Tokyo and Osaka in the autumn of 1955, and in Peking and Shanghai in the autumn of 1956. The Tokyo exposition was visited by Economic Planning Agency Director Tatsunosuke Takasaki, and the Peking exposition by Chinese leaders including Mao Tse-tung.

Thus Japan-China relations seemed to develop favorably on the strength of the "cumulative formula." A joint communique released on the occasion of the third trade agreement extension in October 1956, said that both sides had agreed to endeavor for reciprocal establishment of a permanent private trade mission in each other country, and for promotion of the conclusion of a government-level trade agreement between their countries before the expiration of the extended agreement. Tanzan Ishibashi, then Minister of International Trade and Industry, showed his positive posture by indicating that the registration of fingerprints of trade mission members was not essential, and that a trade mission could be set up in each other country before the expiration of the current pact. He continued supporting the private trade agreement after he became Prime Minister in December of that year. China expected that the private exchange would develop into an inter-governmental pact and further lead to full restoration of diplomatic relations between Japan and China. It was with this expectation that China recognized Japan's "cumulative formula."

However, the Kishi government that was inaugurated in February 1957 began showing an attitude contrary to the Chinese expectations. The *Jênmin jihpao* of July 30, 1957, in an editorial, severely criticized the Kishi government.

Before his trip to the U.S., he [Kishi] made a special trip to Taiwan where he had spread slanders against the Chinese people in order to please the U.S. . . . [In the afternoon of June 3 he told Chiang Kai-shek,] the greater danger of Communist penetration in Japan came from China rather than the Soviet Union. In that sense . . . he thought it would be better for him if the Chinese mainland were "recovered." [After his arrival in the United States,] Kishi also said that the Chinese Communist administration would finally "collapse." These statements were entirely hostile to the Chinese people. [7, p. 5]

On the 10th of this month [July 1957], the Nobusuke Kishi cabinet of Japan was drastically reshuffled in order to comply with the U.S.-Japan joint communique. Both before and after the Cabinet reshuffle, Prime Minister Nobusuke Kishi made a number of speeches unfriendly to our country. Since Japan's situation changed with the ending of the Second World War, the Chinese people have repeatedly expressed their willingness to be on good terms with Japan. They have consistently taken measures . . . to improve relations with Japan so that Sino-Japanese relations may become normal at an early date. Despite these measures taken by the Chinese people, the Japanese Government, however, has not reciprocated. . . . [The editorial cited the Chinese assistance for the repatriation of Japanese residents and the conclusion of fisheries and trade agreement.] On the contrary, Prime Minister Nobusuke Kishi has not only raised obstacles to the signing of the fourth Sino-Japanese

trade agreement, [and] mutual exchange of trade delegations . . . he has turned round to bite at us on the question of Japanese residents in China. . . . [7, pp. 4-5]

Negotiations for conclusion of the fourth Japan-China private trade agreement had a difficult sailing amid the increasing distrust, and it was not until March 5, 1958, that it was finally signed in Peking. Article 11 of this pact provides for reciprocal establishment of a permanent trade representative office in each other country, and stipulates that the two parties obtain the consent of respective governments to guarantee the safety of the trade representative offices and their members to facilitate the performance of their duties. Furthermore, an appended memorandum guaranteed the trade offices, (1) the security, (2) the freedom of travel, (3) the usage of coded cables, and (4) the right to hoist national flags, and warranted that no fingerprints of the mission members would be taken. This private pact evidently marked a step toward an inter-governmental pact.

At this juncture, Nationalist China launched a full-force diplomatic offensive toward Japan. It first declared severance of economic relations, and then hinted at a severance of diplomatic relations; this shook the Kishi government. The Prime Minister personally wrote Generalissimo Chiang Kai-shek, confirming that the Japan-China trade pact was nothing more than a private agreement and that Japan would persistently refuse to recognize Communist China. Nationalist China was satisfied.

On April 9, 1958 the Japanese Government, in reply to a "request for support and cooperation" submitted by the Japanese delegation to the fourth trade pact negotiations, stated as follows:

Recognizing the necessity of expanding trade with the People's Republic of China, the [Japanese] Government will respect the spirit of the fourth private "Sino-Japanese trade agreement" and extend assistance and cooperation to expand trade between the two countries, within the framework of Japanese domestic law and in due consideration of the present international situation on the basis of Japan's non-recognition of the People's Republic of China. [4]

The government said it would extend support and cooperation but with many restrictions. A statement issued by Chief Cabinet Secretary Kiichi Aichi the same day made the points clearer.

The government has no intention of recognizing Communist China, nor of granting an official position as such with any prerogative to the private trade mission established under this private agreement. In dealing with the private organizations [stipulated] in this agreement, the government will respect our relations with Nationalist China and other countries, and will see to it that the establishment of the trade mission will not be misunderstood as a de facto recognition [of the People's Republic of China], and will extend support and cooperation within the limit of various domestic laws. Further, it is only natural that the Japanese Government, which has not recognized Communist China, cannot recognize the right of the private trade mission to hoist the so-called National flag of Communist China. [6]

The same day, April 9, Prime Minister Kishi testified at the Foreign Affairs Committee of the House of Representatives that the government position was not to recognize Communist China as an independent country, and therefore, if

its flag was damaged, it might constitute a crime of willful destruction of property, but the government would not charge the offender with damaging a national flag as stipulated by Article 92 of the Penal Code.

To this, Chairman Nan Han-ch'ên of the China Committee for the Promotion of International Trade said in a letter forwarded to three Japanese organizations on April 13 that the Japanese Government's intention to destroy the fourth Japan-China trade pact was now clear despite the vague expressions used in the government reply.

On May 2, a young anti-Communist pulled down the flag of Communist China at the site of a Chinese postal stamps exhibition in Nagasaki. Trouble over the "so-called national flag of Communist China" as noted by Chief Cabinet Secretary Aichi became a reality. On May 9, Chinese Foreign Minister Ch'ên Yi fiercely attacked the Kishi government over this incident, and the trade relations between Japan and China were severed the following day. Foreign Minister Ch'ên Yi stated:

what they oppose is the linking up of Sino-Japanese trade with friendship between the Chinese and Japanese peoples, and what they want is to make Sino-Japanese trade serve their politics of carrying favour with the United States, acting in collusion with the Chiang Kai-shek clique and pursuing a policy of hostility to China. That is the ulterior motive behind their clamour for the separation of trade from politics. [10, p. 17]

This statement aptly pointed out the discrepancy between understandings of the two governments on the "cumulative formula," and showed the true cause for the trade suspension. The flag incident of Nagasaki just acted as a trigger for the severance of the Japan-China relations in 1958. The true cause was the discrepancy between the Chinese government which hoped that the "cumulative formula" would lead to the eventual conclusion of an intergovernmental pact and to the full restoration of Japan-China relations and the Kishi government which tried to maintain its diplomatic relations with Nationalist China and to prevent the trade relations with Communist China from developing into political relations.

II. THE SECOND PERIOD (MAY 1958-APRIL 1964)

In August 1958, China presented to Tadataka Sata, director of the international bureau of the Japanese Socialist Party, then visiting China, the so-called "three-point political principles," which are: (1) Japan's policies hostile to China should be discarded, (2) Japan should not participate in a conspiracy intending to create "two Chinas," and (3) the normalization of relations between Japan and China should not be hampered. In March 1959, these principles were formally confirmed in a joint statement issued by China and the Japan Socialist Party's second mission to China, headed by Secretary General Inejirō Asanuma. While in China, Secretary General Asanuma delivered a speech on the U.S. imperialism, which later achieved wide renown. In the speech Asanuma stressed the need for the Chinese and Japanese peoples to put up a joint fight against their common enemy, the U.S. imperialism, which was to blame for the separation of Taiwan from China

as well as that of Okinawa from Japan.

In September 1958, the Kishi cabinet reached a basic agreement with the United States Government to revise the Japan-U.S. Security Treaty, and on October 4 it started negotiations with the U.S. representatives in Tokyo. November 19, 1958, China, warned Japan that the conclusion of a new Japan-U.S. Security Treaty providing for a joint defense of the two countries could eventually facilitate an invasion of China by the United States. Chinese Foreign Minister Ch'ên Yi issued a statement that China expected Japan to remain neutral.

Japan's negotiations with the United States on revision of the security treaty aroused bitter denunciations from the opposition parties as well as criticism and confrontation even among Liberal Democratic Party members. In particular, Tanzan Ishibashi and Kenzō Matsumura, both senior members of the Liberal Democratic Party, and their followers were extremely critical of the government's attitude toward the security treaty. In September 1959, Tanzan Ishibashi, one-time Prime Minister, visited China with Tokuma Utsunomiya who belonged to the Ishibashi faction of the party. Ishibashi had talks with Premier Chou En-lai on acceptance of his three-point political principles. Ishibashi also expressed "dissatisfaction with the situation in Japan and its international relations." After his tour of China, Ishibashi announced his view that the security treaty should be revised so that it contained nothing hostile to China, and that it was not necessary for Japan to hastily ratify a new security treaty.

In October 1959, Kenzō Matsumura made a visit to China with Yūtarō Takeyama, Yoshimi Furui, and Kazutarō Ide. This mission, headed by Matsumura, delivered neither a formal statement nor a joint communique at the end of its visit, as its main object was to see first-hand the existing conditions in China. However, a sense of mutual trust was created between Matsumura and China. The Matsumura mission realized that revision of the security treaty had a great influence on relations between Japan and China and thus, grew further critical of the projected treaty revision. China maintained a watchful and opposing attitude toward the planned security treaty revision, and thus appreciated the mounting opposition to the treaty revision among the Japanese people. Although the revision later materialized, the fall of the Kishi cabinet brought about a turning point in Japan-China relations.

In July 1960, Liu Ning-yi, an important Chinese figure, came to Japan, resuming intercourse between the two nations after an interval of two years. Premier Chou En-lai presented his "three-point trade principles" to Kazuo Suzuki, executive director of the Japan-China Trade Promotion Association, when Suzuki visited China in August of the same year. These principles allow the two-way trade to be made based on (1) an agreement between the two governments, (2) private contracts, and (3) special consideration in individual cases. Although China insisted on the three point political principles, it revealed its intention to permit individual, private trades between the two nations prior to conclusion of a governmental agreement. Premier Chou En-lai denounced the revised Japan-U.S. Security Treaty and the retired Kishi cabinet in his talks at that time. He reiterated that China would watch for a while what the Ikeda cabinet would do.

With mounting movement within Japan against Japan-U.S. Security Treaty and inauguration of the new Ikeda cabinet, China evidently began to soften her attitude toward Japan. However, it was undeniable that the relaxation of its stance was partly caused by the disastrous agricultural failures of 1959-61 and the growing acuteness of the Sino-Soviet conflict in July 1960. This can be perceived from the fact that signs of recovery in Japan-China trade were observed in 1961. The trade totalled \$150 million in 1956 and \$140 million in 1957. Due to the severance of trade relations in 1958, the Japan-China trade grossed only \$105 million that year, which drastically decreased to \$22 million in 1959 and \$23 million in 1960, with a small increase to \$47 million in 1961.

The Ikeda cabinet, which abided by the Japan-U.S. Security Treaty structure, recognized the established relationship between Japan and the Nationalist Government. At the same time, however, the Ikeda government dealt with Japan-China relations in a positive manner from the viewpoint of economic rationalism in consideration for the feelings of the Japanese people who hoped for improvement of Japan-China relations. In May 1962, Prime Minister Ikeda made it known that his government was ready to approve application of a deferred payment for exports to China on the same terms as to Western countries. Supported by such a positive stance of the Ikeda cabinet, Kenzō Matsumura visited China in September of the same year. On September 19, Matsumura and Premier Chou En-lai confirmed the following two points [8, p. 20]:

(1) The Chinese side reaffirmed its adherence at present and in future to the three political principles, the three trade principles, and the principle that politics and economics are inseparable.

(2) Both sides expressed the hope for promoting further development of trade and also agreed to "gradually and cumulatively" normalize Japan-China relations in both politics and economics.

In October 1962, Tatsunosuke Takasaki visited China with the intention of "laying rails on the foundation established between Chou En-lai and Matsumura." Takasaki had visited China in October 1960, and the Chinese privately appraised Takasaki as a representative Japanese figure in economic circles as was done with Matsumura in the aspect of politics. A memorandum on Japan-China trade was signed on November 9 by Takasaki and Liao Ch'êng-chih, Chairman of the Afro-Asian Peoples' Solidarity Organization. This was the so-called "LT trade agreement" named after their initials. The main points of this memorandum were (1) to further promote trade between Japan and China on an equal and reciprocal basis by "gradual and cumulative methods," and (2) to set the annual average of two-way trade at more than \$100 million, with 1963-67 as the first five-year period [9, p. 12]. With this LT trade agreement, Japan-China trade, which had been suspended since May 1958, resumed after four and a half years. Thus, Japan-China relations entered into a new phase. Furthermore, the LT memorandum assumed the character of a long-term agreement including adoption of deferred payment system, and bore a political character more significant than the three previous private trade agreements concluded before the suspension of trade in 1958.

Thanks to the "rail" of trade expansion and friendship laid in the autumn of 1962 in conformity with the Matsumura-Takasaki line, a loan from the Export-Import Bank of Japan was approved in August 1963 for the Kurashiki Rayon Corp. (later changed name to Kuraray Co.) for use in export of its vinylon plant on a deferred-payment basis. The successful plant export was attributable to the remarkably keen insight of Sōichirō Ōhara, president of the company. In concert with the Japan-China Friendship Association, the China-Japan Friendship Association (president Liao Ch'êng-chih) was established in Peking in October of the same year. France entered into diplomatic relations with China in January 1964, and Matsumura paid his third visit to China in April of the same year. Memorandums were exchanged between Matsumura and Liao Ch'êng-chih for (1) exchange of Japanese and Chinese reporters, (2) mutually establishing trade liaison offices, and (3) expansion of trade. The amount of Japan-China trade hit the bottom in 1959, showing only \$22 million. But it gradually turned upward, reaching \$23 million in 1960, \$47 million in 1961, and \$84 million in 1962. With conclusion of the LT trade agreement, the amount of trade substantially expanded to \$137 million in 1963 and \$310 million in 1964.

III. THE THIRD PERIOD (MAY 1964-JULY 1971)

However, the efforts to seek a rapprochement under the Ikeda administration did not last long; the positive posture of the Ikeda cabinet toward China was self-restricted by nature. Ishibashi, Matsumura, and Takasaki, the three senior members of the Liberal Democratic Party, intended to stop their efforts only when the San Francisco Peace Treaty structure (non-overall Peace Treaty with Japan, Japan-U.S. Security Treaty, and Japan-Republic of China Peace Treaty), on which Japan's postwar diplomacy had been based, was radically revised or altered. In comparison with this attitude, cognizance by the Liberal Democratic Party leaders including Prime Minister Ikeda was far more dubious. Theirs was a practical policy aimed at staying in touch with China on the basis of political consideration—morally on the Japanese people's traditional friendliness toward China and materially on the potential of Chinese market in future for the Japanese exports—while still sticking to the San Francisco structure as a whole. This questionable attitude was in no time taken advantage of by anti-communist and pro-Nationalist elements. The Chou Hung-ch'ing incident which occurred suddenly in October 1963 offered good bait for such elements to snap at.

In September 1963, Chou Hung-ch'ing, who was visiting Japan as an interpreter for the Chinese delegation of a hydraulic machine inspection mission took refuge in the Soviet Embassy prior to the delegation's scheduled departure on October 7 and was then handed over to the Japanese authority. While Chou Hung-ch'ing's statement changed again and again, Nationalist China exerted strong pressure to the Japanese Government. As a result, despite his deportation order to the People's Republic of China, the Government delayed its execution in deference to Nationalist China. Justice Minister Okinori Kaya's reluctance to

deport Chou to China in support of Nationalist China's verbal note caused further conflict.

Finally, the Ikeda cabinet issued Chou an approval for deportation to the People's Republic of China on January 1, 1964 based on the Cabinet Order for Immigration Control. Chou got aboard a Japanese ship on the 9th of the same month and left Osaka Port for Talien. As a countermeasure, Nationalist China took retaliatory measures including the announcement of the recall of then Acting Ambassador to Japan on January 9, and temporary suspension of governmental purchase of Japanese products on January 11, in addition to official protests. On the 14th of the same month, the Japanese Embassy in Taipei was attacked by demonstrators.

The Chou Hung-ch'ing case thus became the capital target of the Nationalist China and pro-Nationalist China elements in Japan who had been cautious and repulsed by the Ikeda cabinet's approach to the People's Republic of China. In February 1964, former Prime Minister Shigeru Yoshida paid a visit to Taiwan and met Governor-general Chiang Kai-shek. The so-called "Yoshida letter" resulted from their talks in May. This letter although in the form of a private correspondence from Yoshida addressed to the Chief Secretary to Chiang Kai-shek, Chang Ch'ün was apparently an official announcement of the Japanese Government's commitment to the Taiwanese cause. The letter made it clear that the Japanese Government had no intention of extending the benefits of deferred payments, through the Export-Import Bank of Japan, for exports destined for China. Many guesses were made regarding the letter's period of validity. In any event, however, there is no doubt that this letter has been the major obstacle in the development of Japan-China trade from then to this date. In addition, in June 1964, incumbent Foreign Minister M. Ōhira himself made a trip to Taiwan, which ruined the positive diplomacy of the Ikeda cabinet toward the People's Republic of China.

On October 16, 1964, China's first atomic bomb was successfully detonated. About the same time, political changes were taking place in Japan as a result of Prime Minister Ikeda's announcement of his intention to retire due to illness. A new cabinet under Prime Minister Eisaku Satō was inaugurated on November 9 and Japan-China relations entered upon a new phase.

Before taking office as Prime Minister, in April 1964, Satō conferred with Nan Han-ch'en, Chairman of the China Committee for the Promotion of International Trade and revealed his interest in a constructive policy toward China. It is no wonder that China, which had come to feel disappointed with the limits of the Ikeda cabinet after the Chou Hung-ch'ing case, placed its hope on the new Satō cabinet. This slight hope, however, was not to be realized.

On November 21, 1964, immediately after the inauguration of the Satō cabinet, the Japanese Government refused Peking Mayor P'êng Chên's entry into the country, and decided not to approve the Export-Import Bank loan to Nichibo Spinning Co. (recently merged with another firm and formed Unitica Ltd.) for export of a vinylon plant. Against such disappointing behavior of the Satō gov-

ernment, the *Jênmin jihpao* of February 12, 1965, charged in its commentator's article:

The Satō cabinet of Japan has been hostile and continually doing wrong against China since its inauguration. Now again, broaching the so-called "Yoshida letter," they are conspiring, enlisting the help of the Chiang Kai-shek clique, to destroy private trade between China and Japan. This is a sure sign of significant hostility against China by the Satō cabinet.

In order to improve China-Japan relations and develop trade between the two countries, the Satō cabinet should first retract the "Yoshida letter" and prove their sincerity by this deed. Otherwise, the Satō cabinet is to blame for destroying China-Japan trade. We strongly object to anything which may induce Chiang Kai-shek's involvement in China-Japan trade. [1]

As to add another example to history which is said to repeat itself, Prime Minister Satō played the role in 1965 similar to that played by his brother and then Prime Minister Nobusuke Kishi in May 1958. What makes them alike is that they both went too far in relations with the "Chiang clique" in Taiwan which China considers its "sacred territory." In April 1965, the Japanese Government reached an agreement with the accused Taiwan Government for a loan of \$150 million over five years.

On the other hand, the Great Proletarian Cultural Revolution broke out in China ignited by Yao Wên-yüan's criticism of Wu Han's *Haijui pak'uan*, which criticism appeared in *Wênhuaipao* in Shanghai in November 1965. From 1966 on, the Cultural Revolution rapidly developed into violent ideological and political struggles, with the cyclonic Red Guard Movement which burst open in the early summer of 1966. All diplomatic activities of China, accordingly, came to a near-standstill while the national economy experienced substantial stagnation for some time. Effects of these circumstances were also visible in China-Japan relations.

In January 1967, a general election of the House of Representatives was held. Confronted by the opposition parties' accusation against "black mist" (a bribery case involving a sugar refinery firm and members of the Diet), the Liberal Democratic Party diverted the offense of the opposition who insisted on normalization of Japan-China relations, by making propaganda of the confusion in China resulting from the Great Cultural Revolution. The Prime Minister visited South Korea in July; Taiwan and five Southeast Asian countries in September; Australia, New Zealand, South Vietnam, and others in October; and the United States in November. This series of trips abroad exposed Prime Minister Satō's intention of continuing the policy of neglecting or confining China. His attitude was quite apparent in the joint communique by Prime Minister Satō and President Lyndon B. Johnson, made public at the time of the former's visit to the United States. Taking note of the fact that China was developing nuclear weapons, the two leaders agreed in the communique, that it was essential to establish a situation in Asia in which no country felt a threat of Communist China. China's reaction to Prime Minister Satō's behavior and the joint communique was furious. The *Jênmin jihpao* claimed that American imperialism and Japanese reactionaries

had conspired and that Japanese militarism had already revived backed up by American imperialism.

China's denunciation of the Satō cabinet became even more fierce because of the joint communique issued by Prime Minister Satō and President Nixon at the time of the Prime Minister's third trip to the U.S.A., when he managed to obtain U.S. agreement to return Okinawa. The main reason for the Chinese anger was the so-called "Taiwan clause" included in the Satō-Nixon joint communique. The clause reads:

The President referred to the treaty obligations of his country to the Republic of China which the United States would uphold. The Prime Minister said that the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan. [5]

In opposition to this joint communique, the Chinese side printed an indignant condemnation in a *Jênmin jihpao* editorial on November 28, 1969, saying "[Okinawa reversion] is a sheer fraud" [11, p. 14], and "[it] is not the conversion of Okinawa into part of Japan proper but the 'Okinawanization' of Japan proper" [11, p. 15]. The editorial went on to say:

Simultaneously with Satō's visit to the United States, Nobusuke Kishi, ex-prime minister of Japan and a first class war criminal, openly and swaggeringly made his way into Taiwan. One of these two brothers was howling about Taiwan being "a most important factor" for the security of Japan, while the other was ranting about Japan's desire to strengthen "amity and co-operation" with the Chiang Kai-shek bandit gang and pledged to support the latter in its so-called "counter-offensive against the mainland." [11, p. 15]

Confrontation between China and the Satō cabinet later further intensified. China mounted a press campaign, raising "objections against a revival of Japanese militarism" from the end of 1969 to the spring of 1970.

IV. THE FOURTH PERIOD (AFTER JULY 1971)

Relations between China and the Satō cabinet grew increasingly tense from the autumn 1969 to 1970. In these months, China began to improve her domestic situation, resumed her diplomatic activities and was secretly seeking ways to improve and normalize her relationship with the United States.

In April 1969, the Chinese Communist Party held their Ninth National Congress setting up a new central organizational structure and gradually starting diplomatic activities again. On the other hand, with the announcement of his "Guam doctrine" in July of the same year President Nixon began a series of steps to approach China. Contacts between the two countries became more frequent and more meaningful, as seen in the resumption of ambassadorial level meetings after a two-year interval. The international current surrounding China also began to change considerably. In the autumn of 1970, for instance, Canada, and then Italy established diplomatic relations with China and a resolution drafted by Albania to "seat China and expel Taiwan" was passed for the first time at the United Nations General Assembly with fifty-one votes for and forty-nine

against. This time, however, the formula to designate the Chinese issue an "important question" was maintained.

In spite of these changes in international environment, the Satō government did not change its policy of placing an emphasis on Nationalist China, further aggravating China. China's opposition to the Japan-U.S. joint communique issued in November 1969 was strongly expressed in the Japan-China memorandum trade communique written in April 1970. The following were the main points: (1) reversion of Okinawa is a trick in order to Okinawanize Japan, and (2) revival of Japanese militarism is an undeniable reality. In addition to that, in May of the same year, China disclosed the so-called "Chou En-lai's four-point principles" with regard to Japan-China trade and clearly spelled out a strict policy in which enterprises which were deeply involved in Taiwan were to be shut out from Japan-China trade.

How had Japan-China trade relations been changing when Japan-China political relations were deteriorating under the Satō cabinet? The LT trade agreement took effect in 1963 and its five-year term of validity expired at the end of 1967. In March 1968, as an alternative, a "Japan-China memorandum trade agreement" was concluded. However, this was a short-term treaty effective only for one year, and each year at the time of renewal, a strict political communique was issued. Although LT trade began during the Ikeda cabinet as a quasi-governmental treaty, such an implication became inconspicuous under the Satō cabinet and the trade decreased in its relative importance. Instead, there was a significant increase in so-called friendly trade. It is highly commendable, however, that the trade office and correspondents of several newspapers continued to stay in Peking when, as an after-effect of the Cultural Revolution, a Japanese trading company employe was arrested on suspicion of espionage activities during his stay in China, and a newspaper correspondent expelled.

Thanks to such efforts exerted by the concerned people of Japan and China, the quantity of Japan-China trade steadily increased. The increase was remarkable; the trade totalled \$137 million in 1963, \$310 million in 1964, \$469 million in 1965, and \$621 million in 1966. The amount remained rather stationary during the Cultural Revolution with \$557 million in 1967 and \$549 million in 1968, but the momentum was recovered in 1969 when the trade grossed \$625 million, followed by a further increase to \$822 million in 1970.

Big changes took place in 1971. In July, presidential adviser Henry Kissinger secretly visited Peking, which led to President Nixon's dramatic announcement of his planned trip to China. In October, China's participation in the United Nations and Taiwan's expulsion were decided at the General Assembly. Japan was left far behind the new world trend. In that year, non-governmental exchange was quite vivid. In March, the Japan-China memorandum trade agreement was extended along with a political communique as severe as in 1970. From March to April, China's table tennis team came to Japan to take part in the world table tennis championships. Wang Hsiao-yün, who accompanied the team, made active contacts with various circles within Japan. Taking advantage of the occasion, China extended its table tennis diplomacy and invited the U.S. team, which gave

a clue to Nixon's ensuing visit to China. In June and July, a Kōmeitō delegation visited China and in August, Wang Kuo-ch'üan, vice president of the China-Japan Friendship Association, travelled to Japan to attend the funeral of Kenzō Matsumura who had devoted himself to normalization of Japan-China relations. During his stay in Japan Wang Kuo-ch'üan contacted people in various fields.

In September and October, a delegation of the Dietmen's League for Japan-China Relations, which was formed in December 1970, visited China (let by Aiichirō Fujiyama); here, a joint communique was countersigned by the China-Japan Friendship Association delegation (represented by Wang Kuo-ch'üan) in order to ensure the four-point principles for the normalization of Japan-China relations. The joint statement proclaimed:

1. There is only one China, that is, the People's Republic of China. The Government of the People's Republic of China is the sole legal government representing the Chinese people. "Two Chinas," "one China, one Taiwan," "one China, two governments" and other such absurdities must be firmly opposed.
2. Taiwan Province is an inalienable part of the territory of the People's Republic of China. The assertion that "the title to Taiwan remains to be settled" and the scheme of creating "an independent Taiwan" hatched by the U.S. and Japanese reactionaries must be strongly opposed. The Taiwan question is China's internal affair and brooks no interference by any foreign country.
3. The so-called "Japan-Chiang treaty" was signed after the founding of the People's Republic of China and therefore is illegal and invalid and should be abrogated.
4. It is imperative to restore all the lawful rights of the People's Republic of China in all the organs of the United Nations, including the seat in the Security Council as a permanent member, and expel the "representatives" of the Chiang Kai-shek clique from the United Nations. [2, p. 14]

This statement will probably be treated as a fundamental document when the normalization of Japan-China relations is negotiated, with the first three points still applicable after the Chinese entry to the United Nations.

The business community in Japan also sent a Kansai businessmen's delegation in October, and a Tokyo delegation went to China in November. In November, moreover, Tokyo Governor R. Minobe and Yokohama Mayor K. Asukata visited China; non-governmental friendship exchange thus has made significant progress. Under these circumstances, an extension for 1972 of the Japan-China memorandum trade agreement was, for the first time since 1968, agreed upon before the end of the preceding year. The political communique was not of such a comprehensive nature or as severe as before but instead placed emphasis on the Taiwan principle.

In spite of these developments in the international situation and progress in non-governmental exchange, the negative and rigid attitude of the Satō government toward China has not changed, nor have Japan-China governmental relations shown any sign of improvement. At the time of the United Nations General Assembly in 1971, Japan, in accordance with Prime Minister Satō's judgment, became one of the co-sponsors for resolutions on the "important question in reverse designation formula" and "dual representation," which were, in fact, aimed at checking China's entry into the United Nations. As a result, Japan suffered a

defeat in the international arena. Although there was a slight indication in Prime Minister Satō's and Foreign Affairs Minister Fukuda's attitude that they might correct their past policy toward China, the Chinese side, full of distrust in Satō, showed absolutely no intention of dealing with the Satō government.

In February 1972, U.S. President Nixon visited China, and conferred with Party Chairman Mao Tse-tung and Premier Chou En-lai issuing a U.S.-China joint communique confirming peaceful coexistence. The United States, which led Japan the wrong way in relations with China by its cold war diplomacy of Dulles twenty years ago, is now trying to establish contact with China on the governmental level "over the head of Japan." In comparison with this, the Satō cabinet is now incapable of taking a new turn in Chinese policy under the restrictions of fait accompli accumulated since Japan's selection twenty years ago of the Taiwan Government and not the People's Republic of China in the Japan-Taiwan Peace Treaty. Chinese distrust toward the Satō cabinet's Chinese policy for the past seven and a half years is so intense that any progress in Japan-China relations under the existing government is hardly expected.

However, as we have seen thus far, the international situation surrounding China is drastically changing; the way for normalization of the Japan-China relations is being paved now. Non-governmental exchange has rapidly increased and the amount of Japan-China trade hit a record \$899 million in 1971 and is expected to exceed the \$1,000 million level in 1972. Of the consecutive Japanese governments, Hatoyama, Ishibashi, and Ikeda administrations tried to correct the mistakenly laid path of Japan's China diplomacy through gradual and cumulative efforts. Now Japan is at the stage where it must make a basic modification in the country's conservative line of postwar diplomacy toward China, putting far greater pains into normalizing Japan-China relations. Along with change of government, that is, retirement of Prime Minister Satō and inauguration of a new cabinet anticipated in mid-1972, Japan-China relations will enter a new stage.

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