CASE 4: SENKAKU ISLANDS NATIONALIZATION CRISIS (2012)

Figure 3.8. Japanese Coast Guard Patrols Uotsuri Island

Source: Al Jazeera English / Flickr / cc-by-sa-2.0.

Overview

In late 2011, nationalist Tokyo governor Shintaro Ishihara began negotiations to purchase three of the Senkaku Islands from their private owner, Kunioki Kurihara. The Japanese central government sought to prevent Ishihara from purchasing the islands and damaging relations with China. However, the September 2012 announcement of the Japanese government’s intention to purchase the Senkakus itself led to a major increase in Chinese air, naval, and coast guard activity near the Senkakus. In addition to this diplomatic and military posturing, Chinese citizens protested the move in large demonstrations across the country. Concerned about growing tensions, the United States restated its treaty obligations to Japan and explicitly noted that the Senkakus were covered by Article V of the U.S.-Japan Security Treaty. Although tensions eventually decreased in late 2013, an elevated level of Chinese maritime activity in the East China Sea became routinized after Japan’s 2012 nationalization decision and the ensuing crisis in bilateral relations.
BOX 3.4. Background on the Senkaku Islands Dispute

As detailed in Box 3.2, the Japanese central government annexed the Senkaku Islands in 1895. After erecting some sovereignty markers, the state leased land rights to Tatsushiro Koga, a private Japanese entrepreneur and resident of Okinawa who claimed to have first discovered and landed on the Senkakus in a private capacity in 1884. Development went into full swing in 1897. “Koga Village” eventually featured over 200 settlers engaged in albatross feather collecting, the production of dried bonito fish flakes, and other economic activities. When Tatsushiro Koga died in 1918, his Senkakus business was passed down to his son, Zenji Koga, who purchased four of the islands (Uotsuri Island, Kubi Island, Kita Islet, and Minami Islet) from the Japanese government in the 1930s. By the end of the Second World War, however, the development project had failed, and the islets once again became uninhabited.

Zenji Koga later sold the four features in his possession to another Japanese family, the Kurihara. By 2012, Kunioki Kurihara owned Uotsuri, Kita, and Minami, whereas the second largest island after Uotsuri, Kuba, was held by his sister, Kazuko Kurihara. The Japanese Ministry of Defense began renting Kuba Island from Kazuko Kurihara for an undisclosed amount in the 1970s, when it was last used by U.S. armed forces as a targeting range. The Japanese national government also came to wholly own the fifth and smallest main island, Taisho. In 2002, the Ministry of Internal Affairs and Communications gained a lease on Kunioki Kurihara’s three islands for about $300,000 a year, reportedly to prevent their development or sale given diplomatic sensitivities with China and Taiwan. Disclosed later, the Japanese national government first began considering nationalizing them in 2004 and approached Mr. Kurihara with a proposal in 2006. At this time, however, Mr. Kurihara rejected the government’s offer of a like-kind exchange for real estate elsewhere in Japan.

After the 1970s, the governments of China and Japan largely adhered to Chinese leader Deng Xiaoping’s modus vivendi and focused on managing the dispute rather than pressing or consolidating their sovereignty claims. Yet secondary nationalist groups and their bureaucratic allies still instigated periodic incidents. In 1978, the Japanese Ministry of Transport approved a nationalist group’s request to build a primitive lighthouse on Uotsuri Island (Figure 3.8). The Ministry of Foreign Affairs, however, revoked the license. In 1990, the Japanese Youth Federation then applied to have the light house recognized by the Maritime Safety Agency (the predecessor of the Japan Coast Guard) as an official navigational marker. The transport ministry accepted the request, leading to demonstrations in Taiwan and an attempted landing by activists. Fearing damage to Japan-Taiwan relations, the Japanese prime minister’s office and the foreign ministry again overturned the Ministry of Transport’s decision. Beijing also came under criticism from domestic activists for trying to dampen nationalist outrage over the issue.

Two years later, China included a reference to the Senkakus in its Law on the Territorial Sea and Contiguous Zone over the objections of its own Ministry of Foreign Affairs, leading to mutual recriminations with Japan. In the final incident of the decade, Japanese nationalists erected another lighthouse on Kita Islet in mid-1996. Tensions escalated when the group then landed on the island in September. Activists from both Hong Kong and Taiwan attempted landings in response, and one Chinese protester even died trying to swim ashore.

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BOX 3.4. (Continued)

6. Ibid., 48–51.
## Timeline

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<tr>
<td>Sep–Nov</td>
<td>Resume consultations, reach limited agreement, and arrange leadership summit</td>
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Incident Details

Phase I: Tokyo Governor Enters Talks with Private Owner

In late 2011, the right-wing governor of Tokyo, Shintaro Ishihara, entered into secret negotiations with the private Japanese owner of three of the Senkaku Islands, Kunioki Kurihara, to purchase the disputed territory for the municipality of Tokyo. Well known for ultranationalist statements and revisionist beliefs about Japan’s imperial history, Ishihara had been trying to purchase the islands from the Kurihara family ever since he became a Lower House lawmaker in the 1970s. Governor Ishihara’s last prior attempt was in 2010, when the landowner rebuffed him in part because the governor wanted to acquire the islands for his own personal use and development. According to two associates, Kunioki Kurihara thought it would be “inappropriate” to sell the diplomatic powder keg to another private Japanese citizen and would only consider turning the land over to a public entity.

Yet by 2011, the Kurihara family was increasingly willing to sell. One factor was that China and Japan’s dispute over the islands had become more acrimonious since the 2010 trawler collision. Other reasons included Kunioki Kurihara’s crippling personal debt, having racked up $19 million’s worth of failed real estate ventures. Another member of the Kurihara family with an ownership stake in the Senkakus had also recently passed away, clearing a legal hurdle for Kurihara. As for Governor Ishihara, this time he was willing to pay cash and meet the condition that the islands be owned by Tokyo as a public entity, not Ishihara personally.

Kunioki Kurihara approached his lawyer late that year to set up a conference with the Tokyo mayor. The two met at Kurihara’s home in September and again in Tokyo in December, where they apparently reached a provisional, verbal agreement and shook hands. The owner, a self-professed admirer of the governor and his politics, also reportedly expressed interest in the islands being transformed “into a nature preserve, possibly in the form of a park that tourists could visit.” Ishihara brought his eldest son, Nobuteru Ishihara, who was then secretary-general of the opposition Liberal Democratic Party, to at least one of these meetings. In March 2012, Governor Ishihara and Kurihara held a phone call on the purchase scheme. According to sources close to Ishihara, the governor asked if he could announce that the islands were being sold to Tokyo. The landowner reportedly gave the go-ahead, replying, “If you can take responsibility for the announcement, please do so.”

On April 16, Shintaro Ishihara was invited to give a talk at the Heritage Foundation in Washington, DC. In the middle of a meandering speech on the U.S.-Japan alliance and other topics, the governor


3. Hongo, “Tokyo’s Intentions for the Senkaku Islets.”

suddenly announced that Tokyo intended to purchase Kunioki Kurihara’s three Senkaku islands. The city government confirmed the plan the next day. In a statement citing the governor, Tokyo said it had obtained approval to buy the territories through a “basic agreement” with the landowner and planned to submit a proposal to the metropolitan assembly by the end of December. Officials boasted about having received numerous supportive calls from the Japanese public. They announced that the city would solicit voluntary donations throughout the country to help foot the bill for the purchase.\(^5\)

Kurihara’s lawyer soon confirmed that he was in talks with Tokyo over the islands and was “open to the possibility” of selling them. The two parties had not reached a final decision, however, and had yet to discuss the territories’ market value, which Kurihara’s company estimated at up to nearly $500 million. Governor Ishihara, on the other hand, stated that the price would “not be very large.” Regardless, no sale could take effect until the current lease with the Ministry of Internal Affairs and Communication expired in March 2013.\(^6\)

Shintaro Ishihara had a variety of objectives in announcing his plan to purchase the islands. First, he had a principled disagreement with the ruling Democratic Party of Japan’s policy toward China. The governor criticized Beijing’s “more and more aggressive” approach toward the Senkakus dispute and called its occasional dispatch of coast guard vessels there “halfway to a declaration of war.” The governor was also critical of the Japanese foreign ministry’s handling of the 2010 fisheries incident. Now, Ishihara attacked Prime Minister Yoshihiko Noda’s administration for its unwillingness to purchase the islands itself or permit the construction of lighthouses and other aids to Japanese fishermen. In his public statements, Ishihara suggested that the urgency of China’s maritime threat and the inadequacy of Prime Minister Noda’s strategy to confront it had finally pushed him to take matters into his own hands. Ishihara stated that he would “do whatever it takes to protect our own land.” The city government also commented on the islands’ rich natural resources and the possibility of developing them further through the construction of a lighthouse, port, and other facilities for Japanese fishermen.\(^7\)

Given the challenges of implementing the deal, Governor Ishihara may have hoped to provoke the central government into action. Any deal would first require an on-site assessment to determine the land’s value, vetted by a local government panel after permission from the central government. If the sale price exceeded roughly $500,000—and the islands were eventually purchased for $25 million—the governor would need approval from the metropolitan assembly. Tokyo taxpayers were likely to be wary of buying a group of uninhabitable islands over 1,000 miles away, and at that time the Democratic Party of Japan held the largest number of seats in the assembly. The Japanese Communist Party also expressed skepticism about the deal. Moreover, even if Ishihara was successful in purchasing the islands, the city of Ishigaki in Okinawa Prefecture would still


\(^{6}\) Ibid.

retain administrative authority. Therefore, it is not clear that Tokyo would have been permitted to build structures on the islands after obtaining ownership.\textsuperscript{8}

Ishihara timed and framed the announcement meticulously. Kurihara had just renewed his lease with the Ministry of Internal Affairs and Communication on April 1. In addition, just before Ishihara left for Washington, North Korea tested a Taepodong-2 ballistic missile for the first time. One source suggests that Ishihara sought to capitalize on the Japanese people’s resulting “heightened” support for a strong defense. Before leaving Tokyo, Ishihara exclaimed, “I will cause a big controversy over there.” He reportedly chose the Heritage Foundation for its conservative stance, hoping that the United States might “serve as pressure on the Japanese government and lead it to take action” as Japan’s ally. Ishihara acknowledged that the Japanese national government, China, and the United States were likely to oppose his move. Ishihara castigated Japan for not having nationalized the islands already and said his plan to buy them himself “will make the government weep with a sense of defeat because . . . [it] did not do anything.”\textsuperscript{9} According to other sources, Ishihara’s intention was to turn the islands over to the national government if his son Nobuteru became prime minister when the Liberal Democratic Party returned to power.\textsuperscript{10}

Ishihara was also likely eyeing his own political fortunes. An unnamed cabinet minister reflecting on the governor’s decision commented that making controversial remarks was his “shtick” for “gaining momentary popularity.” Although he and other observers wrote off the move as a “publicity stunt to appease his conservative support base,” others saw a deeper connection to Ishihara’s plans to run for the Diet in December 2012. According to one source, Governor Ishihara hoped to propel his new Sunrise Party into the national spotlight and “intensify [its] attractiveness . . . by making the purchase plan one of its key policies.” A commentary in China’s Xinhua on April 18 also took this opinion, arguing “Ishihara is attempting to bolster his profile by sabotaging China-Japan ties” with a “hawkish posture” around the 40th anniversary of the normalization of Sino-Japanese diplomatic relations.\textsuperscript{11}

\textit{Phase II: National Government Weighs Options}

Governor Ishihara’s announcement drew mixed responses from local government leaders. Ishigaki mayor Yoshitaka Nakayama claimed he had already been informed “through a channel” and supported the plan, arguing that the Senkakus’ remoteness made territorial defense more difficult if the islands were not in public hands. Nakayama even offered local Ishigaki funds for joint ownership with Tokyo. Okinawa governor Hirokazu Nakaima likewise voiced his opinion that ownership by Tokyo would help “stabilize” the Senkaku dispute. Yet the announcement caught other prefectural leaders by surprise, with one calling it a “bolt out of the blue.” Another senior Okinawa official


\textsuperscript{10} “Senkaku Snafu,” \textit{Japan Times}.

asserted the government’s opposition to ownership by Tokyo, though it had “no problem” with the national government taking control of the islands.\textsuperscript{12}

The Japanese central government publicly opposed Ishihara’s actions. One administration spokesperson maintained ignorance of Governor Ishihara’s scheme and offered no comment. Foreign Minister Koichiro Gemba likewise said his office had yet to confirm the details of the plan but struck back at Ishihara’s criticism of the Democratic Party of Japan’s handling of the Senkakus issue as too dovish. Gemba affirmed that Japan had “effective control over the islands,” suggesting the leadership did not see a need to transfer ownership over the islands at this time.\textsuperscript{13} Other senior policymakers, however, already appeared to be considering taking preemptive action against the governor’s plan.

Chief Cabinet Secretary Osamu Fujimura was the first to raise nationalization as an option. Although he said Japan would start by seeking more information from Tokyo, Fujimura noted that the administration already rented the three islands and “could proceed further on the basis of such thinking if necessary.” Later in the week, Seiji Maehara, chair of the Democratic Party of Japan’s Policy Research Committee, called for the central government to nationalize the islands. Prime Minister Noda confirmed this action was being considered at the highest levels of government. Indeed, according to later disclosures, Noda had been considering purchasing the islands since September 2010.\textsuperscript{14}

Like Governor Ishihara, the prime minister was concerned about China’s increasing maritime presence and activities. Between 2008 and 2011, Japanese Air Self-Defence Force scrambles against Chinese aircraft in the East China Sea had increased fivefold.\textsuperscript{15} Both men felt Japan had to do something to deter China from believing that it could take the Senkakus by force. However, Noda was warier of China’s likely reaction to any Japanese effort to strengthen its control over the disputed islands. He had previously hoped to quietly nationalize them over time “before anyone noticed.” Yet, “caught off guard” by the governor’s announcement, Noda ordered his aides to think up actionable options. Noda stated before the Diet that the administration was ascertaining Kurihara’s intentions and was keeping “all options open,” including purchasing the islands on its own.\textsuperscript{16}

Beijing’s response to Ishihara’s announcement was initially restrained. The Chinese government did not immediately offer any commentary. The Japanese foreign ministry said Chinese diplomats had informed them, though, that they were paying close attention to the issue. As more details emerged, a Chinese foreign ministry spokesman asserted China’s “indisputable sovereignty” over the Senkakus

\begin{itemize}


\item\textsuperscript{14} Ibid.

\item\textsuperscript{15} Japanese MOD, “China’s Recent Air and Maritime Activities in East China Sea” (slides, 2014), 2.

\item\textsuperscript{16} Interview with former senior U.S. official.
\end{itemize}
and decried any unilateral action by Japan as “illegal and invalid.” Taiwan also voiced its opposition, with a spokesperson stating, “We cannot accept any remarks made by Japanese politicians concerning Diaoyutai.” On April 18, Beijing’s concern rose as a spokesperson accused “a few politicians” in Japan of “repeatedly” making statements that “encroach on China’s sovereignty and harm China-Japan ties.” The spokesperson also suggested that Ishihara’s comments had not only injured the bilateral relationship but also “Japan’s international image.” Xinhua published a parallel editorial accusing Ishihara of purposely stirring up the dispute for political gain and warned that China would take all “necessary measures” to safeguard its sovereignty and territorial integrity.17

On April 23, Ishihara held a press conference with Ishigaki mayor Nakayama. The Ishigaki mayor publicly endorsed Ishihara’s plan after the dialogue and Ishihara stated that his negotiators were currently bargaining with Kurihara. Although some form of joint ownership was still on the table, Nakayama suggested he would give Tokyo a wide berth as the primary negotiator. Soon after, Japanese minister of defense Naoki Tanaka met to discuss Ishigaki City’s involvement in Tokyo’s territorial bid.18

The following day in Beijing, Chinese vice president Xi Jinping met with former Japanese foreign minister and speaker of the lower house Kono Yohei, who was the head of a delegation from the Japan Association for the Promotion of International Trade. Vice President Xi appeared to take a moderate stance on the Senkakus issue, urging both countries to respect each other’s “core interests” but also noting, “Problems [are] bound to arise from time to time. But, if goodwill and friendship exist, they can be resolved.”19

On April 27, the Tokyo metropolitan government proudly disclosed it had already received several hundred thousand yen in donations from 37 private citizens. These funds were deposited in an account at Mizuho Bank the city had opened for the purpose. Tokyo officials also stated that they would begin drawing up a “concrete plan” for the islands on May 1. Earlier in the day, Governor Ishihara held talks with Prime Minister Noda. Although Ishihara stated that the two did not discuss the Senkakus, Ishihara asserted that he had again criticized the foreign ministry’s handling of the September 2010 trawler incident, telling Noda, “The ministry has no ability but to flatter the big power.”20

Later disclosures revealed that Ishihara had told the prime minister that his real desire was for the central government to buy the islands, although Noda was “noncommittal” at the time. Japanese media also reported that Ishihara had planned to ask the prime minister’s permission to conduct surveys on the Senkakus related to the purchase. After the talks, however, neither official gave any indication about Noda’s answer, although Ishihara did announce he was “in the process of assembling a team” for that operation. A spokesperson for the Chinese embassy in Tokyo held a press conference the same day to reiterate Beijing’s position toward the islands. Several days later, on April 29, Prime Minister Noda reportedly discussed the Senkakus issue with his aides during a flight

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to the United States for prescheduled meetings with top U.S. officials, including President Barack Obama. One of his advisers, Akihisa Nagashima, suggested that Japan should purchase the islands, but Noda offered no reply.21

On May 3 and 4, the Japan Coast Guard reported the presence of two Chinese maritime law enforcement vessels near the islands. This marked the first time that Fisheries Law Enforcement Command or China Marine Surveillance ships had been spotted in the area since Ishihara’s announcement. The two patrol ships did not enter the Senkakus’ territorial sea, although they may have entered the 24-nautical-mile contiguous zone. At this time, however, Beijing probably was not yet using coast guard deployments in retaliation to Governor Ishihara’s statements. Just the previous month, another maritime law enforcement ship had breached the Senkakus’ territorial sea. Published data do not show a significant increase in Chinese government patrols until after Japan’s nationalization of the islands in September.22

Leaders from China, Japan, and South Korea held their Fifth Trilateral Summit in Beijing on May 13 and 14. After hosting three-way talks, Chinese president Hu Jintao snubbed Japanese prime minister Noda and held a one-on-one dialogue with South Korean president Lee Myung-bak. Chinese officials maintained that Hu’s schedule was simply too tight, so Premier Wen Jiabao met Noda instead. This slight was widely viewed as connected to Tokyo’s hosting of the World Uighur Congress the same day, but some observers also suggested the Senkakus issue may have been a contributing factor. In his May 13 meeting with Prime Minister Noda, Wen suggested both countries respect the other’s “core interests and major concerns”—making clear China’s irritation over both issues. Both leaders emphasized their desire to prevent individual issues from hijacking the entire bilateral relationship. When Noda raised the issue of human rights, the Chinese premier brought up the disputed Senkaku/Diaoyu Islands, calling them an “issue of major concern.” Premier Wen also reasserted China’s basic position with respect to the islands’ sovereignty. Surprising even his own delegation, Prime Minister Noda replied bluntly, “The intensification of maritime activities by China has stirred the emotions of the Japanese public.”23

On May 16 in Hangzhou, China, the two countries held their first-ever plenary meeting of the Japan-China High-Level Consultation on Maritime Affairs. China and Japan had agreed to establish this twice-yearly dialogue in December 2011 during Noda’s first trip to Beijing as prime minister. Few details on the substance of the talks were released to the public, but the Senkaku dispute was discussed. U.S. and Japanese observers welcomed Chinese flexibility in following through with the dialogue despite the lurking crisis.24

Around this time—perhaps at the maritime consultation—Beijing sent the Japanese national government a stern threat through diplomatic channels. If Ishihara were to purchase the islands, tighten government administration over their environs, and develop them along his hardline agenda, Japan would be responsible for “irrevocable damage” to the bilateral relationship. Noda and his aides’ reading of this message was decidedly not the one Beijing intended; they reportedly believed that China’s indignation lay primarily with Ishihara’s radicalism and that Beijing would be “less incensed” if Japan nationalized the islands than if the governor succeeded in appropriating them for Tokyo City. On this point the expectations gap between China and Japan was growing wider by the day. According to a high-ranking Chinese foreign ministry official overseeing Japan affairs, Beijing was confident that Japan would stop Ishihara’s plan. Chinese leaders believed that strengthened bilateral ties through the maritime consultation mechanism meant Japan would seek to “head off problems” through dialogue.25

On May 18, Prime Minister Noda collected a small number of trusted advisers to his office for a secretive discussion on the Senkakus issue. The participants were Chief Cabinet Secretary Osamu Fujimura; Deputy Chief Cabinet Secretary Hiroyuki Nagahama; Special Adviser Akihisa Nagashima; Vice Foreign Minister Kenichiro Sasae; and Assistant Chief Cabinet Secretary Chikao Kawai. Noda apparently did not choose to consult his top ministers for this important gathering. The meeting began with a briefing on Governor Ishihara’s plan to purchase the three Senkaku features, build a typhoon shelter to benefit local fishermen, and station civil servants there to strengthen Japan’s sovereignty claims. The group was in agreement that Ishihara could not be controlled and his capture of the islands threatened to damage Japan’s policy toward China. The danger had become more urgent in recent days, as details leaked out about the enormous volume of donations Tokyo had already collected. Indeed, by late May some 67,000 private Japanese citizens had pledged nearly $12.5 million for the project, and most of the pledged funds were already deposited in Tokyo’s dedicated bank account. One aide later explained, “We felt the metropolitan government’s purchase plan was becoming a reality.” If Tokyo succeeded, not only would there be repercussions for Sino-Japanese relations, but the Noda administration would be slammed by its political opponents for being “weak-kneed.” At this point, officials felt that Governor Ishihara “was leading the central government 10–0.”26

Following the briefing, Noda encouraged his aides to present policy options. Nagashima again voiced his opinion that Japan should buy the three Senkaku islets. The impact of such a decision would be mitigated, he argued, if Japan made clear “that the purpose of doing so is to maintain and administer the islands in a peaceful manner.” Nationalization would also “not antagonize China as much” if Ishihara were allowed to gain control. Vice Foreign Minister Sasae had previously counseled Noda against this action. Nationalizing ownership, he believed, would be seen in Beijing as a provocative deepening of Japanese administrative control over the islands. Sasae advised, “We should leave it to the Tokyo metropolitan government, and tell China: ‘The plan to buy the islands

is merely what one local government is doing.’” Yet, in this case, Sasae yielded and did not offer any further opposition to Nagashima’s proposal.27

Finally, the prime minister made his decision: the central government would nationalize the disputed islands. Moreover, Japan should “speed up the procedures to have the property rights over the Senkakus transferred to the state” by summer’s end. Several reasons were given. Noda felt the diplomatic shock would be less damaging if it was completed before China’s leadership transition in November, since it would be easier to patch up relations with a new administration. In addition, the Tokyo metropolitan government was facing a delay in the real-estate appraisal that left it unable to formally offer Kurihara a price until the fall. Noda would not permit the governor to best his administration, though he asked his aides to “make sure to carry [the purchase] out without making Mr. Ishihara lose face.”

Faced with a difficult situation, Noda took the opportunity to follow a path he already considered necessary. “Defending territory is fundamentally a government duty,” Noda told his aides, “my government will fulfill the task, with a sense of responsibility.”28 Although the prime minister and his subordinates publicly emphasized the need to forestall Governor Ishihara’s plan, it was well known within his inner circle that the underlying motivation was countering a perceived Chinese revanchist threat.29

Following this meeting, Deputy Chief Cabinet Secretary Nagahama informed Kurihara of the prime minister’s instructions. Kurihara responded “favorably.” Perhaps before being notified of the government’s intentions, the owner’s brother, Hiroyuki Kurihara, permitted an interview with Japanese media and stated that although the family had “basically agreed” to sell to Tokyo and was now “hammering out details of the contract,” it was still open to the possibility of handing the islands over to the central government. He suggested that a trilateral meeting between the Kurihara family, Tokyo government, and central government would be necessary.30

Noda’s decision proved more controversial than expected. On June 6, Japanese ambassador to China Uichiro Niwa warned publicly that Ishihara’s plan promised to spark an “extremely grave crisis” between the two countries. Niwa’s statement was interpreted as not only a criticism of Ishihara, but also a warning against the central government purchasing the islands. At this time, the opposition Liberal Democratic Party was reportedly already considering including Senkakus nationalization in its charter for the fall general elections. Ambassador Niwa was reprimanded by senior government officials for his remarks, with Chief Cabinet Secretary Fujimura publicly scolding Niwa for representing his “personal opinions” as the government’s position. Fujimura stated that Foreign Minister Gemba had also rebuked the ambassador. Fujimura said the administration was still sounding out Ishihara’s intentions and “considering various ways to continue administering the Senkaku islands in a calm and stable manner,” a clear reference to the internal decision already made to nationalize the Senkakus. Niwa apologized for “speaking out of turn,” leading some Diet lawmakers to demand his resignation.31

28. Ibid.
29. Interview with former senior U.S. official.
On June 10, National Diet and other local politicians were among the passengers of a small flotilla of 14 Japanese fishing and diving boats that staged a patriotic voyage around the disputed islands. With the lawmakers’ help, the activists were able to circumvent the normal coast guard restrictions by buying their own vessels and registering the mission as “fisherman training.” Satoru Mizushima, the leader of the expedition and an activist film director, said “the people” had decided it was necessary to take on the government’s “responsibilities [for] national defense,” since the administration was not willing to do so itself. Responding to this trip, a Chinese foreign ministry spokesperson demanded that Japan “immediately desist” from such “farcical actions,” which would only “inflame bilateral relations.”

The following day, Governor Ishihara testified before the Diet and delivered a “blistering attack” against the Noda administration’s position on the Senkakus. The government’s own inaction, he argued, had forced him to purchase the islands himself: “The Tokyo metropolitan government is being forced to do something that really is not its business. . . . It is the state that should be actively working (on the purchase).” Ishihara again implored the central government to consider nationalization itself. Japanese media observed that “more and more Diet members” from various parties were coming around to the idea. Even members of the Noda administration skeptical about nationalization felt political pressure. An unnamed senior official complained, “We want to calmly strengthen our effective control, but [Ishihara’s moves] are playing into the hands of China, which wants to play up the territorial issue.”

Japanese and Chinese vice foreign ministers held talks the same day, June 11, at a hotel in Yamanashi Prefecture, Japan. Chinese vice minister Zhang Zhijun asked that the Noda administration focus on overall bilateral ties in dealing with Ishihara’s plan and “firmly block measures that damage the two countries’ political foundation.” Japanese vice minister Sasae did not inform China of the government’s impending decision to go ahead with nationalization, although he hinted that Japan sought to “maintain and administer the Senkaku Islands in a peaceful and stable manner.”

In mid-June, Governor Ishihara and his son met again with Kurihara in Tokyo. It soon became clear that Kurihara had been swayed by central government negotiators who offered him a higher price and finalization date in September. In contrast, the deal with Ishihara would have required up to a year. Kurihara had also reportedly grown concerned about the legal obstacles in the way of Ishihara’s plan. He cut off negotiations with Ishihara with the terse missive, “I [have] decided to sell the islands to Japan.” Noda’s adviser, Akihisa Nagashima, back channeled with Governor Ishihara over the course of the summer to ensure he would ultimately support the Japanese national government’s decision.

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36. Interview with former senior U.S. official.
Japanese officials reportedly considered dozens of possible Chinese responses before Noda went public. In particular, they drew on lessons from the 2010 Senkakus crisis. Noda’s aides believed that international criticism of China would prevent Beijing from a similarly escalatory reaction this time around. Although they also drafted plans to build structures on the islands to aid fishermen and further improve Japanese administrative control, these options were eventually shelved.37

**Phase III: Announces Intention to Nationalize Islands**

On July 7, Prime Minister Noda held a press conference on the Senkakus. For the first time, he confirmed that the central government was actively considering nationalization. Noda emphasized that if the government decided to purchase the islands, it would be “from the viewpoint of administering them in a peaceful and stable manner.” The prime minister also warned that Ishihara’s plan could irreparably harm Sino-Japanese relations. Noda told reporters that Japan was still ascertaining Ishihara’s and Kurihara’s intentions. He did not disclose that his administration was already firmly set on the course of nationalization.38

China and Taiwan were both surprised and reacted bitterly to the announcement. A Chinese spokesperson stated, “No one will ever be permitted to buy or sell China’s sacred territory.” The foreign ministry warned that China would take all “necessary measures to firmly uphold its sovereignty” and “resolutely defend” the islands against any possible “illegal” action by Japan. The timing was also problematic, as that day was the 75th anniversary of the Marco Polo Bridge Incident (which marked the start of the Japanese invasion of China). A Xinhua commentary remarked derisively, “Is the Japanese government really going to play the main character in a farce by Ishihara? He is pressuring the Japanese government, with the ultimate aim of the islands’ nationalization.” Taipei likewise voiced its opposition.39

Relegated to the sidelines, Governor Ishihara also expressed irritation to the press on July 7. He dismissed Noda’s move as the Democratic Party of Japan scrambling for political gain at a time when it was coming under increasing pressure from the opposition. Ishihara argued, “They are only doing it to gain popularity . . . because the administration is struggling.” At least publicly, Ishihara still maintained that Kurihara preferred Tokyo’s deal to that of the national government. By this time, Tokyo’s special bank account had already collected $16.3 million in donations for the purchase.40

The Noda administration reportedly did not consult the United States prior to this declaration of interest. This raised “suspicions” among U.S. policymakers that Japan was rushing a potentially contentious policy decision that could have severe implications for China’s relations with both Japan and the United States. On July 8, a U.S. diplomatic team led by Assistant Secretary of State Kurt Campbell held two meetings with Japanese counterparts in Tokyo. Shinsuke Sugiyama, head of the Japanese foreign ministry’s Asian and Oceanic Affairs Bureau, explained to the U.S. delegation that Japan believed it had received “the understanding of the Chinese” on its decision. This

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was a reference to the idea that nationalization would provoke less ire from Beijing than a purchase by Ishihara. Noda's special adviser Nagashima repeated these arguments on behalf of the prime minister.41

The suggestion that China had given its consent to the plan struck U.S. diplomats as suspect. They feared that Japan was underestimating the nationalistic passions such a move would unleash in China. According to a later press report, Assistant Secretary Campbell gave his interlocutors "very strong advice not to go in this direction."42 Others, however, argue that Assistant Secretary Campbell did not explicitly "oppose" Japan's decision, but instead was just seeking to ascertain whether Noda was really prepared for an assertive Chinese response.43 Campbell asked Nagashima, "Is this the best way? Do you believe that is the only way forward?" Campbell expressed concern that "Japan was not understanding what was going to happen in Japan-China relations." He asked the administration to be "careful" and find some alternative resolution. One U.S. official even inquired if it were possible to tell Tokyo it was illegal for the metropolitan government to buy the islands. The Japanese delegation, however, said it "could not find any legal problems" with Ishihara's plan and dismissed the United States' concerns about the likely impact on regional tensions. Nagashima interpreted Campbell's warning as a narrow U.S. wish to avoid being "dragged into any military encounter between Japan and China," although Campbell denied that this was the intended message. Japanese government sources suggest there was a perception gap between the two allies at these consultations.44

Early on July 11, three Chinese Fisheries Law Enforcement Command patrol vessels entered waters near the Senkakus. The ships initially refused the Japan Coast Guard's order to leave the area but ultimately withdrew later that day. Two of the ships appear to have intruded into the 12-nautical-mile territorial sea—the first such instance since March 2012. In response, Japanese chief cabinet secretary Fujimura reiterated Japan's claims in a press conference in Tokyo. Vice Foreign Minister Sasae also summoned the Chinese ambassador to Japan, Cheng Yonghua, to lodge a protest, calling the violation of the Senkakus' territorial waters "extremely serious" and "unacceptable." China dismissed Japan's complaints and in a press briefing that evening, a spokesperson said Chinese vessels were fulfilling a "fishery protection mission" in the area and that Beijing "does not accept" the protests of Japanese diplomats.45

The Japanese and Chinese foreign ministers met just hours after this incident for prescheduled talks on the sidelines of an ASEAN forum in Cambodia. Although the Senkakus issue was threatening to derail the meeting, foreign ministers Koichiro Gemba and Yang Jiechi tried to contain the damage. Gemba did repeat Japan's complaint over the recent intrusion, to which Yang protested Japan's plan to purchase the disputed islands. Both ministers, however, highlighted the importance of good

42. Ibid.
43. Interview with former senior U.S. official.
44. Oshima, “Reality Check.”
relations. The ministers agreed to accelerate plans for an early launch of the Japan-China People-to-People Exchanges Council and to move ahead with preparations for the fourth meeting of the New Japan-China Friendship Committee for the 21st Century, scheduled for late November.46

On July 15, the Japanese foreign ministry recalled Ambassador Niwa from China for a “temporary return.” Foreign Minister Gemba said the ministry wanted “to talk directly regarding the current situation in Japan-China relations and [Niwa’s] analysis of it.” Gemba insisted that the recall was in no way intended as a snub to Beijing or as a questioning of the ambassador’s competence. However, the ambassador was replaced prematurely the following month in what was widely seen as retaliation for his insubordination and conciliatory views toward China.47

The Ministry of Land, Infrastructure, Transport, and Tourism in Japan completed a real estate appraisal later in July. It arrived at a purchase price of roughly 2 billion yen—several hundred million higher than the funds raised by Tokyo. After receiving Prime Minister Noda’s approval, the chief cabinet secretary presented the government’s price to Kurihara.48

Then on August 15, a group of Chinese nationalists arrived at the disputed islands in a fishing vessel. As Japan Coast Guard patrol boats surrounded the trawler, seven of the activists jumped overboard and swam to the nearest island. Two of the activists returned to the boat, but the other five remained on the island and tried to plant a Chinese flag. This marked the first time since 2004 that non-Japanese activists had successfully staged a landing on the Senkakus. All 14 Chinese nationals were quickly arrested on the charge of “illegal entry.” Chief Cabinet Secretary Fujimura informed the press that Japan had lodged formal protests with China and Hong Kong over the activists. Prime Minister Noda stated that Japan would handle these activists “strictly in accordance with the law.” Chinese vice foreign minister Fu Ying “lodged solemn protests” with the Japanese foreign ministry demanding that Tokyo “ensure the safety” of demonstrators and “immediately and unconditionally” release them.49 The following day the Noda administration decided to deport the activists back to China.50 Prior to this incident, July had witnessed a slight increase in the number of Chinese government and nongovernment vessels entering the Senkakus’ territorial sea or contiguous zone. Yet, during August, entries decreased to the normal frequency, with no Chinese maritime law enforcement vessels breaching the territorial sea.51

Japanese nationalists staged their second voyage to the disputed islands several days later, on August 19. A small flotilla carrying some 150 Japanese activists reached the Senkakus. A conservative lawmaker aboard one of the vessels, Koichi Mukoyama, stated that the “illegal landing of

49. Ibid.
Chinese people on the island” four days prior necessitated that Japan “solidly reaffirm our own territory.” Toshio Tamogami, one of the group’s spokespersons, explained that the voyage would send a clear message to China: “[don’t] mess around.” The Japanese government had denied the group permission to land, but they sailed to the area anyway. Japan Coast Guard vessels were in the area and arrested the 10 Japanese activists who landed on one of the islands.52

Beijing voiced strong criticism of the activists and Japan’s apparent inability or unwillingness to prevent the landing. Ambassador Niwa was summoned to the Chinese foreign ministry, where he was presented with a diplomatic note strongly condemning “the illegal behavior of Japanese right-wingers.” A Xinhua commentary characterized this landing as among “a barrage of other provocations” that threatened “another setback” for the countries’ political and economic relations. The Taiwanese foreign ministry likewise summoned Japan’s top representative in Taipei over this “provocative” act.53

Most significantly, for the first time since 2005 large-scale anti-Japanese demonstrations spread throughout China. With thousands of protestors in a number of cities across the mainland, the rallies could only have been held with Beijing’s tacit permission. Indeed, the protests were heavily policed, but Chinese security did not appear to intervene to prevent violence. In the southeastern city of Shenzhen, about 2,000 activists overturned and vandalized Japanese-brand cars, including a police vehicle, and attacked Japanese restaurants. Hong Kong saw much of the same, with 200 marchers chanting slogans and burning Japanese flags in front of the Japanese consulate. Two Japanese department stores were forced to shut down in Chengdu. Guangzhou, Shanghai, Qingdao, Taiyuan, Hangzhou, and Harbin also witnessed smaller demonstrations. In response, Japanese chief cabinet secretary Fujimura requested that China “ensure the safety of Japanese nationals” and emphasized that it was in neither country’s interest for the “Senkaku issue to affect bilateral ties.”54

Phase IV: Relations with China Rapidly Worsen

Near the end of August, Prime Minister Noda sent Yamaguchi Tsuyoshi, the senior vice minister of foreign affairs, on a special mission to Beijing. He carried a personal letter from the prime minister to Chinese president Hu Jintao, which was delivered to State Councilor Dai Bingguo. The letter emphasized the importance of not allowing the Senkaku dispute to damage the overall Sino-Japanese relationship. The letter read, “It is extremely important to maintain close communications at the highest political levels.” Once again, however, the note contained no mention of Japan’s impending plan to nationalize the islands, which had been widely reported in the media. Apparently, Noda withheld this information because he viewed the matter as fundamentally “an internal affair.” A Chinese diplomatic source later blamed Japan for misleading the Chinese leadership about its intentions, because President Hu interpreted the letter’s obvious omission to mean there was “still room for Japan to re-examine the purchase plan.” A senior Chinese foreign ministry official said it was “a sign that the Japanese government expects tensions to ease.” Another Chinese


54. Ibid.
official was more skeptical, however, noting that the missive “merely explained Japan’s basic stance . . . [but] offered no initiatives to improve the situation.”

On September 2, the Tokyo metropolitan government concluded a survey of the three islands for its pre-purchase real estate appraisal. Ishihara promised to land on the Senkakus himself in October and said he was willing to be arrested. Xinhua blasted the survey, admonishing the Japanese national government to “not let a right-winger take hold of its reins.” Yet Beijing also reportedly appreciated Noda’s denial of permission for Ishihara to actually land. A senior Chinese foreign ministry official noted optimistically, “We have been able to maintain communications with the Japanese government.”

The next day, however, the Noda administration concluded an agreement to purchase the three islands from Kurihara for roughly $25.5 million. When a Japanese foreign ministry official voiced opposition to the nationalization plan and urged the prime minister to “keep the Japanese state out of the equation,” Noda replied that his decision was final. On September 4, the prime minister’s special adviser, Akihisa Nagashima, went to speak with Ishihara on Noda’s behalf. Nagashima informed him that the central government could not accept his terms for developing the islands and would soon go ahead with nationalization. Ishihara accepted the decision, saying, “It must have been a tough job for you, too.”

On September 8, U.S. secretary of state Hillary Clinton discussed the Senkakus with Prime Minister Noda. Many in the White House reportedly opposed Japan’s decision. Sitting across a table from Noda on the sidelines of the Asia-Pacific Economic Cooperation forum in Vladivostok, Secretary Clinton “asked if it was really necessary” and how Noda “foresaw the situation playing out.” The prime minister, reading from notes prepared by foreign ministry officials, explained Japan’s view that nationalization would result in a more stable management of the islands than if Ishihara purchased them. Noda argued that China, not Japan, was the first to unilaterally change the status quo through its coast guard patrols to the islands. Clinton “did not look convinced.” Assistant Secretary Campbell then held a meeting with special adviser Nagashima and again expressed Washington’s concern that the plan could result in a severe disruption of Sino-Japanese relations.

Prime Minister Noda and President Hu held a short informal meeting the following day. Hu condemned Ishihara and called Japanese moves to strengthen administrative control over the Senkakus “invalid.” The Chinese president emphasized that Beijing considered it “illegal to nationalize the Senkaku Islands” and implored Noda to “fully recognize the seriousness of the situation.” Chinese diplomats had reportedly counseled their leader to make sure the “weight of [his] words” was understood, hoping Hu’s diplomacy would at least delay Japanese plans. Prime Minister Noda replied that Japan wanted to deal with the Senkaku dispute “from a broad perspective” and avoid derailing the entire relationship over a single issue. Noda apparently did not inform President Hu of his decision to purchase the islands.

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58. Oshima, “Reality Check.”
On September 11, Chief Cabinet Secretary Fujimura announced that the Noda administration had signed a contract to purchase Uotsuri Island, Kita Islet, and Minami Islet from Kurihara. The two parties would formally complete the transaction by the end of September. Fujimura justified the move as an effort to secure the islands’ “peaceful and stable management.” Japan’s view was that the ownership transfer “should not cause problems with other countries in the region.” Foreign Minister Gemba repeated that Japan did not recognize the existence of a territorial dispute over the Senkakus and echoed Fujimura’s remarks about Japan’s benign intentions. Gemba stressed that the Sino-Japanese relationship was one of Tokyo’s “most important” and urged Beijing to “calmly deal with the issue from a comprehensive viewpoint.” Gemba noted that he had sent Director-General Sugiyama to Beijing to clarify the central government’s decision.60

Prime Minister Noda and his aides later admitted they underestimated the strength of China’s reaction. China’s foreign ministry warned, “Long gone are the days when the Chinese nation was subject to bullying and humiliation from others. . . . The Chinese government will not sit idly by watching its territorial sovereignty being infringed upon.” The foreign ministry called Japan’s “so-called ‘purchase’ . . . a gross violation of China’s sovereignty over its own territory and is highly offensive to the 1.3 billion Chinese people.” Officials expressed “firm opposition” to this “totally illegal and invalid” move and warned Tokyo it alone would be responsible for the “serious consequences” of its decision. A Chinese spokesperson expressed hope that Japan would “change their wrong actions and create conditions for improvement and development of Sino-Japanese

relations.” The *Global Times* called on Chinese leaders to prepare for a possible “confrontation between China and the U.S.-Japan alliance.”

Meanwhile, Xinhua announced that two unarmed China Marine Surveillance patrol vessels, the CMS 46 and CMS 49, had been dispatched to the disputed islands to “assert the country’s sovereignty.” This deployment marked the start of a regular Chinese maritime presence in the vicinity of the Senkakus that was unprecedented in its scale and persistence. On September 20 alone, 10 China Marine Surveillance patrol ships were spotted in the islands’ contiguous zone or territorial sea. By December 13, Chinese government ships had already patrolled the territorial waters of the Senkakus 17 times. When challenged by the Japan Coast Guard, the vessels would demand that Japan withdraw from Chinese sovereign waters. Asked about the regular patrols, a Chinese spokesperson stated that the Chinese military and maritime law enforcement agencies had a “sacred duty to defend national territorial sovereignty as well as maritime rights and interest.” The spokesperson emphasized that the ships “will continue to perform duties in waters off the Diaoyu Islands.” Chinese patrols appeared to be complemented by increased Chinese military activities over the horizon, with a Chinese defense ministry spokesperson warning that the People’s Liberation Army was “watching closely the evolution of the situation and reserve[d] the right to take reciprocal measures.”

On October 16, seven PLA Navy warships returning from exercises in the Western Pacific passed through the contiguous zone near Japan’s Yonaguni Island. This was the first time Chinese naval vessels had transited through the contiguous zone near the main islands in the Ryukyu chain. On November 28, four PLA Navy ships again entered Japan’s contiguous zone as they passed through its southwestern islands and returned through the same waters on December 10. China also ramped up its presence in the airspace above the East China Sea, prompting the Japan Air Self-Defense Force to scramble nearly 300 times in fiscal year 2012, up from about 150 times the previous year. On December 12, 2012, a China Marine Surveillance Y-12 II aircraft flew directly through the territorial airspace above Uotsuri Island—the first time any Chinese state aircraft had entered Japanese-administered airspace over the island group.

By the end of September, half of the entire Japan Coast Guard was deployed to the Senkakus to monitor Chinese vessels, demonstrate Japanese sovereignty, and prevent further landings by activists. These deployments threatened to “exhaust” Japan’s available resources and readiness. Senior Japanese coast guard and foreign ministry officials began to suspect that Beijing’s objective in

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61. Ibid; “Senkaku Snafu,” *Japan Times*.
64. Przystup, “Happy 40th Anniversary.”
65. These numbers have continued to increase, with over 400 scrambles in fiscal year 2013 and over 450 in fiscal year 2014. Przystup, “Happy 40th Anniversary”; Japanese MOD, “China’s Activities Surrounding Japan’s Airspace”; “U.S. Calls for ‘Cooler Heads’,” BBC News.
“normalizing the activity” was to gradually erode Japanese administration of the islands or force Japan to recognize the existence of a territorial dispute. Realizing the danger of further escalation, Prime Minister Noda prevented Defense Minister Satoshi Morimoto from sending Japan Maritime Self-Defense Force vessels into the area. The prime minister instructed Morimoto to “just keep monitoring it, in the conventional way.” During a visit to Beijing, Japanese director-general Sugiyama emphasized the risk of a downward spiral if the use of force “red line” were crossed.66

To help counter China’s increased operational tempo, Japan sought assistance from the United States. On September 17, U.S. secretary of defense Leon Panetta held talks with senior Japanese officials in Tokyo. Panetta reaffirmed the applicability of the U.S.-Japan Security Treaty to the Senkakus in meetings with Defense Minister Morimoto and Foreign Minister Gemba. In a press briefing after the consultations, Secretary Panetta stated publicly that the United States would fulfill its treaty obligations if need be. Panetta warned, “When these countries engage in provocations of one kind or another over these various islands, . . . it raises the possibility that a misjudgment on one side or the other could result in violence, and could result in conflict.” He called on both countries to avoid further unilateral actions and reiterated Washington’s neutrality with respect to the underlying sovereignty dispute.67

In Beijing on September 18, Secretary Panetta warned Chinese defense minister Liang Guanglie that the Senkakus were covered by the U.S. alliance. Liang voiced “strong opposition” and the next day Vice President Xi Jinping said China hoped the United States “does not interfere in the territorial dispute.” Some Chinese officials reportedly suspected that the United States had goaded Japan into pursuing nationalization.68

As Chinese maritime pressure persisted, various parties called on the United States to clarify its support for Japan. In October, a political counselor from the Japanese embassy presented Tokyo’s view on the Senkakus issue to the staff of the U.S. Senate Foreign Relations Committee in Washington. Up to this point, the official U.S. position was to “oppose any unilateral action to change the status quo.” Yet this stance was awkward considering Japan’s role in the current crisis. Moreover, Japanese representatives communicated their fear that China’s near-constant coast guard presence near the Senkakus could undermine Japanese administrative control and also U.S. alliance obligations. As a result, the committee agreed to attach a Sense of Congress to the Fiscal Year 2013 National Defense Authorization Bill. The wording strengthened U.S. declaratory policy, stating that “the unilateral action of a third party will not affect the United States’ acknowledgement of the administration of Japan over the Senkaku Islands.” Secretary Clinton reaffirmed this decision at a January 2013 joint press conference with newly installed Japanese foreign minister Fumio Kishida. In comments Japanese officials described as “extremely major and significant,” Clinton explained that “although the United States does not take a position on the ultimate

68. Ibid.
sovereignty of the islands, we acknowledge they are under the administration of Japan and we oppose any unilateral action that would seek to undermine Japanese administration.”

Japan’s September 11 announcement was also met by a large wave of anti-Japan protests throughout China. Protestors first appeared outside the Japanese embassy in Beijing on September 12. On September 15, thousands of demonstrators gathered outside the embassy, chanted slogans, and burned Japanese flags as police monitored the situation. In Guangzhou, looters smashed a Japanese hotel adjacent to the consulate before being chased away by hundreds of security officers. In Shenzhen, police fired tear gas at protestors, and a Sony department store was vandalized. In Qingdao, 10 Japanese companies reported attacks, including Toyota. A Panasonic factory in Shandong was also the victim of arson. The wave of protests reached a peak on September 18, the 81st anniversary of the 1931 Mukden incident. Tens of thousands of demonstrators turned out in nearly 100 cities across China. The city of Xi’an banned large-scale protests, and People’s Armed Police paramilitary troops provided security to the Japanese consulate in Shanghai. Violent protestors were arrested in Qingdao and Guangzhou. Chinese authorities deployed riot police across the country the following day and largely suppressed the remaining demonstrations. These were by far the largest anti-Japan protests in China since 2005. According to reports, Prime Minister Noda angrily asked his aides if China was going to approve “yakiuchi” against Japan—a Japanese word for “military-style arson used in battle.” Meanwhile, a Chinese spokesperson placed the blame for the protests squarely on Japan.

An unofficial boycott of Japanese goods gained momentum as tensions rose. It quickly spread from Japanese automobiles to pharmaceuticals and construction. By the end of November, China’s State Information Center estimated that Japanese automakers’ market share had fallen from 23 percent to 14 percent. Japanese clothing manufacturers reported delays in customs clearance procedures—possibly an unofficial Chinese state sanction against Japan. Chinese travel agencies also reportedly received orders from China’s National Tourism Administration to advise tourist groups not to choose Japan as a destination. For the rest of 2012, Chinese tourist bookings to Japan fell by approximately 50 percent. Overall, Tokyo estimated that Japanese companies suffered losses of over $100 million.

Chinese leaders also took a number of official measures against Japan. At China’s insistence, an exchange of young authors scheduled for September 17 to 18 in Tokyo was suspended. On September 23, China announced that it was canceling formal celebrations for the 40th anniversary of the normalization of China-Japan ties. The commemorative event was supposed to be held at the Great Hall of the People in Beijing on September 27, but instead a small Japanese delegation was invited to a scaled-down ceremony, which turned out to be a tense one-hour discussion on the Senkakus with Jia Qinglin, the fourth ranking member of the Politburo Standing Committee. The

71. Przystup, “Happy 40th Anniversary.”
new Japan-China High-Level Consultation on Maritime Affairs was also unofficially suspended for the following two years.\textsuperscript{72}

**Phase V: Gradual Détente, but Tensions Remain Elevated**

It was not until a full year after the crisis, in September 2013, that Chinese paramilitary activities near the Senkakus began to decline. China continued now-routinized patrols near the Senkakus at a rate of several per month from 2012 onward. This was a significant increase from China’s nearly non-existent presence prior to September 2012. Some observers saw the September 2013 decrease as a signal that Beijing had decided to mend Sino-Japanese ties to limit the potential for military escalation.\textsuperscript{73} In early 2013, Taiwan had also broken ranks with China to conclude a new fisheries agreement with Japan after 17 years of negotiations. It allowed for joint development of the waters around the Senkakus excluding the islands’ territorial waters, which remained in dispute.\textsuperscript{74} During an April 2014 state visit to Tokyo, President Obama further clarified U.S. declaratory policy by becoming the first sitting U.S. president to affirm that the Senkakus are covered by the U.S.-Japan security treaty. He also echoed former secretary of state Hillary Clinton’s remarks that U.S. treaty obligations would not be affected by Chinese actions to undermine Japanese administration of the islands.\textsuperscript{75}

On September 23, 2014, Tokyo and Beijing finally resumed the High-Level Consultation on Maritime Affairs. On November 7, China and Japan reached a Four-Point Agreement to “improve bilateral ties, agreeing to resume political, diplomatic and security dialogue while acknowledging different positions” on the Senkakus. They pledged to gradually rebuild mutual trust and to prevent the Senkakus situation from escalating by relying on dialogue, consultation, and crisis management mechanisms. Prime Minister Shinzo Abe and President Xi Jinping then held their first meeting on the sidelines of an Asia-Pacific Economic Cooperation forum in Beijing on November 10.\textsuperscript{76} Despite the resumption of diplomatic ties, both Japan and China continue regular patrols of the Senkakus, leaving open the possibility of another incident.

**Conclusions**

First, the dynamics of the 2010 trawler incident led directly to the nationalization crisis of 2012. Beijing’s heavy-handed efforts to coerce Japan into releasing the fishing captain in September 2010 heightened Japan’s subsequent sense of insecurity. China and Japan made progress on maritime
consultations in the interim, yet Japan grew increasingly concerned about China’s growing military and paramilitary movements in the East China Sea and beyond. Tokyo’s elevated threat perception led it to take steps it probably wrongly believed were necessary to ensure its own security, misinterpreting the motives behind China’s own increasing frustration with Japan’s approach toward their territorial dispute. Beijing felt forced to respond to what it perceived as a Japanese attempt to overturn a long-standing tacit agreement to shelve the dispute. China, in turn, failed to recognize the role its own increasing power and assertiveness played in bringing about the crisis in the first place.

Second, Japanese domestic politics played a more complex and yet also less vital role in the nationalization decision than the conventional wisdom suggests. The ruling Democratic Party of Japan did feel pressure from Governor Ishihara and others in the Liberal Democratic Party, and the Tokyo governor’s plan constituted a proximate cause for the crisis. Yet Prime Minister Noda, his advisers, and many in and out of government also believed that strengthening the national government’s control over the Senkakus was ultimately necessary for Japanese security. The leaders of both major parties believed that Japan had to send a signal of resolve to Beijing in order to ward off any potential attempt to seize the disputed islands. Governor Ishihara also had complicated ulterior motives in seeking to prod the national government toward action.

Third, poor communication between Tokyo, Beijing, and Washington deepened the crisis. Japanese leaders were apparently convinced that their counterparts in China would accept the nationalization decision as a least bad option. This was based on a fundamental misreading of the situation, as well as an underestimation of Beijing’s suspicions that Japan was actually using Governor Ishihara as an excuse to unilaterally change the status quo. Japanese officials also failed to inform China about their decision on multiple occasions, despite telling Washington that Beijing approved of it. Chinese leaders, for their part, may not have clearly conveyed the magnitude of their likely reaction. Chinese signaling neither reassured nor deterred Japan from fulfilling its decision. Despite their reservations about Japan’s plan, U.S. officials were likewise unable or unwilling to dissuade Tokyo, which led to greater fears of abandonment and entrapment between the two alliance partners after China’s forceful response.

Fourth, despite tensions, U.S. support and Japan’s moderate approach at sea ultimately helped avoid a major Sino-Japanese clash. The United States was willing to reaffirm its treaty commitments to Japan despite concerns that Tokyo was worsening the territorial dispute. U.S. leaders were determined to ensure that Japan not be forced to abandon its claims under pressure from China or suffer an armed attack, regardless of the circumstances that led to the immediate crisis. Japan, likewise, responded to Chinese maritime patrols in the vicinity of the Senkakus firmly but responsibly. Tokyo matched Beijing’s escalation by escorting Chinese maritime law enforcement deployments through the contiguous zone and territorial sea of the islands with its own coast guard vessels. However, Japan chose not to militarize the dispute or use force to expel the Chinese ships. Beijing also appears to have decided not to take more provocative steps that would have led to an armed conflict, such as attempting to seize or occupy the islands. The East China Sea remains substantially less secure than before nationalization. Yet a limited détente has emerged over time, and Chinese and Japanese officials have sought to avoid another crisis.