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Japan and China improve relations in face of US trade war measures

In recent months, Japan and China have taken tentative steps towards improved relations in response to trade war measures against both countries by the Trump administration in the US. The apparent thaw in what has been a frigid, and at times hostile, relationship underscores the destabilizing impact of Trump's aggressive America First drive.

In an interview with the *Sankei* newspaper on September 2, Japanese Prime Minister Shinzo Abe stated "that the Japan-China relationship has completely returned to a normal track." Japanese Finance Minister Taro Aso expressed similar sentiments when meeting his counterpart Liu Kun in Beijing on August 31. Implicitly criticizing Trump and Washington, Aso told reporters after the meeting, "We affirmed that protectionism benefits no country."

Aso's trip was in part to negotiate reinstating a currency swap that could be finalized when Abe travels to China in October for a summit with Chinese President Xi Jinping. In turn, Xi may visit Japan next year. The original deal expired in 2013 and was not renewed amid sharp tensions over the territorial dispute between Tokyo and Beijing over the Senkaku/Diaoyu Islands in the East China Sea.

Both governments are exploring closer economic relations to offset Washington's trade war measures. Trump has criticized Japan for trade deficits in the auto industry, with the US president threatening to place tariffs on Japanese carmakers in addition to the current tariffs on steel and aluminum. Tokyo had sought exemption from the latter measures but was rebuffed.

While Tokyo has publicly tried to maintain the appearance of an airtight alliance with Washington, cracks are appearing over foreign policy as well as trade. In his interview with *Sankei*, Abe also made clear that he would not be bound by friendship, but instead act in Japan's national interest.

Talks over trade and North Korea have reportedly turned contentious, according to a *Washington Post* article on August 28. It noted that in June Trump reportedly told Abe at a meeting, "I remember Pearl Harbor," and criticized Japanese trade policy after Abe refused to budge on demands for a bilateral trade deal favorable to the US.

Trump's remark is highly provocative as it recalls the US battle cry during World War II in the Pacific—Remember Pearl Harbor. Trump has a history of anti-Japanese demagoguery on trade going back to the late 1980s when he was lashing Tokyo, not Beijing, for its trade deficit and buying up America.

Trump also "completely ignored" Abe's advice on North Korea, a source close to the prime minister told the *Washington Post*, generating concerns in Tokyo that its interests were being undermined. The Japanese government is concerned that the US might allow North Korea to keep shorter range nuclear missiles capable of hitting Japanese cities.

Japan, as the third largest economy in the world, is turning to China to offset the negative impact of the more openly predatory US policy. With the economies in the region closely linked, the US tariffs on Chinese goods will also indirectly impact Japan.

Criticizing Washington, Hiroshige Seko, Japan's Economy, Trade, and Industry Minister, stated, "This works as absolutely no plus for the world economy, and Japanese companies are shipping parts to China to finish them as products there that are exported to the US, and the effects are already being felt. Ultimately, it will hurt the US and Chinese economies."

However, Tokyo will use whatever foothold it can gain through this apparent thaw in relations with Beijing to ensure its imperialist interests are met. Rather than working as a junior partner of the US, the Abe government is increasingly pursuing a more independent foreign policy and remilitarizing so it can back it through force of arms if necessary.

On assuming office last year, Trump dealt Abe a blow by pulling out of the Trans-Pacific Partnership (TPP). Now, however, Japan is playing the leading role, along with Australia, in refashioning a new TPP. At the same time, it is taking part in the previously stalled China-backed Regional Comprehensive Economic Partnership (RCEP).

The RCEP deal includes the ten ASEAN nations as well as Japan, China, South Korea, Australia, New Zealand, and India. It would be the largest regional free trade deal in the

world. It would cover one half of the global population and one third of the world's gross domestic product. Singapore's Trade and Industry Minister Chan Chun Sing stated early this month that a broad agreement could be reached by November.

For China, opening new markets would mitigate some of the effects of US tariffs already imposed on \$50 billion worth of goods and another \$200 billion that Trump is now proceeding with. To mend relations with Tokyo, Beijing has toned down its anti-Japanese chauvinism and also eased tensions over its territorial dispute.

Last month, the two countries celebrated the 40th anniversary of the 1978 Friendship Treaty between the two nations. Much has also been made by the two governments and the media over the trip in May to Japan by Chinese Premier Li Keqiang. Li even using the preferred Japanese expression of "forward looking" on historical issues—a means of pushing Japanese imperialism's war crimes in the 1930s and 1940s into the background.

Economic cooperation is also growing in other areas. Japan originally boycotted the launch of China's Belt Road Initiative—a massive infrastructure project linking the Eurasian landmass. However, Tokyo is now considering joining China in investment projects in Southeast Asia and other regions.

This new thaw seemed only a few years ago, as the previous US administration of Barack Obama carried out the "pivot to Asia," aimed at applying military and economic pressure to China, exploiting regional territorial disputes to do so. This included the dispute between Tokyo and Beijing over the Senkaku/Diaoyu Islands, with Obama declaring that the US would back Japan in any war with China over these rocky outcrops.

Despite these improved relations between Japan and China, tensions and rivalry remain. Tokyo has never reconciled itself to slipping from the world's second largest economy to third behind China. Nor has it ever been willing to permanently accept a subordinate role to the US. As in the 1930s, conflict over trade in the Asia Pacific is paving the way for a new and even more terrible war for dominance.