

COMMENT

India, China, Japan

ECONOMIES OF JAPAN, AMERICA and Europe have reached the sunset stage. Japan has been in perpetual recession since the last 20 years. These economies are surviving on the glucose administered through the stimulus packages implemented in the last two years. Soon they will have no money left to buy glucose. They will not be able to repay the monies borrowed for the huge spending made under the stimulus packages. Japan's condition will worsen along with that of her Western mentors. This situation presents challenge of a different kind for India. The centre of world economy is fast moving towards Asia. The two players other than India are China and Japan, howsoever weak it may be. Indians will have to choose whether they align with China or with Japan-America alliance.

China is mostly seen as an enemy in India. China is opposed to India's permanent seat on the Security Council. She has provided nuclear equipment to Pakistan. Also, she looks too eager to offset India's strategic advantage derived from Indo-US nuclear deal by offering nuclear reactors to Pakistan on liberal terms. Progress on resolution of the border issue is not forthcoming. Foreign Minister S M Krishna has recently returned empty-handed from that country. Therefore, in India there is a natural tendency to befriend Japan and ignore China. But basic character of China is inward-looking and peaceful while that of Japan is aggressive and expansionist.

The Funk and Wagnall's Encyclopedia states that in the fourth century Queen Jinjo of Japan attacked and captured Korea. Japanese pirates were looting ships on the eastern coast of China in the sixteenth century. Toward the end of eighteenth century Japan captured Ryukyu Islands and Korea again. In 1931 Japan conquered Manchuria and established a puppet government there. China raised the matter in the League of Nations. But rather than quit Manchuria, Japan chose to quit the League of Nations.

China has been repeatedly subjected to attacks by neighbours from Mongolia, Korea, Japan, Viet Nam, Burma and Tibet. About 2,500 years ago, during the Chin dynasty, the Great Wall was constructed to keep the tribal intruders away. In sixth century, during the Tang dynasty, peace was bought by handing over defense to non-Chinese peoples and generals. In the tenth century the Sung dynasty established peace in the north by agreeing to pay a yearly tribute to those rulers. In the thirteenth century China succumbed to attack by Mongol Genghis Khan, who captured Beijing. During the Second World War China was encircled by France in Viet Nam, England in Burma, Russia in Manchuria and Japan in Korea. The main problem faced by the Chinese rulers in their long history has been to protect their territory from intrusion from the outside.

China has not tried to exploit other countries. She has a huge domestic market.

In comparison Japan has tried to aggressively open up new markets. Japan started establishing modern industries after the First World War. It needed markets to sell the goods that were produced. Emperor Hirohito adopted an aggressive policy towards

China after 1926 for this purpose. Japan forged an axis with Germany and Italy to rebuff the traders from England, Portugal and France who were seeking entry into Asia.

It can be alleged that China is allowing her to be enslaved by accepting huge amounts of foreign investments. But this argument does not hold because simultaneously China is making huge purchase of US Treasury Bonds that likewise enslave the United States. It is noteworthy that China has steadfastly refused to intimidate the United States by threatening to sell its huge forex reserves. China is content to buy US Treasury Bonds and hold them in order to keep the exchange of Yuan low and provide fillip to its exporters.

Japanese companies, on the other hand, are buying American auto-makers and prime estate in Manhattan. Suzuki's most profits are coming from its India operations. Japan is buying American companies aggressively. It is a one-way street for Japan. China is using its dollars to provide subsidies to its exporters while Japan is using them to buy out America. It would be unfortunate if the Mandarins in New Delhi unwillingly allow America to cause rift between India and China to push its hegemonic designs. *[contributed]* □□□