

which Japan refused the use of Export-Import Bank facilities to finance important sales to China, and Japan's normalization of relations with South Korea in 1965 provoked major Chinese verbal swipes at the revival of Japanese "militarism". The corner had been turned, but it was not readily apparent until 1969, because in the interim China's attention riveted on the American escalation in Viet-Nam, the Cultural Revolution at home and the border clashes with the Soviet Union.

Attention on Japan

With the beginnings of American withdrawal from Viet-Nam, the at least temporary end of open hostilities with the Soviet Union, and improved conditions within China, Peking swung its attention decisively to Japan. The pivotal events were the Nixon-Sato communique of November 1969 and the renewal of the United States-Japanese Treaty of Mutual Co-operation and Security. The sections of the communique most offensive to Peking were those which referred to South Korea as "essential" to Japanese security and stated "that the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan". With a background of several years of increased Japanese trade with Taiwan, the prospect of direct Japanese involvement in the security of the area understandably outraged Peking. It was interpreted in China as a threat of direct Japanese military intervention in an internal Chinese affair.

Western and Japanese critics of the Nixon-Sato communique supported the Chinese claim that it represented at least the start of an overt Japanese commitment to the conception of regional defence in compliance with Mr. Nixon's Guam doctrine, and that this was the price Japan had to pay for the reversion of Okinawa and the rest of the Ryukyus. Western and Japanese critics also warned that this kind of regional commitment would force Japan to increase its defence budget and give greater priority to its air and naval offensive capability.

Behind China's reaction to these events was, of course, its basic concern with Japan's growing economic power. Japan's gross national product now ranks third in the world. Some predictions see it jumping into second place by 1980 and perhaps parity with the United States by the end of the century. China is acutely sensitive to the international implications it sees inevitably flowing from this super-power economic status. In essence, the

Chinese interpretation is that of the Marxist view of imperialism as the high stage of capitalism. Japan's spiralling economy, so the argument runs, is dependent upon resources and markets abroad. These depend upon increased foreign trade and investment, which, in turn, will lead to greater Japanese political influence in these areas and inevitable military commitments to secure the trade routes and the established political order in those nations where Japanese investment is highest.

More specifically, China claims that this interpretation has already been borne out by the growing power of Japan's Self Defence Forces (SDF), which now number about a quarter of a million and backed by thousands of reservists and paramilitary police. They also cite increased military expenditures in Japan, the fourth Five-Year Defence Plan and the tabling of Japan's first postwar defence White Paper. The genuineness of China's concern with Japan's military posture should not be underestimated. Relative to Japan's military strength is still below that of the major powers. But, unlike any other Asian country, it is backed by such enormous economic power and one of the world's most highly sophisticated technological infrastructures that the gap could be closed very rapidly by any Japanese Government intent on doing so. In the light of a history of close to a century of Japanese aggression against China, much of it within the lifetime of China's present rulers, the Chinese position is understandable.

Tougher trade stance

Peking has not stopped at slinging verbal abuse in Tokyo's direction. In recent months it has taken a much tougher stance on its trade relations with Japan and has thereby helped encourage opposition within Japan to Prime Minister Sato's China policy. Certainly Peking is fully aware of the leverage it has in promoting this kind of opposition, which comes not only from the political left but from within Sato's own party and, perhaps most importantly, from some of Japan's largest business firms. The combination of mounting political opposition within Japan, and the embarrassment suffered by the Sato Government because of defeat in opposing the Albanian Resolution at the United Nations, the cruel economic effects of the Nixon surtax, and the fact that Washington's China policy appears to be changing more rapidly and successfully than Tokyo's, will almost certainly lead to a new leadership in Japan that will grow

A basic concern with Japan's economic surge