

Abe Meets Xi Then Modi: A New Asia ‘Cooperation Sphere’?

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Theme: [Global Economy](#)

*One of the more important consequences of the Trump Administration trade war against both China as well as Japan is the recent diplomatic and economic meeting between Japan’s **Prime Minister Shinzo Abe** and China’s **President Xi Jinping** in Beijing. Not only was it the first such meeting by a Japanese PM in seven years since the chill in relations over a group of disputed islands in the East China Sea. It also suggested a new political and economic strategy might be emerging across Asia’s largest economic sphere. Hours after leaving Beijing Abe hosted Indian **PM Narendra Modi** in Tokyo. Does this all foreshadow a new flank in an emerging multi-polar world or merely shrewd politics by Abe?*

Showing he saw the meeting in Beijing as more than a photo-op, Abe brought a business delegation of some 1,000 top Japanese businessmen. China **Prime Minister Li Keqiang** announced that deals worth \$18 billion had been signed during the talks. As well the two agreed to resume \$29 billion worth of mutual currency swaps in event of future currency crises. Both leaders agreed to create a hotline to communicate in event of possible future tensions. Abe also invited Xi to come to Japan in 2019, [a major step](#).

Less discussed in public media was the fact that Japan has agreed to include the China Renminbi in Japan’s foreign exchange reserves, a significant boost to the credibility of China’s currency. China for its part will allow the Bank of Japan to invest directly in Chinese government bonds.

What was not mentioned in the press accounts either in China or Japan was an historic offer of the Japanese Emperor conveyed through Abe to Xi. According to informed sources in Japan, Abe conveyed the wish of Japan’s **Emperor Akihito** to visit China before he abdicates next April to formally apologize to the Chinese people for the Japanese invasion of China during the 1930s. At the same time the Emperor extended an invitation to China’s Xi to come to Japan. According to the report, Xi accepted the invitation regardless the Emperor’s decision on his visit to China. Such a move by Japan’s Emperor would be seen by Beijing and the Chinese as more than symbolic.

Notably, Li formally invited Japan to reconsider its participation in China’s ambitious Belt-Road Initiative infrastructure project which has recently come under criticism from Malaysian, Pakistani and other partners. By showing openness to work jointly with Japan, the world’s third largest industrial economy after USA and China, China hopes to encourage others to join. Never in history has a nation so recently underdeveloped attempted a multinational series of projects across so many countries and cultures as China with its BRI. Charges of “debt diplomacy” and of refusing to take local considerations fully into view have given Washington and EU critics of the BRI or Economic Silk Road a recent field day in attacking China. Beijing is clearly learning quickly from its mistakes, at least judging from

her Japan talks.

The catch word used by Abe during the talks was “from competition to cooperation.” China President Xi declared that

“bilateral relations have been put back on the right track and positive moves are gaining momentum.”

Abe asked Beijing for cooperation on investing in infrastructure in third countries, potentially a major advance for both who often had been in sharp competition for infrastructure contracts in Thailand, India and elsewhere. In addition Abe and Li agreed to begin “innovation dialogue” on cutting-edge technologies and intellectual property rights. Premier Li asked Abe to actively extend Japanese cooperation for the One Belt One Road initiative as the two major Asian economic giants agreed to join on a number of BRI projects. The two countries also expressed mutual desire to advance a [denuclearized Korean Peninsula](#).

Geopolitical Shift — Japan India Russia

This step by Abe, which has been in careful preparation for some months, is notable for Japan in the post-1945 era. As **Zbigniew Brzezinski** described her, Japan was regarded in Washington as a mere vassal of US interests. When a dollar crisis threatened Washington, US **Treasury Secretary James Baker** arm-twisted the Japanese to agree the Plaza Accord in 1985 to depreciate the US dollar against the Yen. Within two years the dollar fell over 50% and the legendary Japanese asset bubble was ignited. The effects of the collapse of the bubble in 1990 still haunt Japan today. Japan dutifully continued to buy US Treasury securities to now and agreed to install the provocative US THAAD missile defenses aimed at both China and Russia.

For Japan, which only some months ago was angering Beijing by agreeing to station the US missile defense weapons on its soil, the move to clearly reach a rapprochement with Beijing has huge potential. Both countries have a major stake in the emerging moves between the two Koreas to re-establish economic and political ties amid denuclearization. Since the end of the Cold War the US has manipulated the situation on the Korean Peninsula to repeated crises in order, as one former US Ambassador to Beijing told in a discussion in the late 1990s with this author, to have an excuse to keep the US naval fleet in the Sea of Japan not only for North Korea, but also China and potentially Japan he noted.

Almost within hours of his return from Beijing, Abe held a meeting with Indian Prime Minister Narendra Modi in Tokyo. The two agreed to initiate a regular dialogue at the level of defense and foreign ministers. Further they will jointly cooperate on infrastructure projects in Bangladesh, Myanmar and Sri Lanka, countries where China and the BRI have been active. This could be a critical test of the new China-Japan “cooperation not competition” declaration. If Japan and India include China and the relevant countries in constructive cooperation dialog, it could give a huge boost to the Belt, Road Initiative, demonstrating it is not a fixed “Made in China” blueprint, but a dynamic outline to be negotiated by all relevant parties.

As with China, Japan also signed a bilateral currency swap agreement with the Indian central bank, this for \$75 billion. Clearly Japan anticipates new financial storms ahead as well as the

risk of US economic tariffs and sanctions. Japan is already funding 80% of a Mumbai-Ahmedabad bullet train project through soft loans at an interest rate of 0.1 percent over 50 years and a moratorium period of 15 years. The two countries also agreed to back a diplomacy of a [denuclearized Korean Peninsula](#).

In light of the amicable talks with Abe and Xi only days before, the clear aim of this meeting with Modi is to insure that Japan is fully engaged with the two economic giants—China and India—in a way that can insure a more effective development for all Asia, something clearly unwelcome in Washington.

At the same time as it deepens cooperation with China and India, Japan is increasingly engaged with Russia, another Far East power and one that is intent on opening the eastern part of the vast country to economic development. Japan has just announced it will conduct logistics tests using the existing Trans-Siberian Railway and a ferry line to connect Russia, China, Japan and South Korea in a freight corridor. The ferry line will connect China's Jilin Province to Russia's Vladivostok, Donghae in South Korea and Sakaiminato in Japan. This could give a significant boost to Japan-Russian trade and provide support for the ongoing upgrade of the current Trans-Siberian line that stretches 5,772 miles across Russia's vast expanse. It could dramatically cut the current 62 days ship routing and reduce transport costs an [estimated 40%](#).

All these initiatives suggest the enormous potential for constructive engagement among the powers and nations of Asia if left to their own, without Washington interference.

Yet the mind-set in Washington continues to be a stone age one of “might makes right” and Washington Über Alles. Lt. General Ben Hodges, commander of United States Army Europe (USAREUR) until he retired last year, gave a recent speech to the Warsaw Security Forum in which he stated,

“I think in 15 years — it's not inevitable — but it is a very strong likelihood that we will be [at war with China](#).”

He didn't elaborate. In January 2018 the Pentagon released its new Pentagon National Defense Strategy. It named China and Russia as the greatest potential threats facing the USA going forward. How this dramatic turn of events since 2014 has emerged has nothing to do with what we are being repeatedly told by NATO-controlled mainstream Western media. It has to do with the future of Washington as sole superpower, even if it takes war. That's pretty crass and ultimately very foolish. What about the idea of helping America become a great economic nation again by joining with the unprecedented Asian growth initiatives as one among many? Better than another damn war, or?

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Seeds of Destruction: Hidden Agenda of Genetic Manipulation

Author Name: F. William Engdahl

ISBN Number: 978-0-937147-2-2

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Special Price: \$18.00

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