

## JAPAN AND POSTWAR SOUTHEAST ASIA\*

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THE PRESENT POLICY OF JAPAN TOWARD SOUTHEAST ASIA IS HIGHLY realistic, reflecting the heritage of the Pacific War, the international environment of today, and the formulation of specific national objectives. Japan is very sensitive to reactions in Southeast Asia and its diplomats carefully gauge changes in the capitals of the region. At the same time Tokyo's policy is clearly defined in terms of the national interest.

Still living in the memories of many Japanese and Southeast Asians are the events of the Pacific War and the vicissitudes of the New Order in Greater East Asia. For the Japanese, defeat brought an abhorrence of militarism, a genuine awareness of the effects of nuclear weapons, and considerable support for pacifism and neutralism. For the Southeast Asians, the victory of the allied forces meant the end of the Japanese occupation whether expressed in direct or indirect rule. Although Japan was the only state in history ever to control all Southeast Asia and determine policy for it, Tokyo threw away many of its psychological opportunities. The people of the region came to believe that Asia for the Asiatics with its Co-Prosperity Sphere really stood for Asia for the Japanese. Most Southeast Asians welcomed the defeat of Japan and the removal of its military forces and overseas residents. For some time apprehension over future Japanese militarism motivated numerous diplomats in the area. Tokyo's military interlude proved in retrospect to be a powerful catalyst in speeding Southeast Asian nationalism. As a consequence of the Japanese assault, the Western colonial structure could never be fully reestablished. Japan left a legacy of many problems for the Western powers, some of them having the characteristics of a time bomb. Outstanding examples are the unification of Vietnam and the independence of Indonesia, events allowed or speeded by Tokyo.

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\* This Paper was originally read at the Conference of the Association for Asian Studies held in San Francisco, April 24, 1965.

Current Japanese policy toward Southeast Asia reflects serious dilemmas. Japan is an Asian country by race, geography, and to a large extent history and culture. Yet it belongs to the Western world as the fifth largest, industrial state and its security ties are with the United States through the Security Treaty. In all its history Japan underwent foreign rule for only a few years in contrast to many newly independent countries who experienced a long period of colonial domination. Nevertheless, Tokyo sympathizes with the basic aspirations of peoples recently freed from Western rule. In formulating policy toward Southeast Asia, Japan must deal with three groupings of countries: the Western powers, especially the United States and Great Britain, the communist powers, notably the People's Republic of China and the Soviet Union, and the so-called in-between world, particularly India. Tokyo's membership in the Organization for Economic Cooperation and Development, its trade and cultural links with Peking, and its participation in the Bandung Conference and Afro-Asian bloc of the United Nations symbolize the many faceted aspects of Japanese foreign policy.

Tokyo's objectives in Southeast Asia focus on the development of economic ties. In fact, economic diplomacy embraces most of Japan's current activities in the region. In political terms Tokyo seeks to encourage an environment in Southeast Asia conducive to economic relationships. At the same time it strives to keep out of political controversies like the Malaysian-Indonesian one unless all parties to a given dispute ask its help. Japan seeks to avoid any military commitments in Southeast Asia, the geographical scope of its security treaty with the United States being carefully restricted to the home islands. Japan's membership in the United Nations and its role in the world organization partially fulfill a goal of wanting to belong once more to the world community. Nevertheless, Tokyo does not yet believe that it can contribute military forces to the United Nations in its peace-keeping operations. Japan also seeks to serve as a bridge between the newly independent developing countries and the West, for Tokyo is convinced that it better understands their needs and aspirations and can therefore make a valuable contribution toward meeting them.

Former Prime Minister Hayato Ikeda for his part has publicly asserted that Southeast Asia has a "direct bearing" on Japan's "security and progress" and that Tokyo has a "special concern" over economic development and political stability in the area. But, as to Japan's ability to promote political stability and economic

development, he frankly states that "there is a limitation." This limitation is well expressed in the manifold implementation of Japanese objective in Southeast Asia.

In the economic field reparations are an important vehicle of Nipponese diplomacy. Although Tokyo recognized its moral obligation to provide reparations to a number of Southeast Asian states, the negotiation of individual agreements was often slow and acrimonious before a settlement was reached. As of March 31, 1964, Japan had paid about \$476.6 million in reparations or about 46.8 per cent of the pledged total of around \$1,018,000,000. Burma had received 89.3 per cent of the original amount agreed upon and Vietnam 88 per cent while Indonesia followed with 50.8 percent and the Philippines with 26.3 percent.

A Japanese agreement with Burma in 1963 provided in effect for an additional \$140 million in reparations. In making a reparations settlement with Vietnam Tokyo negotiated with the Republic of Vietnam despite the opposition of the Hanoi regime. Laos and Cambodia formally waived reparations claims but agreements were made with Japan on economic and technical cooperation. By March 31, 1964, Tokyo had paid 98.9 percent of the amount owed Laos and 74.7 percent of that due Cambodia. Thailand represented a special case, for the kingdom was technically an ally of Japan in the Pacific War. Under a special yen agreement Tokyo agreed to give Thailand in services, credits, and capital goods about \$28 million, 20 percent of which was paid by the end of July, 1963. Demands for "blood debt" reparations have more recently arisen in Singapore. As the United Kingdom renounced claims to reparations while it was still sovereign over Singapore, Nippon has no legal obligations. The controversy may be settled in the negotiations between Tokyo and Kuala Lumpur.

The Japanese payment of reparations is closely related to other forms of Nipponese aid to Southeast Asia. Among the donors of the Western coalition Japan claims to rank fifth, following in order the United States, France, the United Kingdom, and the Federal Republic of Germany. The foreign office in Tokyo prefers the terminology of "development assistance" rather than "foreign aid." The program is considered an obligation to the developing countries, an arm of diplomacy, and a boost to exports. The greater part of the aid goes to Asian countries while almost all of it is tied to Japanese services and goods. Tokyo believes that the economic

development of the Southeast Asian states is advantageous to them and to Japan. In addition to private credits, government to government direct loans as in the case of South Vietnam or government to government lines of credit as in the cases of Indonesia and the Philippines have been made. In South Vietnam, for instance, the first stage of the Danhim Dam has been completed, Japan providing for the entire project \$37 million in reparations and \$7.5 million in a loan. In Indonesia, Japanese credits at the end of 1962 amounted to \$80 million excluding reparations. Technical assistance focuses upon the training of people from the developing countries in Japan, sending Japanese experts abroad, providing equipment for overseas technical centers, and making pre-investment surveys. In 1962 over 900 people from overseas including 200 Indonesians under the reparations program were training in Japan and in 1963 around 100 Japanese experts were stationed abroad. In terms of direct private investments Japan at the end of 1962 had about \$80 million in Southeast Asia and other Asian countries east of Iran. Investment promotion agreements have now been made with such states as the Philippines, Malaysia, and Indonesia.

Japanese trade with Southeast Asia has expanded but not to the extent desired by many Nipponese. In 1963 imports from the nine countries of the area accounted for 10.8 percent (\$729.4 million) of Japan's total imports (\$6,736.3 million) while exports to them amounted to 13.3 percent (\$728.1 million) of the total exports (\$5,452.1 million). Southeast Asia's exports to Japan plus those from other Asian states east of Iran rose by 25 percent over the figure for 1962. As for markets, Japan depended in 1963 primarily upon the Asian area just defined and the United States, 29 percent of her total exports going to the former. Tokyo encouraged trade with all: the pro-Western, neutralist, and Communist countries of Southeast Asia. In 1963, for example, a trade agreement was signed between North Vietnam and the Japan-North Vietnam Trade Association, a private business group. In 1964 trade between Japan and North Vietnam was expected to total around \$30 million. For Thailand, Japan is now the biggest trading partner, and in the Philippines, Nippon ranks only after the United States. In 1962 Japan passed France as a supplier for Cambodia, and trade between Nippon and Indonesia is substantial. Tokyo is increasingly interested in Indonesian oil, once a motivating factor in its policy toward the Dutch East Indies. Japan ranks next to the United

Kingdom and the United States as a trading partner of Malaysia. The Malayan iron ore industry, for instance, is practically at the mercy of Nipponese steel mills for its exports.

In furtherance of economic diplomacy Japan created in 1961 an Overseas Economic Cooperation Fund to supplement its Export-Import Bank and in 1962 an Overseas Technical Cooperation Agency to execute overseas technical assistance programs.

Diplomacy is carefully used to implement Japan's political objectives in Southeast Asia. Diplomatic missions function in all the capital cities of the region except Hanoi. Japanese businessmen and tourists in the area are increasing in number. The reparations and other aid programs, of course, contribute to the Japanese presence. In almost every international organization or activity relating to Southeast Asia, apart from the strict security category, Japan is a partner. Notable are the Colombo Plan, the Mekong Scheme, and the United Nations Economic Commission for Asia and the Far East. Visits of Japanese prime ministers to Southeast Asia and of chiefs of state from the countries of the area to Tokyo are relatively frequent. Tokyo has become a meeting place for the leaders of the projected Maphilindo—President Sukarno, President Diosdado Macapagal, and Prime Minister Tungku Abdul Rahman.

Up to the present time Japan has succeeded remarkably well in its policy of keeping out of controversies among Southeast Asian states unless called upon to help by all parties concerned. Cautious efforts have been made in the Malaysian-Indonesian dispute but Tokyo has been sufficiently adroit to escape the enmity of the contestants. In the current difficulties between Cambodia and its two stronger neighbors, Thailand and South Vietnam, Japan has been passive, a far cry from its role in 1941 in the border dispute between Thailand and French Indochina. The conflict, however, between North and South Vietnam has presented serious problems for Tokyo, especially since both the United States and Communist China are deeply involved. Japan officially called the retaliatory American bombing of North Vietnamese naval installations in early August 1964 "unavoidable under the circumstances." Tokyo has also agreed to send medical units to South Vietnam in response to American requests for greater international support to prevent the Viet Cong from taking over the country.

Although Japan has no military commitments in Southeast Asia, the United States has important naval, air, and supply bases

on Nipponese soil. Under the arrangements of the Security Treaty between the two countries the United States in effect must consult Japan on the use of the bases for "military combat operations" outside Nipponese territory and Washington is obligated to accept the "wishes of the Japanese Government." In any major crisis in Southeast Asia like the Gulf of Tonking one in August 1964 political pressures inside Japan will be exerted upon the government to try to prevent the United States from using its bases in the country to support military action in Southeast Asia. Every government in Tokyo is apprehensive lest the American military presence in Japan lead to a retaliation upon the country in circumstances arising from a crisis in Southeast Asia where Tokyo has no vital interests. The movement of American forces from Japan into a third state before they are committed to the actual area of conflict is not beyond the realm of reality.

The current reactions in Southeast Asia to Japanese policy vary from country to country. In general the fear of future Japanese militarism has receded. As the years pass the Japanese are more acceptable in Southeast Asia. Some of its leaders even consider Nippon a model of industrialization. The political role of Tokyo in the area, it should be stressed, results in making neither strong friends nor bitter enemies. In view of the growing strength of Communist China some Southeast Asian leaders like President Macapagal of the Philippines realize the importance of Japan in the future security of the Far East. There is, however, a growing awareness of and perhaps a growing uneasiness about Japan's economic activity in Southeast Asia. Comments are made that Nippon is achieving by economic means what it could not win by military methods. These comments are not widespread but they cannot be completely ignored. It would be easy for them to assume serious proportions.

Future Japanese policy in Southeast Asia will depend upon developments both on the world stage and on the domestic scene. In the immediate years ahead Japan is likely to continue its present policy in Southeast Asia. But for the more distant future, the country may move either toward a neutralist posture somewhat like the position of India today or toward a formal alignment with other friendly powers concerned with the security of Southeast Asia. It can be argued that the possession by Communist China of an arsenal of nuclear weapons and of a delivery capacity will push Japan toward neutralism. On the other hand,

as the Chinese military threat and economic competition become greater and as Japan grows in strength, Tokyo may become more willing and able to join with other countries in erecting a barrier to possible Chinese expansionism in Southeast Asia at the expense of the independent states of the area. The United States for its part already believes that Japan can make a greater and more altruistic contribution toward economic development in the area, that it can play a more positive role in the diplomacy of Southeast Asia, and that it should eventually assume some security obligations in a region where it has important and growing interests. It would probably take some major development to cause Japan to alter quickly its current policy of opposition to commitments beyond the security pact with the United States. Possibly a Chinese Communist attempt to overrun South Korea would be the catalyst. In the long run the security of Southeast Asia must rest with the Asians themselves, those living in the region and those living in friendly neighboring countries like India and Japan.