

## THE ATTITUDE OF INDONESIA TOWARDS THE JAPANESE PEACE TREATY

K.V. KESAVAN

PEACE SETTLEMENT WITH JAPAN WAS ONE OF THE EARLIEST FOREIGN policy subjects that drew the utmost attention of the newly independent non-aligned nations of Southeast Asia during 1950-52. As the question of formulating a peace treaty for Japan was largely governed by considerations of cold war politics, non-aligned Southeast Asian nations like Indonesia and Burma took a stand different from the one desired by the architects of the peace settlement. They refused to be drawn into the conflict between the two Power Blocs and preferred to consider the problem purely from the viewpoint of their national interests and national ideology. In terms of their national interests, they wanted adequate reparations from Japan and the guarantee for Japan's firm adherence to normal international practices in trade and fishing. In terms of their national ideology, they wanted a peace treaty that would be consistent with their independent foreign policy.

The attitude of Indonesia towards the Japanese peace settlement provides an interesting study. The majority of the Indonesians while being sympathetic towards Japan were keen on entering into a bilateral peace settlement with that country. On the contrary their Government under Premier Sukiman compelled by various reasons participated in the multilateral San Francisco Peace Conference, and signed the treaty drafted by the Western Block. But Sukiman's action did not have the sanction of the nation, and ultimately the will of the people for a bilateral peace treaty prevailed.

A cursory idea of the American policy towards the Japanese peace settlement is necessary for our study of the Indonesian attitude.<sup>1</sup> At the end of the war, the concept of Allied Occupation as embodied in the Potsdam Declaration, the Initial Post-Surrender Policy Directive and the Far Eastern Commission Policy Directive was restrictive in nature. During the initial years following 1945, the United States carried out the punitive phase of the Occupation true to the letter and spirit of these documents, and this created a good impression in the minds of those nations directly concerned with Japan. But soon, American policy

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<sup>1</sup> For a detailed study see George H. Blakeslee, *The Far Eastern Commission: A Study in International Cooperation 1945 to 1948* (Washington, 1953); Frederick S. Dunn, *Peace-Making and the Settlement with Japan* (Princeton, 1963).

began to show signs of a basic change. This change was brought about by economic considerations though strategic interests were not inconsistent with it. By 1948, there was a growing realisation on the part of American statesmen that it would not be advisable to keep Japan in a state of economic and political surveillance, partly because they believed that any such attempt would be contrary to the Occupation objective of maintaining a viable economy in Japan and partly because they were anxious to relieve themselves of the huge financial burden involved in the Occupation. Constantly in the background was also the consideration that communism posed a greater threat to the world than Japan. This consideration gained overriding importance in American strategic calculations after 1949. The success of the communists in China in October 1949 and the outbreak of the Korean War in June 1950 compelled the United States not only to expedite the drafting of the Japanese peace treaty, but also to think in terms of making Japan a "bulwark against the rising tide of communism." Japan became what the U.S. Secretary of State Dean Acheson called a "vital link in the defence perimeter" that ran from the Aleutians to the Philippines.<sup>2</sup>

Once the concept of peace crystallized, the United States made vigorous attempts to give effect to it in a treaty. Having decided on a "peace of reconciliation", she exerted the utmost pressure on her Pacific Allies to accept it. She called upon them to show the same degree of unity in peace-making as they had shown in waging the war. She exhorted them to show a greater awareness of the new threat which the Sino-Soviet bloc posed not only to them but also to Japan. Dulles, the architect of the peace treaty, argued that it was imperative to save Japan from falling a victim to the Communist Bloc because he feared that a combination of the Soviet Union, Communist China and Japan was fraught with dangers of the greatest dimensions for the whole of the Pacific and the Southeast Asian region.<sup>3</sup> He sought to bring Japan closer to the Southeast Asian region by means of a network of security ties directed against Communism. His efforts succeeded only partly, because, except the Philippines, Australia and New Zealand, no other nation in the region was enthusiastic about Dulles's security plans. Even the above three countries had deep misgivings about Japan, while entering into bilateral security pacts with the United States. Though Dulles approached Indonesia also for support to his security arrangements, he found the Indonesian response unfavourable. While Indonesia wel-

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<sup>2</sup> "Crisis in Asia — An Examination of U.S. Policy", Address by U.S. Secretary of State Dean Acheson on 23 January 1950. *Department of State Bulletin*, vol. 22, no. 551, 23 January 1950, p. 115.

<sup>3</sup> "Laying the Foundations for a Pacific Peace", Address by J. F. Dulles, on 1 March 1951. *Department of State Bulletin*, vol. 24, no. 610, 12 March 1951, p. 403.

comed the re-emergence of Japan as an independent nation, she did not want to get embroiled in cold-war politics.

A brief account of the nature of Indonesia's foreign policy is necessary for understanding the Indonesian attitude. Soon after attaining freedom in December 1949, Indonesia pursued an active and independent foreign policy which was meant to be a policy of peace and friendship with both Power Blocs on the basis of mutual friendship and non-interference.<sup>4</sup> Like India and Burma, she was confronted with the urgent task of nation-building, and wanted to direct all her energies towards building up economic and political stability in the country. She could not therefore afford the luxury of involving herself in cold-war politics. The task of national reconstruction entailed foreign assistance on a large scale. She took the decision of accepting technical, material and moral assistance from any country, provided such assistance did not involve the barter of her independence and sovereignty. The ideological orientation of Indonesia was similar to that of India and Burma, and there was a natural tendency for these countries to work together in the international sphere. The drafting of the Japanese peace treaty provided an opportunity for these three countries to discuss a common subject, and if possible to take a united stand. But in the end, Indonesia chose to sign the peace treaty, whereas India and Burma abstained.

Indonesia was not a member of the Far Eastern Commission and her attempts to join it did not materialise. The Netherlands by virtue of her fight against Japan during the Second World War held that seat.<sup>5</sup> This naturally deprived Indonesia of a forum to express her views on various matters affecting Japan. It was in September 1950 that Dulles for the first time conducted discussions on the treaty with the Indonesian delegation at the United Nations.<sup>6</sup>

From March 1951 onwards, when the prospects of a peace treaty had brightened, the Indonesian Government began to pay much thought to it. In April 1951, the Secretary-General of the Indonesian Foreign Ministry Dharmasathian declared, "Indonesia would prefer to sign a peace treaty in which all nations involved in the Pacific War against Japan would participate. He, however, added that if such a conference proved impossible, Indonesia would join in a "partial peace settlement" without the Soviet Union.<sup>7</sup> The Indonesian Government's

<sup>4</sup> For a detailed study see Dunning Idle IV, *Indonesia's Independent and Active Foreign Policy* (unpublished Doctoral Dissertation, Yale, 1956). G.M. Kahin, "Indonesian Politics and Nationalism" in W. L. Holland, ed., *Asian Nationalism and the West* (New York, 1953). Also Mohammad Hatta, "Indonesia's Foreign Policy", *Foreign Affairs* (New York), April 1953, pp. 441-52.

<sup>5</sup> Idle IV, *op. cit.*, pp. 58-59.

<sup>6</sup> Dunn, *op. cit.*, p. 109.

<sup>7</sup> See *Report on Indonesia* (Information office of the Republic of Indonesia, New York), 16 April 1951, p. 2.

thinking on the treaty was governed by two dominant considerations. One was that Japan should pay adequate reparations to Indonesia. The other was the rehabilitation of Japan. The Indonesian Government declared, "Japan is an Asiatic country which should be rehabilitated in the spirit of the U.N. Charter." It also wanted that the terms of such rehabilitation should be included in the peace treaty. It believed that the Japanese peace treaty should be formulated in such a way as to promote the cause of world peace. It observed, "In considering the issues of Japanese peace, we must study extensively those factors which in the long-run can guarantee world peace. We should not, in the expediency of a short-term policy, conclude a treaty with Japan which would only lead to various other crises later on."<sup>8</sup>

### *Anglo-American July Draft*

Indonesia received the Anglo-American treaty draft on 20 July 1951, and after careful study, she made many suggestions, and wanted them to be included in the peace treaty as "factors deserving of special attention." These suggestions were: (a) that the treaty should clearly recognise the sovereignty of Japan over her territories, and waters; (b) that in order to ascertain the wishes of the people, a free plebiscite should be held in the areas taken away from Japan by the U.S. and the U.S.S.R.; (c) that Indonesia should receive fair and just reparations; (d) that the peace conference should provide for a full discussion on the final text of the treaty; and (e) the Chinese People's Republic, and the Soviet Union should also participate in the conference "in the interests of lessening tension in the Far East."<sup>9</sup>

But the final text of the peace treaty rejected Indonesia's suggestion for a plebiscite in the areas taken away from Japan by the United States and the Soviet Union. It also excluded the participation of Communist China in the Peace Conference. Indonesia's suggestion for a full discussion in the Conference on the terms of the treaty was also rejected. Her suggestion concerning the recognition of Japan's sovereignty over her territories and waters alone was accepted.<sup>10</sup> As regards reparations, the United States had to make certain modifications in the treaty in order to meet the demands not only of Indonesia but also of other Southeast Asian nations.<sup>11</sup>

<sup>8</sup> *Ibid.*

<sup>9</sup> "The Japanese Peace Treaty", Indonesian Government's views on the July draft, issued on 6 August 1951. *Indonesian Review*, July/September 1951, pp. 290-91.

<sup>10</sup> See Chapter 1, Article 1(b) of the Peace Treaty. This particular article was included in the 1951 March draft, but omitted in the July draft. Indonesia wanted its inclusion.

<sup>11</sup> Especially the pressure brought on the U.S. by the Philippines proved decisive. For the Philippine attitude towards the Japanese Peace Treaty, see the author's recently published doctoral dissertation, *Japan's Relations with South-east Asia 1952-60* (Bombay: Somaiya Publications Ltd., 1972), pp. 31-61.

On account of the rejection of the majority of the Indonesian suggestions, the Sukiman Government felt considerably embarrassed, and could not make up its mind whether it should attend the Conference. It therefore chose to follow a policy of "watchful waiting."

In the meantime, it evinced a keen interest in knowing the views of other Asian countries on the issue and even endeavoured to convene, in Rangoon, a conference of four nations — India, Burma, Pakistan and Indonesia.<sup>12</sup> But such a conference could not come through for want of time. It therefore suggested that the talks could be held in Jakarta after the publication of the final text of the treaty.<sup>13</sup> But the talks were never held. Only Indonesia and Burma conducted some discussion on the subject. On 8 August, the Indonesian Foreign Minister Ahmad Subardjo paid a visit to Rangoon to study the Burmese stand.<sup>14</sup> Though for a while it appeared that Burma and Indonesia could come to an agreement on the question, nothing concrete emerged from their talks.<sup>15</sup> This was because Burma was more influenced by the views of India than those of Indonesia. The Burmese Foreign Minister, Sao Hkun Hkio had visited New Delhi in the last week of July and held discussions with the Indian Prime Minister Jawaharlal Nehru on the implications of the Japanese peace treaty.<sup>16</sup>

About 25 August, the stand taken by these three countries became clear. India and Burma declined the invitation to attend the Peace Conference, whereas Indonesia accepted it. But the decision to attend the Conference did not mean that Indonesia would automatically sign the peace treaty. The final decision was to be taken in the Conference in the light of "the political situation", with the approval of the Jakarta Government.<sup>17</sup>

In the San Francisco Peace Conference, the Indonesian Foreign Minister Ahmad Subardjo wanted to make amendments to certain clauses of the peace treaty. But the Conference did not permit any amendment. Hence the Indonesian statesman remained content only with making known the wishes of his country on certain subjects.

On reparations, Indonesia proposed that Japan should render assistance to the Allied countries.

(a) by making available the skills and industry of the Japanese people for the interest of the Allied Powers in question, in manufacturing,

<sup>12</sup> See Secretary-General Dharmasathian's statement, *Nation* (Rangoon), 6 August 1951.

<sup>13</sup> *Ibid.* Also "South Asia Resists Tokyo Pact Draft", *New York Times*, 5 August 1951.

<sup>14</sup> *New York Times*, 9 August 1951.

<sup>15</sup> See Mohammad Yamin's statement. Yamin went to Rangoon with Subardjo. *Ibid.*, 13 August 1951.

<sup>16</sup> See the editorial, "The Japanese Peace Treaty", *Nation*, 29 July 1951.

<sup>17</sup> *Report on Indonesia*, 28 August 1951, p. 7.

salvaging and other services to be rendered to the Allied Powers in question;

(b) by paying all expenditures incurred by the consignment of raw materials which will be made available by the Allied Powers for the manufacturing of goods in (a);

(c) by making available such goods as machinery, and workshops required for the reconstruction of the Allied Powers so desiring;

(d) by making available technicians required by the Allied Powers so desiring;

(e) by giving opportunity for trainees to work in Japan; and

(f) in conjunction with the suffering of the nationals of the Allied Powers during the war, by making funds available to mitigate the suffering.

Thus, Indonesia's terms on the form of reparations were much broader than those stipulated in Article 14 of the peace treaty.<sup>19</sup>

With regard to fisheries (Article 9), Indonesia wanted Tokyo to enter into a bilateral agreement with her and argued that pending the signing of such an agreement, Japan could fish in the seas "between and surrounding" the Indonesian Islands only after obtaining special permission. Indonesia also sought to make an amendment to Article 12 to the effect that Japan would strictly observe "internationally accepted fair practices" in public and private trade and commerce.<sup>20</sup>

As we have already noted, the Conference did not permit any amendments and therefore Indonesia demanded positive guarantees from Japan that she would promptly enter into bilateral negotiations with her for the conclusion of satisfactory agreements on reparations and fishing. Premier Yoshida Shigeru in his private talks with the Indonesian delegation at San Francisco gave both oral and written assurances that Japan would carry out her obligations in "good faith", and "flexibly interpret" Articles 14 and 9 of the treaty. This resolved the Indonesian scepticism considerably and induced Subardjo to sign the treaty.<sup>21</sup>

The signing of the treaty stirred up a political controversy in Indonesia, and parties like the Indonesian National Party, the Socialist Party and the Communist Party vigorously criticised the action of the Government for two reasons. They argued that Indonesia ought to have rejected the treaty as it did not incorporate the suggestion made by

<sup>18</sup> Foreign Minister Ahmad Subardjo's speech in the San Francisco Peace Conference, *Provisional Verbatim Minutes of the Conference for the Conclusion and Signature of the Treaty of Peace with Japan* (Ministry of Foreign Affairs, Tokyo, 1951), p. 253.

<sup>19</sup> Article 14 a para (1) said that Japan would make available "the services of the Japanese people in production, salvaging and other work for the Allied Powers in question."

<sup>20</sup> *Ibid.*, pp. 252-53.

<sup>21</sup> See Yoshida's reply to Subardjo in the Peace Conference, *Provisional Verbatim Minutes*, p. 329; also "Indonesia Achieving the Utmost at the San Francisco Conference", *Indonesian Review* (Jakarta), October-December 1951, pp. 424-25.

the Government. They further contended that by signing the treaty, Indonesia had violated her active and independent foreign policy. The correct attitude, they pointed out, "would have been to send no delegation to San Francisco."<sup>22</sup> Soetan Sjahrir, the former Indonesian Prime Minister was nearer truth when he said in New Delhi on 23 September 1951 that the differences between India and Indonesia on the peace treaty were unfortunate and that a large section of people in Indonesia "appreciated India's viewpoint in this matter."<sup>23</sup>

Opposition to the signing of the treaty also came from the powerful Natsir group within Premier Sukiman's Masjumi Party. The Natsir group feared that the peace treaty had imposed certain economic and political limitations on Japan and that the Japanese people in future would try to liberate themselves from these restrictions. The Natsir group however fully sympathised with Japan's right to enter the comity of free nations, but advocated that Indonesia should enter into a bilateral peace treaty with Japan.<sup>24</sup>

It is also interesting to note the extent to which the party was sharply divided on the question. The Masjumi Party's National Executive discussed the question in the first week of September and finally decided on 6 September in favour of signing the treaty. The voting in the Party Executive was 17 in favour, and 14 against with 2 abstentions. It should be pointed out that out of the total 60 members of the Executive, only 33 took part in the voting. Hence the final decision of the Party represented only the wishes of a minority.<sup>25</sup> This greatly weakened the position of Premier Sukiman.

Yet another factor that weakened the position of the Sukiman Cabinet was the attitude of the Indonesian National Party (PNI). Sukiman's was a coalition cabinet in which the PNI held five out of its total sixteen posts. On 7 September the PNI took the decision of opposing the signing of the treaty. On the same day the Sukiman Cabinet also considered the question and finally decided to sign the treaty. The voting in the Cabinet was 10 in favour and 6 against. The Masjumi, PIR, Catholic and Democratic ministers and the non-party member Djuanda supported it while it was opposed by the PNI and the Labour Party.<sup>26</sup> With the Masjumi Party itself sharply divided, not only did the ratification of the treaty appear impossible, but the

<sup>22</sup> "Parliamentary Circles on the Conference", *Report on Indonesia*, 7 September 1951, p. 2.

<sup>23</sup> *Japan Times* (Tokyo), 25 September 1951.

<sup>24</sup> See Noer Deliar, *Masjumi: Its Organisation, Ideology, Political Role in Indonesia* (unpublished M.A. thesis, Cornell, 1960), pp. 245-51.

<sup>25</sup> *Ibid.*, p. 245. See also *Report on Indonesia*, 16 September 1951; Kahin, *op. cit.*, pp. 191-92.

<sup>26</sup> Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (New York, 1962), p. 196. See a good article in Japanese, "Indonesia no Seijo", *Sekai*, February 1952, pp. 15-19.

Cabinet itself faced a crisis. On 30 September, the PNI Executive Council, however, announced that though it would oppose the parliamentary ratification of the treaty, it would not withdraw its members from the Cabinet and precipitate a crisis.<sup>27</sup> This decision of the PNI saved the life of the Cabinet for the time being.

The Government stand in favour of signing the treaty rested on certain grounds. First it did not agree with the opposition parties that the signing of the treaty meant the abandonment of Indonesia's active and independent foreign policy. It contended that an independent foreign policy did not mean "non-activity or neutralism." Premier Sukiman declared on 11 September that the Japanese peace treaty was "an attempt to establish a new structure of relationships in the Pacific" and that "it would become a reality with or without Indonesia's consent." He argued that, "whether or not Indonesia participates in such a treaty, she will be influenced directly or indirectly by this new structure in the political, economic, social and military fields. If we participate, we have the chance to utilise our position to our interests."<sup>28</sup>

As regards Indonesia's failure to toe the line of India, the Government stated that though Indonesia's foreign policy generally paralleled that of India, in the case of the Japanese peace treaty, the two policies differed, due to their respective national interests and geographical positions.<sup>29</sup> It even felt that if Indonesia had fallen in line with India, she would not have created goodwill among the participating countries.<sup>30</sup> It further observed that in the Peace Conference most of the Allied nations had shown a change of attitude towards Japan, and therefore it advised the Indonesian delegation at the Conference to sign the treaty. Foreign Minister Subardjo put it more effectively when he declared that "with the signing of the Japanese Peace Treaty, Indonesia has strengthened her position in the international world; if we had not signed the treaty, we would have become isolated, lost prestige and suffered damage in our international relations."<sup>31</sup>

Yet another consideration that weighed with the Indonesian Government was the economic co-operation it hoped to build up with Japan. While it was aware of the "dangers of Japanese economic expansion", it refused to believe that "there is no hope to be gained from new Japan." It declared: "If MacArthur is right, and the Japanese people are well on the way to absorbing the attitudes of democracy, then it is surely the duty of all peace-loving nations to assist them. Japan cannot be either occupied or isolated for ever, and if other nations are

<sup>27</sup> *Report on Indonesia*, 30 September 1951, p. 12.

<sup>28</sup> *Ibid.*, 29 October 1951, p. 3.

<sup>29</sup> *Ibid.*, 30 September 1951, p. 2.

<sup>30</sup> "Indonesia at the San Francisco Conference", *Indonesian Review*, October/December 1951, p. 375.

<sup>31</sup> *Report on Indonesia*, 30 September 1951, p. 2.

inclined to be watchful and vigilant, they can nevertheless see that certain advantages accrue to them in ending the Occupation and bringing the isolation to an end."<sup>32</sup>

Since the Sukiman Government anticipated stiff opposition to the ratification of the peace treaty in Parliament, it decided to conduct bilateral negotiations with Japan and settle the questions of reparations and fisheries. It thought of submitting this bilateral agreement along with the peace treaty to Parliament for ratification. It believed that such a course of action would pacify the opposition and facilitate ratification.<sup>33</sup> The bilateral negotiations started in December 1951 at Tokyo and the outcome of the talks provided the real key to the ratification of the peace treaty. Though an interim agreement was signed on 18 January 1952 between Indonesia and Japan on the form of reparations, they failed to come to any understanding on its amount.<sup>34</sup> Similarly, no agreement could be reached on the question of fisheries. Even the interim agreement on the form of reparations came in for scathing criticism in Indonesia.<sup>35</sup> Hence Premier Sukiman could not take any action on the Japanese peace treaty. In the meantime, there arose a controversy over the Government's action on the Mutual Security Aid Agreement with the United States which led to the downfall of the Sukiman Cabinet on 23 February 1952.

The fall of the Sukiman Cabinet brought about a basic change in the stand of Indonesia on the Japanese peace treaty. The Wilopo Cabinet which followed disapproved of the signing of the San Francisco Peace Treaty and preferred a bilateral peace treaty with Japan.<sup>36</sup> As the interim reparations agreement of 18 January 1952 was based on the letter and spirit of the San Francisco peace treaty, its fate was also dealt. Hence both countries had to start the negotiations once again on an entirely new basis. Subsequent cabinets headed by Ali Sastroamidjojo, Harahap and Djuanda also pursued Wilopo's policy, and it was only in January 1958, following a satisfactory settlement of the reparations question that Indonesian Premier Djuanda and Japanese Premier Kishi Nobusuke signed a bilateral peace treaty leading to normalisation of diplomatic relations between the two nations.

<sup>32</sup> "Indonesia and Peace Treaty with Japan", *Indonesian Affairs* (Ministry of Information, Jakarta), October/November 1951, p. 6.

<sup>33</sup> "The Question of Ratifying the Peace Treaty", *Report on Indonesia*, 11 October 1951, pp. 2-3.

<sup>34</sup> "Indonesia and Japan Sign the Interim Agreement", *ibid.*, 19 January 1952, pp. 1-2.

<sup>35</sup> See the views of various party dailies, *ibid.*, 31 January 1952, p. 1.

<sup>36</sup> See Wilopo's statement in Indonesian Parliament on 9 May 1952. *Indonesian Affairs*, April-May 1952, vol. 3, no. 2, p. 3. See for background story, "Furippin, Indonesia: Naze hijun ga okurete iru ka?", *Asahi*, 23 June 1952.