

# A Japanese Diplomatic Victory ?

Japan's Regionalism and the Politics between Japan,  
the United States and Southeast Asia, 1965 - 1966

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## Introduction

Asia waited too long.

U Nyun, the Executive Secretary of the UN Economic Commission for Asia and the Far East (ECAFE, now ESCAP) commented at a press conference after the inaugural meeting of the Asian Development Bank (ADB), which was opened at the Tokyo Prince Hotel in Japan in November, 1966.<sup>1</sup> Since becoming the Executive Secretary in 1959, he continued to endeavor in the establishment of economic cooperative institutions in Asia and at last he had achieved it. His words must have echoed heavily.

In fact, establishing a multilateral arrangement among Asian countries in order to promote economic cooperation had not advanced at all through the 1950s to the early 1960s<sup>2</sup>. However, in 1966, there was a rush of regional movements not seen before – in addition to the ADB, Korea convened the Asia Pacific Conference (ASPAC) in June of the same year, and we saw the birth of the Association of Southeast Asian Nations (ASEAN) the following year.

## The Ministerial Conference for the Economic Development of

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1 *Yomiuri Shinbun*, 27 November 1966.

2 For overview, see Lalita Prasad Singh, *The Politics of Economic Cooperation in Asia: A Study of Asian International Organizations*, Columbia, 1966.

Southeast Asia ` MCEDSEA ` , which was convened in Tokyo in April 1966 and sponsored by the Japanese government, was another of these regional institutions<sup>3</sup>. Although it went into recess spontaneously in 1974, this conference was regarded as a Japan's diplomatic victory<sup>4</sup> because it was the first international ministerial conference for which Japan took initiative since the end of World War II. A distinguished historian Edwin O. Reischauer, who was then Ambassador to Japan, praised the opening of this conference as ` a great success ` and evaluated it as being more important than the Vietnam War from a historical standpoint<sup>5</sup>.

This paper has three purposes. First, it aims to disclose the true objective of the Japanese government by delineating internal politics over the convention of MCEDSEA and its efforts to persuade Asian countries to participate. Second, it has the purpose of describing why and how Southeast Asian countries accepted Japan's call in spite of their initial reluctance. Lastly, it aims to clarify differences in understanding and policy regarding MCEDSEA between Japan, Southeast Asian countries, and the United States, and thus to show the limitations of the initiative from Japan<sup>6</sup>.

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3 It was agreed that the conference would be held annually. Those participating nations were Laos, Malaysia, The Philippines, Singapore, Thailand, South Vietnam, Cambodia (as an observer), and Indonesia (as an observer). Burma (now the Union of Myanmar) did not send a delegate.

4 From Tokyo to Department of State, ` Bi-Weekly Economic Report ` , 22 April 1966, *Confidential United State Department central files, Japan, internal affairs and foreign affairs, February 1963 - 1966*, (hereafter referred to as *CUSSD*) [University Publication of America, 1997], Microfilm, Reel10.

5 Edwin O. Reischauer and Haru Reischauer, (editorial supervision by Irye Akira) *Reischauer Taishi Nichiroku* [Daily Memorandum of Ambassador Reischauer] (Tokyo, 2003; First published by Kodansya, 1995), 275.

Though almost 40 years have passed since the inaugural conference, there continues to be disagreement among conventional studies on why the Japanese government was eager to host this conference. On one pole, there is a view that Japan's initiative was a demonstration of cooperation with the United States<sup>7</sup>. Since U.S. President Lyndon B. Johnson at that time urged the so called 'Johnson doctrine'<sup>8</sup>, which was a \$1 billion aid plan for the economic development of Southeast Asian countries, there is a view in this school that by following the U.S. policy, the Sato cabinet had an ulterior motive to have Okinawa returned to Japan<sup>9</sup>. Others assert that since the influence of the United States in Asia had been decreasing due to the deep commitment in the Vietnam War, the Japanese government intended to exercise its diplomatic autonomy vis-à-vis the United States

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6 Unless mentioned otherwise, the primary sources of the Japanese government have been made available under the Freedom of Information Act in 2001 in Japan. In order to avoid redundancy, the names of organizations and the titles of their documents are translated by the author and such documents are marked with \* . All Japanese names are given in Japanese form with last name first .

7 Sueriho Akira, 'Keizai Sai Shinsyutsu Eno Michi [Nihon No Tai Tonan Ajia Seisaku To Kaihatsu Taisei] Pathway to economic advancement: Japan's Southeast Asia Policy and Development Regime I', in *Sengo Kaikaku To Sono Isan [Post War Reform and its Legacy]*, eds., Masanori Nakamura et.al. (Tokyo, 1995), 249; Kan Hideki, 'Betanamu Senso To Nichibei Anpotaisei [The Vietnam War and the United States-Japan Security Treaty System]', *Kokusai Seiji [International Relations]* 115 (1997): 81; Jeong Kyong-Ah, '60 Nendai Ni Okeru Nihon No Tonan Ajia Kaihatsu [The Japanese Policy of Southeast Asian Development: With the Focus on The Ministerial Conference for Economic Development in Southeast Asia and the Idea of Asia Pacific Area]', *Kokusai Seiji [International Relations]* 126 (2001): 120.

8 Lloyd C. Gardner, *Pay Any Price: Lyndon Johnson and the Wars for Vietnam*, (Chicago, 1995), chap9.

9 Jeong, '60 Nendai', 120.

by creating a new regional economic order<sup>10</sup>. Other studies – especially by non-Japanese scholars – argue that the Japanese government considered the creation of a multilateral aid forum as being the best way to overcome painful memories of the days of Japanese imperialism<sup>11</sup>. Thus, there are no convergent views about why the Japanese government intended to convene MCEDSEA. Indeed, views are diametrically opposite. However, we can see a common thread. That is, whether asserting collaboration with the United States, or emphasizing Japan's independent diplomacy toward Asia, it is thought that MCEDSEA was an opportunity for Japan, which was achieving rapid economic growth at that time, to increase its foreign aid as an economic power<sup>12</sup>. In fact, then Prime Minister Sato Eisaku expressed that Japan would expand its development aid in the opening statement of the conference. In addition, both the Minister of Finance Fukuda Takeo and the Minister of the Economic Planning Agency – EPA – Fujiyama Aiichiro swore that they would make efforts to achieve an economic aid of over 1% of the GNP as soon as possible, and in particular put an emphasis on aiding

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10 Soeya Yoshihide, "Japan's Policy Toward Southeast Asia – Anatomy of Autonomous Diplomacy and the American Factor – in *China, India, Japan and the Security of Southeast Asia*, ed. Chandran Jeshurun (Singapore, 1993), 98; Takahashi Kazuhiro, "Tonan Ajia Keizai Kaihatsu To Betonamu Senso Wo Meguru Nichibei Kankei ¶ United States-Japan Relations over Southeast Asian Economic Development and Vietnam War", *Tsukuba Hosei The Tsukuba University Journal of Law and Political Science* 36-37 (2004).

11 Walt W. Rostow, *The United States and the Regional Organization of Asia and the Pacific*, 1965 (Austin, 1986), 25; Michael Haas, *The Asian way to peace: a story of regional cooperation* (New York, 1989), 91.

12 In addition to those studies mentioned above, see also Yamakage Susumu, "Ajia-Taiheiyo To Nihon ¶ Asia Pacific and Japan", in *Sengo-Nihon No Taigai-seisaku* (Postwar Japan's external policies), ed. Watanabe Akio (Tokyo, 1985), 144-151.

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Table 1. The Flow of Japan's Financial Resources to Developing Countries and Multilateral Agencies \$million

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Official Development Assistance											
Bilateral											
Grants and grant-like contributions	67.8	74.6	76.7	68.7	82.2	104.7	138.4	117	123.4	121.2	125.4
reparations as part of above	65	67	62	57.8	62.8	55.6	81.7	46.4	41.3	18.2	21.8
Government long-term loans	27.7	5	51.5	37.5	144.1	130	202.2**	190.5	216.2	250.3	306.7
Southeast Asia + Burma	69.23	75.9	69.15	64.09	73.11	98.06	189.6	131.78	164.66	192.49	212.33
Multilateral	11.4	7.2	12.1	9.7	17.5	50.6*	44.7	48.8	95.9***	86.5	78.7
Total Official	106.9	86.8	140.3	115.9	243.8	285.3	385.3	356.3	435.5	458	510.8
Private Investment and Lending											
Private Export Credits	180.7	130.3	103.1	135.7	154.7	156.8	161.7	569.6	609.5	736.4	765.7
Private Investment and Lending	98.4	68.4	76.7	39.3	87.4	97.1	48.9	122.6	199.9	408.1	492.5
Multilateral Portfolio Investment	- 4.6	0.7		0.3		0.4	- 0.1		18	221.4	371.6
Total Private	274.5	199.4	179.8	175.3	242.1	253.5	210.5	692.2	827.4	1365.9	1629.8
Total Official and Private	274.5	199.4	320.1	291.2	485.9	538.8	595.8	1048.5	1262.9	1823.9	2140.6
The Ratio of Total Official and Private: GNP	0.71	0.49	0.4	0.36	0.55	0.62	0.67	0.74	0.76	0.93	0.95
The Ratio of Total Official: GNP	0.2	0.15	0.21	0.15	0.28	0.28	0.28	0.32	0.25	0.26	0.23

Source: Tsusyo-sangyo-sho, Keizai Kyoryoku No Genjo To Mondai-ten 'The current state and problems of economic cooperation' various issues.

\* This amount included donations to IBRD 10.66 , IDA 13.75 , and ADB 20 .

\*\* This increase was resulted from the Inter-Governmental Group for Indonesia 90.5 .

\*\*\* This amount included donations to IDA 44.3 , ADB 20 , and ADB special fund ( 20 ) .

Table 2. New projects established at MCE/SEA and Japan's contribution \$million

Year	Name of projects	Japan's contribution
1966	Fund for Agricultural Development in Southeast Asia	20 (December, 1968)
	Southeast Asian Fisheries Development Center	0.75
1967	Southeast Asian Agency for Regional Transport and Communications Development	Not more than 1.9*
	A Seminar for Development of harbors in Southeast Asia	
1968		
1969	The Analysis for SouthEast Asian Economy in th 1970s	Not more than 2.6**
	Regional Cooperation for Public Health and Regulation for Insecticide	
1970	Study Group on Asian Tax Administration and Research	Not more than 2.93***
	Regional Organization for Inter-Governmental Cooperation and Coordination in Family and Population Planning in Southeast Asia	
	A Feasibility Study for Cooperation of Management Education	
1971		
1972	The Organization for Southeast Asian Medical Insurance (Not organized)	
1973		
1974		
1975	not opened	

Source: Yamakage1985, Okurasyo, Yosano-Setsumeii [An Explanation of the Budget] various issues.

\*Funds were taken from the Organization for Economic Development and Co-operation's budget of \$1.9 million.

\*\*Funds were taken from the International Contributions not including these to the UN budget of \$2.6 million.

\*\*\*Funds were taken from the International Contributions not including these to the UN budget of \$2.93 million.

Southeast Asian countries<sup>13)</sup>.

However, as Table1 and Table2 show, there is no clear evidence that Japan increased its foreign aid as a result of the conference and indeed only a small amount of money was spent on MCEDSEA. Conventional studies could not explain this reality, thus commonly accepted views on this conference need to be modified. The need for modification is supported by my recent study which empirically analyzed the decision-making process of the Ministry of Foreign Affairs (MOFA)<sup>14)</sup>. In the same vein as my previous study, this article asserts that the main reason why MOFA promoted MCEDSEA was to determine how the funds allocated for the Johnson plan would be spent. Of course, Japan itself would also donate, but it was assumed that the main donor country would be the United States. Because Japan was determined to finance the ADB and was about to start economic cooperation with South Korea and Taiwan, it had neither the ability nor the intention to solely burden itself with aid for Southeast Asian nations. As the United States had deepened its commitment into war in Vietnam, the Japanese government thought that the United States would need to avoid direct involvement in development aid in the region so as not to induce unnecessary repulsion, in particular, from neutral countries such as Cambodia and Indonesia. The Japanese government tried to convene a conference for Asia, and after discussing development projects among the Asian countries in attendance, it planned to request

13 *Yomiuri Shinbun* (evening edition), 6 April 1966. *Asahi Shinbun*, 8 April 1966.

14 Hoshiro Hiroyuki, *Tonan Ajia Kaihatsu Kakuryo Kaigi No Kaisai To Nihon Gaiko 1960 Nendai Ni Okeru Nihon No Inisyatibu To Sono Genkai* [The Ministerial Conference for the Economic Development of Southeast Asia and Japanese diplomacy: Japan's Initiative and its Limitations in the 1960s], *Kokusai Seiji International Relations* 144 (2006): 1-5. Whereas that study focused mainly on the decision-making process inside MOFA, this article deals with internal politics between MOFA and other ministries, and international relations between Japan, the United States, and Southeast Asian countries.

investment from developed countries, mainly the United States, which had already announced it would give a large amount of money to Southeast Asia. In order to make those countries participate and secure the internal approval, the Japanese government had to insist that MCEDSEA was not directly related to the Johnson plan and it was not aimed at forming a political grouping. This understanding, however, did not coincide with those from the United States or Southeast Asian countries. The United States and participating nations expected Japan to contribute a large amount of financial aid. This discrepancy between Japan, the United States, and Southeast Asian nations regarding MCEDSEA doomed this conference to failure.

### The Johnson doctrine and convention of MCEDSEA

On April 7, 1965, President Lyndon Johnson made a famous speech at Johns Hopkins University in Baltimore, announcing that he would ask the Congress to join in a billion dollar American investment for development in Asia. In order to achieve this goal, he named a special team headed by Eugene Black, former president of the World Bank<sup>(15)</sup>. Japan's decision to convene MCEDSEA was closely related to this speech the Johnson plan .

At that time, the Japanese government was seeking a new aid policy. In addition to reparation for WWII being past its peak, the United Nations Conference on Trade and Development (UNCTAD) recommended in 1964 that developed countries contribute 1% of their GNP as economic aid total flow of financial resources . Taking the Johnson plan seriously, Prime Minister Sato ordered MOFA to cooperate with the United States by taking initiative to make a new aid plan<sup>16</sup> . As a result of this, MOFA began to

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15 *Public Papers of the Presidents of the United States, Lyndon B. Johnson, 1965*, Washington, 1966 ), 394-399.

16 Summary of Discussions, Second Japan-U.S. Policy Planning Consultations, 24-27 April 1965, *CUSSD*, Reel44.

move toward creating a multilateral aid forum. The main bureau in charge of planning MCEDSEA was the Economic Cooperation Bureau (ECB). In particular, Nishiyama Akira (Director), Yoshino Bunroku (Deputy Director) and Mikanagi Kiyonao (Chief of the International Cooperation Section; ICS)<sup>17</sup> were the main planners.

On April 21, only two weeks after the president's Baltimore speech, MOFA launched the "Peace for Asia" program. The objective of the program was to secure the establishment of an organic cooperative system among Asian nations since economic stability is the first prerequisite to the establishment of peace in Asia. To achieve this objective, long-term loans at low interest, technical assistance etc. would be considered for developing countries. Expected participants were Japan, Korea, Formosa (Taiwan), the Philippines, South Vietnam, Laos, Cambodia, Malaysia, Indonesia, Thailand and Burma. North Vietnam would be strongly encouraged to join this scheme, and in the case of Mainland China and North Korea, there was a possibility for the door to be opened in the distant future. Donor countries were to be the United States, the Soviet Union, Australia, New Zealand, Canada and West European countries with close cooperative relations with international organizations such as the IMF, the World Bank, ECAFE and the Mekong River Committee. Noteworthy is that the financial contributions were \$500 million from Japan and an additional \$1 billion from the United States, \$500 million from countries outside the Asian region, and \$200 million from countries within the region excluding Japan<sup>18</sup>. Considering Japan's total foreign aid of \$300 million in the previous year, we can see how daring this program was. The ECB's view was that it was necessary for Japan to show its zeal by contributing large amounts of money. The bureau also praised itself, announcing that

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17 After May, when a change of personnel in MOFA was carried out, Mikanagi held the position.

18 \*MOFA, "Peace for Asia Program", 21 April 1965.



this program was an epoch-making plan to ease tensions and to secure peace and prosperity in Asia<sup>19</sup>. The donation of \$1 billion from the United States was the \$1 billion of the Johnson plan. The ECB preferred that the funds for the Johnson plan not be paid to the ADB, over which India and Pakistan would have influence, but instead would give the total amount to the Peace for Asia scheme<sup>20</sup>.

This program, however, only represented MOFA's view and two days later Prime Minister Sato bluntly said that he would not accept it due to financial reasons<sup>21</sup>. Sato had the idea that the Japanese government could cooperate with the United States by announcing that it would construct a bridge, a dam, or a road. According to Yoshino, Sato wanted a small

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19 \*ECB, The significance of our contribution for the peace for Asia program (private memorandum to the director)", 15 April 1965.

20 \*ECB, An item of economic cooperation in the time of Lodge's visit (Asian Development Bank)", 23 April 1965, *Regarding Asia Development Bank*, Microfilm B0148, Gaiko Shiryo Kan, Tokyo.

21 Tokyo to Secretary of State, 24 April 1965, National Security File (hereafter NSF), Country File (hereafter CF), box250, Lyndon Baines Johnson Library (hereafter LBJL), Austin, Texas; Summary of Discussions, Second Japan-U.S. Policy Planning Consultations, 24-27 April 1965, *CUSSD*, Reel44. Japan agreed to grant Taiwan a long-term credit of \$150 million over 5 years on April 16 of that year. Moreover, Japan established diplomatic relations with South Korea in the same year and agreed to give the South Korean government a \$300 million grant and \$200 million in credit over 10 years. Sato's remark was based on those facts. The Ministry of Finance (MOF) was also consistently opposed to finance the increases for foreign aid because it had already decided to contribute \$200 million to the ADB. The Ministry of International Trade and Industry (MITI) also was not in favor of cooperation with the Johnson plan due to its criticism of the United States, which continued to attack North Vietnam. *Yomiuri Shinbun*, 27 April 1965.

program with a narrow and specific focus<sup>22</sup>. Sato was consistently opposed to any increase in the Japanese contribution to the Southeast Asian region from that time onward. For example, when the Ambassador Edwin Reischauer inquired about Japan's role in the economic development of Southeast Asia on June 15, Sato responded that Japan was not in the position for a greatly increased economic role abroad. Sato explained that because of the previous cabinet's misguided policies in the past, serious economic readjustments were necessary<sup>23</sup>. Likewise, in July, even after approving the basic plan to convene MCEDSEA, Sato remained very negative on the possibility of greater financial contributions from Japan<sup>24</sup>. Thus, because of Sato's rejection, MOFA was forced to draw up an alternative to the "Peace for Asia" program to cooperate with the Johnson plan.

Even after the "Peace for Asia" program was turned down, MOFA continued to investigate the intentions of the Johnson plan. Through its information-gathering in the United States, and conversations with the Secretary of State Dean Rusk, Chairman of the State Department's Policy Planning Council Walt Rostow, and Ambassador Reischauer, MOFA reached a conclusion about the Johnson plan. It was understood that this plan was not so much a U.S. declaration of anything definite as an appeal, in which the United States expected the specifics to come from Asian countries as a response to a call from the U.S. The ECB declared it to be a notable approach, as it was unprecedented for U.S. aid policy<sup>25</sup>. The United States had also continuously demanded Japan's proposals. The ECB's view was that although there was disagreement domestically about the materialization of the plan due to the continued bombing of North

22 Tokyo to Secretary of State, 24 April 1965, NSF, CF, box250, LBJL.

23 Tokyo to Secretary of State, 15 June 1965, NSF, CF, box250, LBJL.

24 Tokyo to Secretary of State, 9 July 1965, NSF, CF, box250, LBJL.

25 \*ECB, Regarding president Johnson's development plan for Southeast Asia, 6 May 1965.

Vietnam, we think that we should cooperate to actualize the plan, and develop toward a direction coincident with our diplomatic objective . Unless Japan showed a cooperative posture, we will incur distrust that our Asian policy and cooperation with the United States are nothing but nominal <sup>26</sup> . After several modifications <sup>27</sup> , the basic plan of MCEDSEA was formed on July 30. It was named The Ministerial Conference for the Economic Development of Southeast Asia <sup>28</sup> . Japan, the Philippines, South Vietnam <sup>29</sup> , North Vietnam , Laos, Cambodia, Malaysia, Indonesia, Thailand and Burma were named as participating countries, and it would be held in October in Tokyo. It was hoped that after discussion during the conference, a ten year plan of economic development for Southeast Asia would be put forward. MOFA also hoped that the conference would express their expectations for aid from the ADB and the developed countries representing the United States. Importantly, the conference was to aim to create an arrangement, whereby aid could be distributed by Asia itself, rather than from above. MOFA's notion was that while the aid plan of the United States was to come out of goodwill , it would be misinterpreted if it were only given for a limited area, which had been disturbed by war. After making the opinions of the Southeast Asian nations clear and then accepting aid from the countries which had a desire to give it, MOFA believed that it will be sure that the

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26 \*ECB, "Our policy regarding the development plan for Southeast Asia (a proposal )", 9 June 1965.

27 For details regarding this process, see Hoshiro, *Tonan Ajia* , 2 8.

28 In Japanese, there are two words for minister . One is *Daijin* and the other is *Kakuryo* . MCEDSEA used the latter and the title of this plan used the former.

29 North Vietnam was later deleted from this list probably due to the impossibility of its participation.

aid is not only in the interest of Southeast Asian countries<sup>(30)</sup>. In those documents, we can see a basic principle of MCEDSEA. Namely, MOFA had resolved to open the conference; a forum for proposing a development plan for Asians by Asians, in response to the Japanese government's interpretation of the Johnson plan.

### Japan's plan and Southeast Asia

On July 1, at an inter-bureau conference for the preparation of the Joint United States-Japan Committee on Trade and Economic Affairs (JUSJC) that would open on the 12th of the same month, MOFA explained the idea to utilize the Johnson plan. MOFA stated that in order to adjust future development aid in Asia, it intended to establish an informal conference similar to Committee for the Alliance for Progress (CIAP), which would assemble delegations in the region. However, both MITI and MOF opposed it. A MOF official said that the United States leaned toward the Mekong area and Vietnam too much and must consider development for Asia more widely. \$1 billion should be utilized as a trust fund, which would be established with the ADB. MITI also opposed the creation of a new institution to make use of the Johnson plan, and backed the idea of a trust fund. Another of MITI's options was to provisionally organize an advisory committee in ECAFE which would later be absorbed into the ADB. The Economic Planning Agency (EPA) was similarly opposed to MOFA's view<sup>31</sup>. When a ministerial meeting was

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30 \*ECB, "An outline of the idea of MCEDSEA and some strategies for its success", 30 June 1965; \*ECB, "The idea of MCEDSEA", 7 July 1965; \*ECB, "Regarding MCEDSEA (a draft)", 10 July 1965; \*ECB, "The idea of MCEDSEA", 12 July 1965; \*ECB, "The main points of MCEDSEA", 12 July 1965.

31 \*Economic Affairs Bureau, America and Canada Division, "The Ministers' opening statements (The conflicting points at an inter-bureau meeting)", 1 July 1965; *Nihon Keizai Shinbun*, 2 July 1965.

held the following day, the three ministries' views were upheld by their ministers. MOF was apprehensive about the consequence that Japan would be forced to contribute a large donation as a result of holding this conference. MITI was afraid it would be realized that this conference had a direct relationship with the Johnson plan<sup>32</sup>. Even after ministers of the Japanese government arrived in Washington D.C., there was no uniform opinion in regard to Japan's policy. Therefore, it was determined that this idea would be proposed to the U.S. Secretary of State by the Foreign Minister Shiina as a plan not fully endorsed by the Japanese government<sup>33</sup>.

As mentioned above, Sato also disapproved of a large contribution from Japan. In spite of those domestic oppositions, however, MOFA moved to persuade Southeast Asian countries to participate in the conference. Although the idea was originally planned to be first conveyed to the United States at JUSJC on July 12, MOFA was worried that Asian countries would hesitate to participate if this plan was leaked by the mass media<sup>34</sup>. Thus, this plan began to move forward without full support from the inside, any financial guarantee or substantial plans.

The countries that expressed their will to participate without hesitation were Laos, Malaysia, the Philippines, South Vietnam, and Thailand. Almost all of them acknowledged the connection between the Johnson plan and Japan's proposal. For example, South Vietnam's foreign minister said 'it is pleasing that Japan is taking initiative to promptly actualize the

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32 \*Shiina to Overseas Agencies of MOFA in Southeast Asia, MCEDSEA, 7 July 1965.

33 *Asahi Shinbun*, 7 July 1965; \*ECB, International Cooperation division 'ECBICS', The inter-ministry meeting regarding MCEDSEA, 20 September 1965.

34 *Ibid.* This telegram mentioned that, in fact, the first page of *Asahi Shinbun* on July 3 reported MOFA's idea to open MCEDSEA in order to put the Johnson plan into effect. *Asahi Shinbun*, 3 July 1965.

Johnson plan<sup>35</sup>. As for Malaysia, deputy assistant secretary for foreign affairs mentioned that although the United States had not yet approached Malaysia regarding the Johnson plan, the Malaysian government wanted to examine Japan's plan immediately<sup>36</sup>. The Foreign Minister of Thailand Thanat Khoman also said since the announcement of the Johnson plan, I have thought that Japan would be the most suitable country to take the initiative, just as the United Kingdom played a role to materialize the Marshall plan. He praised Japan's initiative to convene the conference as a good idea<sup>37</sup>. The Philippines Foreign Minister Mendez Mauro declared that we are ready to participate in this conference and Asian countries should come up with some ideas regarding the Johnson plan<sup>38</sup>. Even after Ferdinand E. Marcos won the presidential election and was inaugurated in December of the same year, the new administration did not change its intention to join, and formally conveyed its decision to Japan the following month<sup>39</sup>. Japan found that pro-Western countries were easily convinced.

The countries hard to deal with were Burma, Cambodia, Indonesia, and Singapore, which had professed themselves to be neutral powers. They had suspicions that the United States was pulling the wires behind Japan's plan. Therefore, in order to secure their participation, the Japanese government tried to convince them that this conference was separate from the Johnson plan<sup>40</sup>. That is, the Japanese government had to show those neutral nations that Japan did not obey the United States blindly.

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35 \*Saigon to the Minister of Foreign Affairs, MCEDSEA, 7 July 1965.

36 \*Kuala Lumpur to the Minister of Foreign Affairs, MCEDSEA, 7 July 1965.

37 \*Bangkok to the Minister of Foreign Affairs, MCEDSEA, 8 July 1965.

38 \*Manila to the Minister of Foreign Affairs, MCEDSEA, 8 July 1965.

39 \*Manila to the Minister of Foreign Affairs, Regarding MCEDSEA, 13 January 1966.

40 \*Minister of Foreign Affairs to Burma, MCEDSEA, 10 July 1965; \*Minister of Foreign Affairs to Cambodia and Indonesia, MCEDSEA, 10 July 1965.

Moreover, participation of those countries was absolutely necessary to sweep away the impression that this conference has political intention<sup>(41)</sup>. MOFA did not think that this forum should be opened in a hurry and with limited participants, but had an aim to have as many countries as possible participate even if it meant that the forum would be postponed until much later than expected<sup>42</sup>. In addition to this consideration, however, there was an intra-regional problem for those countries to join, even if the Japanese government succeeded in wiping out the perceived relationship between this plan and the Johnson plan.

In the case of Burma, the Vice-Minister of Foreign Affairs Soe Thein pointed out the relationship between the Johnson plan and the Vietnam War, criticizing this plan as stick and carrot policy. He said that Burma did not have any intention to take part in the Johnson plan, which North Vietnam had already rejected. After the Vietnam situation improved, according to him, Burma would willingly enter into discussion about economic development projects if the United States or other countries intended to contribute<sup>43</sup>. It was desirable for Burma to receive economic cooperation on a bilateral basis, except for in its dealings with the UN and ECAFE. Even if Japan did not aim to discuss matters related to the Johnson plan in the proposed conference, Burma could not belong to any politically specific group<sup>44</sup>. Subsequently, Soe Tein expressed Burma's nonparticipation, for if Burma were to attend this conference, it could not decline to participate if invited to the same kind of conference by communist countries in the future. However, he said that because Burma would greatly welcome Japan's economic aid, he expressed Burma's desire to accept aid on a

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41 *Ibid.*

42 \*Deputy Minister of Foreign Affairs to Burma, Indonesia, and Cambodia, MCEDSEA, 15 July 1965.

43 \*Rangoon to the Minister of Foreign Affairs, MCEDSEA, 8 July 1965.

44 \*Rangoon to the Minister of Foreign Affairs, MCEDSEA, 10 July 1965.

bilateral basis<sup>45</sup>. Even with Japan's repeated attempts at persuading Burma, the invitation was continually rejected. The Burmese government reiterated that once they joined this kind of multilateral conference, they would not be able to turn down invitations to other forums<sup>46</sup>. This aspect of Burma's foreign policy—friendly relations with all countries and no economic aid with strings attached<sup>(47)</sup>—was consistent from the 1950s, and did not change in spite of Japan's repeated requests.

The negotiation with Cambodia likewise did not progress smoothly, as it severed diplomatic relations with Thailand in October 1961, with South Vietnam in August 1963, and with the United States just two months prior to the date those negotiations commenced<sup>48</sup>. Foreign Minister of Cambodia Knuiq told Ambassador Tamura Yukihiisa that economic and political issues were impossible to separate and that it was a problem for Cambodia to sit with Thailand and South Vietnam, with whom it had no diplomatic relations. In expressing hesitation toward joining the conference, he also asserted that if Japan wanted to wipe out the bias of political color, North Vietnam should be invited. Although the Foreign Minister was not in favor of this, Vice President of the Cambodian Council of Ministers Son Sann was impressed and promised to consider it favorably<sup>49</sup>. On July 23, Cambodia

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45 \*Rangoon to the Minister of Foreign Affairs, MCEDSEA, 15 July 1965.

46 \*Rangoon to the Minister of Foreign Affairs, Opening MCEDSEA, 19 October 1965.

47 For Burma's neutral policy in this era, see Willam C. Johnstone, *Burma's Foreign Policy: A Study in Neutralism*, Cambridge, 1963.

48 On the deteriorating relationship between Cambodia and Thailand, South Vietnam, and United State at that time, see Michael Leifer, *Cambodia: The Search for Security*, London, 1967, chaps.4 and 9; P.C. Pradhan, *Foreign Policy of Kampuchea*, New Delhi, 1985, chaps.3-4; Kenton J. Clymer, "The Perils of Neutrality: The Break in U.S.-Cambodian Relations, 1965", *Diplomatic History* 23 (Fall 1999).

49 \*Phnom Penh to the Minister of Foreign Affairs, Regarding MCEDSEA, 15 July 1965.



informed Tamura that it would participate in the conference. At the same time, Cambodia requested two things. One was that since Cambodia was interested in the movements of other Asian countries, they wanted to have a constant flow of information regarding this conference. The other was that Cambodia declined to be involved as a host country. According to the telegram from Tamura, Cambodia's participation was decided at a meeting on July 19, of which King Norodom Sihanouk was chairman. In that meeting, some Ministers expressed anxiety about the relationship between the Johnson plan and Japan's plan, and there were fears that Cambodia would be isolated due to Indonesia's nonparticipation, a result of Malaysia's involvement in the conference. Nonetheless Sihanouk adopted Son Sann's view, which emphasized the economic benefits, and decided to participate because the call comes from Japan, with which Cambodia had a good relationship<sup>50</sup>. However, Cambodia underwent a sudden change several months later and consequently altered its position. The reason for this change was the worsened relationship with Thailand and South Vietnam. Son Sann, who was originally in favor of joining, explained the deteriorated situation, saying that many Cambodians are being killed in Thailand and South Vietnam and that we cannot sit with murderers<sup>51</sup>. Cambodia formally gave notice of its nonparticipation on November 17<sup>52</sup>.

In the case of Indonesia, First Deputy Vice-Minister of Foreign Affairs Asmaun expressed that although the plan itself was a good idea, he was worried about the participation of Malaysia and South Vietnam as well<sup>53</sup>. Since the

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50 \*Phnom Penh to the Minister of Foreign Affairs, Regarding MCEDSEA, 23 July 1965.

51 \*Phnom Penh to the Minister of Foreign Affairs, Regarding MCEDSEA, 6 November 1965.

52 \*Phnom Penh to the Minister of Foreign Affairs, Regarding MCEDSEA, 18 November 1965.

53 \*Jakarta to the Minister of Foreign Affairs, Some views of Indonesia's leading figures regarding MCEDSEA, 19 July 1965.

Indonesia-Malaysia dispute 'Konfrontasi' erupted in 1962, Indonesia had increasingly isolated itself from international society<sup>54</sup>). It withdrew from the UN on December 31 in 1964 on the grounds that Malaysia had been elected as a member of the Security Council, and at that time Indonesian President Sukarno approached communist China. Therefore, Indonesia was not able to attend the conference with Malaysia and South Vietnam. President Sukarno shared Asmaun's opinion and Indonesia's policy remained unchanged until he fell from power in March 1966. On August 24, Kawashima Shojiro, Vice-President of the Liberal Democratic Party, visited Indonesia and sounded out Indonesia's participation, saying that this conference had nothing to do with the 'Johnson plan' or the Vietnam War and would contribute to the prosperity and development of Asia. In response to this, Sukarno rejected the invitation to attend, citing the same reasons as before. Likewise, Foreign Minister Subandrio tacitly accused Japan of implementing the 'Johnson plan', remarking that 'we hope Japan is not serving imperialist interests'<sup>55</sup>.

Singapore, which had just become independent of Malaysia, hesitated to accept Japan's plan as well. As a new country, Singapore was afraid of the misunderstanding that it belonged to a specific group, participating in a conference of which only pro-Western countries such as South Vietnam, Laos, and Thailand were members. In December, Foreign Minister Rajaratnam refused Japan's offer. He added that, however, if Cambodia or Burma were to participate, Singapore would 'gladly' accept Japan's call<sup>56</sup>.

As shown in this section, there were two obstructions for neutral

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54 Michael Leifer, *Indonesia's Foreign Policy*, London, 1983, chap. 4; J.A.C. Mackie, *Konfrontasi: The Indonesia-Malaysia dispute, 1963-1966*, (New York 1974).

55 \*Jakarta to the Minister of Foreign Affairs, 'A talk between Special Envoy Kawashima and Sukarno', 24 August 1965.

56 \*Singapore to the Minister of Foreign Affairs, 'MCEDSEA', 29 December 1965.

countries to join MCEDSEA. One was the fear of political intention, namely, connection with the Johnson plan . The other was intra-regional problems. As long as those problems were not resolved, it would be difficult to obtain the participation of Cambodia, Indonesia, and Singapore.

### The discrepancy between Japan and the United States

The United States harbored great expectations for Japan's expanding role in Asia, in particular an increase in economic aid even before Johnson's Baltimore speech. Since Japan was achieving high economic growth and becoming a developed country, the United States had been exerting pressure on Japan to increase its foreign aid<sup>57</sup>.

As Takeuchi Ryuji, ambassador to the United States, correctly reported, expectation for Japan's substantial support for the Johnson plan was so high. The day following the Johnson speech, Secretary of State Rusk sent a telegram to the Japanese Ambassador, writing that it would be a valuable step toward objectives outlined in the President's Johns Hopkins speech if Japan came forward with public endorsement of the proposal and pledged to make substantial resources available<sup>58</sup>. Rusk also suggested to the President in a briefing paper for JUSJC that Johnson himself needed to encourage Japanese ministers to increase Japan's foreign aid in Southeast Asia<sup>59</sup>. Johnson took this advice and urged Minister of Finance Fukuda to

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57 For example, at the First meetings of JUSJC in 1961, the United States government had already insisted on the necessity for Japan to share the burden of assisting in the economic development of less developed countries. United States-Japan Committee on Economic and Trade; Agenda Item No. VI Economic Assistance to Less-Developed Countries , 24 November 1961, Record Group 59 RG59 , Lot Files 66D225, Box24, National Archives II hereafter NAII , College Park, Maryland.

58 For Ambassador From Secretary, 18 April 1965, NSF, CF, box250, LBJL.

59 Memorandum for the President , 9 July 1965, *CUSSD*, Microfilm, Reel39.

enlarge Japan's contribution<sup>60</sup>.

Ambassador Reischauer also hoped for augmentation of Japan's role in Asia and made efforts to do so. For example, when the peace for Asia program was abandoned, he encouraged Yoshino, who was distressed by the rejection, to keep it alive<sup>61</sup>. Contrary to Rusk, however, Reischauer had the opinion that progress in U.S.-Japan cooperation behind the scenes was necessary, and that the United States should unofficially encourage Japan to expand its economic assistance efforts. For Reischauer, who keenly realized that both an anti-war movement and anti-American sentiment were spreading in Japan<sup>62</sup>, believed that it was unwise for Japan and the United States to cooperate openly in the development of Southeast Asia. He also thought that Japan should at least pretend to show a position of autonomous diplomacy vis-à-vis the United States. He asserted that it was necessary to keep secret the relationship between Japan's proposed conference and the Johnson plan. When Nishiyama visited him immediately after the Johnson speech to ask to be kept informally advised of the goings-on of the Black Committee, he reported to the Secretary of State that regarding the importance of Japan's independent initiative, strong political guidance should be carried out at the bureau level—namely, behind the scenes<sup>63</sup>.

Even with the successful actualization of MCEDSEA one year later, he did not change such discreet views. During the MCEDSEA conference, he sent a telegram to the president, asserting that Johnson should deliver a congratulatory address. However, he drew attention to the point that

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60 Memorandum of Conversation, 14 July 1965, RG59, Lot Files, Conference Files, 1964-1966, Box381, NAI.

61 Tokyo to Secretary of State, 24 April 1965, NSF, CF, box250, LBJL.

62 In his memorandum at that time, we can find that the ambassador was becoming increasingly exhausted from coping with the daily criticism against the Vietnam War. Reischauer, *Reischauer Taishi Nichiroku*, chapter of 1965.

63 Tokyo to Secretary of State, 17 April 1966, CUSSD, Microfilm, Reel4.

since we must avoid any suggestion that we had anything else to do with simulating the conference, I believe it is important that it be an oral rather than a written message and that we carefully avoid any publicity on our side<sup>64</sup>. Afterwards he reiterated the importance for Japan to take independent initiatives for Southeast Asian's economic development and agreed with Nishiyama that any effort toward coordination between the United States and Japan should be carried out quietly and with low visibility sic ]"<sup>65</sup>. Although this consideration was shared by MOFA, there was a large discrepancy between the two in terms of which was to be the main donor country.

With the expectation of Japan's economic aid so great, the Johnson administration must have been disappointed by Japan's plan, as announced on July 12 by Foreign Minister Shiina at the JUSJC's counterpart meeting with Rusk<sup>66</sup>. Shiina recalled the President's proposal of a \$1 billion plan, saying that following this proposal the Japanese government had developed its own ideas on a Southeast Asia assistance program. He said that the Japanese government shared the President's view that for economic assistance to be effectively utilized, the recipient countries must take the initiative and be autonomous in managing and utilizing the assistance, "They want aid, but they resent the donor country". He continued to explain Japan's plan, which was to invite the eight Southeast Asian countries to participate in a conference for the development of Southeast Asia, and which had Prime Minister Sato's full support. The purpose of the conference would be to encourage a more autonomous

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64 Tokyo to Secretary of State, 8 April 1966, NSF, CF, box251, LBJL. Washington agreed to this suggestion. Action Ambassador Tokyo, 11 April 1966, NSF, CF, box251, LBJL.

65 Tokyo to Department of State, U.S.-Japan Coordination of AID Program, 9 August 1966, *CUSSD*, Microfilm, Reel4.

66 Memorandum of Conversation, 12 July 1965, RG59, Lot Files, Conference Files, 1964-1966, Box381, NAI.

attitude among the countries which were receiving economic assistance. The conference would also help dissipate the recipient countries' sense of inferiority, which often led those countries to dislike donor countries.

Although Rusk commented that his first impression was that the Japanese initiative was a constructive development, he avoided agreeing with this plan on that occasion, saying that he wished to consult with colleagues before commenting officially. According to a telegram from Ambassador Takeuchi, Rusk approved of Japan's proposal, mentioning at the plenary meeting two days later that Shiina's plan is a very good idea<sup>67</sup>. But perhaps his hesitation to immediately approve this plan was indicative of the Secretary of State's disappointment. After Shiina's remarks, the Secretary asked whether he should assume that Japan's initiative to hold the conference reflected a readiness by Japan to make a substantial contribution to the ADB and the Asian Development Fund (ADF)<sup>68</sup>. In response to this question, Shiina stated that Japan had decided to contribute \$200 million to the capitalization of the ADB; he made no reference to the ADF, but he said that it was difficult for Japan to contribute 1% of its GNP to economic aid<sup>69</sup>.

### Internal Politics over MCEDSEA

On July 28, it was determined that MCEDSEA would be held by the end of that year by the executive council of MOFA<sup>70</sup> and this was approved by a Cabinet meeting on September 21<sup>71</sup>. Afterward, because ratification

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67 \*Washington to the Minister of Foreign Affairs, Regarding JUSJC : MCEDSEA, 15 July 1966.

68 The fund was proposed by Eugene Black.

69 Memorandum of Conversation, 12 July 1965, RG59, Lot Files, Conference Files, 1964-1966, Box381, NAI.

70 *Nihon Keizai Shinbun*, 29 July 1965.

71 *Nihon Keizai Shinbun* evening edition, 21 September 1965.

of Japan-Korea diplomatic relations was expected to keep the Diet occupied and the prospect of Burma and Indonesia's participation was far from reassuring, it was postponed until January the next year. However, this time was also not appropriate due to a coincidence with Ramadan and Chinese New Year. The schedule was again changed to April<sup>72</sup>.

On September 2, an inter-bureau meeting of MOFA was held to discuss MCEDSEA based on ECB's proposal<sup>73</sup>. In this meeting, there was disagreement among members regarding the participating countries. Nishiyama insisted that the conference would be held only after Cambodia's participation was secured, but other members opposed the idea. For example, Deputy Vice-Minister Ushiba Nobuhiko and Head of the International Materials Department Ogawa Heishiro argued that the conference should be opened even if those hesitating countries were excluded. Furthermore, Director of the Public Information and Cultural Affairs Bureau Sone Akira insisted on carrying out the conference even if only anti-communist countries were participating. He asserted that there was no choice but to convene the conference because it had been widely publicized, saying that if this plan was abolished, we would lose face. In opposition to those views, members of the Asia Affairs Bureau argued against convening the conference, citing two reasons. First, if only anti-communist countries assembled, Burma and Cambodia would be in a difficult position and might tilt toward communist China. This was not in accord with Japan's basic interest. Second, if the conference went ahead without those two countries, it would offer communist China an excellent opportunity for propaganda. However, those cautious views were overpowered by a more bold opinion, which insisted on convening the

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72 \*MOFA, "Regarding the postponement of MCEDSEA (A briefing paper for the minister)", drafting date unknown.

73 \*ECBICS, "Inter-bureau meeting regarding MCEDSEA hosted by Deputy Vice-Minister Ushiba", 4 September 1965.

conference whether Cambodia's participation was affirmed or not.

Except for the disagreement over participating countries, most of the ECB's proposal was considered satisfactory. For MOFA, as long as Japan was calling the conference, it would have to provide some of its own money. They recognized that Japan should prepare economic aid *Omiyage* for participating countries, and subsequently MOFA put forward a concrete plan after this meeting. A long-term, low-interest credit from the Overseas Economic Cooperation Fund (OECF) of \$300 million was planned for participating countries over five or six years<sup>74</sup>. However, concrete *Omiyage* was not proposed during MCEDSEA due to opposition from MOF.

On September 20, a day before a decisive Cabinet meeting regarding MCEDSEA, a meeting between MOFA, MOF, MITI, EPA, and MAFF (Ministry of Agriculture, Forestry and Fisheries) was held. In this meeting, MOF declared itself to be in opposition to MOFA's proposal. Director of the International Finance Bureau Suzuki Hideo indicated first that if Japan convened MCEDSEA, an obligation to give aid would be accrued. As Japan had just decided to finance \$200 million to the ADB, and because there was no intention to pay additional money, he asserted that it was meaningless to convene MCEDSEA. He insisted that as long as the decision was not made by Cabinet as a whole, MOF would oppose the convening of the conference. He went on to make four further points. First, the relationship between the Johnson plan and MCEDSEA could not be denied; second, distinction between the ADB and MCEDSEA was not clear; third, there was no reasonable ground for the aid to be multilateral rather than bilateral;

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74 \*ECBICS, "An outline of the foundation of a Southeast Asian special fund (a draft)"; 9 September 1965; \*ECBICS, "An outline of MCEDSEA", 15 September 1965; \*ECBICS, "A preliminary meeting regarding MCEDSEA hosted by Deputy Vice-Minister Ushiba (September 15)", 15 September 1965.



and fourth, Southeast Asian countries lacked the ability to plan projects<sup>75</sup>). MOF had got to the core of the problem in that these points were exactly what MOFA had tried hard to justify in order to convene the conference<sup>76</sup>. Nishiyama explained that the objective of the conference was to create a sense of solidarity and affinity. He mentioned that money would be a matter for the future, but for the time being, the conference's aim would simply be to raise their consciousness. He completely denied a direct relationship between the Johnson plan and MCEDSEA due to the different target range, which contained Burma and Cambodia. He continued by saying that when MOFA sounded out Southeast Asian nations to participate in MCEDSEA, only one or two countries questioned the connection, and that compared to what was thought in Japan, they did not regard the relationship as important<sup>77</sup>.

MOFA also attempted to counter MOF's doubts, arguing that aid could be effective even bilaterally, but sometimes it should be done multilaterally to enhance awareness. MOFA agreed that Southeast Asian countries were lacking in ability to plan projects. Nevertheless, MOFA's claim was that it did not mean for Japan to take a leading role. In this meeting, however, MOFA did not have the chance to propose the aforementioned \$300 million aid plan. MOF strongly held their ground that they would not give any additional money on top of the amount already decided to invest in the

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75 Incidentally, other ministries did not express their opinions and took perfect neutral positions. \*ECBICS, "A preliminary meeting regarding MCEDSEA hosted by Deputy Vice-Minister Ushiba (September 15)", 15 September 1965.

76 For this justification process, see Hoshiro, *Tonan Ajia*, 28.

77 As far as we know, this explanation did not reflect reality. Those countries which did not question the relationship were conversely only one or two. In addition to this, Indonesia opposed participation because they indeed regarded the relationship as important.

ADB, and as for MOFA the atmosphere was not conducive to proposing an aid plan<sup>78)</sup>.

Finally, on the following day, the Cabinet approved the convening of MCEDSEA, with Minister of MOF Fukuda and Prime Minister Sato imposing the condition that the conference would not be too costly<sup>79)</sup>. Afterward, MOFA drew up its guidelines. Those were, to move into action to get support domestically in particular, from Big Business; to avoid proposing a substantial plan and instead hold up such a general objective as an increase in aid, to over 1% of the national income<sup>80)</sup>; and to attempt to pull MITI over to MOFA's side<sup>81)</sup>. Since Minister of MITI Miki Takeo advocated the necessity of creating an Agricultural Development Fund, MOFA considered connecting the fund with MCEDSEA to secure MITI's approval<sup>82)</sup>.

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78 \*ECBICS, "An inter-ministerial meeting regarding MCEDSEA (September 20)" 20 September 1965. It was intended that Ushiba would negotiate with MOFA once again regarding the \$ 3 million plan after MCEDSEA was decided. However, whether Ushiba negotiated or not was not clear and ultimately, this aid plan was not actualized.

79 \*ECB, "How to advance the work regarding MCEDSEA hereafter", 24 September 1965. In this meeting, however, Miki and Fujiyama seemed to show a favorable attitude. \*ECBICS, "A meeting hosted by Deputy Vice-Minister Ushiba to make arrangements for advancing the work regarding MCEDSEA hereafter (September 24)", 24 September 1965.

80 At that time, it can be said that the possibility for Japan to propose any definite projects dissipated.

81 \*ECBICS, "A meeting hosted by Deputy Vice-Minister Ushiba to make arrangements for advancing the work regarding MCEDSEA hereafter (September 24)", 24 September 1965.

82 \*ECB, "The way to advance the work regarding MCEDSEA hereafter", 24 September 1965.

From November 30 to December 1, 18 Asian countries assembled to select a location for the headquarters of the ADB. The consequence of this meeting affected Japan's aid policy toward Asia because the Japanese government, which was optimistic about having the headquarters of the ADB in Tokyo, was shocked at the result of Manila's victory<sup>83</sup>. The Minister of the EPA Fujiyama, who attended the election meeting of the ADB, realized the distance between the people of Japan and the rest of Asia. Thus, he indicated a necessity to reconsider the attitude of the Japanese toward Asia<sup>84</sup>.

When an inter-ministerial meeting regarding MCEDSEA was held on February 8, however, MOF did not change their attitude regarding the offering of financial aid<sup>85</sup>. The failure to secure the headquarters of the ADB did not result in a shift in MOF's view with regard to MCEDSEA. In this meeting, nonetheless, it is worthy to note that MITI supported MOFA's side, stating that as long as Japan convened the conference, Japan should propose its own plan independently. In response to these views of MITI, MOFA stated that it was impossible to discuss economic development without a source of funds, but also explained that MOFA at that time would not consider any commitment of concrete aid through the conference. In response to MITI's question of the aid problem, MOFA acknowledged the possibility that Southeast Asia thought Japan was prepared to give *Omiyage*. However, he said that since the National budget was already made, the conference would manage within the limits of that budget. That is to say, in spite of MITI's support, MOFA did not change its policy that the conference would open without substantial financial commitment.

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83 Yasutomo, Dennis T. *Japan and the Asian Development Bank*, New York, 1983, chap.4.

84 *Mainichi Shinbun, Yomiuri Shinbun*, 6 December 1965.

85 \*ECBICS, An explanatory meeting for ministries regarding MCEDSEA, 10 February 1966.

## VI The Convention of MCEDSEA

The matter of participating countries had some rapid developments, immediately before the conference. First of all in February, Singapore changed its policy and conveyed its intention to participate on the condition that they received a guarantee that there was no political intention in MCEDSEA. For Singapore, which may have hesitated out of regard for communist China, the refusal of political intention—in particular, the refusal of the relationship between the conference and the “Johnson plan”<sup>86</sup>—was a necessary condition to participate. In response to that, the Japanese ambassador in Singapore handed the Singapore government a formal invitation, and a document which stated the absence of political intention. Finally Singapore expressed its participation<sup>86</sup>.

Afterward, Singapore drew attention to some holes in Japan's approach. On February 24, Minister of Treasure Lim Kim Sam raised two points, the first being whether the Japanese government was considering any concrete economic cooperation plans or not. Lim requested the aim of the conference be made more concrete, rather than abstract statements such as “improving regional economic cooperation”<sup>87</sup>. Secondly Japan, which as a developed country had abundant experience with economic development, needed to draft a talking paper, based on that concrete economic cooperation. Thus, Singapore insisted Japan should prepare actual *Omiyage*. In the opening statement of MCEDSEA, Lim also said that it was not enough for developed

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86 However, despite consul general for Singapore Ueda's advice that the document should emphasize the non-existence of a relationship between MCEDSEA and the “Johnson plan”, this was not reflected in the content of the document. It merely mentioned that “there is no political intention”. \*ECBICS, The Invitation to MCEDSEA, 26 February 1966.

87 In response to this, Ueda said that Japan would contribute appropriate funds after concrete economic cooperation plans were made.

countries to pay lip service or to undertake to be more sympathetic. What was required was, according to him, a sense of purpose and decisiveness on their part in implementing their declarations.

In the case of Indonesia, the army carried out a disguised coup d'etat on March 11 and Lieutenant General Suharto gained complete authority from Sukarno<sup>(88)</sup>. The next day, Suharto declared the communist party illegal, and on March 18, he arrested 15 ministers including Subandrio, and appointed Adam Malik the Minister of Foreign Affairs. These incidents made Indonesia's participation in MCEDSEA a reality. On March 22, Ambassador Saito Shizuo visited Malik, who indicated his willingness to change Indonesian foreign policy. Saito requested Indonesia's participation, to which Malik showed a favorable attitude and stated that they wanted to send an observer. Afterward, Malik, himself persuaded President Sukarno, who had already lost sufficient power to reject it. Thus finally on March 31, exactly one week before the conference, Indonesia decided to attend as an observer. The Indonesian decision seemed to affect Cambodia's policy. Just a few days before the conference, Cambodia gave in to Japan's final attempt<sup>(89)</sup> to persuade them to participate as an observer.

On April 6 in 1966, just one year after the Johnson plan was announced, MCEDSEA was held. Prime Minister Sato, the Minister of Finance Fukuda, and the Minister of the Economic Planning Agency Fujiyama expressed an intention to increase Japan's foreign aid to over 1% of GNP. Sato said that the peoples of Asia must work out a blueprint of development through mutual cooperation on their own initiative, and then bring that plan to realization. If this could be accomplished, he said, it would prompt a favorable reaction from developed countries. Sato also demonstrated that he was contemplating a significant expansion of Japan's aid toward Southeast

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88 Harold Crauch, *The Army and Politics in Indonesia*, (Ithaca, 1978), chap.7.

89 \*Minister of Foreign Affairs to Cambodia, Regarding MCEDSEA, 3 April 1966.

Asia. This address was, however, given what is known about the process of opening the conference, too abstract and equivalent to no commitment. For example, as well as Singapore, the delegate from the Philippines, Filemon Rodriguez, wanted to know what aid projects Japan had and how much of the 1% of its GNP Japan could appropriate toward Southeast Asia. In response to that, Fukuda avoided proposing any substantial plans, saying that concrete plans should be consulted bilaterally<sup>90</sup>. It was natural for the Japanese government, which did not have any definite plans from the outset, to evade definite commitment.

There were no delegates who mentioned the Johnson plan<sup>91</sup>). Since the Japanese government denied this relationship, Southeast Asian countries counted not on the United States but Japan's foreign aid. However, MOFA did not discard the motives that led to convening the conference, i.e. to determine how the funds allocated for the Johnson plan would be spent. One week after the conference, MOFA sent a telegram in response to ambassador to the United States Takeuchi, who wanted to know how he could explain the significance and future direction of MCEDSEA to the United States government. First of all, the telegram mentioned that MCEDSEA had shifted people's attitudes toward increasing foreign aid. It insisted that thanks to MCEDSEA, new yen loan agreements with Thailand '\$60 million over 3 years', Malaysia '\$50 million over 5 years', and Cambodia '\$7 million' were decided<sup>92</sup>. It then stated

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90 \*ECBICS, *The Record of MCEDSEA*, 11 November 1966.

91 \*ECB, *The Evaluation of MCEDSEA*, 13 April 1966.

92 This view of MOFA is questionable. Probably those agreements were influenced by the defeat concerning the headquarters of the ADB. Otherwise, the sudden policy change of MOF, who strongly opposed any additional foreign aid the previous year, cannot be explained. Whether those agreements were results of MCEDSEA or due to the loss of the headquarters of the ADB requires further study. For an example of the latter view, see Yamakage Susumu, 'Will Japan seek regionalism?' in *The Technical Challenges and Opportunities of a United Europe*, ed. Michael S. Steinberg (London, 1990), 152-153.

that the connection between MCEDSEA and the Johnson plan had been strongly denied due to ideological reasons connected to the Vietnam War from ministries, and anxiety regarding the repulsion from public sentiment from politicians. According to the telegram, MOFA had taken great pains to conceal this relationship and indeed emphasized that there was no relationship between the two. It said, however, that MOFA and the upper level of the government still thought that a great amount of money was needed to develop Southeast Asia and that there were no countries but the United States to supply the vast amount of money required. MOFA's perspective was, after all, that aid from Japan was impetus to draw U.S. money out<sup>93</sup>.

This view was a common understanding within MOFA. For example, Minister of Foreign Affairs Shiina proposed in a meeting of MOFA on February 12 that MOFA should put pressure on MOF to donate, and induce U.S. money by selecting as subjects for discussion at the conference, those topics Southeast Asian countries regarded as important, such as agriculture and health<sup>(94)</sup>. Deputy Vice-Minister Ushiba said that if the scale of the conference on agricultural development became large, there would be no choice but to request money from the United States. He took an optimistic view of the U.S. contribution, saying that the United States had been waiting for the idea of economic development from Asia and expected Japan to play a role to embody it<sup>(95)</sup>.

Indeed, Foreign Minister Shiina appealed to the United States for aid at

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93 \*Minister of Foreign Affairs to the United States, MCEDSEA , 13 April 1966.

The contents of this telegram were printed in reference 86 .

94 \* A meeting with the Minister on February 12 [with an Administrative Vice-Minister, Deputy Vice-minister, a Director of ECB, a Director of Asian Affairs Bureau, and a Deputy Director of Economic Affairs Bureau] The author of this document is unknown.

95 \* "The Record of the 15th Asia-Pacific Ambassadors Conference (an unfinished manuscript)", November 1966 [The meeting was held May 26].

the 5th meeting of JUSJC<sup>96)</sup>. Shiina reported that at MCEDSEA, discussions took place in a friendly atmosphere and the importance of regional cooperation and the necessity of foreign assistance for economic development were reaffirmed. Moreover, he said, agreement was reached on the promotion of concrete programs such as the convening of a conference on agricultural development, and thus the original purposes of MCEDSEA were fully achieved. However, he continued, that if such regional cooperation were to take place only within the region, in which poverty was extremely deep-rooted, economic development would be slow. If advanced countries both within and outside the region did not attempt to provide sufficient aid to fill their demand, Southeast Asia's desire for development would be very likely nipped in the bud. Then he concluded, the United States and other advanced countries of the West should not be content merely at the favorable turn of events in this area, but be prepared to accept the added responsibilities that would emerge from this situation. In this way, the objective of MCEDSEA was conveyed by the Foreign Minister; namely, to enhance the atmosphere of regional economic cooperation in a conference initiated by the Japanese government and upon request by the United States.

Thus, the Japanese government did not assume that Japan itself was the main donor country to MCEDSEA. Although Japan financed \$20 million to the Agricultural Development Fund, it did not donate substantial aid since then (see table.2). However, the large amount of aid from the United States toward this conference was not actualized as well. In addition to the fact that the United States had hoped and pressured Japan to increase its economic contribution, the Johnson plan was not approved by the

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96 Fifth United States Japan Joint Economic Conference, International Situation, Foreign Minister Shiina, Kyoto, Japan, 5-7 July 1966, RG59, Lot Files, Conference Files, 1964-1966, Box416, NAIL.



United States congress and went out of existence<sup>97</sup>. Therefore, despite that the conference was decided to be held annually, no countries could contribute. As a natural result of this, the conference did not become what participating countries expected, and faded out shortly after.

## VII Conclusion

This paper has clarified five points. First of all, contrary to widely-shared views, convening this conference was not so much Japan's declaration to realize its position as an economic power and to increase its foreign aid toward Southeast Asian countries. Rather, it was to establish a forum to extract a large amount of money from the United States, which had manifested the Johnson plan. MOFA, which at first harbored an epoch-making plan, could not help but abandon Japan's own large amount of financing for the conference due to objection at home. Therefore, MOFA officially declared that the main objective of MCEDSEA was to give Southeast Asian nations the opportunity to candidly discuss economic development and to enhance the atmosphere of regional economic cooperation<sup>98</sup>). The Japanese government did not expect that MCEDSEA would produce concrete results immediately. They considered this conference to be a way to solve the problems of economic development in the Southeast Asian region, although results would not be seen for some years.

Second, although the Japanese government thought of utilizing U.S. money, paradoxically, it was necessary to deny the relationship between MCEDSEA and the Johnson plan in order to acquire domestic support and persuade Southeast Asian countries—in particular, the neutral powers—to

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97 For the circumstances, see Robert A. Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science*, Princeton, 1973, 87.

98 Gaimusho, *Waga Gaiko No Kinkyō* [Diplomatic Bluebook] 10 (Tokyo, 1966), 50.

participate. As the United States had committed deeply into the Vietnam War, MOFA's concern was that the United States should avoid direct involvement in development aid in the region so as not to induce repulsion from neutral countries. Japan's position was not United States or Asia but United States and Asia, and MOFA considered Japan as a coordinator between the United States and Asia. Japanese policymakers regarded their country as a leader in Asia and thought of themselves as qualified to take initiative to put the Johnson plan into practice successfully.

Third, since the Japanese government publicly denied the relationship, it was natural for Southeast Asian countries to hope to secure aid from Japan even though the Japanese government did not pledge to do so. The United States also expected Japan to make large contributions. However, as the Japanese government considered the conference as a forum to discuss economic development, it did not have any substantial plans. Asian countries, expecting a great deal of economic aid, must have been disappointed. In every following conference, they conflicted with Japan and indeed it was not held at all after 1974. This discrepancy between Japan, the United States, and Southeast Asian nations regarding MCEDESA doomed this conference to failure right from the beginning.

Fourth, this article dismisses the opinion that the Japanese government held the multilateral conference because of a sense of guilt over WWII. There is no evidence that Japanese decision-makers possessed this kind of war consciousness. Even when attempting to convince MOF to spend Japan's money, MOFA never appealed this sentiment. Until the 1960s, in contrast, the notions that Japan waged a liberation war for Asia and that Japan was a leader in Asia even after its defeat in WWII, were dominant among the Japanese policymakers<sup>99</sup>.

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99 I hypothesize that Japan's foreign policy was not impacted by war consciousness until the 1970s, it was at that time that the generations who were educated after the end of WWII had reached a position for policy-making. Of course, to verify this hypothesis, a good deal more study is needed.

Fifth, convening MCEDSEA successfully could be called Japan's diplomatic victory for it was the first time delegations from the governments of Southeast Asian countries except Burma and Japan gathered in the same place at the same time. If Japan had not denied the conference's relationship with the United States, certain countries would not have participated. Here, MOFA's judgment and tactics were appropriate. However, the essential problem of who was to be the main donor country being left unsolved was an obvious failure for Japan.

In closing this article, we return to the evaluation of MCEDSEA by Edwin O. Reischauer. We could say that Reischauer, who was deeply concerned about the process of convening MCEDSEA, failed to evaluate the conference objectively because MCEDSEA never became the multilateral arrangement that it was supposed to be. Indeed, the fact that his books regarding Japan<sup>100</sup> and his autobiography in his later years<sup>101</sup> did not mention MCEDSEA at all clearly verifies this.

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100 Edwin O. Reischauer, *Japan: the story of a nation*, 4th edition, (New York, 1990); Edwin O. Reischauer, *The Japanese today: change and continuity*, (Cambridge, 1988).

101 Edwin O. Reischauer, *My life between Japan and America*, (New York, 1986).