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Japan's Diplomatic Response to Indonesia's Policy of Confronting Malaysia (*Konfrontasi*) 1963-1966

James Llewelyn¹

INTRODUCTION

This paper examines Japan's diplomacy towards Indonesia during the period of Confrontation or *Konfrontasi* from 1963 to 1966.

This is an important episode in postwar Japanese foreign relations for several reasons. First, it was Japan's first independent foreign policy initiative in the postwar period. Second, it illustrates the important strategic dimension that Southeast Asia holds for Japan, particularly the region's largest player: Indonesia. And last, it shows that from the early 1960s Japan showed a willingness to undertake a mediation role in an Asian dispute where it clearly saw its strategic and economic interests at stake.

This paper will be divided into four key parts. Firstly, the importance of Indonesia and Southeast Asia to Japan will be briefly addressed. Following which, an overview of Confrontation will be given. In the third and main section, Japan's diplomatic responses to Confrontation will be examined. Last, this paper will conclude by highlighting both the changes, and some aspects that did not change in Japan's stance vis-à-vis Indonesia during the period of Confrontation, while also offering some explanation as to why Japan became diplomatically involved in this conflict.

1. The Importance of Southeast Asia and Indonesia to Japan

George Kennan (Policy Planning chief, US State Department) noted the importance of Southeast Asia as early as 1949, reporting that the region possessed great wealth and if it was to fall under Soviet control "the USSR could deny the West and Japan access to resources and transportation routes."² Southeast Asia was thus viewed as a "vital segment" in the "great crescent" of containment running from Japan through Southeast Asia to the antipodean countries of Australia and New Zealand. Preventing this region's natural resources from coming under communist control and keeping it open to the West (and Japan) became a key policy priority for the

¹ Doctoral Candidate, Kobe University, Graduate School of Law. An earlier version of this paper was presented at the 14th Biennial Conference of the *Japan Studies Association of Australia*, University of Adelaide, July 2005.

² Michael Schaller, 'Securing the Great Crescent: Occupied Japan and the Origins of Containment in Southeast Asia', in *Journal of American History*, Vol. 69, No. 2, September 1982, p. 402.

US and its Asian Pacific allies.³

Southeast Asia, in particular Indonesia, was an important source of raw materials for postwar Japan as it embarked upon export-led rapid economic growth and national ‘income doubling’ in the 1960s under Ikeda Hayato’s leadership. In this first stage of the Cold War, Indonesia was a logical alternative for Japan to turn towards; not only was Indonesia rich in natural resources, it also had a potentially large market for Japanese goods and services. Moreover, as the Dutch retreated from Indonesia they left a convenient political vacuum into which Japan could position itself.⁴ As early as 1951, we can note that Japan was discussing ways to (re)gain access to Indonesia and Southeast Asian resources and this region remained a consistent topic in MITI circles.⁵ When the Japanese Foreign Minister (Ohira Masayoshi) met President Sukarno in November 1962, in his notes on this meeting he explicitly wrote that “Indonesia is an important country for partnering with Japan for economic cooperation in Asia and Japan must assist as much as possible in cooperating with this nation.”⁶

Indonesia’s deposits of high-quality low sulfur crude oil in the north of Sumatra were also a major draw card for resource-poor Japan. Throughout the 1960s, Japan was consistently the largest purchaser of Indonesian crude oil, purchasing almost 36 million barrels in 1966 alone (with Australia and the US in second and third positions),⁷ while Indonesian bauxite and natural rubber were also important commodities for Japan in this period of early state-led industrialization.

In addition to basic raw materials, Indonesia was also strategically vital for Japan. Japan’s essential imports - most notably oil from the Middle East and raw materials from Australia such as iron ore and coal - passed through the key sea lanes that are found around Indonesia - chiefly the Straits of Malacca, the Lombok Strait, the Sunda Strait and the Strait of Sulawesi. Nishihara notes that the Malacca Straits were vital to Japan as it embarked on rapid government-led industrialization in the 1960s, going so far as to state that “the safety of the strait became more important to Japan than Indonesian oil.”⁸ During Confrontation this was particularly pertinent with imported oil supplying approximately 70% of Japan’s

3 *ibid.*, p. 403

4 Miyagi Taizo stated that Indonesia was the only ‘free’ country to which Japan could project its influence and also reap potential economic gains, as the rest of Southeast Asia was either under communist or Commonwealth (British) influence. Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

5 Peter J. Katzenstein, and Takashi Shiraishi (eds.). *Network Power Japan and Asia*, Ithaca:NY, Cornell University Press, 1997, p. 177.

6 Ohira Notes on Sukarno Meeting. November 5 1962, File No. 0120-2001-01553 A 423, MOFA Diplomatic Records Office, Tokyo.

7 Japan, Australia and the US respectively purchased approximately 80% of Indonesia’s crude oil throughout the 1960s. The US companies *Stanvac* and *Caltex* were the major oil producers in Indonesia after the Pacific War. See T. Nikle, ‘Oil and Mining Developments’, in *Bulletin of Indonesian Economic Studies*, March 1970, pp. 62-63.

8 Masashi Nishihara, *The Japanese and Sukarno’s Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu, The University Press of Hawaii, 1976, p. 6.

primary energy requirements, and therefore, directly underwriting Japanese industrial development during this period.⁹

Due to the emphasis on heavy industry and chemicals (both having a high demand for petroleum products), and the expansion of exports to drive economic growth, Japan became increasingly dependent on maritime trade and reliable inputs of raw materials (notably oil) to sustain economic growth. Also during the period under review, we can note that Asian imports and exports accounted for about one-third of Japan's total trade, reflecting the growing importance of the Asia Pacific region as a trading zone.¹⁰ Nishihara explicitly notes the strategic importance of Indonesia within this region by concluding that a non-communist Indonesia helped "ensure the security of the Japanese oil route from the Middle East via the strait of Malacca."¹¹

Consequently, Japan had a demonstrable interest in Indonesia remaining non-communist in order to continue to access its resources and future markets and to preserve stability in the region. It also desired that Indonesia keep its distance from China in order to curb the latter's influence in this important area and not jeopardize Japan's access to these resources and markets, nor endanger the viability of the important sea lanes surrounding Indonesia. Kiuchi Akitane, the head of the Japanese Ministry of Foreign Affairs' (hereafter MOFA) Southeast Asia division in the 1960s, stated quite explicitly that MOFA policy makers were 'very aware' of Indonesia's intrinsic strategic importance to Japan, and there is little doubt this factor appreciably influenced Japan's relationship with Indonesia and its subsequent policymaking during Confrontation.¹²

2. An Overview of Confrontation

The first stage of Indonesia's policy of confronting Malaysia was announced in January 1963 in a bellicose speech by Indonesia's Foreign Minister Dr. Subandrio who stated that the federation of Malaysia was a British 'neo-colonialist' plot to encircle Indonesia. President Achmed Sukarno soon thereafter, began to oppose Malaysia's formation on ideological, historical and security grounds, with this line of rhetoric remaining a predominant feature in Sukarno's 'revolutionary' political doctrine until he was forced from power.

Confrontation was essentially a low-level guerrilla conflict that

9 Valerie Yorke, 'Oil, the Middle East and Japan's Search for Security', in Nobutoshi Akao, (ed.), *Japan's Economic Security*, Great Britain, Gower Publishing Company, 1983, p. 51.

10 Masashi Nishihara, *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 2-3.

11 *ibid.*, p.6.

12 Interview with Mr. Kiuchi Akitane, Tokyo, former head of the MOFA Southeast Asian division (1963-1968), September 21 2005.

followed on from the West New Guinea (also known as *Irian Jaya*) dispute, where Indonesia successfully challenged the Dutch for control of this territory between 1958 and 1962. The dispute between Indonesia and Malaysia was also characterized by low-level infiltration by irregular volunteers (and later regular troops) from the Indonesian eastern part of the island of Borneo (later Kalimantan) into the two territories of Sabah and Sarawak. These two British colonial outposts later joined with Malaya, along with Singapore, to become Malaysia in September 1963, despite Sukarno's ongoing protests, complaints and threats.

We can also note that this dispute was complicated by a territorial claim by the Philippines over Sabah (the northern part of Borneo). Confrontation was therefore, at one level a territorial dispute, but was also a conflict imbued with heavy overtones of anti-colonial ideology.

Mackie describes Confrontation as "direct but limited military pressure and a strident propaganda offensive with tortuous diplomacy."¹³ By design or indifference, for the duration of Confrontation the various nations lined up against Indonesia, or otherwise involved in this conflict through mediation, were largely unaware of Sukarno's actual intentions or long-term goals, greatly impeding efforts at mediation by third parties.

From January 1963 to May 1964 several attempts were made to resolve the dispute peacefully, however. Mediation was entered into by Australia, Japan, the US, Thailand and the Philippines at various stages, though we can argue that Japan pursued this approach the most consistently and constructively, as will be discussed below.

In May 1963, the three disputants (Indonesia, Malaysia and the Philippines) entered into discussions at the Manila summit, which led to the announcement of the Manila Accord, resulting in general agreement on a political ascertainment process for the Borneo states of Sarawak and Sabah. This was undertaken by the then head of the United Nations (U Thant), who later reported that the people in these two areas were in favor of joining a Malaysian federation. Unfortunately, under pressure from the British, the leader of the soon-to-be federation, Tunku Abdul Rahman (hereafter referred to as the Tunku), prematurely announced that Malaysia would be formed on September 16, 1963, making the efforts by the United Nations seem like window dressing to Sukarno and greatly irking him.

From this point, relations between Indonesia and Malaya deteriorated rapidly as attacks not only increased in their respective media of each other but also in the military sphere, mainly from across the Borneo border from the Indonesian side inside the territories of Sabah and Sarawak. Two days after Malaysia came into being the British embassy and the British quarter of the foreign residential district were destroyed by government organized

13 J. A. C. Mackie, *Konfrontasi - The Indonesia-Malaysia Dispute 1963-1966*, Kuala Lumpur, Oxford University Press, 1974, p. 221.

rioters in Jakarta. Economic and diplomatic ties were promptly severed with Malaysia though interestingly not with the British. Unsurprisingly however, relations between Whitehall and Jakarta quickly soured following these events.

In January 1964, Robert Kennedy, as Lyndon Johnson's special presidential envoy, attempted to mediate in the dispute in Tokyo, leading to a ceasefire that was almost immediately broken. Nevertheless, these efforts led to more tentative talks in Bangkok, which were ultimately fruitless as the formula for a lasting ceasefire proved unattainable. A second meeting between the disputants was held in Tokyo in June 1964, but the stalemate continued.

In late 1964, hostilities significantly increased and the conflict drifted arguably quite close to all out war between Indonesia on the one side, and Malaysia, Britain, Australia and New Zealand on the other. In September 1964, Indonesia extended operations into the Malayan peninsular, opening a second front in the conflict. This new boldness by the Indonesians in their offensive operations greatly irritated the British who openly discussed the possibility of major air strikes on Indonesian air force bases in the final months of 1964.

1965 saw a return to low-level guerrilla conflict and Indonesia becoming increasingly destabilized as the Indonesian communist party (the PKI) and the army jostled for political power. The formation of the Jakarta-Peking axis this year, following in the wake of Sukarno withdrawing Indonesia from the United Nations also upped the ante in this conflict. Sukarno was essentially 'balancing from the left' by this time, showing a distinct drift towards communism which worried many in the West. Some Indonesia watchers saw Sukarno as preparing to hand over control of Indonesia to the PKI after he retired from power, while others saw the PKI as boldly planning to control Indonesian politics at the earliest chance.¹⁴ 1965 also saw great economic dislocation in the Indonesian economy, with hyper-inflation and serious shortfalls in foreign exchange making it extremely unstable. Interest on foreign debt was also mounting exponentially. Alongside rumors of Sukarno's poor health, domestic political tension rose to an extraordinary degree, finally rupturing on September 30, 1965 when the political landscape changed drastically.

In this last stage of Confrontation, we can see that Colonel Untung's failed attempt to install a leftist government by simply assassinating the anti-communist generals in Jakarta on September 30 soon met with harsh retaliation by Suharto, then Army Chief of Staff, resulting in the elimination of the PKI and tens of thousands of its followers being arbitrarily executed or imprisoned. On March 11, 1966, Sukarno effectively

14 Interview with Professor Emeritus Yoji Akashi, Nanzan University, Nagoya, Japan, May 14 2005.

signed over political power to Suharto. Sukarno's role in the attempted coup was unknown and still remains so. However, the army kept him in a mostly symbolic position until 1968. In the wake of this dramatic political reorientation in Indonesia, on August 11, 1966 Confrontation formally ended and diplomatic relations were established between Indonesia and Malaysia.

3. The Japanese Response to Confrontation in 1963

In early 1963 Japan watched warily as Confrontation worsened, and though remaining diplomatically uncommitted at first, soon began to express a strong interest in seeing a peaceful conclusion to this dispute. Though hesitant to take on an active role in mediating in this conflict at this early stage, Japan nonetheless started to be drawn into playing a role in resolving Confrontation due to Indonesia's great strategic and economic importance to Japan.

Japan's concern over a communist Indonesia and the difficulties such a scenario would pose can be shown as early as October 1962, becoming a fear that only increased as Confrontation worsened. The Chief of South East Asian Affairs at MOFA explicitly noted in 1962 that if Indonesia became a "Southeast Asian Cuba" it would be impossible to quarantine or mount a blockade against.¹⁵ Unlike Cuba "the Indonesian archipelago was so vast it cut across Japan's lines of communication, particularly shipping in the Pacific and Indian Oceans.... [which if it went communist] would seriously affect Japan's trade with India, the Middle East and Africa."¹⁶ An explicit understanding thus existed that Indonesia was strategically critical to Japan and any conflict involving Indonesia could not be ignored.¹⁷

One consistent element of Japan's efforts in resolving Confrontation from mid-1963 was its standing offer to both parties of its good offices for reaching a peaceful resolution to this dispute. From May 31 to June 1, 1963 when President Sukarno, the Malaysian Prime Minister and the Filipino President (Macapagal) visited Tokyo for a tripartite meeting on the Malaysia question, Prime Minister Ikeda (Hayato) personally offered Japan's good offices to Malaysia for the purpose of resolving the dispute with Indonesia.¹⁸ Albeit not publicly, he also expressed full agreement with the Tunku and expressed hope that the proposed federation would bring prosperity and a positive influence over the Borneo territories as well as

15 Record of Discussion between Inada, Chief of the MOFA South East Asian Bureau and Nutter (Australian Embassy official) October 26 1962, NAA 1838 3103/10/1.

16 Record of Discussion between Inada, Chief of the MOFA South East Asian Bureau and Nutter (Australian Embassy official) October 26 1962, NAA 1838 3103/10/1.

17 Japan's large-scale investments in oil infrastructure in north Sumatra would have been likely targets in an all out conflict with Malaysia. Masashi Nishihara, *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 129.

assist in stemming communism in the region.¹⁹ In contrast, during the Japanese leader's meeting with Sukarno, he emphasized Indonesia's vast and valuable natural resources, while also expressing his wish that the Indonesian economy would soon see economic recovery.²⁰

Japan appeared quite confident that the 1963 Tokyo meeting would produce positive results. Japanese officials saw the meeting as allowing the Tunku to explain the framework of Malaysia directly to Sukarno, while at the same time providing a good opportunity for Sukarno to retreat from the dispute without losing face, a possible motivation MOFA saw as behind him attending this meeting.²¹ They also optimistically saw this meeting as potentially opening the way for international economic cooperation for the Indonesian economy, mainly from Europe and the US, on top of Japanese economic assistance.

As early as 1963 therefore, Japan viewed economics, not so much as a form of direct leverage, but more as a vehicle to undertake a softer line of reasoning in personal and frank discussions with Sukarno. The position in foreign policy circles in Tokyo at this stage was to use Japanese economic aid to shift the Indonesians politically closer to the Western camp, not believing that Sukarno was yet ready to embrace China. They surmised that a closer economic relationship with the wealthy European nations at first would draw Sukarno in turn inevitably closer to the US, and finally even toward Britain.²²

Multilateral diplomacy remained a consistent element in Japan's diplomacy toward Indonesia, and more broadly, Southeast Asia during Confrontation. When Ikeda met Sukarno in Jakarta later that year multilateral approaches were clearly at the top of his agenda. He directly suggested that in order to improve regional peace and prosperity, a grouping of Japan and the '*Maphilindo*' countries²³ (plus Australia and New Zealand) was one way to achieve this aim.²⁴ Having in mind a future meeting of the *Maphilindo* countries, Ikeda also emphasized the importance of resolving regional issues through multilateral discussions and advocated that the heads of the three countries involved in the dispute meet again

18 MOFA Notes on Ikeda's meeting with the Prime Minister of Malaysia Tunku Rahman on May 31 1963, JOHO KOKAI SHITSU, Tokyo.

19 MOFA Notes on Ikeda's meeting with the Prime Minister of Malaysia Tunku Rahman on May 31 1963, JOHO KOKAI SHITSU, Tokyo.

20 Sukarno responded by suggesting the formation of a 'Japan-Indonesia axis' in Asia, which explicitly linked Japanese economic assistance to Indonesia's rich natural resource base. MOFA Notes on Ikeda's meeting with the President Sukarno on May 30 1963, JOHO KOKAI SHITSU, Tokyo.

21 MOFA notes on the Tokyo Sukarno Tunku Rahman Meeting, June 10 1963, JOHO KOKAI SHITSU, Tokyo.

22 MOFA notes on the Tokyo Sukarno Tunku Rahman Meeting, June 10 1963, JOHO KOKAI SHITSU, Tokyo.

23 'Maphilindo' was a term used to describe an informal grouping of Malaysia, the Philippines and Indonesia which gained currency in the 1963 and 1964 tri-partite and bilateral meetings. Alastair M. Taylor, 'Malaysia, Indonesia and Maphilindo', in *International Journal*, Vol. XXI, No. 2, 1963-1964, p. 168.

24 Nagai Shigenobu suggests that Ikeda and the Prime Minister's Department quietly hatched this plan prior to Ikeda's departure and caught MOFA unawares. Interview with Mr. Nagai Shigenobu, Tokyo, Third Secretary at the Japanese Embassy in Jakarta during Confrontation, Tokyo, September 23 2005.

(with Sukarno positively responding to this suggestion).²⁵ Ikeda pointedly remarked to Sukarno that Indonesia's opposition to Malaysia was a serious obstacle to Japan's proposal for an Asian multilateral framework, but also explicitly expressed Japan's willingness to assist quietly behind the scenes to bring about a resolution.²⁶

Several other important points also arose in this meeting between Ikeda and Sukarno. First, Sukarno informed Ikeda that the US ambassador to Indonesia had recently passed him a letter from President Kennedy asking him to practice restraint in the dispute, which, if agreed to by Sukarno, would allow Kennedy to persuade Malaysia to attend more talks.²⁷ We can note that this was true. After Sukarno had informed Kennedy that he would not heed his advice to "fulfill the promise of Maphilindo" President Kennedy sent an urgent letter on September 28 urging Sukarno that "all concerned stand down for a few days until communications can be restored and the art of statesmanship can perform its function of healing wounds" also adding that "[I]f you are agreeable I am sure I can persuade others to join in a standstill."²⁸

Ikeda, more interested in pursuing Japan's own diplomatic aims however, and with some indifference, dismissed this disclosure by underscoring that though it was indeed positive that Kennedy was becoming involved in resolving the conflict, he saw the chief obstacle to resolving the issue as being the British, therefore, it was imperative for Sukarno to firstly reduce tension with Britain.²⁹ Shortly thereafter, Ikeda 'implored' Sukarno as an 'Asian brother' to remove the Indonesian flag that was at the time flying from the mostly destroyed British embassy, a scene that not only angered British and Australian officials but also reportedly displeased Ikeda.³⁰ Ikeda added an incentive to his demand to take down the Indonesian flag by offering to speak with Prime Minister Harold Macmillan and persuade him to assist in making another *Maphilindo* meeting possible - in other words to persuade Malaysia to enter into further

25 Sukarno sees the Tunku's unwillingness on this point as an obstacle to Ikeda's proposal for multilateral talks. Meeting Notes of the Ikeda-Sukarno Meeting in Jakarta, September 28 1963, JOHO KOKAI SHITSU, Tokyo.

26 Meeting Notes of the Ikeda-Sukarno Meeting in Jakarta, September 28 1963, JOHO KOKAI SHITSU, Tokyo.

27 President Kennedy sent two letters to Sukarno in September 1963, the first on the 13th the second on the 28th. In the first he supported the formation of Malaysia "as the best hope for the security of the area" adding that Sukarno is now at "the crossroads" he can either "fulfill the promise of Maphilindo" or "risk bitter confrontation that will open the area to unfriendly influences." Noting that the latter will thwart US plans to financially aid Indonesia, playing to Sukarno's ego, he also offered to be the first president to visit Indonesia the following year. Outgoing Telegram No. 301 JFK to Sukarno. United States Department of State, September 13 1963 (Source JFK Library, Boston).

28 There was discussion in the White House about gaining agreement from the British to pressure the Tunku to agree to a 'cooling off' period to "get a breathing spell and at least revive Maphilindo." The US is therefore quite explicit in offering its help to 'seek the cooperation of Malaysia and the Philippines in holding another Maphilindo meeting at the ministerial level.' In Internal Secret White House Memo, September 27 1963, including copies of Outgoing Telegrams No. 379 JFK to Sukarno & 384 State Department to Jakarta Embassy. United States Department of State, September 28 1963 (Source JFK Library, Boston).

29 Meeting Notes of the Ikeda-Sukarno Meeting in Jakarta, September 28 1963, JOHO KOKAI SHITSU, Tokyo.

30 Meeting Notes of the Ikeda-Sukarno Meeting in Jakarta, September 28 1963, JOHO KOKAI SHITSU, Tokyo.

discussions (also the same plan President Kennedy had).³¹

In Ikeda's second meeting with Sukarno just before departing for the Philippines, he again stressed the multilateral approach by noting the importance for the *Maphilindo* countries to work amongst themselves to solve their own problems, while warning Sukarno of the dangers of internal and external communism.³² Ikeda also took the stance that it was important for Japan, Britain and the US to play the role of uninvolved parties whose role was more to facilitate negotiations than be directly involved.³³ It was clear therefore, that Ikeda's plans included reducing the number of players in the conflict down to the primary stakeholders, and thus reduce the direct influence of the external powers - a position that would remain consistent throughout Confrontation.

Following these two personal and frank meetings between Ikeda and Sukarno in Jakarta, Japan offered Indonesia US\$12m for a commodity support program and other support using Japanese technology, such as tankers, microwave technology and railway infrastructure: all areas that Ikeda proudly boasted that Japan was a world leader in.³⁴ Notably, the joint Japan-Indonesia communiqué that was issued following these discussions (upon Ikeda's assistance) stressed the notion of 'Asian brotherhood' between Japan and Indonesia. Although it might be more accurate to postulate that Ikeda in his dealings with Sukarno saw Japan more as a mentor (*sempai*) to Indonesia rather than as an equal. This is a notion particularly persuasive if taken from an economic perspective, as this is where Ikeda had achieved unqualified success at home.³⁵

Japan's distinctive *laissez faire* approach and its preference for a *Maphilindo* (multilateral Asian) solution clearly characterized Japanese diplomacy toward Confrontation from late 1963. Confirming this predilection, as he left Indonesia, Ikeda stated to the press that "the dispute should be settled peacefully by the leaders of the countries involved, in a 'spirit of friendly consultations' so as to obviate the need for mediation."³⁶ This did not rule out Japanese officials quietly orchestrating events from

31 Following his first meeting with Sukarno, Ikeda met with US Ambassador Jones and the British Ambassador (Gilchrist), expressing the need for calmness, consensus and a return to Maphilindo as a means to reduce tensions in the dispute. See Meeting Notes of the Ikeda-Sukarno Meeting in Jakarta, September 28 1963, JOHO KOKAI SHITSU, Tokyo.

32 Meeting Notes of Ikeda's Second Meeting with Sukarno in Jakarta, September 29 1963, JOHO KOKAI SHITSU, Tokyo.

33 Also in this meeting, to Sukarno's appreciation, Ikeda told the Indonesian president that he had told the US ambassador that any decision by the US to freeze aid to Indonesia would be an unwise one, and that instead, the US and Japan should continue to provide financial support to Indonesia.. See Meeting Notes of Ikeda's Second Meeting with Sukarno in Jakarta, September 29 1963, JOHO KOKAI SHITSU, Tokyo.

34 Meeting Notes of Ikeda's Second Meeting with Sukarno in Jakarta, September 29 1963, JOHO KOKAI SHITSU, Tokyo.

35 Interview with Mr. Akitane Kiuchi, Head of the Southeast Asian MOFA section 1964-1968, Tokyo, September 21 2005.

36 Usha Mahajani, 'The Malaysia Dispute: A study in Mediation and Intervention', in *Australian Outlook*, Vol. 20, No. 2, 1967, p.181.

behind the scenes to help bring about a peaceful resolution to Confrontation, however.

In Canberra on September 30, 1963, Prime Minister Robert Menzies met Prime Minister Ikeda and differences in viewpoints over the issue of Indonesia between the two leaders soon arose. In this meeting, outlining Japan's low posture *laissez-faire* approach, Ikeda noted that although "it had been Japan's hope that the federation would come into being with the understanding and blessing of its neighbours it was now for countries like Japan and Australia to produce a climate which will allow them to do so."³⁷ To the chagrin of the Australian officials, Ikeda depicted Sukarno rather benignly as a "juvenile delinquent" that needed a role model to follow, indicating later that Japan should take the role of "leading him to the school of democracy."³⁸ Significantly, Ikeda also noted in these Canberra discussions that Japan's role was primarily to "spread the doctrine of the free economy."³⁹

The Japanese increasingly saw Britain's hard line approach as a key factor behind the worsening of the conflict, and the latter's distrustful perception of Sukarno as a 'second Hitler' as decidedly unhelpful in reaching a negotiated resolution to Confrontation. The Japanese openly wondered why Britain, who didn't nearly have as much at stake with Indonesia as Japan did, continued to insist on such a harsh stance. Officials in Tokyo saw this hard line approach towards Sukarno as fraught with risk, as it had the potential to bring the PKI to power, cause the fragmentation of Indonesia or drive Jakarta closer to China.⁴⁰ All these scenarios were clearly incompatible with Japan's priorities of promoting regional stability and harnessing Indonesia's resources to drive its economic growth. As such, MOFA officials saw Japan's unique position as a prime Asian stakeholder in the dispute as placing it in a distinctive position to calm the situation down and assist in bringing about an equitable solution to the conflict.⁴¹ There was therefore, a clear intention on Japan's part to become involved in mediation in Confrontation after it became clear that the conflict was not going to reach a peaceful resolution if left to the disputants themselves. Moreover, mediation provided a useful vehicle through which Japan could start to exercise a degree of subtle regional leadership to match its economic power and possibly attain some international kudos.

Following Ikeda's 1963 overseas visit to Southeast Asia and Australia, Japanese policymakers looked to further define and articulate in more

37 Notes of the Ministerial Meeting with the Japanese Prime Minister, NAA 1838 3103/10/10/5

38 Gaimusho Outward Telegram to the Embassies of North America, Indonesia, the Philippines, Thailand, Malaysia and the UN ('The Malaysia Dispute'), October 21 1963, JOHO KOKAI SHITSU, Tokyo.

39 Notes of the Ministerial Meeting with the Japanese Prime Minister, NAA 1838 3103/10/10/5

40 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

41 Gaimusho Outward Telegram to the Embassies of North America, Indonesia, the Philippines, Thailand, Malaysia and the UN ('The Malaysia Dispute'), October 21 1963, JOHO KOKAI SHITSU, Tokyo.

detail this approach to peacefully resolving the Indonesia-Malaysia dispute. MOFA suggested several possible alternatives for Japan, clearly showing that the key goal at this stage was to re-establish head of government and foreign minister contact between the disputants in order to facilitate an Asian (*Maphilindo*) solution.⁴² Japan saw the Philippines as a good candidate for fulfilling a mediating role due to its positive outlook, which had reportedly impressed Ikeda earlier in Manila. This would also effectively remove Manila from the center of the dispute. The first step therefore, was to achieve reconciliation between Manila and Kuala Lumpur (using Thailand), which would then allow Sukarno and the Tunku to resolve their differences bilaterally.⁴³ We can note that this objective had been achieved by mid-1964 as the Philippines became more of a mediating nation than a disputant in Confrontation.⁴⁴

MOFA officials thus saw their role as not one of mediating directly, but instead one of coaxing and guiding negotiations among the *Maphilindo* countries from behind the scenes using a third party when required.⁴⁵ The two key priorities in these new concrete plans at mediation were therefore, not pressuring Sukarno in any way, while simultaneously gaining agreement from the Tunku to attend another meeting.⁴⁶

Japan thus saw a 'domino-style' diplomatic approach as a promising option for changing the Tunku's mind to attend another meeting. This strategy entailed Japan at first meeting with the Malaysian Prime Minister, American officials then meeting with the Tunku, and then finally Britain, which would result in a collective diplomatic effort that would encourage and offer support to the Tunku for re-entering into negotiations with Indonesia (notably the word 'pressure' was not mentioned by MOFA).⁴⁷ Also of note, Japanese officials saw this same phased multi-lateral "diplomatic route" as useful in convincing Sukarno to repair the British embassy in Jakarta, which would ostensibly restore some good-will.⁴⁸

Japan was therefore, by late 1963, actively planning to encourage the great powers to direct their efforts from the sidelines towards gently persuading the disputants to enter into more meetings (termed a 'diplomatic route'), rather than being directly involved at the center of the dispute themselves. Specifically, Japan also began to express the hope that Britain would persuade Malaysia to enter into more talks with Indonesia aimed at resolving the dispute, while disengaging more from the centre of

42 Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

43 Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

44 This was due to a lack of public support in the Philippines and ostensibly also because the US failed to support this claim. Japan's involvement also played a part in this shift.

45 Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

46 At this stage the Tunku was unwilling to meet Sukarno for further discussions, despite the latter being willing.

Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

47 Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

48 Solutions for Resolving the Malaysian Problem, October 12 1963, JOHO KOKAI SHITSU, Tokyo.

the conflict itself.

4. The Japanese Response to Confrontation in 1964

In January 1964 Robert Kennedy, the US Attorney-General, met Sukarno and the Tunku in Tokyo as the President's special envoy with the aim of decreasing tensions between the two countries and bringing the dispute "out of the jungle and onto the negotiating table."⁴⁹ Ikeda also held discussions with Sukarno. Denoting a less than sympathetic stance this time around, in this meeting he reportedly suggested that Indonesia was the aggressor, while also adding that if Malaysia and Britain agreed to reduce troop numbers along the shared Indonesian border in Borneo, Indonesia should also do likewise.⁵⁰ Japan seemed therefore, more forthright in early 1964 with Sukarno, while also evidently growing more wary of him. The Director of the MOFA Asian Affairs Bureau (Ushiroku Torao) noted in late January 1964 to the Australian Ambassador in Tokyo that some change in Ikeda's view had come about since Ikeda had visited Indonesia. Ushiroku mentioned that Ikeda now had doubts that Sukarno would actually turn completely towards the communists if denied all Western support.⁵¹ While Oda Takio (the Deputy Vice-Foreign Minister) now also harbored deep-seated suspicions that Sukarno and Subandrio "habitually cited pressures from the PKI, and army as an excuse for action or inaction when it was obvious that Sukarno's wishes were followed without question."⁵² Though it had ostensibly begun some time before, by early 1964 Japan's dissatisfaction with Indonesian was beginning to become more apparent.⁵³

Nonetheless, resolving Confrontation through the promotion of high-level discussions remained a key policy priority for Japanese officials. Despite the January talks in Tokyo achieving little progress between the disputants, further high-level MOFA meetings aimed at producing a proposal for peaceful resolution soon followed, producing a range of broad objectives. On Indonesia's part, Japan considered recognition of Malaysia and a halting of economic confrontation as crucial, while antagonism in the press should also cease.⁵⁴ Furthermore, agreement by Indonesia to

49 This visit had been set up through a series of meetings in Washington, in the wake of President Kennedy's funeral, between President Macapagal, General Nasution and President Johnson. See Usha Mahajani, 'The Malaysia Dispute: A study in Mediation and Intervention', in *Australian Outlook*, April 1967, Vol. 20, No. 2, p. 183.

50 A suggestion Sukarno agreed to, providing Japanese monitors were put in place, he told Ikeda. See David Walton, 'Regional Dialogue in Australia-Japan Relations, 1952-1965', unpublished PhD thesis, University of Queensland, 2001, p. 268.

51 Record of conversation between McIntyre and Ushiroku on Malaysia. Inward Cablegram from Australian Embassy in Tokyo Embassy to DEA, January 30 1964. NAA 1838 3034/11/89 Part 4

52 Macintyre reporting on discussions with Oda in Tokyo, February 5 1964. Secret Cablegram from Australian Embassy in Tokyo to DEA. NAA 1838 3103/10/1

53 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

54 Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

withdraw troops within an agreed time limit and disengagement from North Borneo (plus a cessation of all subversive activity), were seen as crucial steps that needed to be fulfilled by Indonesia before conciliation could take place.⁵⁵

On Malaysia's part, Japanese officials decided that it should agree to voluntarily hold a plebiscite in Sarawak and Sabah in 1967, and that Malaysian and British troops should withdraw from the Borneo border until the plebiscite, following which, a ceasefire would be implemented and observers sent in.⁵⁶ In short, in exchange for a future plebiscite a ceasefire would be agreed upon. It was thought that if Sukarno was given an exit, such as this, he would take it. Ushiroku stated that their ambassador in Jakarta was optimistic that "Sukarno would be satisfied with a face-saving gesture" such as an expression of public regret and the promise of a plebiscite, which would then allow Sukarno to drop Confrontation.⁵⁷ Japan was also hoping to include as part of this 'package' some agreement from the Indonesians on re-building the British embassy and condemning its destruction.⁵⁸ Japan's general proposition however, centered squarely on the notion of exchanging a cessation of hostilities by Indonesia for a plebiscite in Borneo, which later came to be termed the 'Oda Plan' - a proposal that MOFA planners continued to base their mediation efforts upon until 1966.

Despite a willingness to involve itself in mediation however, Japan was also wary of losing face through failing in its first diplomatic initiative of the postwar period. To reduce this risk, Japan utilized third party nations and assisted the mediation process from behind the scenes. As such, Japan supported the Philippines in bringing together another meeting between the Indonesian and Malaysian leaders, held in Tokyo in June 1964. Japanese officials hoped that Sukarno would not only agree to withdraw, but also recognize Malaysia in return for a new ascertainment process for Sabah and Sarawak at this upcoming meeting (i.e. the Oda Plan).⁵⁹ However officials in Tokyo were concerned over whether this was enough of a compromise to coax Sukarno into agreeing to a withdrawal, before Malaysia went on the counter-offensive, which would escalate hostilities and render further negotiations unattainable. They were also anxious over the timing of the next round of meetings, despite June already being set aside for the next summit. We can note that several factors were behind this anxiety among MOFA officials.

55 Japanese officials at MOFA hoped to enshrine these conditions in a mutual binding agreement. In Japanese Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

56 Japanese Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

57 McIntyre Discussion with Ushiroku (Director Asian Affairs Bureau, Tokyo, January 30 1964. Inward Cablegram from Tokyo Embassy to DEA. NAA 1838 3034/11/89 Part 4.

58 Japanese Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

59 Inward Cablegram Australian Embassy in Tokyo to DEA Canberra, March 12 1964. NAA 1838 3034/11/89 Part 4.

First, they saw the time as not yet ripe because neither side expressed an intention to seriously negotiate. Nevertheless over time, Japan saw the situation as significantly shifting to Malaysia's advantage (chiefly because it had Commonwealth support), while conversely, Sukarno's regime was seen as growing increasingly unstable.⁶⁰ Interestingly, Japan saw resolution occurring only when one side's internal weakness started to become apparent.⁶¹ However in 1964, they saw the situation as essentially deadlocked and little prospect of the upcoming Tokyo talks succeeding.

Second, Japan viewed the intense distrust of Indonesia by the British and Malaysians as virtually precluding resolution through negotiation. This therefore, explains why Japan attempted on several occasions to persuade Britain to suggest to the Tunku to take a more flexible stance with Sukarno.

Last, Japan viewed the constant pressure applied on Indonesia by the Malaysians and British over time as creating a situation similar to Germany in the 1930s, thus suggesting that sustained external pressure would only drive Sukarno to a more belligerent foreign policy and thus possibly even regional expansionism.⁶² We can therefore note that by mid-1964, Japan's earlier guarded optimism from the year before had been replaced by caution, anxiousness and a growing lack of confidence that further mediation in the near-term would produce fruitful results.

There were two additional factors that added to Japanese apprehension concerning Confrontation. The first were signs that Indonesia was moving closer to communist China.⁶³ Second, MOFA officials held the perception that international public opinion was shifting away from Indonesia, possibly leading to international isolation, while Indonesia's worsening economic situation also exacerbated these concerns.⁶⁴

Nevertheless, Japan still continued to look for opportunities to promote mediation and despite these growing apprehensions MOFA officials further fine-tuned the Oda Plan. Due to Indonesia's strategic importance to Japan and undoubtedly lobbying by the business lobby, Japanese officials had no

60 Japanese Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

61 Notes on the Malaysia Dispute, April 15 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

62 MOFA officials use the term 'a second Munchen' referring to the city of Munich where Hitler's National Socialists first gained political popularity. In other words, if the British were to continue to treat Sukarno like Hitler, he just might start to act in a similar way. In Japanese Proposal for Solving the Malaysian Dispute, April 16 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

63 MOFA officials noted with alarm that on March 26 a Chinese newspaper stated that China was willing to 'help Indonesia fight colonialism' which Tokyo judged to be worrying evidence of increasing collaboration. Notes on the Malaysia Dispute, April 15 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

64 MOFA officials worried that Indonesia could not expect external (financial) support to assist in addressing its debt from the West New Guinea dispute, which it urgently needed because of its decimated rubber exports (a key export commodity) and its dangerously depleted foreign exchange reserves (not to mention a series of natural disasters that had also recently occurred). Japan therefore, viewed the Indonesian economic situation as extremely grave by this stage, and well knew that the economic and military pressure being exerted by the British and its Commonwealth allies was being severely felt by Indonesia. Japan also saw the economic dislocation caused by Confrontation as economically destabilizing Singapore and Malaysia over the long-term. See Notes on the Malaysia Dispute, April 15 1964. MOFA JOHO KOKAI SHITSU, Tokyo.

other option other than to press ahead in assisting to find a resolution to the conflict that would allow stability to return and also keep Indonesia within the non-communist sphere. As a result, the new Oda Plan now outlined a number of new carefully thought-out steps that would hopefully bring about a resolution to Confrontation.

The 'revamped Oda Plan' now contained four key elements that Japanese officials believed would help bring about conciliation through negotiation. These included: (i) obtaining a uniform withdrawal of guerrillas by Indonesia within a set time frame while Malaysia used police instead of its military in these border areas; (ii) ensuring that Indonesia officially accepted Malaysia, leading to a restoration of bilateral diplomatic relations;⁶⁵ (iii) providing Japanese support for a plebiscite in the disputed Borneo territories; and (iv) sending Manila's Sabah claim to the International Court for resolution.⁶⁶ Fundamentally however, Japanese planning remained centered on convincing the disputants to agree to trade a future plebiscite in the Borneo territories of Sabah and Sarawak for a cease-fire: the fundamental aim of the original Oda Plan.

Although Japanese officials had no success in the June 21 1964 negotiations in Tokyo at setting the increasingly elaborate Oda Plan in motion, the meeting did give Ikeda the opportunity to meet personally with both Sukarno and the Tunku and exchange views.

Ikeda met Sukarno on June 10, 1964, and immediately reassured the Indonesian President that he could express himself with complete frankness and candidness. Sukarno took up his offer and told Ikeda directly that he expected Japan to influence the Tunku and persuade him to follow the key principles outlined in the 1963 Manila Accord,⁶⁷ while also expressing that the premature announcement of Malaysia had been highly insulting to him.⁶⁸ Reflecting Japan's new empathy towards Southeast Asia, Ikeda reassured him that the Tunku was going to 'return to Asia' one day but this could not happen overnight, thus in the meantime 'we must be patient and through a Japan-Indonesia partnership cooperate in shaping postwar Asia.'⁶⁹ Ikeda also suggested that after Nehru left the political scene, Japan and Indonesia would become the new leaders of Asia through a Tokyo-Jakarta partnership, to which Sukarno expressed agreement.⁷⁰

65 This plan carefully noted however, that if a plebiscite decision went against Malaysia Indonesia could retract this acceptance of Malaysia.

66 Proposal for resolving the Malaysia-Indonesia (Second Meeting), Document 10-1-10, April 30 1964. JOHO KOKAI SHITSU, Tokyo.

67 According to J.A.C. Mackie, the Manila Accord embodied four major points: (1) agreement that the three (Maphilindo) countries share a primary responsibility for the maintenance of stability and security in the area; (2) support for the formation of Maphilindo based on consensus; (3) an admission by Malaya that the incorporation of Sabah would not prejudice Manila's claim to Borneo after Malaysia came into being; and (4) an affirmation of adherence to the principle of self-determination in relation to the formation of Malaysia. See Mackie, J.A.C. *Konfrontasi - The Indonesia-Malaysia Dispute 1963-1966*, Oxford University Press: Kuala Lumpur, 1974, p. 150.

68 Notes on Ikeda's Meeting with Sukarno, No. 30-1-30, June 10 1964. JOHO KOKAI SHITSU, Tokyo.

69 Notes on Ikeda's Meeting with Sukarno, No. 30-1-30, June 10 1964. JOHO KOKAI SHITSU, Tokyo.

Although Ikeda's reference to a partnership most likely referred to an economic partnership (not political), this meeting nonetheless demonstrated Japan's ongoing lenient stance towards Sukarno and the priority attached to maintaining good relations with Indonesia.⁷¹ We should also note in this meeting that Ikeda reaffirmed the long-held view that "Asian problems should be solved by Asians" and noted that due to Malaysia's 'vulnerabilities' and Indonesia's relative size and population it should become the magnanimous party in this dispute.⁷²

In his meeting with the Tunku, Ikeda seemed to have a different set of objectives in mind, chiefly to convince the Malaysians that Japan was not biased towards Indonesia and to rationalize Sukarno's behavior. Ikeda told the Tunku that he had warned Sukarno against the perils of using force to solve disputes and carefully explained that Japan was not biased towards Indonesia.⁷³ It had obviously become clear to Japanese officials by this point that if Japan was to be successful in mediation, it must at least give the appearance of impartiality. Interestingly, Ikeda also confided in the Tunku by telling him that Japan's main fear was that Indonesia would find itself increasingly isolated from the rest of Asia and as a result draw closer to the communist bloc, which he explained, was why Japan continued to practice close relations with Indonesia.⁷⁴ Underlying Japan's fear of the Jakarta-Peking axis, Ikeda firmly indicated to the Tunku that it was Japan and Malaysia's responsibility to keep Indonesia out of the communist sphere. Ikeda also once again offered Japan's good offices to resolve the dispute, noting that "we are all Asian brothers" and stressed the need to continue high-level meetings while exercising patience.⁷⁵

Japan's ongoing and patient efforts at mediation however, failed to assist in bringing about a positive outcome to the June Tokyo meeting. With few other options, at this point the Japanese were pinning their hopes on a resolution of Confrontation through the framework of a four-nation Afro-Asian Conciliation Commission (AACC), which was one of the few positive (albeit nebulous) outcomes that had resulted from the June summit in Tokyo.⁷⁶ Within this multilateral framework, further indicating Japan's willingness to become involved in the mediation process, Japan was reportedly very interested in playing a pivotal role within this commission.⁷⁷

70 Notes on Ikeda's Meeting with Sukarno, No. 30-1-30, June 10 1964. JOHO KOKAI SHITSU, Tokyo.

71 Kiuchi Akitane suggests that the Japanese leader may have been simply attempting to match Sukarno's grandiose style of rhetoric, and doubts any degree of political implication through the term *axis*. Interview with Mr. Akitane Kiuchi, Tokyo, Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

72 Notes on Ikeda's Meeting with Sukarno, No. 30-1-30, June 10 1964. JOHO KOKAI SHITSU, Tokyo.

73 Notes on Ikeda's Meeting with Rahman, June 16. JOHO KOKAI SHITSU, Tokyo.

74 Notes on Ikeda's Meeting with Rahman, June 16. JOHO KOKAI SHITSU, Tokyo.

75 Notes on Ikeda's Meeting with Rahman, June 16. JOHO KOKAI SHITSU, Tokyo.

76 Information shared by the French with the Australian Embassy in Paris, gained through the Franco-Japanese arrangement for sharing political information. Inward Cablegram No. 1462 from the Australian Embassy in Paris to the DEA. NAA 1838 3034/11/89 Part 4

77 Information shared by the French with the Australian Embassy in Paris under the Franco-Japanese arrangement for sharing political information. Inward Cablegram No. 1462 from the Australian Embassy in Paris to the DEA. NAA 1838 3034/11/89 Part 4

The importance of the economic aspect in the Japan-Indonesia relationship was further stressed when Sukarno again visited Tokyo from October 26 to November 1, 1964. In Sukarno's meeting with Foreign Minister Shiina Etsusaburo, the latter stated that he was impressed by Indonesian nationalism and his country's abundance of human and natural resources, and he went on to offer Japan's services to help develop these resources.⁷⁸ Sukarno replied that Indonesia and Japan have a 'give and take relationship' with oil and natural resources possessed by Indonesia and machinery by Japan - a comment that undoubtedly did not meet with disagreement by Shiina.⁷⁹ Also quite remarkably in this meeting with Shiina, but in line with Japan's 'passive diplomacy' role, Japanese officials failed to mention the recent tension over the past two months between Indonesia and Britain, which at times had threatened to escalate Confrontation into a major regional conflict.

In November of 1964, Ikeda retired from politics due to poor health. By this time Japan's senior policy makers were mostly convinced that Sukarno had lost control of the PKI, which they saw as the real force behind Confrontation. In addition, there was a substantial loss of enthusiasm concerning Indonesia in MOFA circles by late 1964, which had in fact been culminating for some time.⁸⁰ However, the ushering in of Sato Eisaku as the new Japanese Prime Minister resulted in a renewed emphasis on mediation in the dispute and fresh displays of commitment to Indonesia by Japan.

5. The Japanese Response to Confrontation in 1965

The first blow to Japan's renewed efforts at mediating in Confrontation occurred on January 1 when Sukarno announced that he would withdraw Indonesia from the UN, causing much consternation in Japanese policymaking circles.⁸¹ On January 6, Sato sent a personal letter to Sukarno urging him to reconsider this rash action by settling his problems with the UN, also offering to send an envoy to Indonesia to assist in restoring the situation.⁸² Sato's letter urged Sukarno to learn from Japan's bitter experience in World War II, which could, he insisted, be traced back to Japan's withdrawal from the League of Nations in 1933.

78 Record of Meeting between Shiina and Sukarno, October 29 1964, Gaimusho Shiryokan Tokyo, A 423 5-1-1

79 Record of Meeting between Shiina and Sukarno, October 29 1964, Gaimusho Shiryokan Tokyo, A 423 5-1-1

80 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

81 Indonesia's withdrawal from the UN, in stark contrast to Tokyo's response, was loudly applauded in Peking.

82 Masashi Nishihara, *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 135.

However, some skepticism was increasing among MOFA officials that Sukarno could be actually persuaded to embark on a less destructive foreign policy⁸³. With the LDP Secretary General ‘unwilling’ to visit Indonesia as Sato’s representative the choice fell to a less important official: Ogasa Kosho. The press reported that Ogasa met with Sukarno on January 26 to discuss his reasons for leaving the UN and future Japanese economic cooperation.⁸⁴ In fact, Ogasa learnt firsthand that Sukarno’s decision was final about leaving the UN and failed to convince him to reconsider his decision. Sukarno did however, at least take this opportunity to personally invite Kawashima to visit Indonesia, which set up the next round of mediation for Japan.⁸⁵

By the end of January, a new window of opportunity had arisen for Japan to play a mediating role in Confrontation. It appeared that both the Tunku and Sukarno were to coincidentally find themselves in Tokyo at the end of May, prompting some hope amongst Japanese political and diplomatic circles that another Tokyo meeting could be organized.⁸⁶ MOFA officials noted that if the Tunku and Sukarno could agree to the four-party AACC, Japan could introduce some of its earlier plans for mediation (based on the ‘Oda Plan’) into this framework, while the conciliation commission would also be a useful instrument for keeping Indonesia away from Peking (a key strategic aim for Japan).⁸⁷ However, the overall tone at MOFA remained cautious over this meeting between Sukarno and the Tunku actually taking place. MOFA officials described the dispute between Indonesia and Malaysia as essentially intractable because Confrontation was now a key pillar of Sukarno’s leadership, while the Malaysians, with the help of the British and Australians, seemed confident enough to continue subduing Indonesian guerrilla activity on the Borneo border indefinitely.⁸⁸

Notably however, these officials did not yield to these doubts and abandon the notion of mediating in Confrontation. The outcome of these not overly optimistic MOFA discussions was a plan that involved solving the guerrilla problem (i.e. facilitating at least a withdrawal by Indonesia in Borneo), while simultaneously ‘tying in’ Indonesia to the previously agreed upon four-nation Afro-Asian Conciliation Committee (AACC).⁸⁹ From this stage therefore, the AACC was seen as mutually compatible with the

83 McIntyre Telegram on the Ogasa Mission, from Australian Embassy Tokyo to DEA, January 8 1965. NAA 1838 3103/10/1 Part 10.

84 The January 14 1965 edition of the *Yomiuri Shinbun* reported that: ‘Ogasa was expected to report back to Kawashima on Indonesia’s reasons for withdrawing from the UN and future trends in Indonesian Foreign policy.’

85 Masashi Nishihara, *The Japanese and Sukarno’s Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, pp. 136-7.

86 While the Tunku was visiting Tokyo in April for the Asian Confederation of Football Associations conference, Sukarno was reportedly planning a trip via Tokyo to a third country.

87 Plan for Mediation in the Malaysia Dispute, February 9 1965, MOFA JOHO KOKAI SHITSU, Tokyo.

88 Plan for Mediation in the Malaysia Dispute, February 9 1965, MOFA JOHO KOKAI SHITSU, Tokyo.

89 Plan for Mediation in the Malaysia Dispute, February 9 1965, MOFA JOHO KOKAI SHITSU, Tokyo.

overall objectives of the 'Oda Plan.' In fact, Japanese officials were now prepared to graft their own plans onto the AACC concept at the earliest opportunity. As Japan had always had a preference for a multilateral approach and an 'Asian solution' it was quite understandable that Japan wanted to be involved in the AACC. However, the fundamental crucial step required before any mediation could take place was the problem that had persisted since the failed June 1964 talks in Tokyo: chiefly, getting the two disputants to the negotiation table.

Japan again turned to Kawashima in a last ditch effort to get peace talks on the table in April 1965.⁹⁰ On April 16 and 17 Kawashima met with Sukarno in Jakarta to attend the 10th anniversary celebrations of the Bandung Conference and to find out more about Sukarno's objectives in confronting Malaysia.⁹¹ Kawashima in his discussions with Sukarno proposed that he come to Tokyo in May for another conference with the Tunku. Kawashima's sweetener was to add that Japan would back the second Afro-Asian conference due in Algiers in June and that he would even attend this conference himself.⁹² Fearing the ever tightening Jakarta-Peking axis, it was hoped that Japan's presence at the Afro-Asian conference would also dissuade Sukarno from further seeking Peking's support. In other words, strong Japanese representation at Bandung was aimed at diluting China's influence vis-à-vis Indonesia and the Afro-Asian bloc as a whole. Kiuchi interestingly notes that Kawashima's other motive in attending the Afro-Asian conference, was to "use Sukarno as an intermediary between Tokyo and Peking" in order to create an avenue of informal dialogue with China.⁹³ Nonetheless, demonstrating, Japan's increasing nervousness at the growing Jakarta-Peking axis, and ostensibly to bolster the economic partnership (plus keep certain Japanese lobbyists satisfied), Kawashima offered Sukarno US\$20m to build steam power plants at this meeting in Jakarta.

Kawashima's second port of call was Kuala Lumpur on March 20 where his mission (according to a special meeting of MOFA officials on February 24) had the twin goals of addressing the perception that Japan's position was pro-Indonesian as well as to "listen carefully to Malaysia's position, while also persuading the Tunku to attend more talks."⁹⁴ To bring the

90 This followed on from a failed attempt by the Thais to mediate at the end of February.

91 Kawashima also had another purpose which was to meet with Premier Chou En-lai, who was heading the Chinese delegation, hence the LDP heavyweights Nakasone and Fukuda also on this trip. They successfully met on April 19 1965 through Sukarno's introduction and agreed to hold regular ministerial meetings. See Nishihara, M. *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 139 (158). Mr. Kiuchi suggests that Japan wanted to use Indonesia (and Sukarno) as a bridge to China, thus explaining why Kawashima was so interested in attending the AA Conference. Interview with Mr. Akitane Kiuchi, Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

92 Masashi Nishihara, *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 139.

93 Interview with Mr. Akitane Kiuchi, former Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

94 Prime Minister Rahman's Intentions and the Malaysian Dispute - the Approach of Japan's special Envoy, No. 30-30, February 24 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

Tunku back to the negotiating table, MOFA suggested that Kawashima impress on the Malaysians that the Jakarta-Peking axis threatened to widen the differences that existed between the US and China, which had the potential to directly threaten the peace and stability of the entire region.⁹⁵ These officials also wanted Kawashima to explain to the Tunku that Japan's goal was to "bind" Sukarno to the four-nation AACC framework, which would then "freeze his position", thus preventing a worsening of the overall situation (a point that should be emphasized they added).⁹⁶

The MOFA officials in Tokyo therefore, essentially saw Kawashima's purpose as 'preparing the ground' (*nemawashi*) for achieving Malaysian agreement for further negotiations with Indonesia. They also persisted in attempting to portray Japan as the 'honest broker' between Malaysia and Indonesia in order to increase the level of trust by the Tunku in Japan. We can also note that Japanese officials expressed some urgency that negotiations with Sukarno be started before the Jakarta-Peking axis grew even closer.⁹⁷

In accordance with the MOFA recommendations, Kawashima duly stressed that Japan was 'concerned for the peace of the area and hoped that Malaysia would contribute positively' while adding that 'the conflict with Malaysia was pushing Indonesia closer towards the Communist bloc' as a counterweight to British support of Malaysia.⁹⁸ In closing, Kawashima urged that Japan was prepared to take part in the AACC and that "for the sake of world peace it should be started right away."⁹⁹ Kawashima's mission was a success in that the Tunku, based on Kawashima's assurances, agreed to meet Sukarno, and even offered to stay longer in Tokyo to achieve this purpose. Officials in Tokyo again soon became more hopeful that a bilateral meeting would take place, leading to the establishment of the AACC and possibly even the long sought after negotiated resolution to Confrontation.

It was also during Kawashima's meeting with the Tunku in Kuala Lumpur that MOFA officials implemented a strategy to not only gain Sukarno's attendance in Tokyo, but also facilitate a cease-fire: Japan's long-held key objectives. The plan was simple and yet not overly duplicitous.

95 The Japanese officials were also hopeful that the Malaysians would pass on this view to the British. See Prime Minister Rahman's Intentions and the Malaysian Dispute - the Approach of Japan's special Envoy, No. 30-30, February 24 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

96 Prime Minister Rahman's Intentions and the Malaysian Dispute - the Approach of Japan's special Envoy, No. 30-30, February 24 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

97 Prime Minister Rahman's Intentions and the Malaysian Dispute - the Approach of Japan's special Envoy, No. 30-30, February 24 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

98 Cablegram from the Australian High Commission in Kuala Lumpur to DEA, March 22. NAA 1838 3103/11/106

99 Notably during his meeting Kawashima also expressed Japan's support for Malaysia at the Afro-Asian Conference (something Sukarno was opposing). Cablegram from the Australian High Commission in Kuala Lumpur to DEA, March 22. NAA 1838 3103/11/106

The Japanese plan essentially centered upon Japan 'playing up' the fact that the Malaysian Prime Minister had received Japanese assurances that incursions would end if talks started. More specifically, Saito was to suggest to Sukarno that the Tunku had only agreed to attend a meeting because Kawashima had 'told him' that Tokyo *strongly believed* that hostilities would cease after a meeting between Sukarno and the Tunku had commenced.¹⁰⁰ A bilateral meeting therefore, would be implicitly tied to at least a reduction in hostilities by Indonesia. In short, the impression would be given that if a ceasefire did not transpire, Japan would suffer a significant loss of face. Kawashima outlined this plan to the Tunku to his approval, but obviously Sukarno was not aware of the finer details. Notably, Kawashima received explicit approval from senior decision-makers in Tokyo to carry out this tactically astute plan.¹⁰¹

Following completion of the first stage of this plan (i.e. receiving the Tunku's agreement to meet Sukarno and his approval for this ploy), Kawashima flew onto Bangkok, where he met Japan's ambassadors from Indonesia, Malaysia and Thailand (notably Ambassador Saito Shizuo from Jakarta), to brief them on the details of his meeting with the Tunku. Knowing full well Sukarno's unpredictable nature, it was stressed that Saito take due care to prevent the appearance that he was pressuring Sukarno as a result of the Kawashima-Tunku meeting.¹⁰² The Japanese also noted that they did not have much time on their side to bring the two leaders together, as both the Second Afro-Asian Conference and the Commonwealth Heads of Government Meeting were fast approaching, both were seen by the Japanese as potentially unhelpful to furthering peaceful negotiations.¹⁰³ Upon being briefed by Kawashima in Bangkok, Saito hastily returned to Jakarta the next day and reported to Sukarno the outcome of the Kawashima-Tunku talks, duly noting as agreed that the Tunku had agreed to meet with Sukarno in Tokyo on the expectation (based on Japanese 'assurances') that hostilities would at least abate, thus implementing the previously agreed upon MOFA plan. In this meeting however, Sukarno remained uncommitted to Sato's invitation to visit Tokyo and meet the Tunku.

Regretfully, despite some hope in Tokyo that Sukarno had tacitly accepted the invitation and the aforementioned plan had indeed worked,

100 Telegram from Kawashima to Kai on Kawashima-Rahman Meeting, No. 238. April 21 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

101 Telegram from Kawashima to Kai on Kawashima-Rahman Meeting, No. 238. April 21 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

102 Telegram from Kawashima to Kasutani (Thai Ambassador) on Malaysian Dispute and the Meetings of the Special Envoy, No. 354. April 23 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

103 The AA Conference was seen as solidifying the Jakarta-Peking axis, while the meeting of Commonwealth heads might have seen Britain talk the Tunku out of being conciliatory in any way to Sukarno. Telegram from Kawashima to Kasutani (Thai Ambassador) on Malaysian Dispute and the Meetings of the Special Envoy, No. 354. April 23 1965. MOFA JOHO KOKAI SHITSU, Tokyo.

Sukarno told a crowd of cheering workers on May 1 in Jakarta that he would not go to Tokyo. Therefore, despite detailed planning and coordination by MOFA and Kawashima's substantial efforts at 'shuttle diplomacy' between Kuala Lumpur, Bangkok and Jakarta, this attempt at bringing together both disputants in Tokyo failed. It was seen in some quarters as a sign that the PKI was further increasing its influence as it had pressured Sukarno consistently not to attend another conference.¹⁰⁴

The Tunku still visited Tokyo, and in the face of quickly growing disenchantment with Sukarno by Japanese officials had a number of high-level meetings in Japan. In his meeting with Prime Minister Sato, the latter firmly expressed Japan's willingness to keep trying to mediate in Confrontation and the need for patience.¹⁰⁵ Notably, Sato also hadn't given up all hope that a meeting would take place, noting that: "I myself am now approaching him [Sukarno] personally expressing my most earnest wishes that President Sukarno should meet your Excellency [the Tunku] by all means at the earliest possible date."¹⁰⁶ Interestingly, he also pointed out to the Tunku that they had informed Sukarno that Japan would fully support Malaysia's participation at the upcoming 2nd Afro-Asian Conference, which must have greatly pleased the Tunku, which also demonstrated that Japan was becoming more candid in its support of Malaysia.

A clear outcome of Sukarno's failure to attend the planned Tokyo meeting was an appreciable frustration with Sukarno's behavior by Japanese officials.¹⁰⁷ By this time in Tokyo, divisions in opinion had also developed over how Japan should deal with Indonesia. Prime Minister Sato's pro-active independent foreign Southeast Asian policy (backed by the pro-Indonesian business lobby) contrasted with the more skeptical and cautious MOFA officials who were increasingly impatient with Sukarno's irreverence to diplomatic protocol and cavalier attitude towards Japan. Firmly supported by some influential commercial interests however, it was Kawashima who largely propelled Japan's mediation efforts during 1965, as he and the business lobby still had considerable sway over senior political decision-makers, who in turn drove foreign policy.¹⁰⁸ Attempts at mediation and ongoing financial support to Indonesia therefore, continued into 1965 despite any actual progress in mediating a solution to Confrontation by Japan.

On May 19, Foreign Minister Subandrio made a visit to Tokyo to make

104 *The Japan Times* noted that it was a "huge victory for the Indonesian communist party." *The Japan Times*, May 2, 1965.

105 Notes on Sato-Rahman Meeting, May 4 1965. Visit to Japan: Prime Minister of Malaysia, Tunku Abdul Rahman Putra, 0120-2001-01803/01804. July 1964 - May 1965. Diplomatic Record Office, Tokyo.

106 Notes on Sato-Rahman Meeting, May 4 1965. Visit to Japan: Prime Minister of Malaysia, Tunku Abdul Rahman Putra, 0120-2001-01803/01804. July 1964 - May 1965. Diplomatic Record Office, Tokyo.

107 Reflecting this Japan sent delegations to both Indonesia and Malaysia's Independent Day Celebrations in August and September respectively.

108 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

a request for economic aid. In his meeting with Shiina Etsusaburo Japan further demonstrated that it was unwilling to let Indonesia be isolated economically from the non-communist world (despite its poor behavior) by agreeing to a credit of US\$15m. Moreover, showing that Japanese officials were still hoping for a chance at mediation, Oda also informed Subandrio that Japan was hoping for a meeting between Subandrio and the Tunku at least before the June Afro-Asian conference in Algiers, so that this would "open the door to Malaysian participation at Algiers without creating embarrassment for Sukarno."¹⁰⁹ This suggestion however, was not taken up or even considered by Indonesian diplomatic officials, highlighting a lack of political will on Japan's part to impose conditions on its aid to Indonesia or make explicit demands on the Indonesian leadership.

Although Shiina's financial 'gift' was one of many made by Japan during Confrontation, it is a clear example of the lack of reciprocity that characterized the Japan-Indonesia relationship. This episode also shows how Japanese financial support to Indonesia served to help maintain the status quo in the mutually serving Japan-Indonesia economic relationship and indirectly prop up Sukarno's regime.¹¹⁰ Such 'gifts' of credit directly generated lucrative contracts within the private sector in Japan, while in Indonesia it helped stave off the need for true economic reform. Whether it stemmed Indonesia's leftward drift as Japanese policymakers hoped it would, is however, much more difficult to prove.

Nonetheless, still fearing that a delay could make a peaceful resolution even more difficult, Japan tried its hand once again at mediation through its Indonesia-savvy Kawashima. This time the event was Indonesia's Independence Day celebrations on August 17, 1965. On this trip Kawashima, as a representative of the Japanese government, stayed as a guest of Sukarno from August 13-27, 1965 in Jakarta. Despite the closeness in relations at a personal level (through Sukarno's third wife), little positive progress was made and discussions did not proceed smoothly between Sukarno and Kawashima. Not only did Sukarno, against Japan's expressed wishes, loudly re-affirm his policy to 'crush Malaysia' in his Independence Day speech, Sukarno also refused to agree to send a delegation to Japan's recently proposed Southeast Asian Ministerial Conference on Economic Development (or the Afro-Asian conference) if Malaysia was to attend.¹¹¹

Clearly Sukarno was exhibiting vintage recalcitrance and belligerence in this meeting. As Japan was quite adverse to its multilateral proposal for

109 Subandrio's Visit to Tokyo, Secret Cablegram from the Washington Embassy to DEA, Canberra, May 27 1965. NAA 1838 3103/11/106 Part 5

110 See Donald Hindley, 'Foreign Aid to Indonesia and its Political Implications', in *Pacific Affairs*, Vol. 36, No. 2, 1963.

111 Masashi Nishihara, *The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 140-141.

regional economic cooperation becoming an economic version of SEATO (South East Asia Treaty Organization), Indonesia effectively had the potential to scuttle Japan's meticulous planning. Not only did this create some concern in Tokyo, it also illustrated the often overlooked leverage that Indonesia had in fact over Japan, despite the economic disparity between the two nations.

Possibly reflecting the last lever he could pull with any chance of success with Sukarno, Kawashima agreed to a deferred payment for US\$37m worth of imported goods (cotton, cement and water pipes) at this otherwise unfruitful meeting, bringing Japan's total financial commitment to Indonesia in 1965 alone to US\$72m, more than any other country.¹¹² The fact that Japan was the only major non-communist country still providing substantial aid towards the latter half of 1965 demonstrates not only the strength of the business lobby in Tokyo, but also the only avenue Japanese officials felt was still available as a means of preventing a closer and more perilous political alignment between Indonesia and China.

Following the attempted coup d'état on September 30, Japan became increasingly concerned over the possibility of civil war breaking out in Indonesia, a scenario they saw as allowing the PKI to take full control of Indonesia. As a result, Tokyo officials began to soon discuss emergency aid and a long-term multilateral approach towards aid for Indonesia. By January 1966, opinion was divided however, over whether to offer more aid amongst such political and economic chaos or pursue a 'policy of inactivity'. Tokyo officials finally began to consider resuming aid in early 1966, however, this time openly expressing that they would like to see certain economic and political steps also undertaken by Indonesia in return. Chiefly, this meant a cessation of Confrontation and the implementation of some serious domestic economic reforms, a stance that brought Japan into alignment with the major Western countries that were at the time also considering renewing their aid commitments to Indonesia. This however, should not be misconstrued as conditionality, but more along the lines of firm suggestions on the part of MOFA officials to the new Indonesian leadership.

In late April, Japan attempted one final attempt at mediation, as Confrontation was winding down anyway. The former diplomat Shirahata Tomoyoshi and the Malaysian Ambassador Kai, after making contact with the new Indonesian foreign Minister Adam Malik, agreed to an important request made by him. It seemed he had been unsuccessful in convincing the Malaysians that Indonesia finally wanted rapprochement, and he requested Japan to persuade the Tunku of his sincerity. Through Kai's persuasive efforts in Kuala Lumpur, the Malaysians agreed to a meeting,

112 *ibid.*, p. 141

resulting in the historic Malik-Razak meeting and a series of discussions that later saw Confrontation finally dropped and diplomatic relations between Indonesia and Malaysia fully restored.¹¹³

6. Conclusion

In assessing Japan's stance during Confrontation we can note that certain shifts in position took place, while many other factors in Japan's stance towards Indonesia underwent no change. As this event represented Japan's first tentative foray into international diplomacy in Southeast Asia in the Cold War period, both elements need to be examined.

First, despite expressing an early preference for a more hands-off *laissez-faire* approach to the dispute, Japan shifted its position and became increasingly involved in the dispute as tensions worsened. Significantly, the early 'Oda Plan' evolved from a simple formula of offering a plebiscite in exchange for a ceasefire, to more complex diplomatic maneuvering that attempted to bring third parties in as mediators and was even prepared to co-opt the AACC concept if necessary. In these more comprehensive plans, several high-level MOFA discussions even saw tacit agreement reached on sending SDF (Self Defence Force) personnel into areas of conflict in Borneo as military observers, thus reflecting a distinct willingness for explicit involvement by Japan to peacefully resolve Confrontation.

Second, though consensus was apparently present in the first year of Confrontation, divisions in approach toward Indonesia had appeared by 1965, mostly along bureaucracy and pro-business- LDP party lines. While many diplomatic officials had ostensibly become 'Indonesia-fatigued' by this point, influential commercial interests in the private sector ensured through lobbying that political disengagement (even if Japan had wanted to) would not occur. Kawashima, the key figure between the business lobby groups and the LDP, subsequently became the chief driver behind further engagement with Jakarta and efforts towards mediation from early 1965, even as MOFA became openly disenchanted and even resentful of Sukarno.¹¹⁴

Last, we can note that in the final instance, Japan's concern over internal economic conditions within Indonesia had increased to such a degree that it insisted, at minimum, a willingness by Indonesia to 'put its house in order' in order to secure further economic assistance from Japan.¹¹⁵

113 *ibid.*, pp. 142-143

114 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

115 This instance suggests that a degree of conditionality was being called for by some Japanese officials. However, it has been suggested that Japanese rhetoric may have been tougher than it was prepared to actually carry out in practice. Despite some MITI and MOF officials advocating a tougher approach, MOFA officials remained 'evasive' and unwilling to impose conditionality on Indonesia. Interview with Mr. Akitane Kiuchi, former Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

At the very least, these firm remarks had not been heard before from Tokyo directed at Indonesia. These remarks also demonstrated the fear in Tokyo that economic dislocation and chaos would create political instability that could assist communist elements. Although, it is prudent to note that these comments were not aimed at being coercive, and economic assistance was in no danger of being cut off to Indonesia.

On the other hand, however, there were also key aspects of Japan's stance toward Indonesia during Confrontation that saw little or no change. First, economics played an important and consistently prominent role in Japan's dealings with Indonesia. MITI (Ministry of International Trade and Industry) officials even at the height of Confrontation saw Indonesia as a major market in the future and felt that "Japan must help Indonesia now if major benefits are to be reaped from Indonesia's future economic prosperity."¹¹⁶ The US\$124m in aid offered throughout the various meetings between Japan and Indonesia during Confrontation coupled with the substantial capital investments that had flowed on from Japan's reparation payments, created a mutually profitable economic and trading relationship that could not be overlooked by diplomatic officials in Tokyo when dealing with Sukarno.¹¹⁷ Notably this was an effect, which also ultimately allowed Sukarno to retain some power in his dealings with Japan.

These economic factors were also especially salient because the business lobby had significant influence over Kawashima, and this lobby was a key pillar of support for the ruling LDP.¹¹⁸ Kawashima therefore, served as a roving conduit between the political and business spheres in both Tokyo and Jakarta, and used his close ties with Sukarno and his Japanese (third) wife to facilitate a range of mutually beneficial commercial activities.¹¹⁹ A corollary of this corporate influence was the various personal relationships Sukarno also enjoyed with many important Japanese political decision makers and senior business leaders, which undoubtedly also influenced Japan's stance towards Indonesia during Confrontation. Notably, many of these relationships had been formed during Japan's occupation of Indonesia, such as Nishijima Shigetada, who later assisted in

116 Record of Conversation with Mr. Katayama (3rd Foreign Market Section MITI) with C. H. Clark 3rd Secretary of the Australian Embassy Tokyo. October 1964. NAA 1838 3034/11/89 Part 5.

117 Japan agreed to pay \$230m in reparations, \$200m in long-term loans and \$400m in economic aid, and agreed to a cancellation of the outstanding trade debt of \$16m with Japan. This was very different to the \$417.5bn in financial compensation that Jakarta had been earlier demanding in the 1950s. See Nishihara, *M. The Japanese and Sukarno's Indonesia - Tokyo-Jakarta Relations 1951-1966*, Honolulu: The University Press of Hawaii, 1976, p. 47-50.

118 See Richard J. Samuels, 'Kishi and Corruption: An Anatomy of the 1955 System', in *Japan Policy Research Institute*, Working paper No. 83, December 2001.

119 Interview with Mr. Akitane Kiuchi, Tokyo, former Head of the Southeast Asian MOFA section 1964-1968, September 21 2005. Professor Shuto of Tsukuba University also supported this idea of Kawashima being the primary "contact person" in political and business circles in both countries in an interview conducted on September 25, 2005 in Tokyo.

Japan's plans to heavily invest in Indonesian oil.¹²⁰

In light of the densely intertwined personal and commercial relationships between Japan and Indonesia, anything other than a lenient and 'low posture' stance towards Indonesia during Confrontation would have been, therefore, quite unfeasible for Tokyo.

Second, Japan saw the Asian countries themselves as being responsible for solving the dispute. The great powers that had a stake in the outcome were viewed as best keeping in the background and out of the fray. 'Asian solutions to Asian problems' remained a key theme in Japanese diplomatic decision-making machinery throughout Confrontation. The fact that Washington also held this view, allowed Japan to not only confidently hold this diplomatic line, it also permitted Tokyo to facilitate mediation efforts as a fellow Asian country, which was very much in line with its own interests of returning to Asia in a regional leadership capacity.¹²¹

Third, Japan showed a willingness to persuade third countries, chiefly the Philippines and Thailand, to involve themselves at the forefront of mediation efforts, while Japan played a more behind-the-scenes coordinating role. Ostensibly, this was to reduce its own political risk if the initiative failed and also blunt any criticism of Japan should it later arise. Nagai Shigenobu notes that Japan was "very conscious of the war" in this first diplomatic initiative and was thus very "passive" in its planning and diplomatic efforts aimed at achieving a resolution to Confrontation.¹²² Clearly, assertive and unambiguous diplomacy does not describe Japan's first diplomatic initiative of the postwar period.

Last, Japan showed a consistent and sustained willingness to be involved in mediating a peaceful resolution to Confrontation. In the period under review we can note that Japan hosted three key Tokyo meetings, while in 1965 alone Kawashima made three attempts to mediate with Sukarno, with Japan finally achieving some belated success with the aforementioned Shirahata-Kai mission in April 1966.

One likely motivation therefore, for these substantial efforts was the chance of achieving a degree of kudos for bringing about a diplomatic solution to Confrontation. We can note that in order to help restore Japan's postwar status as a great power, and portray it as a potential (economic) leader for the region, kudos was a key determining factor underlying Japan's policymaking behavior.¹²³ Kiuchi explicitly supported this notion

120 Sukarno, Hatta, Malik and the other key political figures at Indonesia's birth in 1945 were given both moral and material support from the Japanese Navy Liaison Office based in Jakarta, while they also personally knew Nishijima Shigetada and Saito Shizuo, two figures that were to later help bridge the gap between Tokyo and Jakarta after the war and assist in forming the 'special relationship.' Interview with Professor Emeritus Yoji Akashi, Nanzan University, Nagoya Japan May 14 2005. Also in Masashi Nishihara, *The Japanese and Sukarno's Indonesia*, p. 64.

121 Interview with Dr. Miyagi Taizo, Tokyo, September 25 2005.

122 Interview with Mr. Nagai Shigenobu, Tokyo, Third Secretary at the Japanese Embassy Jakarta during Confrontation, September 23 2005.

123 *The Asahi Shinbun*, March 2 1965, editorial: 'Expectations for Mediation on Malaysia.'

when he unequivocally stated in an interview that there was a 'definite prestige factor' at stake behind Japan's motivation to mediate in Confrontation.¹²⁴

This willingness to mediate by Japan in its first explicit demonstration of postwar regional diplomacy can also be explained by the substantial economic and strategic value Indonesia possessed. Japan's desire to keep Indonesia non-communist and politically stable, particularly in light of Japan's high dependency on the sea lanes around Indonesia for trade and importing raw materials, undoubtedly also underpinned its efforts at mediation.¹²⁵

The sum of these various factors that drove Japan to mediate in Confrontation were clearly quite significant. Japan sustained its involvement in mediating behind the scenes during Confrontation despite the major Western powers being unwilling to play a major role in mediation, and even after the Philippines and Thailand showed a distinct lack of enthusiasm to become involved in this dispute from 1965.

Despite the fact that ultimately mediation between the disputants failed, Japan still managed to achieve a set of acceptable outcomes through diplomatic involvement in this dispute. Not only was Japan able to maintain its bilateral trading and political relationship with Indonesia throughout Confrontation (putting it in a strong position to deal with the new Suharto regime), it also managed to maintain cordial relations with the Commonwealth countries of Britain, Australia and New Zealand, as well as with decision-makers in Washington: a powerful grouping of nations that had all decisively moved against Sukarno by early 1965. We can also note that Indonesia ultimately remained non-communist during Confrontation - a result that Japanese influence undoubtedly played a part in. Finally, Japan's mediation efforts in Confrontation, not only demonstrated that Japan was an economically and politically advanced partner in the Western Alliance in Asia, these diplomatic responses *also* importantly showed that Japan could play an independent and positive role in support of the US despite not being able to contribute to this alliance in a traditional military sense.

124 He also stated that it was largely for show with minimal substance, using the Japanese term *kashizashiki*. This indicates that these mediation efforts in Tokyo were *significantly* aimed at showing Japan in a favorable international light. Interview with Mr. Akitane Kiuchi, former Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

125 Japan was keenly aware from the earliest stages of Indonesia's strategic importance to Japan, chiefly the sea lanes such as the Malacca straits. Interview with Mr. Akitane Kiuchi, former Head of the Southeast Asian MOFA section 1964-1968, September 21 2005.

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