Question 9. What areas does the Republic of South Viet-Nam recognize as areas of control of the other side in South Viet-Nam and on what basis is such recognition given in accordance with Article 2 of the Protocol of January 24, 1973, as set out on page 47 of the News Release of the Bureau of Public Affairs, Department of State?

Answer. I believe you are referring to Article 2 of the Protocol on the cease-fire in South Viet-Nam and the Joint Military Commissions.

Under the terms of the Paris Agreement and this Protocol to it, delineation of areas under control of the opposing sides in South Viet-Nam was made the responsibility of the Two Party Joint Military Commission (TPJMC), consisting of the South Vietnamese Government and the Provisional Revolutionary Government. There was early discussion about areas of control in the TPJMC, with each side proposing different concepts. However, it has not been possible for the TPJMC to reach an agreement on areas of control, principally because the Communists have never been serious about implementing any provisions of the Agreement except those clearly advantageous to them. In the TPJMC, for example, they have refused to deploy their personnel to regional and sub-regional sites as specified in the Agreement and Protocol, and they have not addressed various concrete South Vietnamese proposals for reducing hostilities and making the cease-fire more effective. Moreover, on June 22, following several earlier walk-outs, the Communists announced "sine die" suspension of their participation in the TPJMC, on the pretext of South Vietnamese failure to meet their demand for a series of new "privileges and immunities" for their delegates in Saigon. Consequently, there has to date been no formal recognition by either side of the areas under control of the other.
## Current Status of Certain Treaties Which the United States Entered Into Between 1778 and the Start of World War II, Department of State, June 25, 1974

<table>
<thead>
<tr>
<th>Treaty</th>
<th>Country</th>
<th>Date of Signing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treaty of Alliance: Declared abrogated by act of Congress, approved July 7, 1798 (1 Stat. 578).</td>
<td>France</td>
<td>Feb. 6, 1778</td>
</tr>
<tr>
<td>Treaty to Facilitate the Construction of a Ship Canal: Still in force.</td>
<td>Great Britain</td>
<td>Nov. 18, 1901</td>
</tr>
<tr>
<td>Isthmian Canal Convention: This convention, as modified by later treaties, is still in force.</td>
<td>Panama</td>
<td>Nov. 18, 1903</td>
</tr>
<tr>
<td>Treaty concerning finances and economic development of Haiti; extended by additional act of Mar. 28, 1917: Expired May 3, 1936, in accordance with terms of treaty as extended.</td>
<td>Haiti</td>
<td>Sept. 16, 1915</td>
</tr>
<tr>
<td>General Treaty of Friendship and Cooperation: This convention, as modified by later treaties, is still in force.</td>
<td>Panama</td>
<td>Mar. 2, 1936</td>
</tr>
</tbody>
</table>

(189)
EXCHANGE OF CORRESPONDENCE BETWEEN ASIAN AND PACIFIC AFFAIRS
SUBCOMMITTEE AND FRIENDS OF MICRONESIA CONCERNING CONSTRUCTION
OF A MAJOR MULTI-SERVICE AIRBASE AND SUPPLY DEPOT ON
TINIAN ISLAND IN THE MARIANAS.

MARCH 27, 1974.

Mr. Tom Kennedy,
Administrative Assistant,
Hon. Robert Nix,
Foreign Affairs Committee,
House of Representatives,
Rayburn Building,
Washington, D.C.

Dear Mr. Kennedy:

Attached is a copy of a letter to Congressman Nix which I hope might be included in the Foreign Affairs Committee records.

When I spoke to you on the phone a week or so ago, I was not yet aware of the U.S. administration veto on the Tinian people's plan to hold a referendum next week on the military coming to their island.

This is a very serious denial of the people's democratic rights. I hope it will be possible to bring this matter to the attention of the Foreign Affairs Committee.

Only a few of the attachments to the original letter are included in this letter. I hope to hear from you shortly.

Sincerely,

Roger W. Gale, Director.

FRIENDS OF MICRONESIA,
Berkeley, Calif., March 26, 1974.

Hon. Robert Nix,
House Foreign Affairs Committee,
Rayburn Building,
Washington, D.C.

Dear Sir:

The United States has announced its intent to begin construction of a major multi-service air base and supply depot on Tinian Island in the Marianas. Construction of the $144.6 million base is slated to begin in 1975. These plans were first officially made known to the people of the Marianas on May 81, 1973 by Ambassador F. Haydn Williams, the President's Personal Representative for Negotiations with Micronesia. So far as we know, however, neither the White House nor the Department of Defense has made an official announcement of these plans in the United States.

Why is it that neither the Congress or the people of the United States have been informed of such imminent and large-scale plans? The Air Force has already spent substantial amounts of money conducting surveys, and preparing an environmental impact statement. (Attachment #1) Friends of Micronesia feels it is up to the Congress and the American people, not the Department of Defense, whether or not a base is to be built on Tinian.

Friends of Micronesia, a four year old nation-wide network of individuals and groups, has followed the development of plans for the Tinian base since rumors first began being heard in 1971. We feel that such a base is not in the best interests of the United States, nor is it in the best interests of the people of Tinian. At a time when Congress is attempting to scale-down U.S. military strength in Asia, the construction of a new Asian base is contrary to Congress' stated intents.

To a great extent, the base would merely duplicate already existent facilities elsewhere in Asia, especially in Okinawa. The base would lead to a continued unsettling effect on the stability and well-being of Asia.

We do not intend to speak for the people of Tinian. One significant fact, however, should be made clear at the start. On March 8, 1974, the U.S. Government-appointed administrator in the Mariana Islands, Francisco Ada, vetoed plans for a referendum among the people of Tinian scheduled for April 7, 1974.
Under Department of Interior regulations, the people of Tinian have no legal means of overriding his veto. As a result, they are being denied their right to express their opinion on the fate of their home. Friends of Micronesia deplores this action on the part of the United States Government.

Tinian is Micronesia's breadbasket. It is a highly productive island that exports thousands of pounds of watermelon, cantelope, peppers and other produce to the food hungry islands in the area. There is also a cattle ranch on the island that supplies beef and pork to markets on nearby Guam. The contemplated take-over of the island by the Department of Defense would virtually destroy Micronesia's chances of developing an agriculturally self-reliant economy. The result would be a continued need for large annual appropriations from the U.S. Congress. Such appropriations now cost the U.S. taxpayer over $60 million a year, not including the cost of Federal programs like OEO.

Contrary to its legal commitments, the U.S. administration has extended a temporary moratorium on homesteading on land formerly occupied by the U.S. military in World War II. This has demoralized the people and further limited the growth of agriculture on the island. (Attachment #8)

In an unannounced radio address on the Saipan radio station on May 8, 1973, Ambassador Williams made the first public announcement of U.S. military plans for a base on the 40 square mile island. He said, "U.S. land needs are extensive... so much so that we feel we should acquire the northern two-thirds of the island for military purposes. We feel we should also ask to acquire the southern third but would then make this part of the island available to the current residents for normal civilian activities and community life."

A detailed U.S. position paper outlining U.S. plans for the island has been made available to the Marianas Political Status Commission. (Attachment #4) It outlines a seven-step proposal for a construction program stretching from 1971 to 1982. When complete, the base would support 2,000 military personnel, not including dependents or civilian employees.

According to the position paper, there would be a major airfield capable of handling the largest aircraft in existence, a supply base for vehicles and "material," an ammunition wharf, and air-ground maneuver area and a housing and administrative area. (Attachment #5)

Friends of Micronesia is opposed to the construction of this base for a number of reasons.

First, we view the Defense Department's plans for this new Asian base to be a means of over-coming increased Congressional calls for major cutbacks in the U.S. military presence in Asia. If current negotiations between the U.S. and the Mariana Islands reach a conclusion satisfactory to the U.S., Tinian and the other islands in Micronesia will become U.S. territory, the first outright territorial acquisition since the Virgin Islands were purchased in 1917. (The islands are presently administered by the U.S. under provisions of the 1947 United Nations trusteeship Agreement.)

We feel the Defense Department would then be in a position to claim Tinian was not an Asian base but, rather, a part of the United States. Nevertheless, we feel Tinian is clearly an Asian base and should be treated as such in any Congressional attempt to cut troop strength in Asia. Nearby Guam's role as home for as many as 150 B-52s during the Indochina bombing is a cogent example of the Marianas Islands proximity to Asian theaters of conflict.

At a time when Congress is demanding cutbacks in U.S. military strength in Asia, the construction of a major new base on Tinian cannot help but interfere with those goals.

Second, the proposed Tinian base would duplicate facilities in Okinawa, Japan, the Philippines and Guam. Even if the Defense Department is forced to make significant cutbacks in its Asian bases, sufficient facilities would probably remain that the supply depot, training grounds and airfield on Tinian would continue to be redundant.

Third, even if there should be some justification for the construction of new facilities, there is room for military expansion on Guam and, possibly, at other Asian bases. A significant part of the 33% of the land on Guam now under military control is unused (most notably, portions of Northwest Field and Orto Point).

Finally, military bases have unfortunate effects on the communities that are displaced by them. Not only would Tinian's agricultural production be severely limited, but under U.S. proposals, the people of Tinian would own no property on their own island. They would live in houses built and maintained by the De-
fense Department and supplied with military-produced utilities. They could travel
to nearby Saipan and Guam but the island would be closed to all civilian out-
siders and the harbor frequently closed during the movement of munitions. The
Defense Department has estimated the cost of this relocation of the people from
their present homes in San Jose Village to be $13.5 million. The cost itself is
sufficient cause for concern, the precedent that civilians would be forced to live
under military rule is even more significant. It is a clear denial of democratic
rights for people to live under such confinement. Although there are only about
800 people on the island, they like the people of more populous parts of the world
have certain rights, especially if as envisioned by the U.S. military, they are to
be under the protection of the U.S. Constitution.

Friends of Micronesia feels it is time the appropriate committees of Congress
be made aware of these new expansionist plans on the part of the military. It
is the Defense Department's obligation to inform Congress of these plans and of
the expenditure of taxpayer's money. Since the Defense Department seems to
have chosen not to do so, we hope as a result of this letter, Congress will begin
an investigation of this matter. We also hope Congress will call on the Defense
Department to halt its activities on Tinian pending a Congressional inquiry.
A representative of Friends of Micronesia would appreciate the opportunity of
appearing before the Committee should it decide to investigate this matter. In ad-
dition, we would, of course, be most happy to supply additional details.

Sincerely yours,

ROGER W. GALE, Director.

[Military Taking Steps on Tinian Base Plan]

TINIAN (MNS)—A team of specialists will begin work this month on the begin-
nings of an environmental impact study and other work that will be the fore-
runner of establishing a long talked about U.S. military installation on Tinian.
The studies are being carried out in accordance with an agreement between the
U.S. negotiating team on future status and the Marianas Political Status Com-
misson, whereby certain preliminary impact studies could be undertaken by
the U.S. related to the military base plans, even though final agreement in the
status negotiations has not been reached.
Currently on Tinian is a team of eight personnel from the University of Guam
headed by Dr. Robert Jones, director of the marine laboratory at the school.
This team, which travelled to Tinian aboard a chartered vessel from Guam and
is staying aboard the boat for the duration of their study is conducting the
marine survey portion of the environmental impact study.
A second team of researchers, which arrived last weekend on Saipan and will
travel to Tinian later this week following meetings with government officials on
Saipan, is to conduct a socio-economic study on the island. The team is headed by
Manuel Emiliano, a civil engineer with Pacific Air Force Headquarters at Hickam
Air Base in Hawaii. It includes a number of staff personnel and graduate re-
search assistants from the University of Hawaii's School of Social Work and the
research corporation of the University of Hawaii. They are expected to remain on
Tinian until about the middle of January.
Meanwhile, a three-person team of medical specialists from the Pacific Air
Force will conduct a one-day health survey of Tinian this month. It is tentatively
scheduled for Jan. 11. The team includes a physician, a veterinarian and a nurse.
The U.S. government has publicly declared its intention to put a major joint-
use military installation on Tinian, an island which was the scene of substantial
U.S. military activity in the years during and immediately following World War
II. Exact details of the base, including how much land on the island will be
occupied by the military, remain a subject of negotiations in the Marianas status
talks which are continuing. No final agreement on U.S. military land require-
ments in the Marianas has been reached, although the Marianas Status Commission has
indicated a general agreement to accommodate those requirements.
The military has asked for two-thirds of Tinian—relocating the lone village of
San Jose. A 50-year lease has been offered.
SAIPAN—A proposed referendum to determine what the people of Tinian think about having the U.S. military occupy their island was vetoed yesterday by Marianas District Administrator Francisco C. Ada.

The call for the referendum was contained in an ordinance passed by the Tinian Municipal Council Feb. 14. Tinian Mayor Antonio S. Borja signed the measure, but the District Administrator's approval also would have been necessary for the bill to take effect.

Ada said he would give the reasons for his veto action next week.

Some observers here feel that the Tinian referendum might have set an undesired precedent for other polls throughout Micronesia on the future status question.

The Tinian referendum was slated for Sunday, April 7, to obtain residents' views on the possible relocation of their only village and the extent of the land area to be allowed for military use.

The proposed ballot contained two questions:

"Do you agree to the relocation (moving) of the Village of San Jose from its present site to another area on the Island of Tinian?"

"In your opinion, how much of the Island of Tinian in terms of land area should the U.S. military be permitted to occupy? None? One-third? Two-thirds? Other (Specify)."

The vetoed bill appropriated $250 from the Tinian municipality's unobligated surplus funds to conduct the referendum.

A similar referendum measure was considered by the Tinian council last summer but was not passed.

Congressman Felipe Q. Atalig, who represents Tinian in the Congress of Micronesia, said earlier this year that a referendum "is the only way to officially determine what the people want" on the status issue.

SAIPAN—Holding a referendum on Tinian to determine residents' feelings on U.S. military use of their island would be an "attempt to undermine" U.S.-Marianas future status negotiations, according to Marianas District Administrator Francisco C. Ada.

This is one reason Ada gave Tinian Mayor Antonio S. Borja for vetoing last Friday a Tinian ordinance calling for the referendum. Ada said that while he appreciates the people's desire to be heard on "such an important but yet highly sensitive and emotional issue," the timing is inappropriate. No concrete proposals for military use of Tinian have been presented yet, he said.

"While it is true that there have been expressions of some kind of military requirements, specifically on Tinian," Ada said, "such requirements are extremely general in nature serving as a point of departure for purpose of negotiation."

The ecological and military survey teams that have come to Tinian are "merely preliminary," said Ada, should a military base be placed there.

He also pointed out that the Marianas so far have been negotiating "as a whole."

"As such," said Ada, "the benefits of the entire residents of the Marianas must be upheld at all times.

"To permit one municipality to even attempt to influence the negotiations will, in my opinion, be the beginning of fragmentation that will lead to no appreciable conclusion in our collective efforts to achieve a political status."

"I do not mean that the interest of Tinian be not protected."

"To the contrary, I feel that by Marianas uniting together, the interest of the Tinian people may be best protected rather than the people of Tinian taking it upon themselves to decide otherwise."
The DistAd added that the referendum might provide forum “where sympathy and emotion will reign and the objectve will be lost during the “barrage” of emotions.

He noted he hopes his disapproval of the proposed ordinance “will not discourage the people of Tinian from forming their own opinions of land requirements for military purpose.”

Tinian’s representative in the Congress of Micronesia, Felipe Q. Atalig, said yesterday he thinks the congress now should give the referendum priority if a special session is called this summer.

“I’m just very disappointed that the opinion of our local leaders on Tinian was not respected,” said Atalig. “It’s important to have a correct assessment of what the people want.”

The referendum would have asked residents’ views on the relocation of their village and on how much land should be allowed for military use.

[From the Pacific Daily News, Mar. 9, 1974]

OOM: BREACH OF TRUST ON TINIAN HOMESTEADING

(By Diane Maddex, Daily News Staff Writer)

SAIPAN—Castigating the United States for “a serious breach of its trust obligations to Micronesia,” the Congress of Micronesia has demanded that the United States “forthwith terminate the unilaterally imposed moratorium on homesteading on Tinian Island.”

“The United States interest in obtaining military land with ease and at a low cost has been permitted to take precedence over the interests of the people of Tinian to obtain land for farming and other purposes,” states a joint resolution adopted by both houses of the Congress in its final hours this week.

“Fulfilling United States Interests to the detriment of the people of Micronesia,” continues the measure, “is a serious breach of the trust obligation which the U.S. government voluntarily assumed under the Trusteeship Agreement.”

The resolution’s sponsor, Marianas Congressman Felipe Q. Atalig, views it as “one of the most important measures for this area to come out of the Congress session,” which ended early Tuesday.

The highly controversial and supposedly temporary development halt on Tinian went into effect quietly May 8, 1973 on instructions of the Office of Micronesian Status Negotiations in Washington. The move followed disclosure of the U.S. military’s plans for a major base on Tinian during Marianas-United States status talks then in progress.

After considerable rewriting, the resolution as finally adopted restricts its criticism to the ban on awarding new permits for agricultural and village homesteads. A Senate committee report points out, however, that the moratorium also has stalled leasing of public lands, approval of private land leases between Micronesians and noncitizens and the granting of foreign-investment business permits.

The report suggests that a house committee was misled by TT administration witnesses into thinking that public land leases were not covered by the moratorium.

Other administration statements were questioned in a report on the resolution prepared by the house Committee on Resources and Development.

“The administration witnesses testified that homestead applications made prior to announcement of United States military plans for Tinian are currently being processed and that permits would be granted as soon as surveying of the sites is completed,” says the report.

Taking issue with subsequent excuses that there was no money for surveys, the committee noted that last year the Congress of Micronesia appropriated $30,000 for surveying in the Marianas—“sufficient to survey 23 sites.”

“The high commissioner’s intention is clearly to deny homesteading permits for all pending homestead applications,” said the committee, “both those filed before May 8, 1973 and those filed after. . . .

“Thus, it seems clear that the failure to grant at least some homestead permits has nothing to do with the lack of funds for surveying the sites.”

The report “conservatively” puts the number of pending homestead applications on Tinian in excess of 150. “That of course, is a tremendous number considering the small population of Tinian” (about 700), it adds.
The committee also rejected government contentions that the moratorium was imposed to prevent land speculation.

"The real motive for the imposition of the moratorium seems to be an obvious one—that the U.S. government wants its land acquisition for military purposes on Tinlan to be as cheap and uncomplicated as possible and is willing to use devious and hypocritical means to achieve this goal.

"Your committee has concluded that this is yet another example of the United States placing its interests above those of the Micronesian people, hardly a wise or endearing quality for a government to possess, given the fact that it is trying to lure Micronesia into a long term or permanent relationship."

Copies of the resolution are being sent to the United Nations, U.S. Congress, secretaries of State, Defense and Interior and the high commissioner.
WASHINGTON CLOSE-UP—MILITARY PLANS FOR MARIANAS

(By Orr Kelly)

The way in which American power will be arrayed in the Western Pacific in the post-Vietnam, Nixon Doctrine, friendship-with-China era is now becoming apparent.

American naval and air forces gradually are being pushed out of—or withdrawn from—Okinawa, Japan and Taiwan. Their future status in the Philippines, Korea and Thailand is, in varying degrees, uncertain.

But now plans are well along to create a new—and permanent—center of American sea and air power in the Mariana Islands.

Tentative agreement was reached last week under which the Marianas—the northern third of the Micronesian Trust Territory that has been administered since World War II by the United States under a United Nations agreement—would become a part of the United States, with commonwealth status.

For the people of the Marianas, the arrangement—which must be approved by the U.S. Congress, the Marianas district legislature and the people, in a plebiscite—will mean U.S. citizenship, if they wish it, and what U.S. Ambassador Franklin Haydn Williams has called a "potentially dramatic increase in revenues available to the new commonwealth."

In a radio address to the people of the area—spread out over thousands of square miles of ocean—Williams said last week that the United States has a primary interest in three islands for military purposes.

It wants to continue to use the small, remote and uninhabited island of Farallon de Medinilla indefinitely for target purposes.

On Saipan, the United States is willing to give up 320 acres of the 4,960 acres it now holds for military purposes, with the understanding it may in the future use part of the island for military installations.

The major U.S. military interest is in the island of Tinian, from which the B29s that dropped the two nuclear weapons at Hiroshina and Nagasaki took off.

Under the plan outlined by Williams, Tinian would become a major U.S. naval and air base.

"The requirements on Tinian are extensive—so much so that we feel we should acquire the northern two-thirds of the island for military purposes," Williams, who headed the U.S. negotiating team, said. "The U.S. feels we should also acquire the southern third but would then make this part of the island available to the current residents for normal civilian activities and community life."

For the fewer than 1,000 residents of the island, this would involve giving up their village of San Jose and moving to the other end of the island—with a new village and moving costs to be paid by the United States.

The great advantage the United States will gain from having a base on U.S. territory is freedom from the frequent political difficulties and the uncertainties of bases on someone else's land. Together, Tinian and Guam will give the United States bases that are largely free of these kinds of problems.

How Congress will react to the deal is uncertain at this point—largely because almost everyone has been thinking about things other than the Marianas. There may well be those who feel the purpose of the U.S. trusteeship over the Micronesian islands was to help the people prepare for independence rather than to pave the way for a major American military installation. Others certainly will welcome the opportunity that the Marianas deal will provide to withdraw American forces from foreign bases.

The people of the Marianas appear to be generally pleased with the prospect of becoming a part of the United States and, in fact, have been negotiating separately from the other trust territories.

In those other areas—the Marshalls and the Carolines—there appears to be considerably less affection for the United States and more overt dissatisfaction with the way the U.S. has administered the territories. Thus there may well be more years of negotiations before their future is determined.

As in so many things as grand as the American plans for the Marianas, one important aspect is not yet clear: How much will it all cost? One thing is quite obvious, however. This major shift in American military power will not come cheaply.
FORMER A·BOOM BASE SET TO JOIN U.S. MILITARY CHAIN

(By Roger Gale, Pacific News Service)

TINIAN, MICRONESIA.—Tinian, the small island from which the United States launched its atomic bomb attacks on Japan at the close of World War II, will soon become another link in the chain of American military bases in Asia.

Sometime in the next two years, the Air Force is expected to ask Congress for the first installment on a $150-million “replacement” air base on the island from which the B-29 Enola Gay lifted off on Aug. 6, 1945, to drop the bomb which killed 200,000 Japanese at Hiroshima.

Once controlled by Japan, taken over by the United States during the war in the Pacific, and essentially abandoned by the great powers during the past 25 years, much of Tinian is now covered by a thick mantle of tropical vegetation. As part of a “fallback” defense perimeter in the Pacific, Tinian with Guam is slated to replace Okinawa as the “keystone of the Pacific” in the event the United States is forced to abandon bases in Japan, the Philippines, or on the Asian mainland.

Tinian and Guam are part of a 2,000-mile-long arc of volcanic islands stretching from Japan’s Mt. Fuji to within 400 miles of Indonesia and the Philippines. The Air Force now plans to turn this 40-square-mile Manhattan-shaped island into a major forward supply depot and weapons storage base.

Two small stone pedestals, marking the pits where the atomic bombs were once stored, are the only remembrances of Tinian’s past. But the new air base will soon be a potent symbol of America’s military might in Asia. And Tinian’s people want neither to remember the past invasions nor to face the current resurgence of the U.S. Air Force on their land.

Although there are only about 800 full-time residents on the island (including 236 schoolchildren in grades one through nine), Tinian could be a home for thousands of people. There are many miles of still functioning hardtop roads built 30 years ago by the Army Air Corps.

As you drive up “Broadway,” a four-lane divided highway left over from the war, you see that Tinian is a lush and productive island. There are hundreds of acres of watermelon, cantaloupe, eggplant and other crops along with thousands of head of cattle and pigs which supply the food-hungry Guam market 120 miles away. And as far as the eye can see on the eastern side of the island are productive fields and pastures with threads of irrigation pipes passing through them.

For at least two or three years now, civilian-cad U.S. military officers have been visiting the island. Nowadays, however, the military comes in uniform. Two teams have visited since May when a tentative agreement was reached between the Mariana Islands District of Micronesia and the United States to allow the air-base development in spite of the opposition of most of the people on Tinian.

To date there has been no official announcement of phase for Tinian in the United States. But in a June 1, 1973, radio address to the people of Tinian and its neighboring islands, Ambassador Hayden Williams, the Nixon administration’s chief military negotiator for Micronesia, announced plans for the takeover of the island. He told the people, “U.S. land needs are extensive . . . so much so that we feel we should acquire the northern two-thirds of the island for military purposes. We feel we should also ask to acquire the southern third . . . .”

Public reaction on Tinian was immediate when people learned that they would be moved from their homes. Thirty-four-year-old ex-Mayor Vicente Manglona summed up many people’s feelings: “We feel we are just getting going. This week we are sending over 40,000 pounds of watermelon to Guam. If the military comes and takes away our best land, all we will be able to export is bombs and that will neither put money in my pocket nor do anything to help the rest of the world.”

Despite this local opposition, the Air Force remains committed to its plans. For the United States, this new island based strategy will guarantee the United States a string of bases under complete American political control. There will be no need for leases, no evictions, and no Okinawa-type “revisions.”

Guam, a U.S. colony since 1900, is probably the most secure installation in Asia. Tinian and the other Micronesian islands, legacies of World War II conquest, are now negotiating for greater self-government from the United States.
But despite a growing independence movement, the United States intends to maintain control of vital land on Tinian and the other islands.

To forestall the possibility of major congressional opposition to the base, the Air Force plans to set up what it calls a "bare base"—a portable base made up of modular components now stored at bases in New Mexico and California. This bare base approach will allow the Tinian airfield to become operational years before it could otherwise and with a reduced need for congressional appropriations.

[From the San Francisco Chronicle, Dec. 20, 1972]

U.S. BASES IN MICRONESIA—GROWING MIGHT IN PACIFIC

(By Roger Gale, Pacific News Service)

SAIPAN, MICRONESIA

"An awful lot of Americans have been visiting Tinian lately," a Micronesian charter boat owner told me, "but it's strange, even though they wear Hawaiian shirts like other tourists, they almost always carry briefcases and wear those black, round-toed shoes like military guys."

Such clandestine military visits are becoming more and more common in Micronesia. Admirals and generals, along with military planners, are visiting islands like Tinian, Saipan and Palau to look over sites for new military bases.

Micronesia's three island chains—the Carolines, Marshalls and Marianas—cover an area of the Pacific Ocean larger than the continental U.S. There are 2500 islands in all (97 are inhabited) with a total population of only 107,000 people.

Controlled by the U.S. under a special United Nations "trusteeship" since World War II, Micronesia is being given a new role in American military thinking. It is now seen as a central link in an emerging U.S. Pacific defense line, stretching from the Indian Ocean to Japan.

BASE

American military plans for the area, while far-reaching, are not well publicized. Air Force officials refuse, for instance, to discuss their plans for a multi-runway air base on Tinian (the island from which the B-29s flew to drop atomic bombs on Hiroshima and Nagasaki). They say it might lead to "real estate speculation," but Standard Oil of California has already announced plans for a $30 million oil refinery, and Hawaii's Dillingham corporate empire will construct an asphalt and concrete plant on the 12 mile-long island.

Since Tinian has fewer than 900 inhabitants, it is clear that these investments are tied to the military.

Military planners are looking for three things in their new Pacific bases. First, a location away from the crowded, often hostile, Asian mainland, but still close to areas of potential future conflict; second, the sort of security which can only come from bases built on land owned by the U.S. where there will be no lease, no reversions, and no evictions.

The third requirement for the U.S. bases of the future is that they be isolated and relatively free from surveillance and sabotage.

Micronesia fits these needs well. Nothing is more secure than isolated islands where access can be easily controlled.

Micronesia is a unique political entity—a U.N. "strategic trust" under the control of the U.S. Unlike the other U.N. trust territories (all but one of which are now independent), Micronesia can be closed off to outsiders and fortified at will by the U.S.

SECURITY

The U.S. ABM test center on Kwajalein in the Marshalls is still a closed area. Kwajalein is a prototype of the typical American base of the future. According to Defense Department figures, of the 5000 Americans on the island, only about 25 are in the military. The rest are engineers and technicians who operate complex radar sites and missile-launching facilities.

The U.S. military has maintained control of huge hunks of land in Micronesia since World War II. Almost all of Tinian is held in reserve, and more than 60 percent of Saipan is a "military retention area." On Guam, which is an outright
colonial possession of the U.S., more than one-third of the total land area is military-controlled and the U.S. is trying to take over the last unspoiled part of the island for a $100 million weapons complex.

PALAU

Land is not so secure, however, on the other islands of Micronesia. There is a growing sentiment for independence, especially in Palau where the U.S. Navy has announced plans for expropriating 28 percent of the total land area.

U.S. officials here are hopeful of buying off the Palauans and anyone else who is now opposed to the military. U.S.-supplied budgets have increased from $7 million just ten years ago to over $88 million today. The Solomon report, a secret government document prepared in 1963 for President Kennedy, outlines a program of “Americanization” which has all but been accomplished in many parts of Micronesia.

For awhile, the policy seemed to be working, and the U.S. hoped to persuade Micronesians to endorse a “compact of association” which would permanently subject Micronesia to the whims of the military. However, this summer the Congress of Micronesia did an about face and voted to begin negotiating for independence from the U.S.

In October, for the U.S. broke off talks relating to future status and informed Micronesia that the U.S. was still in control and would not “agree to the termination of the trusteeship on terms which would in any way threaten stability in the area and which would in the opinion of the U.S. endanger international peace and security.”
JAPANESE ECONOMIC, COMMERCIAL AND MARITIME
INTERESTS IN SOUTH-EAST ASIA--
AN EXAMINATION OF INTERESTS

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I. THEORY TO BE EXAMINED

Japan perceives her immediate and future national interest to lie in the economic stability of Indonesia, Malaysia and Singapore which seems to offer the best chance of continued, unhindered Japanese use of the Straits. To this end, Japan will attempt to create a positive image in the minds of the peoples and leaders of the three littoral States by increasing the amount of economic assistance and cooperation and insuring that this assistance and cooperation is given in the most palatable manner possible.
II. INTRODUCTION AND METHODOLOGY

The purpose of this paper is to identify and examine Japan's economic, commercial and maritime interests regarding the various passages (straits) through or adjacent to the Indonesian archipelago. Specific attention will be given to the Straits of Malacca in determining if these interests are vital and if so, in what ways might they compare or contrast to those of the three littoral states (Indonesia, Malaysia and Singapore).

Over the past five or six years, an increasing amount of attention has been focused on the so-called "Straits of Malacca problem." Specific concerns have been expressed regarding this problem most often by the three littoral states and Japan. Although in the context of geography there has been relatively little change in the region over the last few thousand years, there has, however, been very significant adjustments in the social, economic and political fibers which have resulted or culminated in the post-colonial societies in existence today.

The colonial regimes of Great Britain and the Netherlands rose and fell over the last three hundred years. Japanese hegemony, in terms of political and
military domination, has also risen and fallen. But unlike the Dutch and British, the Japanese have arisen once more, this time as an economic giant powerful enough to have a profound and pervasive effect on the lives and destinies of others.

In a similar vein, geography in many ways has placed Japan in the precarious position of not only depending on the outside world for much of its natural resources but by requiring most of these resources to pass through an area whose territorial boundaries are greater than those of the United States and in the past has shown itself subject to fits of instability.

The interaction of technology's requirements with the prevailing political, social, economic and historical forces has created a situation of immense complexity where cooperation augurs great benefits for all parties. At the same time, instability due to the same factors mentioned above could lead to dislocations so severe as to have far reaching effects not limited to the South-East Asian region alone, but like Krakatoa, felt throughout the world.

The methodology employed in this research involved the careful sampling of both the available literature as well as interviews with diplomats and academicians familiar with the subject.

Most of the literature examined was recently published, the bulk coming from professional journals, newspapers and magazines. The majority of the articles
were published no earlier than 1968 and in the case of one (*The Far Eastern Economic Review*), as recently as April, 1974.

Interviews were conducted with representatives of the four States whose interests are examined in this paper, as well as with appropriate desk officers in the Department of State. In addition, two members of the academic community, one a specialist in Japanese military affairs and the other, an expert on Japanese South-East Asian affairs were also interviewed. With the exception of the two academicians, it was the expressed wish of those interviewed that their remarks not be attributed directly to them.

In section VII an attempt will be made to graphically demonstrate Japan's possible strategies taking into account how these strategies first might be perceived by the three littoral states and second what possible benefits might accrue to Japan.
III. HISTORICAL SETTING

A. Pre-World War Two

As a conduit of commerce and influence, the various straits passing through and around the Indonesian archipelago have a long history. The first great South-East Asian civilization, the Sri Vijaya, had great advantages over its neighbors by virtue of its commanding position on the sea route linking India with China; particularly the Straits of Malacca. Arab and Indian traders brought the Islamic religion with them when they came to settle and trade. At first they preferred to use the Sunda Straits rather than the Malacca Straits due to the dangers of piracy in the latter. Marco Polo, in his writings, described to the early European merchants "the rich spice markets of the Islands." The year 1511 marked the beginning of European settlement in the region with the capture of Malacca by the Portuguese Viceroy, Afonso d'Albuquerque.

With the storming in 1641 of the fortress at Malacca, the Dutch replaced the Portuguese as the predominate power in the Straits region. The Dutch immediately placed restrictions on the passage of ships of other States through the Straits and eventually,
instituted a permit system requiring ships other than those belonging or licensed to the Dutch East Indian Company to obtain permission before passing through the Straits. According to Harrison, "Regular patrols of Dutch sloops . . . would compel all ships to call at Malacca, pay dues there and apply for permits to proceed to their destination." Eventually this system came into conflict with the English who not only needed to pass through the Straits area on their way to China, but were developing their own commercial interests in the area. Ironically, it was these series of disputes which led to the famous pronouncements of the great Dutch jurist, Hugo Grotius. Grotius' position juxtaposed those of the English and Dutch in light of his conclusion that any contravention of the free use of the seas (referring to the Straits of Malacca) was morally wrong and illegal and therefore, justified the use of force as a corrective remedy.

Even though the British eventually displaced the Dutch at Malacca, the disputes between them did not stop. In the early 19th century, in spite of the fact they were in a relatively more powerful position, the British still feared Dutch interference with their shipping. One result of the Napoleonic wars was the temporary return of Malacca to the Dutch. In addition, the Dutch were interdicting trade local/ between native merchants and the British East Indian Company. However, according to H. F. Pearson:
... even more serious was the Dutch threat to Britain's trade with China. Already they [the Dutch] controlled the Sunda Straits; the other route, by the Malacca straits, would also be under their control as soon as Malacca were handed back to them.6

As a possible countermeasure to this threat, the British established a settlement on the island of Singapore. The importance attached to Singapore's location at the South-Eastern opening to the Straits of Malacca/Strait of Singapore was readily apparent to its early founders. Pearson writes,

Looking Southwards they [Sir Stanford Raffles and his associates] could see the islands which flanked the Strait of Singapore--five miles away--whoever controlled Singapore controlled the Straits and the trade between India and China.7

The middle part of the 19th century saw a gradual diminution of the confrontation between the British and the Dutch to a level of diplomatic rivalry with both powers concentrating on consolidating their respective political and economic holdings.8 The British gradually gained either direct or indirect control over the various Malay Sultanates, establishing Crown rule over the settlements at Penang, Malacca and Singapore, and exercising protection over the Brooke Raj in Sarawak, the Brunei Sultanate and North Borneo. Dutch influence in Indonesia gradually spread south-east throughout the archipelago.9
The War

World War Two had a devastating effect on the colonial fortunes of the British and the Dutch. In the case of British Malaya it gave impetus to a nationalist movement that in 1939, was barely in the embryonic stage of development. Political consciousness was developed where none had previously existed. The stigma of the white man, the tuan, being humiliatingly defeated by fellow Asians permanently tarnished the former's image. When the opportunity arose for the local people to express their disapproval over Britain's postwar proposal to replace the traditional machinery of separate Malay states by a unified central government, the resulting public debate led to increased political consciousness. In addition, a communist insurgency lasting from 1948-1960 put additional pressure on the British and taxed their resources to the fullest. Finally, in 1957, Malaya became an independent nation and a member of the Commonwealth of Nations, and along with Singapore (which became internally self-governing in 1958) and the two British Crown Colonies on Northern Borneo, formed the Federation of Malaysia in 1963. Singapore was subsequently expelled from the Federation in August 1965 and became an independent Republic. Although the nationalist movement did not really develop in Malaysia so much as a creation of the Japanese it may be argued that it was "the beneficiary" of Japanese rule.10

Indonesia, on the other hand, was a different
The Syarekat Islam movement, which began around 1912, gradually developed from an organization appealing to religious and racial emotion into a nationalist movement. The First World War had perhaps the same effect on Indonesia as it did on India. Although some Dutch sympathy existed for the movement, it evaporated completely with the unsuccessful communist revolution of 1926-1927, which discredited all nationalist movements in the eyes of the Dutch and resulted in the detention of the chief nationalist leaders, Sukarno and Hatta.

After the Japanese occupied Indonesia in 1942, they released Sukarno and his associates and encouraged, for their own ends, a nationalist movement. According to Hall, "The Indonesians were promised a share in their own government, and in September, 1943, a Central Advisory Council was established in Java under Sukarno with Mohammed Hatta as his deputy." Just before the surrender in 1945, Sukarno declared Indonesia's independence, and after four years of alternating between fighting and negotiating, the Dutch granted independence to Indonesia in 1949.

However, Sukarno's vaulting ambitions of an Indonesia Raya (a greater Indonesia, which would include parts of her neighbors) coupled with his flirtations with the Parti Kommunist Indonesia (PKI) and a disastrous economic policy, brought his eventual downfall. Sukarno's official end came in 1967, after his titles were stripped.
from him. The same year also saw the founding of the Association of Asian Nations (ASEAN), an organization of regional cooperation with economic, social and political overtones. Strong initiative for this organization came from Jakarta in the person of Adam Malik, the Foreign Minister. 15

With the passage of the old colonial order and the establishment of new political identities in the region, changes of emphasis as well as definition were bound to occur. The various Straits running through the region have maintained their vital importance as channels of trade and transportation. To the Indonesians especially, they have taken on additional geographic implications, specifically as openings into Indonesia's internal arteries of communication. It is here that the potential lies for conflict between Japan's need for safe and unimpeded passage of its oil tankers and Indonesia and, to some extent, Malaysia's need for security.
IV. GEOGRAPHIC AND REGIONAL SETTING

A. The Straits

There are four straits of importance in the South-East Asian area that serve as major international arteries of communication between the Indian and Pacific oceans. (See map in appendix number 1). These are the Malacca Straits (including the Strait of Singapore), the Sunda, Lombok/Makassar and Torres Straits.

1. The Malaca Straits

The Malacca Straits are approximately 560 miles long, extending from a beam of Acheh Head and Koh Phuket at their northwestern end, to an area off the eastern coast of Singapore, near the Riau archipelago of Indonesia. The width of the Straits vary, but the average is less than 24 miles from points on the coast of Sumatra to points on the west coast of the Malayan peninsula. However, the actual width of some of the channels are much narrower with the width of the widest channel being 20 miles and the narrowest (off the southern coast of Singapore) being less than two and a half miles wide. However, because of the shallowness of the Straits and shifting currents there is one location, according to Oliver, where ships drawing 65 feet of water can safely navigate a channel
less than one mile wide. In addition, strong currents and tidal effects cause the bottom to shift resulting in shoals appearing where they were not charted previously. The governing depth of the Straits is approximately 60 to 66 feet, again varying according to conditions.

The Straits of Malacca are one of the busiest in the world. In 1970, 37,000 ships of all sizes used the Straits, an increase of about 30 per cent over the previous year. Oliver notes two studies made concerning the traffic patterns in the Straits. The first, a Japanese traffic study determined that in the 16 hours it takes for an average ship to transverse the Straits a super tanker encountered 40 other vessels over 2,000 tons. The second study, this time conducted by the Singapore Maritime Department, showed that on the average, there were 30 close passages of meeting ships in a 12 hour period. Neither of these studies took note of literally hundreds of fishing boats of all sizes which operate within the Straits causing increased congestion and making navigation by supertankers all the more difficult. For example, according to Salmon, a 206,000 DWT tanker with a draught of 60 feet traveling at 15 to 17 knots requires a distance of 2.5 miles and a time of 21 minutes to make a "crash stop." Such a maneuver (putting the engine in full reverse) makes it impossible for the ship's master to steer or control speed. By using the above figures and applying to a 400,000 dwt tanker, Oliver estimates a
crash stop will require a distance and time factor of 4-5 miles and 30 minutes.

Although shallow, lacking in navigational aids, dotted with uncharted shoals and hundreds of fishing boats (a situation termed by Salmon as a "navigational minefield"), the Straits do have two very important advantages to interocean travel. In the first place, it is the shortest sea route (6,800 miles) from the Persian Gulf to Japan and, in the second place, at its south-eastern end lies the island-state of Singapore with its sophisticated and varied ship repair facilities, perhaps the finest in that part of the world.

2. The Sunda Straits

The Sunda Straits lie between the islands of Sumatra to the north and Java to the south. It is much deeper than the Straits of Malacca, however, ships traveling from the Indian ocean north to Japan would have to sail due east once they transversed the Straits and proceed for about 750 miles before they could turn north again and proceed through the Makassar Straits.

3. The Straits of Lombok/Makassar

In the case of large tankers (those in excess of 225,000 dwt) the Straits of Lombok and Makassar are the safest straits to use. At the moment, neither of these two straits are very congested, since ships of less tonnage generally use the Malacca Straits. The
Lombok Straits are located between the Indonesia islands of Bali and Lombok, while the Makassar Strait runs north-south between Borneo on the west and Sulawesi (Celebes) to the east. The minimum draught is said to be well over 100 feet in depth, although there are some channels where the width is less than five miles wide. Even though use of these two straits adds an additional 1,200 miles to the journey from the Persian Gulf to Japan, the economies of the supertanker (low cost per mile for insurance, bunkering and general operations, etc.) are much lower than smaller tankers. It would seem, therefore, to be cheaper to operate tankers of the 400,000 dwt class using Lombok and Makassar rather than sending smaller tankers through the Straits of Malacca.

4. Torres Strait

The Torres Strait is not only further south than the other straits (an additional 1,500-1,700 miles added to the Japan run), but its governing depth is too shallow for supertankers. According to Miller: "The Torres Strait Pilot Association will not take through the Strait ships that draw in excess of 37 feet of water."

B. De-internationalization of the Malacca Straits and the Archipelago doctrine of Indonesia

Over the past 25 years, certain pronouncements by both Malaysia and Indonesia have changed the old colonial legalities in the area. Below is a short
chronology of these events which reflect new realities in the South-East Asian region.

1. On December 13th, 1957, the Sukarno government announced the scrapping of the old Dutch maritime delineations which had measured the territorial waters of Indonesia from each separate island. The government further stated that all the water lying between the islands of Indonesia (there are approximately 13,667) are "natural appurtenances of its land territory." 26

2. In February, 1960, the Indonesian government reiterated and confirmed its position on the Wawasasan Nusantara or Archipelago principle by proclaiming that, "...the seas and the straits must be utilized to bridge the physical separation between the islands, regions and manifold ethnic groups." 27 Instead of Indonesia as a thousand plus islands, it became Indonesia Tanah Ayer or the lands and waters of Indonesia. In order to operationalize this concept, Indonesia claimed a 12 mile territorial limit which was measured in strait baselines from the coast forming a national baseline around the outermost islands and connecting the outermost points, thereby forming a perimeter converting millions of square miles of high seas into inland water.*

*A baseline is defined as an imaginary line which forms the boundary from which territorial waters are measured seaward. The baseline of an essentially straight coastline is considered to lie along the mean low water line of the shore. Internal waters are all those waters within the
3. In 1969, Malaysia claimed a territorial limit of 12 miles. This had the de facto effect of de-internationalizing the Straits of Malacca since a large portion of the Strait is less than 24 miles wide and the Indonesians as noted above had previously extended their territorial waters the same distance.

4. During October of 1969, an agreement was signed between Malaysia and Indonesia dividing the seabed along the Malacca Straits.

5. A year later, a treaty was signed between Indonesia and Malaysia which delimited the territorial seas in the Strait of Malacca. This accord questioned implicitly the status of the Malacca Strait as an international waterway.

6. Finally, in November of 1971 a tripartite statement was issued by Indonesia, Malaysia and Singapore stating that safety in the Malacca Straits was the responsibility of the coastal states and that safety and the question of the Straits' status as an international waterway were two different issues--Singapore took note of both Indonesia's and Malaysia's claim of territorial control of the Strait of Malacca. As an Indonesian official

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baseline, such as rivers, bays and harbors. There is no right of innocent passage and a nation's sovereignty is complete.

**Territorial waters** are those waters extending outwards from the base to the extent of the national claim (the U.S. 3 miles, Indonesia 12 miles). The right of innocent passage by ships of all nations through these waters is recognized by international law.
described it, "The Straits of Malacca are connected to the archipelago theory because [The Straits] provide a direct channel into the maritime interioies of Indonesia."*

Most of the maritime powers, including Japan, the USSR and the US have challenged the positions of Indonesia and Malaysia. Both the USSR and US are concerned more in the continued unimpeded passage of their warships while the Japanese are much more interested in the safe passage of their tankers. Although the archipelago doctrine does not directly affect the Straits of Malacca (which are at least territorial waters and thereby open to ships of all nations engaged in innocent passage), it does affect the Straits of Lombok, Makassar and Sunda which the Japanese are also using because of Malacca's shallowness. Japan's fears are based on the possibility that Indonesia one day might choose to prohibit foreign vessels from passing through its internal waters, thereby closing off the Sunda, Lombok and Makassar straits to her tanker traffic.30

*Interview with an Indonesia official.
V. JAPANESE INTEREST IN THE REGION

A. Economic and Commercial

"Today," writes James Sterba, "Japan does more business, gives more aid sends more tourists and even plays more golf in the region than any other country." 31 Taira Koji, writing in a recent issue of Current History, notes that Japan's G.N.P., "... is already larger than the sum of the G.N.P.'s of all countries in East and South-East Asia, including China." 32 In addition, South-East Asian countries depend more upon Japan than Japan depends upon the U.S. The region in general comprises only 12 per cent of Japan's total trade, third behind Europe and the U.S. 33 The graph appended at the conclusion of this paper (Appendix 2) indicates a trend toward an increasing dependence on the part of East and South-East Asia on Japan for imports while a counter trend in terms of East and South-East Asia's relative decreasing role as an exporter to Japan. Masotoka notes that only copper and bauxite come from South-East Asia in any quantity and although the Pacific basin as a whole is very important to Japan, South-East Asia as a part of that basin is relatively less important. 34 Kitamura's figures on this subject are startling. As a percentage of total trade, Japan's trade with South-East Asia has been declining.
For example, in 1955 Japan's exports to the area amounted to 26.3 per cent of her total imports. But, in 1967 the percentage of total exports to and imports from South-East Asia fell to 27.8 per cent and 15.8 per cent (1970 figures) respectively. Sterba quotes Dr. Saduro Okita, the President of the Japanese Economic Research Center as saying, "All these factors [trade, investment, aid] make these countries more dependent on Japan whether we like it or not." This of course, gives Japan a powerful weapon in the eyes of South-East Asian states which accounts for a great deal of the resentment currently directed toward the Japanese.

Coupled with the perception of Japanese control over the regions economies is an attitude expressed by many that Japan has been "indifferent" to the needs of the people. The image of the "economic animal" is very much the accepted stereotype of the Japanese businessman. In addition to wartime memories is the resentment by the local populations to their obvious presence (Toyota cars, Japanese owned hotels and restaurants, private golf courses, neon signs, etc.) throughout South-East Asia. Many South-East Asian leaders tend to feel that Japanese aid has been more profitable to Japanese contractors than to those to whom it was assumed would be its recipients. Japanese reparations were more often than not seen as disguised "investments" in which the "interests" accrued to the Japanese. The lyrics that there is no business like show
business was reworked in black humor fashion to "there is no business like reparations business"—especially if they should be played to the tune of dollars and cents or in this case, yen. 38

Japanese economic policies toward the three littoral states have varied and as a consequence so has the recipient country's attitude. While it is difficult to draw parallels between the economic policies of one country and the resulting general political climate created as a by-product of these policies, a case may be made that a negative public image might conceivably be translated into policies affecting other vital concerns, and in this particular case, the unhindered passage of Japanese oil shipments through the various straits in the region.

1. Indonesia

Japan had a balance of payments deficit in its trade with Indonesia in 1973, amounting to about $1,308 million.* This is attributable to her imports of raw materials, particularly, oil, timber and bauxite. While Indonesia sells 80 per cent of her oil to Japan, this amounts to only 12.5 per cent of Japan's total oil imports. 39

In May of 1972, Japan made a $207 million loan to Indonesia to finance oil exploration. 40 Only two months after the violence and riots associated with

*See Appendix 3.
Japanese Prime Minister Tanaka's visit in January, 1974, a negotiating team representing the Keidaren (the Japanese Federation of Economic Organizations) arrived in Jakarta with the hope of arranging a $100 million investment in rice estates.  

There is a great deal of animosity in Indonesia against the Japanese, however, it would be both inaccurate and unfair to blame them for all of Indonesia's economic woes. Apparently, Tanaka's visit provided what an editorial in the Hong Kong weekly news magazine, Far Eastern Economic Review, called "the catalyst" for a massive outburst of economic nationalism. As Frances Starner points out,

[While] Toyota, Mitsui and Mitsubishi replacing the Kempetai may be a vastly unfair description of the recent Japanese invasion—the Japanese, however, are alleged to have been the major offenders when irregularities in financial dealings are concerned.

The Japanese are suspected of adapting "cutthroat" business practices in league with the "overseas" Chinese with whom they are involved in 70 per cent of 138 joint ventures in Indonesia.

One would find it difficult to imagine that the protests were aimed entirely at the Japanese. Jan Peters writing in the February, 1974 Asian Research Bulletin suggests that the real bogeymen in the eyes of the Indonesian's were the Chinese, who, according to one Indonesia, "... have corrupted our leaders and sold out our country." Others see the outbursts against
Tanaka's visit as basically a demonstration of the body politic's uneasiness over the pace of development and the tremendous control the Japanese and their Chinese middlemen exercise over the economy. Whether this situation will "die down" as one Japanese military officer said it would is another question entirely. 45

2. Malaysia

A member of the Japanese equivalent of the Peace Corps, stationed in Malaysia was quoted as saying: "If we Japanese take something away from a country--copper, lumber or whatever--I think we should also give something back. . . ." 46

Japan is the number two supplier of aid to Malaysia and is also involved in a number of joint ventures including the construction of dams in the State of Perak and a steel mill at Prai, near Penang. 47

Tanaka's reception in Kuala Lumpur was in no way as hostile as it was in Jakarta. Although he was burned in effigy by students from the University of Malaya and the National University his reception on the whole was termed as polite yet formal. The Prime Minister was candid in his remarks, specifically saying that Japan did not want to control local business nor did it seek "exorbitant profits through monopolistic practices." 48

The Malaysian Prime Minister, Tun Abdul Razak, replied to Tanaka by acknowledging that he was aware the Japanese were not only interested in profit, "but
also as partners who have mutual interests in our development and success." Tun Razak's friendly references may have come as a result of Japan offering Malaysia a third yen credit amounting to $240 million dollars, at terms described as "less rigid" than the two credits previously extended. The new credit covers a period of 20 years at 3.25 per cent interest with a seven year grace period.

3. Singapore

Of the three littoral states, Japan's relations with Singapore are perhaps the best. (Tanaka's visit was in marked contrast to Jakarta and Bangkok.) No wonder; Japanese investment in Singapore doubled between 1965 and 1970, from $27 million to $61 million ranking third behind the U.S. and Great Britain. Most of Japan's investment is in the form of joint ventures, mainly in shipyards. For example, Ishikawayma-Harima Industries (I.H.I.) has a large interest (51 per cent) along with the Singapore government in the Jurong shipyard. Hitachi Zosen has gone into a joint venture with Singapore millionaire, Robin Lah, owner of Robin Shipyards, Ltd. Japan also imports 70 per cent of Singapore's refined crude oil. There is also a great deal of interest on Singapore's part in convincing the Japanese to invest in the construction of a giant integrated steel mill, probably located somewhere in the Jurong industrial park.

It is apparent that the Japanese have decided to make Singapore the most important ship repair and
servicing center between the Persian Gulf and Japan. The Japanese seem to believe that Singapore has the best immediate business prospects in the region, with its excellent infrastructure and reservoir of cheap, trained labor. According to the Far East Economic Review of January 28th, 1974, Lee Kuan Yew, the Island's Prime Minister, supposedly convinced Tanaka of the similarities of both of their economies in the sense of both having to depend on outside sources of raw materials to supply their industries.

Although the wartime memories of Japanese atrocities have not been completely forgotten in Singapore they do not seem to pose a barrier insofar as Japanese-Singapore relations are concerned. Even though the number of Japanese tourists have doubled over the past five years, it appears that the Japanese are keeping a low profile. The connection between the huge Japanese investments in the shipping industries and the continued favorably disposed position of Singapore toward the Japanese stand regarding the continued internationalization of the Straits of Malacca cannot be ignored.

It is apparent that Japan, specifically in its relations with Indonesia, will have to make a more substantial effort to change its image. The Overseas Economic Cooperation Council has made various suggestions how this can best be accomplished, including transferring the right of management or business interest to the local
partner. It was also suggested that local men of ability be promoted to higher positions and that Japanese businessmen make an ardent attempt to improve their sensitivities in respect to the local population and to its development needs.55 Considering Japan's stakes in the overall development and stability of the region the question is not whether the Japanese businesses will reform their practices but how soon. If these reformers appear not to be forthcoming in the near future, the possibility of the Japanese government exerting pressure on Japanese firms does not seem unlikely, considering Tokyo's understanding that adverse reactions to Japan threaten both her markets and her oil supply lines.

B. Japanese Maritime Interests in the Area

The basic Japanese maritime interest in the South-East Asian area is free and unimpeded passage of her tankers from the Persian gulf to Japan. The underlying assumption, of course, is Japan not only depends on oil as a primary source of fuel, but will continue to do so for an indefinite period of time. In 1967, oil amounted to 64.6 per cent of Japan's total fuel needs and it is projected that by 1985 this figure will increase to 74.8 per cent. Alternative sources of fuel such as coal, hydro-electricity and atomic energy will account for only 9.5, 4.4 and 10.0 per cent respectively. *

*See Appendix 4.
Not only is Japan dependent upon petroleum as the main source of fuel but almost every drop is imported. The Industrial Review of Japan—1974 stated 99.7 per cent of Japan's oil is imported.\textsuperscript{56} In 1971 Japan imported 222 million tons of crude oil valued at over $3 billion.\textsuperscript{57} Indications are that foreign imports are growing at a rate of 20 per cent annually and that by 1985 Japan will be importing 550 million tons of crude oil a year.\textsuperscript{58} Of Japan's top five suppliers of crude oil four are in the Persian gulf area and they alone supply 62 per cent of Japan's need.*

The importation of such large quantities of petroleum from one particular source makes Japan, according to Oliver, dependent upon uninterrupted movements of a large tanker fleet from the Middle East oil fields.\textsuperscript{59} Axelbank points out that oil tankers "pass at five minute intervals and if the supply were cut off suddenly, the Japanese economy would be stifled within a month."\textsuperscript{60} Most of the tankers sailing from the Middle East pass through the Malacca Straits. As a result Japanese tankers face two related problems, one of which, as noted above, is the draught limitations in the Malacca Straits which prohibit tankers in excess of 225,000 dwt from safely using this route, requiring them to use either the Sunda or Lombok Straits. Using these straits presents the

\*See Appendix 5.
Japanese with a second problem: both are, according to the archipelago doctrine, considered part of Indonesia's internal waters. It appears, however, that 200,000 dwt class tankers will continue to play a leading role in the transport of crude oil for the years to come. Oliver cites the following statistics: in 1970 there were 50 100,000 dwt tankers, 191, 200,000 dwt tankers and one 400,000 dwt tanker either under construction or on order. Griswold, on the other hand, disagrees with these figures and what they might be interpreted to mean. He suggests that the Malacca Straits will become useless if the plans now on the drawing boards for 1 million dwt tankers are brought to fruition. Nevertheless, for the time being most tankers can use the Malacca Straits and Japan's immediate fears are that one or more of the littoral states will take action which might result in the closing of these straits. Prime Minister Tanaka stated during his January South-East Asian trip that it was his hope that the straits would remain open to "our shipping." It should be reiterated that unlike Sunda, Lombok and Makassar, which are claimed by Indonesia to be part of her inland waters, the Malacca Straits are not. The Malacca Straits are only considered to be part of Indonesia's and Malaysia's territorial waters and according to accepted rules of international law, innocent passage through these waters by merchant ships is guaranteed.
If however, Malaysia and Indonesia were to attempt to make these waters a "joint internal waterway," a possibility that appears extremely remote, Japan could and probably would exercise her options and use her trade levers to bring pressure on either of these States forcing them to change their minds.
VI. THE LITTORAL STATES--POSITION AND OBJECTIVES REGARDING STRAITS

Imagawa Eiichi, currently a research fellow at the Brookings Institute in Washington, D.C., expressed an often overlooked aspect of the Malacca Straits controversy. According to Imagawa, "To say that only the Japanese have vital interests in the area is to distort the truth." He noted that the Straits of Malacca serve as a water highway for local trade as well as international commerce. Rice is shipped from the East Coast of the Malaysian peninsula via the Straits of Malacca to the West coast and that vegetables grown in Sumatra are shipped across the Straits to Malaysia. Malaysia, currently the largest producer of tin, rubber and palm oil in the world is dependent upon the Straits of Malacca as an avenue for exporting these products. Singapore's very existence depends on the Straits of Malacca.

Consequently, each of the three littoral states have basic views on the Straits problem:

A. Indonesia

Indonesia's main interest in the Straits is in exercising control over them as a measure of guaranteeing her security. Foreign Minister Adam Malik was quoted
in the Straits Times (Malaysian edition) of March 20th, 1972, as saying: "We only want to regulate the use of the Straits of Malacca, and for this purpose we must get an international recognition of our claim of a 12 mile territorial limit." Indonesia appears to be more exercised about the possible abuses of the Straits by the big powers rather than by Japan. Admiral Soedomo (recently appointed by President Suharto as Chief of Staff) was quoted as saying that, "Indonesia had the means to act [and] will attack any foreign warship entering Indonesian waters without permission." Soedomo's statement is perhaps 90 per cent. bluff considering the poor condition of the Indonesian Navy. * Nevertheless, this does indicate Indonesia's concern about great power abuse of the Straits.

B. Malaysia

Malaysia, though sharing Indonesia's concern of great power rivalry in the adjacent waters, has expressed also a considerable interest in keeping the Straits pollution free and maintaining safe corridors of passage for all ships. Malaysia fears that congestion in the Straits will increase the chances of an accident. The possibilities of a Torrey Canyon type disaster is not remote in the minds of some Malaysian officials especially since there are no firm rules concerning traffic separation and draught restrictions.

Malaysia has benefited little from the increase of

*See Appendix 5 for comparison of all four countries' navies.
traffic in the Straits of Malacca. Perhaps, as a consequence of this, the President of the Assembly of Malay Chambers of Commerce, Tengku Razaleigh bin Hamzah who is also chairman of the board of Pernas and Bank Bumiputra has advocated a system of tolls which, based upon an average of 100 ships a day passing through the Straits of Malacca, might net as much as $147 million per year. Tengku Razaleigh sees the creation of a Malacca Straits Authority similar in structure to the Suez canal authority, as the body charged with the day to day operations of the Straits including the collecting of tolls. These tolls would vary from $5,000 for tankers, regardless of size, to either $3,000 or $1,000 for cargo ships with the higher rate levied on those ships not stopping in Indonesian or Malaysian ports. Tengku Razaleigh sees these tolls being used to:

1. Help finance the cost of keeping the Straits safe and clean;
2. As encouragement to ships to stop at Penang and Port Klang in Malaysia, or at Indonesian ports;
3. As a means of diverting sea traffic away from Singapore.

Neither Japan nor Singapore were happy about this suggestion while Indonesia thought it was "a good idea." It appears, however, no action of this nature will be taken at least until the Law of the Seas Conference meets later on this year in Caracas, where it is hoped
that the legalities of Straits passage can be settled.73

C. Singapore

Singapore depends for its existence on ships of all nations having free access to its ports. It is the fourth largest port in the world serving more than 3,500 ships per month. Its facilities are excellent. Beginning in 1968 (immediately after the British announcement of a pull back from east of Suez) the Singapore government began to turn portions of the vast Naval facilities at Sembawang into a commercial shipyard with the assistance of the Swan-Hunter Group.74 The Jurong shipyard, as noted earlier, was built with Japanese assistance. Mitsubishi Heavy Industries is currently participating in a $64 million dollar joint venture also in the construction of a shipyard.75 A container port, just completed at the cost of $30 million, is as Arun Senkuttuven describes, "firmly established as the link in a chain of intermediary container ports on the high sea freight routes between Japan and Europe."76 Shipping is tied very closely with Singapore's economy, especially to the industrial-manufacturing sector which accounts for more than 25 per cent of Singapore's GNP.77 In addition, the Sembawang shipyard is building a dry dock capable of handling a 400,000 dwt tanker, in addition to the 230,000 dwt mooring system that is currently in existence.78 Singapore, though generally pro-western in its foreign policy, has shown an interest in cooperating with the Soviet Union on port facilities for Soviet Ships.79