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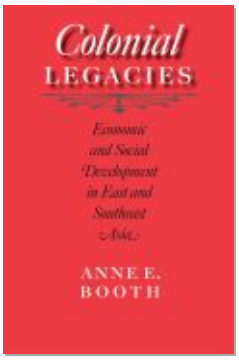
8. The Greater Asian Co-Prosperity Sphere: 1942-1945



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CHAPTER 8

The Greater Asian Co-Prosperity Sphere: 1942–1945

Emergence of the Greater Asian Co-Prosperity Sphere

During the 1930s, both Korea and Taiwan experienced faster economic growth than the Southeast Asian colonies, whose economies were subject to the full force of the world slump of the early 1930s. But even allowing for the growth slowdown in much of Southeast Asia, the evidence does not support the argument that living standards in either Taiwan or Korea were markedly higher than in the Philippines, British Malaya, or even Thailand in the latter part of the 1930s. By then, the economies of both Taiwan and Korea were tightly integrated into the Japanese military-industrial complex, and after Pearl Harbor and the beginning of the Pacific War, this integration intensified. In 1942, Korea ceased to be regarded as a colony and became an integral part of Japan, governed through the Home Ministry (Brudnoy 1970: 189). Northern Korea, like Manchuria, underwent rapid industrial development based on exploitation of its mineral resources and hydroelectric potential, but these changes were "externally induced and served Japanese, not Korean, interests" (Cumings 1997: 175).

In 1936, the Japanese navy had already initiated plans for a "southern advance," which involved, among other initiatives, the seizure of oil fields in Sumatra and Borneo (Tsunoda 1980: 241). The outbreak of the war in Europe in 1939 and the rapid capitulation of both the Netherlands and France to the German army together with what seemed to be the imminent collapse of Britain gave Japan its chance to intensify demands on the European colonial territories in Southeast Asia. Beasley argued that Japanese military planners viewed the advance to the south as part of the broader strategy of national defense (1987: 224), but the economic role allotted to Southeast Asia was quite different from that given to China, Korea, and Manchuria. In Northeast Asia, Japan planned to build an integrated industrial complex; the role of territories in the south was to supply raw materials and also provide a market for Japanese exports.

This role was in fact not very different from what had happened in the 1930s, except that under the new order controlled by Japan, the European

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and American colonial governments would no longer be in a position to frustrate Japanese demands for greater market access, as they had done during the 1930s. As we have seen in Chapter 5, by the early 1930s, Japanese consumer goods were flooding into markets in Indonesia, British Malaya, Thailand, the Philippines, and Burma. But in the mid-1930s, all the colonial governments had imposed restrictions on Japanese imports and in some cases on exports to Japan as well. Even with these controls, Japan still relied on imports of strategic raw materials such as iron ore, rubber, tin, coal, and above all petroleum from British Malaya, the Philippines, French Indochina, and Indonesia. Indonesia supplied around 25 percent of Japan's oil imports in 1936, making it the second largest supplier after the United States (Beasley 1987: 223). By 1941, the United States no longer appeared a reliable trading partner. It was essential for the Japanese war economy to secure supplies from elsewhere in Asia, preferably from a territory firmly under Japanese control.

The Japanese took advantage of the German occupation of the Netherlands in 1940 to demand guaranteed supplies of oil, bauxite, nickel, and rubber from the government in what was still the Netherlands Indies (Beasley 1987: 228–229). Negotiations dragged on into 1941, but the Dutch were not cooperative, especially on the vital issue of oil supplies. The leader of the Netherlands Indies delegation, van Mook, was given credit for standing up to Japanese demands (Kemperman 2002: 30). But this intransigence strengthened the hawks in Japan who argued that nothing short of military force would suffice to secure supplies of vital raw materials from the south. In Indochina, the pro-Vichy regime was more cooperative with Japanese demands. An economic settlement negotiated in 1941 gave Japan the kind of privileges it had failed to get from the Dutch; supplies of rice, rubber, coal, and other metals were guaranteed, and Japanese manufactures were given unrestricted access to the markets of Indochina. In addition, Japanese citizens were free to establish businesses and undertake mining operations (Beasley 1987: 231). Japan also secured the right to station troops in Indochina and to make use of existing naval bases and airfields (Kemperman 2002: 30–31).

By December 1941, the Japanese government had come to the conclusion that diplomacy would not achieve its aims in Southeast Asia. It was essential to secure direct control over the region and also ensure that no power was in a position to threaten shipping links between Japan and Southeast Asia. The American navy posed the greatest threat, and on December 7, a surprise raid on Pearl Harbor in Hawai'i destroyed most of the American Pacific fleet. This immediately provoked a declaration of war by the United States, Great Britain, and its allies. A strategy document adopted by the Liaison Conference on December 12, 1941, stated clearly that, in the short run, the primary objective of the Japanese in the south must be to "fulfill the demand for resources vital to the prosecution of the present war" (Lebra 1975: 116). A few weeks earlier, the principles for administration of the southern areas had stated that in order to secure vital raw materials, economic hardships would have to be endured

by the indigenous populations. The armed forces would have to be locally provisioned, even if that meant depriving indigenous populations of part of their food supplies. The minister of finance went so far as to state that "it will not be possible for us to be concerned with the livelihood of the peoples in these areas" (Lebra 1975: 115; Tarling 2001: 219).

In December 1941 and early 1942, the Japanese armed forces swept down through Hong Kong, the Philippines, Malaya, Burma, Indonesia, the Solomon Islands, New Guinea, and other parts of the southwest Pacific. By the end of April 1942, the colonial regimes had all been forced into humiliating surrenders, and large numbers of prisoners were taken. The Japanese themselves seem to have been surprised by the speed and success of their blitzkrieg and by the abject failure of the colonial powers to put up any effective resistance. By mid-1942, Japanese military and economic control stretched from the southwest Pacific to the eastern borders of British India and from Manchuria to the Indonesian archipelago. Northern Australia was under threat. The power of imperial Japan seemed unstoppable. But the Japanese administrative machinery was ill prepared to deal with the problems of governing the vast areas that their armed forces had conquered in Southeast Asia.

To many indigenous people in Southeast Asia, the Japanese army appeared to be liberators rather than occupiers. In Indonesia, nationalists formed "freedom committees" in many towns in Java and Sumatra and offered their assistance to the Japanese armed forces in maintaining law and order (Kemperman 2002: 42). The Chinese were more fearful, mindful of the atrocities that had already taken place in China. The worst fears of the Chinese population in Singapore were soon realized when, in February 1942, thousands of young men were rounded up and executed on suspicion of being sympathetic to the Chinese Nationalist Party (KMT) or to the communists. It was estimated after the war that between 50,000 and 100,000 were executed during the so-called *sook ching* (Lee 1998: 58).

The policy of the Japanese army, which was in control in the densely settled parts of Southeast Asia, was to govern through local leaders where possible. The Japanese redrew the colonial boundaries and established new regions of control; Sumatra, the Federated Malay States, Johore, and the Straits Settlements were all governed from Singapore. The northern Malay states were handed back to the Thai government, whose leadership was pro-Japanese. Thailand and French Indochina, by then controlled by a pro-Vichy group of officers, were placed in "Area B" and given greater administrative autonomy. Elsewhere, cooperating native officials were selected to run local government and essential services. In the Philippines, a largely compliant native bureaucracy, already in place, continued with most of its routine administrative tasks (Goodman 1988: 101). In many parts of Indonesia, low-ranking Indonesian officials were promoted into senior posts after their Dutch bosses left or were imprisoned.

Benda has pointed out that the aim of the Japanese occupiers was "to

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erase Western legacies" and impose a new system of values on all the former colonies and a new orientation, cultural as well as economic, toward Japan (1967: 69–71). The over-arching goals of the Greater East Asian Co-Prosperity Sphere were economic autarchy and tight political control from Japan. The policies already imposed on Taiwan and Korea, and on Manchuria were to be extended to Southeast Asia, the South Pacific, and eventually to India, Australia, and New Zealand. The goal of the Japanese government was to create "an economic and strategic organism centered on Japan with each part having a defined place and function" (Swan 1996: 145). Although lip service was paid to national liberation and to preserving the "honor of Thailand as an independent state," the Japanese regimes in Southeast Asia were hardly anticolonial. Rather, the government wished to replace European and American colonialism with a much more tightly regulated version that served the strategic aims of imperial Japan.

On the cultural front, few in Southeast Asia understood the Japanese language, so one important consequence of the new policies was a much greater emphasis on indigenous languages. Dutch and English were officially forbidden, although used in practice for some government programs. Burmese, Malay, and Tagalog were all given official status in education and government. The Japanese deliberately encouraged the formation of youth groups; school and college students were organized into a number of different associations, some of which were in effect paramilitary combat forces. As Mortimer put it in the context of Indonesia, "the Japanese for the first time provided Indonesian youth with a political role and an organizational identity" (1974: 31–32). The members of Japanese-sponsored groups were not always uncritical admirers of their sponsors, but they imbibed the same fierce nationalism the Japanese themselves exhibited, albeit directed to their own situations. It was these groups that constituted the "potentially most revolutionary legacy that Japanese rule was to bequeath to the de-colonization process in many parts of Southeast Asia" (Benda 1967: 780).

The Economic Consequences of Japanese Control: Falling Production and Rising Prices

If the immediate goals of Japanese economic policies in Southeast Asia were to secure supplies of key raw materials and to use local markets as outlets for their own manufactures, it rapidly became clear that neither aim would be easily achieved. The American navy recovered far more quickly from the devastation of Pearl Harbor than the Japanese had expected. From early 1942, the entire American economy was placed on a war footing, and the building of new warships and fighter planes was accorded top priority. In mid-1942, the Americans inflicted a heavy defeat on the Japanese navy at the Battle of Midway, viewed by most historians as the key turning point in the Pacific arena. From then on, American and Allied forces fought their way from island

to island; once strategic islands were liberated, they could be used as air and naval bases to support the next stage of the war.

Johnston argued that the Japanese government had been, from the beginning of the Pacific War, too optimistic about the country's shipping capacity, and destruction of merchant shipping by Allied forces was far greater than the war planners had allowed for (1953: 140–141). Between December 1941 and mid-1943, over one million tons of shipping was lost; this figure more than doubled in 1943–1944, and in 1944–1945 it was estimated that over 3 million tons were destroyed, the majority by American submarines. By mid-1944, the Allies were within bombing range of the Japanese mainland, and shipping services within Japan and between Japan and Taiwan, Korea, and Manchuria were badly disrupted. Supplies of rice and other foods from Taiwan and Korea fell sharply, and the food situation in Japan itself became grave.

But before Japanese shipping losses had removed any possibility of effectively integrating Southeast Asia into the Co-Prosperity Sphere based on Japan, the occupying forces made it clear that the economies throughout the region would have to be drastically restructured. The Japanese had little interest in encouraging the production of traditional export staples such as sugar, coffee, tea, and spices. Japan was already supplied with sugar from Taiwan, and precious shipping space could not be wasted on transporting luxury foodstuffs that the metropolitan economy did not need. In both Java and the Philippines, sugar factories, on the one hand, were either closed or converted (almost always unsuccessfully) into plants that produced alcohol from molasses, which could then be used for fuel (Larkin 1993: 237; de Jong 2002: 254). On the other hand, the Japanese armed forces in Indonesia did establish or expand factories for the production of explosives and other military supplies as well as cement, medicines, shipping parts, and textiles (Siaahan 1996: 115). Such factories were probably constructed in other parts of Southeast Asia as well.

Throughout Southeast Asia, Japanese officials insisted that large tracts of agricultural land be switched to growing crops that were in short supply in the region or in Japan. Of particular concern was the shortage of food, vegetable oils, and fibers such as cotton and jute. In Java, some land used for sugar cultivation reverted to food crops, and some to cotton. Tea and coffee estates were either neglected or used for food-crop cultivation; it was estimated that, by 1945, over half the tea plantations on Java and 28 percent of the coffee gardens had been dug up (de Jong 2002: 253). In South Vietnam, rubber estates were switched to cotton cultivation, although most land under rice in the south was not converted to other crops. In Tonkin, however, the Japanese insisted that agricultural land under rice and maize be used for cultivation of jute, cotton, and hemp, as well as peanuts and castor oil plants (Dung 1995: table 1; Anh 1998: table 9.4). This enforced conversion of food-crop land was to have grave consequences for food supplies in the final stages of the war.

Rubber was needed by Japanese industry, but as transport became more difficult, some rubber plantations in Sumatra and Java were dug up and con-

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verted to other uses. Instructions on land use were often countermanded when new priorities emerged or simply because of bureaucratic bungling. In Malaya, the military authorities announced in 1942 that rubber acreage was to be reduced in favor of food crops but reversed this ruling in the following year. By 1943, production was less than one-quarter of the average for 1935–1941, and there was only a modest recovery the following year (Kratoska 1998: 227). Tin output also fell sharply in both Malaya and Indonesia. Petroleum output, which was crucial to the Japanese war machine, also declined. The departing Dutch had inflicted considerable damage on the Indonesian installations in early 1942, and output in 1942 was less than half that of 1938. Japanese engineers were successful in repairing the damage, and in 1943 output was 90 percent of the 1938 level. De Jong estimated that between April 1942 and March 1943 around 40 percent of oil production reached Japan (2002: 236). The proportion fell the following year, as shipping became scarcer. Output fell rapidly in 1944 and 1945 (Hunter 1966: 257). In 1945, the Sumatran installations were subject to heavy Allied bombardment, but by then the transport of oil to Japan, and even within Southeast Asia, had become virtually impossible.

But it was food supplies even more than strategic raw materials that preoccupied the Japanese from 1942 onward. By the 1930s, Indonesia, the Philippines, and British Malaya were all net importers of rice. British Malaya depended on imports for around 60 percent of domestic consumption during the 1930s (Grist 1941: table 32). The estate regions of eastern Sumatra were also very dependent on imports, as were large parts of the Philippines and northern and central Vietnam. After 1942, there was a sizable Japanese military population to feed and also growing numbers of Southeast Asian workers who had been forcibly conscripted into various public works projects and had to be supplied with food and other basic necessities. Furthermore, all this had to be done in the context of disintegrating transport facilities. Shipping even in coastal waters was becoming vulnerable to Allied air attacks, and road transport was made more difficult because of gasoline shortages and lack of spare parts for lorries. It is far from clear whether the Japanese administrators realized the extent of the integration of regional rice markets within Southeast Asia before 1942, but even if they had done so, there was little they could do to preserve the prewar trading networks as hostilities continued. All they could do was encourage regional self-sufficiency in food and other basic needs.

It had been expected by wartime planners that Japan would supply a range of consumer goods, including textiles, clothing, household utensils, bicycles, and so forth, to Southeast Asia, as indeed it had done in the 1930s. But as the Japanese economy moved to a total war footing, production of "nonessential" goods was curtailed, and there was little to spare for export (Pluvier 1974: 274). The Japanese shipped a large number of idle spindles to various parts of Southeast Asia, and it was expected that the cotton and other fibers produced locally would be used to produce yarn and cloth, gunny bags, and other products (Kratoska 1998: 195). The success of this policy was modest, and the

shortage of textiles grew more acute through 1944 and 1945. Many people resorted to old rice sacks or even tree bark to make clothing. Women in particular displayed great ingenuity in producing a range of household products, including textiles, soap, vegetable oils, and mats, both for their own use and for sale or barter.

The increasing shortages inevitably led to smuggling and black marketeering. Officially such activities were strongly discouraged, and penalties were severe. In practice, lower-ranking Japanese soldiers took bribes in order to turn a blind eye or became actively involved themselves (Kratoska 1998: 171; de Jong 2002: 470–472). The shortages of food and other basic needs added to inflationary pressures, which were fueled by the increased supply of currency under the Japanese. The Singapore cost of living index, which stood at 100 in December 1941, had reached 10,980 in May 1945 (Kratoska 1998: 203), and by late 1944, prices were also spiraling out of control in Indonesia, the Philippines, Vietnam, and Burma. In Manila, the open market price of rice (per sack) was between eight and twelve pesos in early 1942. By December 1944, it had reached 11,000 pesos (Jose 1998: table 4.6). In Hanoi, the cost of living index for workers increased more than fivefold between 1940 and 1944, and increased almost four times more in the first nine months of 1945 (Direction des Services Économiques 1947: 301). These massive increases in prices were to lead to enormous suffering for many millions in the closing phase of the Pacific War.

While shortages contributed to the accelerating inflation, the fundamental reason was the rapid growth in money supply engineered by the Japanese authorities. Throughout the Japanese occupation of Southeast Asia, the Japanese continued to issue their own "scrip" or campaign money. Although the stated intention of the Japanese government was to use local currency as much as possible in the occupied areas, it was conceded that existing stocks of coin and banknotes would have to be supplemented with Japanese scrip in order to obtain essential war materials (Lebra 1975: 115). As Swan has pointed out, it was not the law that gave military scrip its legitimacy "but rather the ability of the military to maintain its authority over a territory and the large amount of business transacted between the military and the local population" (1989: 315). As more and more Japanese money, denominated in local currencies, flooded the Southeast Asian economies (often with no serial numbers so that it was easy to forge), many people hoarded the old colonial money, which by 1945 could often be exchanged for more than twice as much Japanese scrip with the same face value.

In April 1942, a Southern Region Development Treasury was established in order to exercise some control over the release of scrip into the economies of Southeast Asia. But it lacked the power to veto the military, who continued to issue paper money in order to secure resources. In Indonesia, it was estimated that, by the end of the occupation, the amount of paper money in circulation had increased almost sevenfold compared with March 1942

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(de Jong 2002: 235). In British Malaya, the Japanese used various methods to reduce the money in circulation, including enforced "gifts" from wealthy Chinese and lotteries. But these ploys were rendered ineffective by the continued printing of more banknotes by the Japanese until the final months of the war (Kratoska 1998: 213). Only in Thailand, where economic relations with Japan were conducted on a government-to-government basis, did the administration manage to keep some control over economic policy and currency issues (Swan 1989: 346).

The Welfare Consequences of Japanese Control: Forced Labor, Starvation, and Premature Death

As is always the case, the impact of rapid inflation was especially severe on those with fixed money incomes and little or no ability to earn extra, either in cash or in kind. The plight of many pensioners was exacerbated by the refusal of the Japanese to honor colonial pension payments; many retired civil servants found they had nothing to live on. By 1945, poverty was so widespread in Malaya that the charitable institutions could not cope (Kratoska 1998: 205). The Japanese were alarmed at the increasing number of vagrants and destitute people, but there was little they could do. If the situation was bad in Malaya, which had been comparatively affluent in the interwar years, it was much worse in other parts of the region. In Java, many small farmers were forced to sell whatever meager amounts of land they owned, and it was these people who were vulnerable to the inflation and shortages of the final phase of the Japanese occupation (Sato 1994: 230).

The plight of those forced to survive on fixed incomes in a time of growing inflation or to sell their assets, although severe, was probably not as bad as that of the conscripted workers. The exact number of those forced to work on Japanese construction projects *(romusha)* has almost certainly been underestimated by many historians, who have tended to count only those who were forced to move from one part of Southeast Asia to another. In the Indonesian context, Sato has pointed out that labor mobilization to repair damaged infrastructure was initiated by the Japanese in 1942 as a way of alleviating unemployment, especially among those who were no longer needed as workers on sugar, tea, and coffee estates (1994: 156–157). But as the Pacific War went badly for the Japanese, the military began to plan a massive defense buildup in the occupied areas. Sato quotes Japanese estimates that, by November 1944, 2.62 million workers had been conscripted to work on a range of projects, including many that were intended to increase agricultural production.

De Jong has put forward a higher figure of 4.1 million for the entire occupation period (2002: 243). Only a small proportion of these would have been sent overseas; most stayed on the island where they had been recruited and often worked only for brief periods. The majority were in Java. Some volunteered in order to earn a wage and receive food. Workers were supposed to get

a daily ration of rice of four hundred grams if they were judged to be involved in hard labor, which was probably more than many other Javanese were getting by 1944 and was indeed the same as the household ration given to Japanese males engaged in heavy work (Johnston 1953: 203). But conditions of work were often harsh, and the daily ration actually received may well have been much less than the mandated minimum. Mortality was certainly higher among laborers sent to other parts of Indonesia far from home who received little or no support from local populations.

Mortality was highest for those hapless workers sent out of their own countries to work on projects often thousands of miles from home. Most attention has been concentrated on those who were sent to the notorious "death railway" that was built from Thailand into Burma. Nakahara quotes figures from Allied sources indicating that around 182,500 workers from Southeast Asia worked on this project, in addition to the Allied prisoners of war, mainly from Britain and Australia (1999: 233). Around 73,500 workers from Malaya were transported to the Thai-Burma and Kra railway projects; at least 30 percent died (Kratoska 1998: 184; Bayly and Harper 2004: 405–409). Many of the rest were from Burma, where death rates were also high. In addition, forced labor was used for projects within Malaya. In spite of mounting unemployment and the harsh economic climate, the Japanese in Malaya found few takers for employment even on local public works projects; by early 1945, the majority of the rural labor force was engaged in growing their own food (Kratoska 1998: 186–189).

Conscription and enforced migration were also widespread in Korea, where many rural people were either dragooned into factories as unskilled workers or sent abroad. By 1944, it was estimated that 11.6 percent of the population was residing abroad; the percentage of adults would have been much higher (Cumings 1997: 175). Most of these workers came from rural areas in the south, where high population growth and increasing concentration of landownership was producing a large surplus of labor, which could not be absorbed in agriculture. Large numbers of women from Korea and other occupied territories were forced to become "comfort workers" in military brothels (Hicks 1995). In Taiwan, there was far less movement of labor; there was also less emphasis on heavy industrialization than in Korea, and while indigenous Taiwanese did serve in the Japanese army, numbers were smaller than in Korea.

By 1944, the food situation had become very precarious in many parts of East and Southeast Asia, and hunger was widespread. In Malaya, rice availability fell sharply, but in a relatively land-abundant region it was at least possible to grow other foods; tapioca became an important staple even for the more affluent families (Bayly and Harper 2004: 327–330). Root crops were also widely consumed in Indonesia and the Philippines, but it is probable that their availability did not prevent many premature deaths from hunger and malnutrition. In Java, Japanese procurements amounted to nearly 1.5 million

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tons in 1943, which was 17 percent of prewar production. This amount fell only slightly in 1944, when a severe drought curtailed production of both rice and other food staples (Sato 1994: 122–123). It was estimated that death rates increased by more than 20 percent in many parts of Java between 1939 and 1944; in some areas in Central and East Java they almost doubled (de Vries 1946; see also Kurosawa-Inomata 1997: 126). Nitisastro cast doubt on the reliability of these estimates, which he considered to be of "only very limited value" but agreed that mortality rates in Java and to a lesser extent other parts of Indonesia increased between 1944 and 1946 (1970: 119). De Jong has cited several eye-witness accounts of starvation in Bandung and Semarang that are similar to those from the contemporaneous Bengal famine (2002: 279–280). Apart from the serious decline in food availability, the drastic decline in medical supplies would also have led to increased death rates.

By 1944, a very severe food situation also prevailed in northern Vietnam. In that year, drought and insects reduced the spring rice crop, and typhoons damaged the main autumn crop (Marr 1995: 96–99). In addition, almost 170,000 hectares of food-crop land had been converted to production of jute, cotton, hemp, and vegetable oils. Dung has quoted estimates that these lands could have yielded 64,000 tons of paddy as well as tens of thousands of tons of maize and sweet potatoes (1995: 592). Both French and Japanese officials were aware of the food supply problem but were slow to act. Northern Vietnam usually depended on food imports from southern Vietnam, and while these were greatly reduced because of Allied air raids on both coastal shipping and overland transport, French and Japanese officials did manage to stockpile rice from the south for their own use. Many landlords and larger farmers also began to stockpile rice in anticipation of further rises in prices. By early 1945, a major famine had taken hold; prices of both rice and other foods including corn and root crops increased far more rapidly than money wages, and many employees in jobs that did not include food rations found themselves starving. Poorer rural families were also in a terrible position. Deaths reached their peak in March–May 1945 and continued up to the Japanese surrender.

The famine in Vietnam is thought to have killed between 600,000 and 2 million people (Pluvier 1974: 280–281). The figure of 2 million was widely used in propaganda by the communist forces after 1945, although Marr has argued that the true figure was lower, probably around the 1 million mark (1995: 104). Dung has suggested that this is too low (1995: 576). A figure of at least 1.5 million is probably more realistic. In Java, de Vries estimated that the years 1943–1945 cost 2.45 million lives, including the deaths of the forced laborers who died outside Java. This figure might also be too high, but it is likely that there were at least two million premature deaths in all Indonesia. American and Philippine authorities estimated that the full death toll during the Japanese occupation was 1.1 million people. Of these, 131,000 had been murdered or tortured to death by the Japanese (Pluvier 1974: 358). If it is assumed that excess deaths in British Malaya, Thailand, and Burma amounted

to at least 1 million, then the years of the Japanese occupation led to the premature deaths of more than 5 million people in Southeast Asia. These figures are only rough estimates, and the true figure could have been much higher. What is certain is that the cost of the Japanese occupation, both in lives and in physical destruction, was extremely high.

August 1945 saw the dropping of two devastating nuclear bombs on Japanese cities. The subsequent loss of life and destruction of property finally forced the Japanese government into the humiliation of an unconditional surrender. But in spite of the hardships of the occupation, the Allied troops who returned to Southeast Asia were not greeted as liberators by local populations. Even among those who had not supported the nationalist movements before 1942, the returning armies were seen as simply attempting to restore the colonial status quo of the pre-1942 era. There was little confidence that, if the old colonial governments were reinstated, they would govern Southeast Asia in the interests of the indigenous populations. Many millions, especially the young, wanted a new political and economic order in which Southeast Asians would have much greater power to determine their own destinies. The returning colonial regimes reacted to these demands in very different ways.

The Transition to Independence in Southeast Asia, Korea, and Taiwan

The Allied armies that returned to Burma, Malaya, Indonesia, Indochina, and the Philippines in 1945 found not just mass poverty and starvation, but also considerable economic devastation. The extent of the destruction of infrastructure, factories, and mines varied considerably by region. In Burma, where the retreating British had carried out a scorched earth policy in 1942 and Allied forces had bombed cities and other installations during the reconquest, the economic devastation was long-lasting "and was to impoverish more than one generation" (Bayly and Harper 2004: 180). In the Philippines, the Japanese armed forces put up a savage resistance to the returning American forces led by General MacArthur. Fighting in Manila was especially fierce, and the Japanese, realizing that they were encircled, embarked on a series of atrocities against the civilian population reminiscent of the pillage of Nanking in 1937 (Karnow 1989: 320–321). When the Japanese were finally subdued, much of the city was reduced to rubble.

The Americans had granted the Philippines home rule with the inauguration of the commonwealth in November 1935. It was expected that full independence would follow within ten years. But many observers, after witnessing the devastation brought about by the war and by the American recapture of the islands, doubted that the country could cope with the enormous challenges, both political and economic, that full independence would bring. The American high commissioner, Paul McNutt, was known to be opposed to rapid granting of independence, although some Philippine politicians thought that if the chance was not seized promptly, the Americans might refuse to honor

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their pledge in the future (Karnow 1989: 334). This argument won the day, and full independence arrived on July 4, 1946. But it was clear that the new republic would have to continue to depend on American economic assistance for reconstruction and also in dealing with internal rebellions, especially in parts of Luzon.

The situation in Indonesia was very different. Key nationalist leaders, such as Sukarno and Hatta, had been released from prison by the Japanese and had cooperated with them in setting up youth groups that, although officially pro-Japan, were in fact fronts for nationalist movements whose aim was full political independence. When Japan surrendered unconditionally in August 1945, there were few Allied troops on Indonesian soil. The older generation of nationalists was uncertain how to act in the political hiatus that followed; their minds were made up for them by youth groups who pressed for an immediate declaration of independence. On August 17, two days after the Japanese surrender, Sukarno stood outside his house in Jakarta and read the Indonesian declaration of independence to a small group of onlookers (Ricklefs 1993: 210).

British forces, most of them Indian, arrived in the latter part of September 1945 and saw their main task as disarming and repatriating the Japanese military before handing back power to the Dutch. By early 1946, it was clear that the Dutch had little interest in negotiating anything but very limited self-government for some parts of the country. Many in the Netherlands, newly liberated after almost five years of German occupation, saw no reason why the Dutch should not continue to govern Indonesia much as they had done before 1942. The nationalist movement was itself split on how to deal with Dutch intransigence. Outside Java some traditional leaders sided openly with the returning Dutch, fearful of their privileges in an Indonesian republic. The scene was set for a bitter and destructive war of attrition between Dutch and republican forces, which was only finally resolved at the end of 1949.

The situation in British Malaya was different again. Even before 1942, it was clear to at least some in Whitehall and in the British business community that the "administrative hotch potch of British territories in Malaya" would at some stage have to be reformed. The Japanese occupation was seen as a chance to work out a new system of governance that would better serve the interests of all the races in the peninsula (Stockwell 1974: 333–335). The new plan that emerged from a Colonial Office planning unit was for a Malayan Union, embracing both the federated and the unfederated states as well as Singapore, Malacca, and Penang. The most radical aspects of the plan involved stripping the Malay sultans of much of their power and granting full citizenship and other constitutional rights to the Chinese and the Indians. The British, on returning to Malaya, tried to implement the plan but ran into fierce opposition, mainly from the Malays and also from elements within the British expatriate business and planter community. It was subsequently argued that, in failing to implement the plan, the British lost an opportunity to create a

genuinely multiracial state in Malaya (Stockwell 1984: 69). While a federal constitution was promulgated in 1948, it left the Malays with several important political privileges; the Attlee government made a broad commitment to Malay independence but set no date, even for limited self-government.

There were several reasons why, in contrast to the situation in Indonesia, the Philippines, or Burma, the British both wanted and could afford to stall in Malaya. First, no strong independence movement had emerged during the war that commanded the allegiance of all ethnic groups. The communist-led insurgency, which became known as the "emergency," was led by Chinese but was not supported by the Chinese business community or by the great majority of Malays. Second, at least some British officials, notably the governor-general in Southeast Asia, Malcolm MacDonald, were sympathetic to "moderate" Asian nationalists and anxious to avoid any impression that the British were ganging up with the Dutch and the French to stifle all expressions of Asian nationalism (Stockwell 1984: 74–76). And third, the British realized that, unlike India and Burma, Malaya could play a crucial role in earning dollars for what was then called the sterling area. Export production recovered quickly from wartime problems, and by 1952, export earnings per capita in Malaya were among the highest in the world (Woytinsky and Woytinsky 1955: 63). As Smith has pointed out, the British could afford to let Burma go along with India; in terms of the harsh economic realities of the post-1945 world, it had little value to Britain (1988: 48). But Malaya certainly did. Indeed, Britain's slow decolonization of Malaya has been viewed as "inexplicable without reference to its dollar-earning capacity" (White 2000: 560).

The result was that Burma, devastated by war and plagued by unrest among ethnic minorities, gained independence in October 1947. Aung San, the only leader able to command broad support among the population, had already been assassinated by political rivals, and the new nation was vulnerable to attack both from within and from without. In Malaya, the British adopted a policy of slow progress toward self-government that ultimately paid off; self-government was granted in Malaya in 1957, while two years later, after a sweeping victory in elections, the People's Action Party gained power in Singapore. In 1963, the British granted full independence to the Federation of Malaysia, which included all the British territories in both peninsular Malaya and Borneo, except Brunei. Although Singapore left the federation two years later, federal Malaysia has survived and prospered.

The most prolonged and violent transition to independence was in French Indochina. The French, like the Dutch in Indonesia, were antagonistic to the nationalist leaders who had emerged during the Japanese occupation. The Dutch reluctance to grant independence or even a measure of autonomy to the nationalists was mainly based on the fear that the loss of Indonesia would spell the ruination of the already war-damaged Dutch economy. French reluctance to compromise on sovereignty in Indochina was due more to concerns that any attempt to negotiate with the nationalists there would set a danger-

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ous precedent regarding French territories in North Africa and elsewhere in Africa and the Pacific. Ho Chi Minh pointed out in 1947 that if the French were prepared to do what Britain had done in India or the United States in the Philippines, there was no reason why the relationship with France should not be friendly and cooperative. But many French politicians and military officers were staunch imperialists who could not contemplate any concession to nationalist forces. In addition, by the end of the 1940s, they had gained more support from the United States, now fearful of the spread of communism in Asia.

The American position by the latter part of the 1940s was changing from one of broad anticolonialism and sympathy for Asian independence struggles to a more bellicose anticommunism. National liberation struggles were supported if they were clearly anticommunist but not if they were led by people with communist or left-wing links. It was the effective suppression of the communist uprising in Madiun in East Java by nationalist forces in 1948 that tilted American support toward Sukarno and his government in Indonesia and away from the Dutch (Ricklefs 1993: 230). The French, by contrast, exploited growing American fears about the spread of communism in Asia, especially after the communist triumph in China, by stressing the communist sympathies of the Viet Minh leadership. Thus the United States supported the French creation of a unified state of Vietnam within the French Union with Bao Dai as head of state, in spite of his obvious lack of support among the Vietnamese people. By convincing the United States that their military struggle against the Viet Minh was part of a broader Asian anticommunist struggle, the French gained crucial American military aid (Pluvier 1974: 446–451). Even after their military defeat in 1954, the French were able to prevent the emergence of a unified Vietnam at the Geneva Conference of 1954. It was only in 1975, after another two decades of savage and destructive fighting, that a unified Vietnamese state finally emerged.

Independence in Korea and Taiwan came far more precipitately than in Southeast Asia. The era of Japanese colonialism came to an abrupt end with the surrender of Japan in August 1945. An agreement that Soviet and American troops would both occupy Korea was reached at the Yalta conference; subsequently the Americans and the Russians decided to divide the country into two jurisdictions along the thirty-eighth parallel (Cumings 1997: 186–192). Taiwan, under the terms of the Cairo declaration of December 1943, was handed back to the KMT government on the mainland. Although the Taiwanese were not consulted about this, there is evidence that many on the island at first greeted the decision with euphoria (Lai, Myers, and Wei 1991: 47–48). Even Taiwanese who had benefited from and cooperated with the Japanese regime, to the extent of adopting Japanese names and speaking the Japanese language, felt some relief that they were again joining the mainland, which was the home of their remote ancestors and the source of their culture. But their enthusiasm rapidly turned to bitter disillusion with tragic consequences.

There are several parallels between the situation in both Taiwan and Korea in 1945 and that in the Southeast Asian colonies three years earlier. Just as the Dutch, the British, and the French all lost face as a result of their craven capitulation to or cooperation with the Japanese in 1942, so did the defeated Japanese rapidly lose whatever respect they had hitherto been given by the populations in their erstwhile colonies. The economic consequences of the rupture with Japan for both Taiwan and Korea was even more devastating than the consequences of the break with Europe and the United States had been for the Southeast Asian colonies. Almost all their trade had been conducted with Japan or with its other colonies, and during the 1930s, their economies were developed to serve the needs of the Japanese war machine. Suddenly all these links were severed, Japan itself was an economic ruin, and the two former colonies faced an uncertain economic and political future.

In Taiwan, the KMT government was ill-prepared to tackle the challenge of integrating the island back into the mainland administrative and economic system, which was itself in a chaotic state by 1945. The impact of the Pacific War on the Taiwan economy had begun to be felt by 1943, with farm labor in short supply, irrigation systems neglected, and fertilizer shipments from Japan disrupted (Hsing 1971: 149). Taiwan suffered considerable damage from Allied bombings in early 1945 that destroyed ports, railways, and industrial complexes (Lai, Myers, and Wei 1991: 80–81). Large numbers of people who had worked for the Japanese as officials or members of the police and local militias were unemployed. Taiwan had been dependent on Japan not just for chemical fertilizers, but also for textile materials and machinery; supplies of all these dwindled to nothing by late 1945. One result was a sharp decline in rice output and output of other agricultural staples.

It was estimated that in August 1945, when Taiwan was formally retroceded to China, around three-quarters of the industrial capacity on the island and two-thirds of the power-generating capacity had been destroyed. At least half the railway rolling stock, track, and stations were also out of action (Hsing 1971: 149). In Taiwan as in the Southeast Asian territories under Japanese control, the issue of banknotes expanded rapidly through 1944 and into 1945, with an inevitable acceleration in inflation. Rising prices and shortages of food led to hoarding on the part of many producers. Those on wage incomes in urban areas and many small farmers in rural areas were, like their counterparts to the south, in a desperate situation. The unstable economic situation precipitated unrest, which exploded in antigovernment riots in 1947. These were suppressed with considerable loss of life; the bad relations between Taiwanese and mainlanders persisted after the KMT government was evicted from the mainland in 1949 and moved to Taiwan. Economic instability persisted into 1950; by February of that year, the Taipei wholesale price index had reached 554, compared with 100 in the first half of 1937, and the difference between the official and the market rate of exchange continued to widen (Lin 1973: 34).

The situation on the Korean peninsula over the war years was little better. Ban has estimated that agricultural output in South Korea, which had grown almost 3 percent per annum through the 1930s, fell almost 3.5 percent per annum between 1939 and 1945 (1979: 93). The main reason appears to have been the sharp decline in use of purchased inputs; in 1945, the value of inputs, including fertilizers, other chemical inputs, seeds, and tools, had fallen to less than half their value (in constant 1965 prices) of 1938 (ibid.: table K-4b). Conscription of rural labor, especially from the south, probably also contributed to the output declines. But in spite of output declines, Korean shipments of rice to the Japanese mainland continued until 1945, although in that year they were much reduced, mainly as a result of transport problems. After 1945, both land and labor productivities in South Korean agriculture experienced sustained growth.