

FORMATION AND DEVELOPMENT OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS

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THE ASSOCIATION OF Southeast Asian Nations (ASEAN) emerged as a regional cooperation association of Southeast Asian countries in August 1967, with the war rapidly escalating in Vietnam. Objectively speaking, common interests of the anti-communist ASEAN governments¹ were the motivation in forming this association. The predecessor to ASEAN was ASA (Associations of Southeast Asia). ASA was a loosely structured organization of Thailand, the Philippines, and the Federation of Malaya. Thailand kept its independence as a constitutional monarchy in the colonial period. The Philippines became independent in 1946 as a presidential democracy, and inherited U.S. interests. The Federation of Malaya became independent in 1957 as a constitutional monarchy, assuming British interests in the area. Internationally, three governments have maintained common interest with U.S.-British policy. Internally, they were rather conservative with anti-communist oriented regimes. There were a few overseas Chinese communists in the population and they feared the influence of communist China. Such common interests made it possible to form ASA in 1961. But, at that time, Indonesia was ruled by Sukarno who was rather critical of ASA because of his anti-colonialism.

In 1963, "another regional grouping, the MAPHILINDO (Malaya, Philippines and Indonesia) was forged in August in the face of both Indonesia's and the Philippines' opposition to the formation of the new Federation of Malaysia. The fate of this regional *bloc* still hung in the balance as a result of Indonesia's renewed intransigence toward Malaysia" [4, p. 250]. In spite of Macapagal's efforts to form MAPHILINDO, Sukarno maintained his antipathetic stance.

But, despite Sukarno's opposition, the Federation of Malaysia was formed in September 1963. In August 1965, the state of Singapore separated from this federation becoming an independent republic. In the same year, "the September 30 coup d'état" broke out in Indonesia. In February 1967, General Suharto took over the Sukarno regime. Then, in 1967, these two governments came to have common interest with the former ASA governments making possible the formation of ASEAN during critical Vietnam war situation.

In 1972, President Nixon visited Peking. The Japanese government was able to come to terms with this move by the United States and later established diplomatic relations with Peking. In February 1973, the Vietnam war ended. Facing these

¹ The Communist party is illegal in these countries.

big changes in Asia, ASEAN governments began to grope for new directions in the 1970s. In this article, I will try to analyze: (1) the formation of ASEAN, (2) its activities, (3) the present situation of ASEAN countries, (4) Japan's relation with ASEAN, and (5) future perspectives of ASEAN.

I. THE FORMATION OF ASEAN

In 1967, the continually-escalating war in Vietnam, together with China's "Great Proletarian Cultural Revolution," dominated the consciousness of Asia. U.S. military involvement in Vietnam had been accelerated since her air-bombing of North Vietnam in February 1965 and she made use of military bases in Japan, the Philippines, and Thailand. Japan had maintained its mutual security pact with the United States since 1952 and the Philippines and Thailand had been members of SEATO since 1954. Because of these relations, the three governments supported U.S. military involvement throughout the Vietnam war.

In April 1966, the Japanese government initiated the formation of the Ministerial Conference for Economic Development of Southeast Asia,² and in June, the Korean government started the Asian and Pacific Council (ASPAC).³ The former is a regional economic cooperation group under Japanese leadership which will partly substitute its aid for U.S. economic aid to Southeast Asia. ASPAC, in the final communique of the Seoul meeting, was to be for "Greater co-operation and solidarity among the free Asian and Pacific countries in their efforts to safeguard their national independence against communist aggression or infiltration, and to develop their national economies." ASPAC's purpose was to organize the "free" countries in the region to form a "second front" for U.S. military action in Vietnam.

In 1966, in China, the Great Proletarian Cultural Revolution began in August and huge mass movements were continued throughout 1967. This revolution was initiated by Mao T'se-tung to revitalize the revolutionary spirits of the masses particularly in opposition to the Vietnam war [8].

In such a situation, Malaysia, the Philippines, and Thailand maintained common interests in ASA and ASPAC in 1967. In February 1967, Sukarno invested full power in Suharto and a new military regime based on anti-communism was established in Indonesia. Since independence in 1965, the PAP government of Singapore had been confronted with the "hit-and-run 'Parliament of the Streets' tactics of the pro-communist Barisan Sosialis" [5, p. 291]. These two governments proclaimed a non-aligned foreign policy in principle but because of the anti-communist regime, they could have common interests with ASA governments. What were the common interests at that time? First, the fear of communist influence internally and internationally, secondly the expectation of economic aid from the United States, the United Kingdom, and Japan, and thirdly the hope of revitalizing regional cooperation. Thus, in August 1967, five governments agreed to form

² Participants are Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, Thailand, and South Vietnam.

³ Participants are Australia, Formosa, Japan, Malaysia, New Zealand, the Philippines, South Korea, South Vietnam, and Thailand.

ASEAN as a regional cooperation group, replacing the moribund ASA and the immobile MAPHILINDO.

II. ACTIVITIES OF ASEAN

The Bangkok Declaration said that the objectives of ASEAN were "to accelerate the economic growth, social progress and cultural development in the region through joint endeavour and partnership in order to strengthen the foundation for a prosperous and equal community of South-East Asian nations; to promote regional peace and stability. . . ."

In spite of this hope, before celebrating its first birthday in August 1968, ASEAN was faced with gloomy prospects. First, a squabble over the possession of Sabah between the Philippines and Malaysia occurred again and secondly, the execution of two Indonesian marines by Singapore government received a strong reaction from Indonesian nationalists. But, these two cases were fortunately held in line and ASEAN survived maintaining its original purpose of cooperation.

In November 1968, Nixon was elected U.S. president and in July 1969 he proposed a withdrawal of the U.S. military presence in Asia after the end of the Vietnam war. He also suggested (in the Guam Doctrine)⁴ that the Asian countries take the initiative in creating a defence organization of their own. Besides this U.S. policy, the British Labor government declared in 1968 Britain's east of Suez military withdrawal which would last until 1971. Responding to these policies, in June 1969 the Soviet Union suggested the creation of "a system of collective security in Asia."

In China, the Great Proletarian Cultural Revolution had diminished by 1969 and she began to reconstruct her international relation. And, also, the military clash between China and the Soviet Union took place from June to August of the same year.

With these events in Asia in the background, ASEAN governments agreed to begin a seven-day free visa system for ASEAN members by the end of 1968. In May 1969, they decided to set up several committees in respective capitals: a committee on food production and supply in Jakarta; on civil air transport in Singapore; on communication, air traffic services, and meteorology in Kuala Lumpur; on shipping in Bangkok; and on commerce and industry in Manila. This meant that ASEAN countries followed a rather steady path of cooperation. In March 1970, Sihanouk was expelled from his post as the head of Cambodia, and U.S. forces marched in to Cambodia to help the new regime of Lon Nol.

Responding to the U.S. action, China organized an anti-U.S. front in Indochina, composed of the Pathet Lao, North Vietnam, Vietcong, and Sihanouk supporters. Also, China accused the United States of imperialism and the Japanese of militarism

⁴ This doctrine was interpreted to mean a decrease in U.S. military forces in Asia to make Asian peoples fight each other [7, p. 280]. The South-Vietnamese government announced that around seventy thousand (about 80 per cent Vietcong) soldiers were killed last year, one year after the Paris Armistice of January 1973 [13].

in Asia and was able to improve her relations with the Soviet Union. In this situation, the fourth meeting of foreign ministers of ASEAN was put off until March 1971 in Manila. At this conference, President Marcos proposed the formation of a common market and a payment union for economic cooperation.

Just after the conference, in April 1971, the U.S. pingpong team visited China and in July, Nixon announced that his visit to China would take place before May 1972. In May 1971, at the Sixth Ministerial Conference for Economic Development of Southeast Asia in Kuala Lumpur, Tun Razak presented a strategy to promote peace and prosperity which would neutralize the region, and be guaranteed by the United States, the Soviet Union, and China. At October 1972 U.N. General Assembly Meeting, China's United Nations membership was approved replacing Taiwan as the rightful member. Among ASEAN countries, Malaysia and Singapore supported the Albanian proposal, the Philippines opposed, Indonesia and Thailand abstained from voting.

In November 1971, at the fifth meeting of foreign ministers of ASEAN at Kuala Lumpur, an agreement in principle for Razak's plan was secured and a "declaration of peace and neutrality" of Southeast Asia was drawn up. Malaysia and Singapore formed the ANZUK defence force with United Kingdom, Australia, and New Zealand, which began in effect from November 1, 1971. Thailand and the Philippines kept U.S. military bases in their countries and Indonesia received military aid from the United States.

In February 1972, Nixon visited Peking. Japan normalized diplomatic relations with China in September 1972 and U.S. military involvement in Vietnam ended in February 1973. These historical events seemed to thaw the Asian cold war, which had lasted for more than twenty years since the end of the Second World War. But, basically, the difference between the capitalist and communist regimes exists and a disguised cold war still continues in the region. In April 1973, ASEAN held the sixth meeting of foreign ministers at Batavia, Thailand and it announced five proposals: (1) to deal with the synthetic rubber industry of Japan, (2) to set up a committee for reconstruction of the Indochina region, (3) to set up a central secretariat at Jakarta, (4) to establish the special committee of the central banks, and (5) to have close relations with EC countries. At this conference, the relationship with China and the security problem after the Vietnam war were discussed. But, in the final communique, nothing was mentioned in connection with these serious problems. The different political situations in ASEAN governments made it difficult to form a common stand on these problems. And, in May 1974, the seventh meeting of foreign ministers was held at Jakarta and the possibility of Malaysia's diplomatic relations with China was discussed. But, the communique of this Meeting referred to nothing that would have to do with China and only declared a strengthening of economic cooperation in the region. But, just after this meeting, on May 20, Malaysia normalized the diplomatic relations with China and Tun Razak made his idea of Southeast Asia's neutrality, guaranteed by the United States, USSR, and China a reality. It seems to me that ASEAN has entered a new political and economic era in the region.

III. ASEAN'S PRESENT POLITICAL AND ECONOMIC SITUATION

When ASEAN was formed in 1967, political leadership of the member countries was in the hands of presidents Marcos and Suharto, premiers Thanom, Rahman, and Lee Kuan Yew.

President Marcos was elected in 1965 as the Nacionalistas party president and then reelected in 1969. In September 1972, he placed the Philippines under martial law and he occupied a most powerful leadership in the positions of both president and premier, after amending the Constitution. As everyone knows, the Philippines, based on the two-party system, has been a show case of American democracy in Asia. But since September 1972, this democratic system was torn down and President Marcos became most powerful leader using the slogans of controlling the communist and Muslim movements. He proclaimed seven policies for the "new society"; the "pledges": (1) peace and order, (2) land reform, (3) economic reform, (4) development of new moral values, (5) government reorganization, (6) educational reform, and (7) improved social services. Among these, top priority was given to keeping order and land reform was probably the most ambitious policy.

In Indonesia, President Suharto was invested with power after Sukarno in February 1967 and he strengthened his position by the election of July 1971. After "the September 30 coup d'état" in 1965, General Suharto took the stand of suppressing communist uprisings and maintaining order by military power. He waited until President Sukarno invested top leadership in him in February 1967. Then, he carried out his policy of building the military regime to keep order, and normalize the economic situation. For the latter, the Suharto government received much of foreign aid and investment, mainly from the United States and Japan. Accumulated figures of aid came to U.S.\$2.3 billion during 1967 to 1971 and an investment of capital became U.S.\$2.2 billion in the 1967 to 1972 period [9, 1973, pp. 557-58]. Then, in July 1971, an election was held as a sign to introduce civil government. But, in reality, of 460 seats, 100 were reserved for government appointees, and among the remaining elected seats, 222 were occupied by government organized GOLKAR (Functional Groups). Thus, this election resulted in strengthening the power and legitimacy of the Suharto regime, but it did not mean a change from military to civil government.

In 1967, Thailand was under the Thanom regime. Marshal Thanom was invested with power after the death of Marshal Sarit in 1963. Thanom was one of the young officers who took part in the constitutional reform of 1932. Thailand became a constitutional monarchy, composed of the king (Chakri Dynasty), the military and the bureaucracy. In 1958, Sarit carried out a coup d'état and built up the military regime in Thailand. Thanom inherited this regime in 1963 and put forward an industrialization policy, introducing foreign capital, mainly from the United States and Japan. Also, he utilized military aid from the United States during the Vietnam war.⁵ In February 1969, an election was held and the United

⁵ In special procurements by U.S. Forces during the Vietnam war, Thailand received U.S.\$182.4 million in 1966, U.S.\$215 million in 1967, U.S.\$256.6 million, and U.S.\$222 million in 1969 [9, 1971, p. 319].

Thai People party, government party, won the election, gaining 76 of 219 seats. But, in urban constituencies, including Bangkok, the opposition Democrat party won a majority.⁶ This meant that the Thanom government were losing the support of the urban population, because of the open secret of corruption. In spite of this situation, Thanom took power and in November 1971, he made a coup d'état which suspended parliament. This may have been possible because of the crisis period of the Vietnam war. But big changes in Asia after 1972 influenced political leadership in Thailand and student movements overthrew the Thanom regime in October 1973. We cannot easily guess the future of the newly appointed Sanya government but at least, we can say that the main power structure of the king, military, and bureaucracy in Thailand was not broken. Also, after the Vietnam war, U.S. military forces were in reserve in Thailand and thirty-five thousand troops stationed there with 350 aircraft (including B52 bombers and U2 reconnaissance planes).⁷

In 1967, the premier of the Federation of Malaysia was Tengku Abdul Rahman, who had been president of the Alliance party of Malaya since independence in 1957 and through the formation of Malaysia in 1963. Being a pluralistic society, political leadership in Malaysia is based on a communal balance of the upper classes of the three ethnic groups [6, pp. 250-60]. The Malay elite formed a United Malays National Organization (UMNO) in 1946, the Indian elite formed the Malayan Indian Congress (MIC) in the same year, and the Chinese elite organized the Malayan Chinese Association (MCA) in 1949. In 1952, in the Kuala Lumpur municipality election, UMNO and MCA formed a coalition. In 1955, at the legislative assembly election, MIC joined this coalition and the Alliance party of Malaya emerged. This Alliance party paved the way for the independence of the Federation of Malaya in 1957 winning the elections of 1959, 1964, and 1969 and have held power up to the present. UMNO took the leadership of the Alliance party and put forward a pro-Malay policy, compromising with the MCA and MIC leadership. In opposition to Alliance leadership are the Malayan Communist party (mainly composed of Chinese and illegal) and the Democratic Action party (mainly composed of Chinese and Indian intellectuals and laborers). They have maintained a stand of communism or socialism. In this situation, at the 1969 election, the Alliance lost seats and the opposition gained. Just after the election, the racial disturbance of May 13 at Kuala Lumpur broke out with many casualties.⁸ At this time, Deputy Prime Minister Tun Razak organized the National Operations Council to control the disturbance. Then, he accelerated the pro-Malay policy becoming prime minister in September 1970. As a member of the sober Malay elite, he looked like he would strengthen the Malay-based political leadership, making use of the policy of raising the economic situation of the Malays.

In 1967, political leadership of Singapore was held by the People's Action party (PAP). PAP was organized in 1954 by fourteen comrades fighting for independence, and within PAP, there were two groups—a moderate and a pro-communist group.

⁶ In the Bangkok constituency, fifteen seats were taken by the Democrat party [9, 1970, p. 312].

⁷ [1]. It was announced on March 29, 1974 that about eight thousand soldiers and one-third of the fifty-two B52 bombers would be reduced by the end of this year [15].

⁸ From May 13 to July 31 there were 25 Malay and 143 Chinese deaths [14].

In 1959, PAP won the election and ran the government in August. During the 1960 and 1963 period, the pro-communist group separated from PAP to form the Barisan Sosialis. In 1963, Singapore joined the Federation of Malaysia but in 1965, separated from the federation to become an Independent Republic. Just after independence, Barisan Sosialis protested the anti-democratic actions of the PAP government and boycotted parliament. In the 1968 election, Barisan Sosialis took the same platform as before and PAP won the election. Based on dominant one-party politics, the PAP government put forward a program to industrialize Singapore and succeeded in inducing multinational companies to invest there.⁹ In 1972, an election was held, and PAP won all seats. Thus, PAP, under the leadership of Premier Lee Kuan Yew, has monopolized Singaporean politics since 1959.

Since ASEAN was formed in 1967, the Philippines, Indonesia, and Singapore have been under the leadership of presidents Marcos and Suharto and Premier Lee Kuan Yew. In Malaysia, leadership changed from Rahman to Razak but the Alliance government stayed in power. In Thailand, after the student movement of October 1973, the military regime is in serious trouble. Thus, with the exception of Thailand, political leadership of the power concentration of the four countries has been reinforced. Every ASEAN government now faces the same kind of problem of eliminating economic disparity and maintaining international peace.

ASEAN governments have been trying to diversify their international relations. In the first stage, they tried to have diplomatic ties with the USSR and the East European countries.¹⁰ This gave them a favorable position in the international game also making it possible to enlarge the export market for primary goods.¹¹ Now, they are seeking diplomatic ties with China. This situation has been helped out by Soviet and Chinese policies. In June 1969, the USSR proposed "a system of collective security in Asia" to compete with the influence of China, the United States, and Japan. China since the Great Proletarian Cultural Revolution, has been trying to normalize diplomatic relations with Asian countries, to compete with the influence of the USSR, the United States, and Japan. As long as the rivalry between the USSR and China continues, the United States is in a better position to maintain her stand in Asia. And, ASEAN governments, supported mainly by assistance from the capitalist countries, may possibly follow a diversification of international relations and seek peace based on the balance of power in Asia.

We find similar economic structure in the ASEAN countries.

(1) They still depend heavily on primary and tertiary industries. Available figures for industrial origins of GNP show that the share for primary industries in the Philippines was 34.6 per cent in 1971, in Thailand 33.8 per cent in 1969, in Indonesia 52.6 per cent in 1971, and in Malaysia 36 per cent in 1971. The share of tertiary industries in the Philippines was 39.3 per cent in 1971, in Thailand it was 27.7 per cent, in Indonesia 31.2 per cent in 1971, in Malaysia 43 per cent in

⁹ U.S. private investments to Singapore amounted to around U.S.\$1 billion in July 1972, including multinational oil refining and electronics companies [9, 1972, p. 506].

¹⁰ For example, Malaysia established diplomatic relations with Bulgaria, Rumania, Hungary, Yugoslavia, and USSR between 1967 and 1970.

¹¹ For example, Malaysia expected expansion of rubber exports to the USSR and East European countries.

1971, and in Singapore 61 per cent in 1970. Added to this, primary industries are partly owned by foreign capital¹² and the tertiary industries are more or less controlled by foreign capital and Chinese origins or overseas Chinese.

(2) After independence, ASEAN countries made an effort to promote manufacturing industries, by inducing foreign capital to enter their countries. The result was the share of manufacturing industries as a part of GNP went up to 14.7 per cent in Thailand in 1969, 19.5 per cent in the Philippines in 1971, 12 per cent in Malaysia in 1971, 28 per cent in Singapore in 1970, and 9.6 per cent in Indonesia in 1971. These are import-substitution industries and they become a kind of enclave with little effect on forward and backward linkage. This meant that the industrialization resulted in a deepened cleavage between modern and traditional industry and also between the urban and rural area (see Appendix Tables I-VII).

(3) Connected with this industrialization, foreign capital poured into the ASEAN countries.¹³ Added to this, ASEAN countries are producers of natural resources, and foreign capital competed in investing to exploit these resources. Of this capital, U.S. and Japanese were in the majority. In Thailand, of the total amount of foreign private investment to industry from the beginning of 1960 to July 1972, Japan had 35.5 per cent and the United States 16.6 per cent. In the Philippines, U.S. investment balance in 1971 amounted to U.S.\$720 million. The U.S. investment to approved projects of the Philippines Investment Committee was U.S.\$160 million and Japanese investment was U.S.\$320 million. In Indonesia, in the total amount of foreign private investment of U.S.\$2.2 billion from the beginning of 1967 to March 1971, the United States invested \$424 million, multi-national companies invested \$415 million and Japan invested \$318 million. In Malaysia, in the total amount of foreign capital of M\$395 million, invested in pioneer industries, the United Kingdom had M\$84 million, the United States M\$60 million, and Japan M\$45 million. In Singapore, in the total foreign capital of S\$1.5 billion to manufacturing in 1971, the United States invested S\$500 million, the United Kingdom invested S\$294 million, Holland invested S\$274 million, and Japan S\$108 million. In every ASEAN country, the share of U.S. and Japanese investments is relatively high compared to the other advanced countries.

(4) Added to this foreign capital, ASEAN countries have received government aid from the advanced countries. Of this aid, every ASEAN country, received U.S. military aid after 1967 (see Tables I and II). Also, U.S. military has been stationed in the Philippines and Thailand. In Singapore, the British and Australian armies were stationed.¹⁴ In economic assistance to the ASEAN countries, also, the United States and Japan shared the majority (see Appendix Tables VIII-XII). Particularly in the Philippines, Thailand, and Indonesia, where the two countries gave nearly 80 per cent of total economic assistance in recent years. In Malaysia and Singapore, the share of the United Kingdom is higher than the United States and Japan.

¹² For example, rubber plantations and tin mines are still owned by British Agency Houses in Malaysia. Natural resources in Indonesia are also controlled by U.S. and Japanese companies.

¹³ The figures for foreign private investment in ASEAN countries were derived from the data in [9, 1970-74].

¹⁴ By the ANZUK treaty of April 1971, 7,000 troops were stationed in Singapore—3,300 Australians, 2,550 British, and 1,150 New Zealanders.

TABLE I
U.S. AIDS DISBURSEMENT BY THE MILITARY ASSISTANCE PROGRAM
(Million U.S.\$)

| | 1950-66 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1950-72 |
|-------------|---------|------|------|------|------|------|------|---------|
| Indonesia | 63.2 | 0.6 | 3.1 | 3.8 | 4.0 | 11.8 | 7.9 | 94.5 |
| Malaysia | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 1.3 |
| Philippines | 323.3 | 21.0 | 29.0 | 18.8 | 15.7 | 16.5 | 16.0 | 440.6 |
| Thailand | 544.8 | 43.3 | | | | | | 588.0 |

Source: U.S. Ministry of Defence, *MA & FMS Facts*, 1975.

TABLE II
U.S. AIDS DISBURSEMENT BY THE FOREIGN MILITARY SALES PROGRAM
(Million U.S.\$)

| | 1950-66 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1950-72 |
|-------------|---------|------|-------|------|------|-------|------|---------|
| Indonesia | 0.6 | — | 0.02 | — | — | 0.02 | — | 0.66 |
| Malaysia | 0.16 | 0.45 | 9.7 | — | — | — | 9.1 | 18.4 |
| Philippines | 4.6 | 0.11 | 0.42 | 0.21 | 0.84 | 1.27 | 0.73 | 8.18 |
| Singapore | — | — | 13.41 | 6.5 | 0.19 | 1.18 | 2.4 | 23.68 |
| Thailand | 12.24 | 0.01 | 0.01 | — | — | 12.26 | 3.31 | 16.83 |

Source: See Table I.

(5) Looking at the trade balance of ASEAN countries, U.S. and Japan's shares are also very high. In Thailand exports of 1971, Japan and the United States took 25.5 per cent and 13.4 per cent respectively and in the import, they had shares of 37.5 per cent and 14.9 per cent respectively. In Malaysia, Japan and the United States had 16.2 per cent and 11.6 per cent of exports in 1970, and 14.3 per cent and 7.0 per cent of imports. In Singapore, export shares to Japan and the United States in 1971 are 7.1 per cent and 11.8 per cent and 19.6 per cent and 12.7 per cent of import. In Indonesia, Japan and the United States had 29.4 per cent and 11.0 per cent of exports and 33.2 per cent and 14.9 per cent of imports in 1971. But, in Indonesia, Malaysia, and Singapore, intra-regional trade is relatively high, as I will show later. In the Philippines, the United States and Japan had 40.4 per cent and 34.9 per cent of export and 24.6 per cent and 30.3 per cent of import in 1971. In regard to trade structure, ASEAN countries mainly export primary products and import manufactured goods and machinery. This typical type of vertical trade is building between Japan and ASEAN countries. The United States imported more manufactured goods from ASEAN countries than Japan.

(6) In the economic activities of the ASEAN countries, the share held by Chinese origins are quite important. Before the war, they were immigrants or the overseas Chinese, but after the war, they became citizens of the countries they lived in. In Singapore, they are the majority and in Malaysia, they are one-third of the total population. In the other three countries, they are a minority but their economic power is relatively high compared to their portion of the population. Historically, in the colonial period, they worked hard as laborers, some of them becoming

merchants, estate owners, and miners. These successful Chinese monopolized the internal market and worked as middle-men. Thus, in tertiary industry, the share of the Chinese origins is still high in ASEAN countries. Added to this, on the path to industrialization, the Chinese origins played an important role in investment, management, and labor. As a result, there emerged an alliance between the government, Chinese origins capitalists, and foreign capitalists in the ASEAN countries. But, we cannot ignore the deeply rooted racial feelings of the Chinese origins and other ethnic groups. And, we can see that racial antagonism may come to the fore, particularly in regard to the class struggle. The case of "the May 13 incident" in Malaysia may be an example.

(7) Now, we should examine the economic interdependence of ASEAN countries through trade. In Thailand, the share of export to Malaysia, Indonesia, and Singapore were 15 per cent, 8 per cent, and 7 per cent in 1964 and 4 per cent, 1 per cent, and 6 per cent in 1971. The share of imports from the three countries were 1 per cent, 3 per cent, and 2 per cent in 1964 and 1 per cent, less than 1 per cent, and 1 per cent in 1971. The decline of exports was the result of a decline in rice exports to the three countries. In Malaysia, exports to ASEAN countries were M\$1.27 billion (24.7 per cent of total export) in 1970 and M\$1.33 billion (26.6 per cent) in 1971. Imports from ASEAN countries were M\$677 million (15.6 per cent) in 1970 and M\$633 million (14.2 per cent) in 1971. In this trade, the share held by Singapore was very high: that of exports was around 90 per cent and that of imports around 50 per cent. In Singapore, exports to Malaysia, Thailand, and Indonesia were S\$1.23 billion (22 per cent of total export), S\$160 million (2.9 per cent), and S\$218 million (3.9 per cent) in 1971. Import from the three countries were S\$1.44 billion (15.9 per cent of total import), S\$174 million (1.9 per cent), and S\$428 million (4.7 per cent). In Indonesia, trade with the ASEAN countries were U.S.\$180 million in exports (14.4 per cent of total) and U.S.\$93.2 million in imports (7.9 per cent of total) in 1971. In this trade, Singaporean share was very high: exports were 79.2 per cent, imports 78 per cent. In the Philippines, shares of Asian trade, excluding Japan, were 8.5 per cent of import and 5.5 per cent of export in 1966. These shares went up to 10.9 per cent of import and 8.5 per cent of export in 1971. According to these figures, economic interdependence of the ASEAN countries through trade was not high, excluding the historically formed close relationship of Indonesia, Malaysia, and Singapore.

Concluding this chapter, we can say that (1) the political leadership of ASEAN governments is based on an anti-communist orientation, (2) their economic structure still has a "monoculture" and "dual economy" character, (3) the dependency of ASEAN countries on the United States and Japan is quite high, through trade and aid, compared to the economic interdependence of the member countries, and (4) economic growth, supported by foreign capital, has resulted in enlarging the economic disparity of the area, industry, and ethnic groups (see Appendix Tables I-VII). In this situation, ASEAN governments have concentrated political power at the top and began to solve internal problems and accommodate to the international climate. From the point of economic interdependency of ASEAN

countries, future prospects are not so good,¹⁵ but from the point of political association, they could have a better position in the international politics of Asia.

IV. JAPAN'S RELATION WITH ASEAN COUNTRIES

In January of this year, Prime Minister Tanaka visited ASEAN countries to strengthen economic cooperation in the region. But, unfortunately, there were anti-Japan demonstrations in Bangkok and Jakarta. After becoming prime minister in June 1972, he succeeded in normalizing diplomatic ties with China.¹⁶ He visited the United States, Europe, and the USSR in 1972 and 1973 and it looked like he would succeed in building up the Japanese position in international politics. As I understand, he expected good results from the ASEAN tour. But, the results were quite different from these expectations.

What are the causes of these incidents? We now come to the point where we will look at Japan's relations with ASEAN countries in their historical context. As is well known, during the Second World War through military means Japan occupied the ASEAN countries replacing Western imperialism. Japanese military occupation of the region¹⁷ was harsh, especially for the overseas Chinese. As a result, anti-Japanese feeling is deeply rooted in the ASEAN peoples.

On the other hand, Japanese military administration supported nationalist movements in the area under the banner of the "Greater East Asia Co-prosperity Sphere." The independence movement in Indonesia, led by Sukarno and Hatta, is an example.

In August 1945 Japan was defeated. Western imperialism was weakened and the era of Asian nationalism came to the fore. In Japan, the Allied Powers push forward democratization of politics and the economy. But, soon after the war, the rivalry between the United States and the Soviet Union overshadowed international politics. In Asia, the Chinese Communist party took power in October 1949. With this change in China, the United States-led occupation administration, decided to boost the recovery of the economy making Japan an anti-communist bastion in Asia.¹⁸ During the Korean war (1950 to 1953) Japan's economy had risen to

¹⁵ ADB projections of Southeast Asian exports for 1975 and 1980 show that intra-Southeast Asian export will be the same in 1975 and 1980 as they were in 1967 (U.S.\$341.9 million) [2, p. 265].

¹⁶ In November 1971, the Japanese government of Prime Minister Satō was against the Albanian Proposal in the U.N. General Assembly. Premier Satō stuck to his anti-China policy. But, in 1973, top business leaders in Japan began to contact China and public opinions supported a normalization of relations with China. Faced with these changes, Tanaka, as candidate for president of the Liberal Democratic party, promised the relation with China and was elected as president and thus became prime minister. In September 1972, he visited Peking and succeeded in establishing diplomatic relations with China.

¹⁷ For this administration, we have two Japanese studies: Waseda-daigaku, Ōkumakinen-shakaikagaku-kenkyūsho, *Indonesia ni okeru Nihon gunsei no kenkyū* [Study on the Japanese military administration in Indonesia] (Tokyo: Kinokuniya-shoten, 1959); Tsunezō Ōta, *Biruma ni okeru Nihon gunseishi no kenkyū* [Study on the Japanese military administration in Burma] (Tokyo: Yoshikawa-kōbunkan, 1967).

¹⁸ On the January 6, 1948, U.S. Secretary of War Royal announced that Japan would be the bulwark against communism in Asia.

prewar levels, with advantages derived from the special procurements of the U.S. Forces.¹⁹ In addition in 1951, Japan concluded a separate peace treaty with the Allied Powers excepting the USSR and Communist China and concluded the mutual security pact with the United States.²⁰ In 1952, Japan concluded a peace treaty with the Kuomintang government on Taiwan. This meant that Japan stood against the communist powers paving the way for economic reconstruction, based on capitalist development. After climbing to prewar levels in 1954, the Japanese economy entered the era of chemical and heavy industries, accelerating equipment investment and technical imports.²¹

In its relations with ASEAN countries, Japan signed a reparations treaty with Thailand in 1956, with the Philippines in 1956, and with Indonesia in 1958. By the provisions of these treaties, Japan paid U.S.\$200 million to Thailand, U.S.\$500 million to the Philippines, and U.S.\$200 million to Indonesia. Using these reparations, Japanese goods and equipments were imported by the ASEAN countries,²² and Japan-ASEAN trade had increased tremendously by the end of the 1950s. Added to this, Japan began to export by a deferred payment method financed by the Japanese Export-Import Bank (see Table III). And, also, Japan began to give

TABLE III
EXPORT FINANCE OF JAPAN

| | (Million U.S.\$) | | | | | | |
|------------|------------------|-----|-----|-----|-----|-----|-----|
| | 1966 | '67 | '68 | '69 | '70 | '71 | '72 |
| Government | 202 | 224 | 290 | 310 | 350 | 272 | 266 |
| Private | 85 | 162 | 280 | 300 | 387 | 494 | 191 |

Source: Japan, Export-Import Bank, *Gyōmu binran* [Bulletin], 1974.

yen-credits to the Asian countries.²³ These government finance methods resulted in a promotion of Japanese exports to Asia.

From the beginning of the 1960s, Japanese private investment began to pour into the Asian countries. The motivation of this investment was (1) to procure resources, (2) to defend the market for Japanese goods, and (3) to utilize cheap

¹⁹ Japanese special procurement in 1951 was U.S.\$600 million (20 per cent of the dollar income for that year) and U.S.\$800 million (around 40 per cent) in 1952 and 1953.

²⁰ According to the security pact, the U.S.-led Allied Occupation was succeeded by U.S. Forces stationed in Japan [16, pp. 36-38].

²¹ From 1951 to 1956, Japan accentuated equipment investment to the steel, ship building, electrical, and coal mining industries. During the same years, she imported sophisticated techniques for the heavy and chemical industries, mainly from the United States. Then, in the latter half of the 1950s, she began the era of chemical and heavy industries.

²² Using these reparations, Japan exported machinery, ships, vehicles, fertilizer, steel, textiles, and factories (cement, pulp, electrical, textile, sawing, and fertilizer) [3].

²³ Yen credit was given first to India in 1958. But, the amount was not large until 1965. Since then, it has increased rapidly to the present.

| JAPAN'S YEN CREDIT | | | | | | | | | | (U.S.\$ million) |
|--------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|
| 1963 | '64 | '65 | '66 | '67 | '68 | '69 | '70 | '71 | '72 | |
| 51.5 | 37.5 | 144.1 | 130.0 | 202.2 | 190.5 | 216.2 | 250.3 | 306.7 | 307.2 | |

labor (see [11]). This motivation was naturally accepted by the Japanese government and business, as necessary to Japanese economic development. This meant that Japan, being poor in natural resources, must import these resources and export manufactured goods. But, such methods might be said to ignore the national interest of developing Asian countries.

In the latter half of the 1960s, the Japanese government initiated the formation of the Ministerial Conference for the Economic Development of Southeast Asia in 1966 and also played an important role for the Asian Development Bank. Moreover, Japan began to substitute the role which U.S. economic assistance had played in increasing government aid and private investment to Southeast Asia.²⁴ As a result, Japanese economic penetration of ASEAN countries has become an important problem in the region. The ASEAN peoples' fear of Japanese economic control overlapped with bitter memories of the Japanese military occupation. Anti-Japan movements in Bangkok and Jakarta must be understood as a sign of the nationalism of those countries.

But, we cannot ignore the fact that Japanese and ASEAN governments have a common interests in defending their regimes from communism. In order to do so, these governments gave top priority to good relations with the United States. They then formed an alliance of the governments and capitalists. This alliance has succeeded in industrializing the economies on the one hand, but on the other, it failed to bridge the gap of economic disparity. ASEAN governments began to be aware of the economic imbalance in the respective countries and to reassess investment policy.²⁵ Responding to this situation, Japanese government and business, also, began to revise their aid and investment policies.²⁶

To accomplish these objectives, on the Japanese side, I think that we must make an effort to change our attitude toward Asia. As everybody knows, Japan is the only nation in Asia to succeed in modernizing. After the Meiji Restoration, Japan tried to catch up with and surpass the Western powers, symbolized by the slogan "strong army—rich country" (see [10] [12]). This policy, together with indoctrination under the Emperor system (see [17]), produced the ambivalent complex of the Japanese people. The Japanese had a kind of inferiority complex toward the Western powers and a superiority complex in regard to Asian peoples. In spite of being defeated in the Second World War, Japan has succeeded in rebuilding her

²⁴ Faced with escalation of the Vietnam war in 1965, Japan began to increase her economic influence in Asia through economic aid and a leading role in regional cooperation. In 1965, Japan normalized the diplomatic relation with South Korea. In Southeast Asia, Japan played an important role in the Ministerial Conference for Economic Development, ASPAC, and ADB and also became an important partner of the Southeast Asian countries, together with the United States.

²⁵ For example, the Indonesian government announced new investment regulations on January 22, 1974. The points are limitation of foreign holdings (under 49 per cent) and non-indigenous shareholding, expansion of the negative list, and reduction of good treatment for joint ventures.

²⁶ At a press conference on January 18, 1974, Prime Minister Tanaka said it was necessary to deepen mutual understanding, learn Asian languages, and revise the government and private investment policy. But, at present, there seems to be no change in government policy or in private investment.

economy so rapidly, and is now a world economic power. The Japanese have continued their prewar ambivalence complex however and they easily look down on Asian peoples as inferior. The question is whether we can overcome this complex and build a real partnership with Asian peoples.

CONCLUSION

In my understanding, ASEAN is a political rather than an economic association. Of course, I cannot ignore the possibility of economic cooperation through trade, plan harmonization, and economic integration. But, being primary producing countries, the ASEAN nations could cooperate to improve the terms on the trade of primary goods. They can cooperate to mitigate aid terms and to bargain on the prices of imported manufactured goods and machinery from the advanced countries. To do this, neutral ASEAN countries might be very effective in international politics.

But, as I have tried to show, the basic orientation of ASEAN formation was cooperation among anti-communist regimes. As a result, U.S. and Japanese military and economic influence on ASEAN countries is quite strong. The neutral policy of ASEAN countries, might be interpreted as a diversification of diplomacy, based in Western power. To have a genuine neutral policy, they must try to reassess the military aid from the Western powers, especially from the United States. Otherwise, in spite of ASEAN desires, the possibility of internal conflict over connections with international moves of intervention will remain in the future.

As Prime Minister Tun Razak stated, "the lesson of the Vietnam War is loud and clear that none of the three super powers can advance its position of influence without being stalemated by the other." I agree with this as one of the things learned from the Vietnam war. But, since the ASEAN governments supported U.S. involvement in Vietnam, I hope that ASEAN countries are aware of the strong feelings of nationalism held by the Vietnamese people and that they will try to have genuine neutrality for the peace of Southeast Asia.

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APPENDIX TABLE I
1971 PER CAPITA INCOME IN THAILAND BY AREA
(Baht)

| | |
|---------------------------------|-------|
| Whole Kingdom | 3,840 |
| North East | 1,840 |
| North | 2,620 |
| South | 3,622 |
| Central (including East & West) | 6,970 |

Source: Government of Thailand, *The Third National Economic and Social Development Plan, 1972-1976*, p. 88.

APPENDIX TABLE IV
PHILIPPINES: TOTAL NUMBER OF FAMILIES AND TOTAL AND AVERAGE INCOME
AND EXPENDITURES, BY REGION 1971 (SUMMARY OF ESTIMATES)

| Region | Number of Families (Thousands) | Income | | Expenditure | |
|----------------------------|-----------------------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| | | Total (Thousands of Pesos) | Average (Pesos) | Total (Thousands of Pesos) | Average (Pesos) |
| Philippines | 6,347 | 23,714,284 | 3,736 | 28,430,424 | 4,479 |
| I Manila and suburbs | 525 | 4,085,629 | 7,785 | 4,077,102 | 7,769 |
| II Ilocos-Mt. province | 346 | 1,142,678 | 3,299 | 1,415,641 | 4,087 |
| III Cagayan Valley-Batanes | 260 | 620,373 | 2,390 | 682,295 | 2,628 |
| IV Central Luzon | 855 | 3,529,629 | 4,127 | 4,158,065 | 4,862 |
| V Southern Luzon & Islands | 869 | 3,763,519 | 4,332 | 4,741,639 | 5,458 |
| VI Bicol | 496 | 1,379,438 | 2,784 | 2,013,613 | 4,064 |
| VII Western Visayas | 670 | 2,147,428 | 3,206 | 2,586,787 | 3,861 |
| VIII Eastern Visayas | 980 | 2,495,547 | 2,548 | 2,941,332 | 3,003 |
| IX Northern Mindanao | 522 | 1,548,148 | 3,062 | 1,858,567 | 3,561 |
| X Southern Mindanao | 825 | 2,951,896 | 3,577 | 3,955,382 | 4,793 |

Source: *Family Income and Expenditure: 1971*, BCS Survey of Households Bulletin, No. 34, p. 1.

APPENDIX

INDONESIA: DAILY WAGES PAID TO VARIOUS CATEGORIES OF WORKERS

| Province | | Unskilled Workers | | Semi-skilled Workers | | Skilled Workers | |
|---------------------|----|-------------------|-----|----------------------|-----|-----------------|-----|
| | | A(Rp) | B | A(Rp) | B | A(Rp) | B |
| Atjeh | 10 | 168 | 1.3 | 298 | 1.4 | 368 | 1.7 |
| North Sumatra | 16 | 243 | 1.5 | — | — | — | — |
| West Sumatra | 14 | 182 | 1.6 | 273 | 2.0 | 387 | 2.4 |
| Riau | 6 | 308 | 2.0 | 458 | 2.5 | 567 | 2.7 |
| Djambi | 7 | 285 | 2.5 | 364 | 1.8 | 428 | 1.5 |
| South Sumatra | 10 | 235 | 1.5 | 354 | 1.8 | 405 | 1.7 |
| Bengkulu | 4 | 250 | 1.5 | 331 | 1.2 | 381 | 1.1 |
| Lampung | 4 | 187 | 1.3 | 287 | 1.2 | 337 | 1.3 |
| Sumatra | | | | | | | |
| West Java | 22 | 155 | 1.3 | 201 | 1.5 | 239 | 1.5 |
| DCI Jakarta | 1 | 200 | | 350 | | 400 | |
| Central Java | 35 | 95 | 1.3 | 109 | 1.4 | 130 | 1.5 |
| D.I Jogjakarta | 5 | 85 | 1.3 | 142 | 1.7 | 128 | 2.0 |
| East Java | 35 | 118 | 2.5 | 215 | 2.4 | 273 | 2.5 |
| Java: Incl. Jakarta | | | | | | | |
| Excl. Jakarta | | | | | | | |
| West Kalimantan | 7 | 320 | 1.2 | 400 | 1.0 | 500 | 1.0 |
| Central Kalimantan | 6 | 366 | 1.1 | 450 | 1.0 | 550 | 1.3 |
| South Kalimantan | 10 | 200 | 1.4 | 275 | 1.6 | 333 | 1.8 |
| East Kalimantan | 6 | 375 | 2.0 | 600 | 2.3 | 725 | 2.5 |
| Kalimantan | | | | | | | |
| North Sulawesi | 6 | 249 | 1.5 | 332 | 1.6 | 379 | 1.5 |
| South Sulawesi | 22 | 148 | 2.5 | 284 | 2.9 | 348 | 2.4 |
| Central Sulawesi | 2 | 138 | 2.7 | 238 | 2.0 | 289 | 2.3 |
| S.E. Sulawesi | 4 | 100 | 1.0 | 150 | 1.0 | 300 | 1.0 |
| Sulawesi | | | | | | | |
| Bali | 8 | 124 | 1.5 | 195 | 1.8 | 203 | 2.3 |
| West Nusatenggara | 6 | 113 | 2.2 | 256 | 2.0 | 308 | 2.5 |
| East Nusatenggara | 12 | 101 | 2.0 | 218 | 2.1 | 283 | 2.7 |
| East Indonesia | | | | | | | |
| National average | | 198 | 1.7 | 293 | 1.7 | 353 | 1.6 |

Source: *Bulletin of Indonesian Economic Studies*, Vol. 8, No. 1 (March 1972).

Note: A: daily wage; B: ratio of highest to lowest wage among *kabupaten* within

TABLE II
ON PUBLIC WORKS PROJECTS, 1971/72, BY PROVINCES

| Foremen | | Head Foremen | | Mechanics | | Night Watchmen | | Average Wage (All Categories) ^a (Rp) | Average Range (All Categories) |
|---------|-----|--------------|-----|-----------|-----|----------------|-----|--|--------------------------------|
| A(Rp) | B | A(Rp) | B | A(Rp) | B | A(Rp) | B | | |
| 218 | 1.7 | — | — | 291 | 1.4 | 173 | 2.0 | 253 | 1.6 |
| — | — | — | — | — | — | 565 | 1.5 | 404 | 1.5 |
| 243 | 1.9 | 294 | 1.6 | 250 | 1.5 | 196 | 2.0 | 308 | 1.9 |
| 433 | 2.2 | 450 | 2.0 | 325 | 1.4 | 288 | 2.0 | 404 | 2.1 |
| 331 | 2.2 | 450 | 2.0 | 364 | 1.7 | 285 | 2.5 | 358 | 2.0 |
| 293 | 1.6 | 383 | 1.7 | 371 | 1.5 | 260 | 1.8 | 330 | 1.7 |
| 294 | 1.3 | 383 | 1.1 | 350 | 1.0 | 250 | 1.0 | 320 | 1.2 |
| 294 | 1.5 | 300 | 1.0 | 234 | 1.5 | 184 | 1.3 | 260 | 1.3 |
| | | | | | | | | 330 | 1.6 |
| 209 | 1.5 | 270 | 1.2 | 257 | 1.5 | 155 | 2.0 | 212 | 1.5 |
| 400 | — | — | — | — | — | 400 | — | 350 | — |
| 147 | 1.5 | 183 | 1.7 | 201 | 1.4 | 88 | 2.0 | 136 | 1.5 |
| 153 | 1.9 | 155 | 2.0 | 154 | 2.2 | 109 | 1.7 | 132 | 1.8 |
| 219 | 2.7 | 301 | 2.5 | 232 | 2.3 | 147 | 4.0 | 215 | 2.7 |
| | | | | | | | | 169 | — |
| | | | | | | | | 124 | 1.9 |
| 440 | 1.1 | 522 | 1.1 | 700 | 1.0 | 200 | 1.0 | 440 | 1.1 |
| 550 | 1.9 | 800 | 1.0 | — | — | 342 | 1.0 | 437 | 1.2 |
| 288 | 1.2 | 345 | 1.5 | 290 | 1.2 | 205 | 2.0 | 277 | 1.5 |
| 517 | 2.1 | 608 | 2.0 | 838 | 1.7 | 520 | 1.7 | 602 | 2.0 |
| | | | | | | | | 439 | 1.5 |
| 271 | 1.2 | 338 | 1.5 | 362 | 1.5 | 270 | 1.6 | 314 | 1.5 |
| 213 | 2.0 | 279 | 2.3 | 283 | 2.5 | 156 | 4.0 | 244 | 2.7 |
| 225 | 3.5 | — | — | — | — | — | — | 223 | 2.8 |
| 250 | 1.0 | 300 | 1.0 | — | — | 150 | 1.0 | 208 | 1.0 |
| | | | | | | | | 247 | 2.0 |
| 155 | 1.8 | 156 | 1.6 | 159 | 1.3 | 139 | 1.5 | 162 | 1.7 |
| 189 | 2.6 | — | — | 208 | 2.0 | 154 | 2.5 | 205 | 2.3 |
| 175 | 4.0 | 192 | 2.3 | 190 | 2.9 | 87 | 3.2 | 178 | 2.7 |
| 260 | 1.9 | 353 | 1.6 | 331 | 1.6 | 230 | 1.9 | | |

each province.

^a Unweighted.

APPENDIX
SINGAPORE: CONTRIBUTORS TO THE CENTRAL

| Monthly Wage Level | 1966 | | 1967 | |
|----------------------|---------|-------|---------|-------|
| | Number | % | Number | % |
| Total | 269,126 | 100.0 | 266,600 | 100.0 |
| Below \$100 | 46,720 | 17.4 | 47,126 | 17.7 |
| \$100 to under \$200 | 116,205 | 43.2 | 114,170 | 42.8 |
| \$200 to under \$300 | 51,477 | 19.1 | 51,968 | 19.5 |
| \$300 to under \$400 | 19,672 | 7.3 | 19,066 | 7.1 |
| \$400 to under \$500 | 11,760 | 4.4 | 11,669 | 4.4 |
| \$500 and over | 23,292 | 8.6 | 22,601 | 8.5 |

Source: Central Provident Fund Board.

APPENDIX
PHILIPPINES: PERCENTAGE DISTRIBUTION OF FAMILIES AND OF TOTAL

| Income Class | 1956-57 | |
|------------------------|----------|------------|
| | Families | Income |
| Total (thousands) | 3,959 | P5,824,296 |
| Per cent | 100.0 | 100.0 |
| Under P500 | 22.5 | 5.3 |
| P500 to P999 | 32.4 | 16.0 |
| P1,000 to P1,499 | 16.5 | 13.7 |
| P1,500 to P1,999 | 10.5 | 12.3 |
| P2,000 to P2,499 | 5.2 | 7.8 |
| P2,500 to P2,999 | 3.4 | 6.3 |
| P3,000 to P3,999 | 4.1 | 9.5 |
| P4,000 to P4,999 | 1.6 | 4.9 |
| P5,000 and over | 3.9 | 24.2 |
| P5,000 to P5,999 | | |
| P6,000 to P7,999 | | |
| P8,000 to P9,999 | | |
| P10,000 and over | | |
| Median income (pesos) | 942 | 942 |
| Average income (pesos) | | 1,471 |

Source: *Family Income and Expenditure: 1971*, BCS Survey of Households

TABLE III
PROVIDENT FUND BY WAGE LEVEL

| (At end period) | | | | | | | |
|-----------------|-------|---------|-------|---------|-------|---------|-------|
| 1968 | | 1970 | | 1971 | | 1972 | |
| Number | % | Number | % | Number | % | Number | % |
| 276,319 | 100.0 | 369,942 | 100.0 | 410,412 | 100.0 | 529,233 | 100.0 |
| 51,130 | 18.5 | 66,070 | 17.9 | 62,126 | 15.1 | 55,570 | 10.5 |
| 114,826 | 41.6 | 146,753 | 39.7 | 164,134 | 40.0 | 194,688 | 36.8 |
| 53,578 | 19.4 | 68,788 | 18.6 | 80,092 | 19.5 | 108,818 | 20.6 |
| 20,117 | 7.3 | 31,578 | 8.5 | 37,758 | 9.2 | 59,008 | 11.1 |
| 12,298 | 4.4 | 18,469 | 5.0 | 21,807 | 5.3 | 39,649 | 7.5 |
| 24,370 | 8.8 | 38,284 | 10.3 | 44,495 | 10.9 | 71,500 | 13.5 |

Note: Data for 1969 is not available.

TABLE V
FAMILY INCOME, BY INCOME CLASS: 1956-57, 1965, AND 1971

| 1961 | | 1965 | | 1971 | |
|----------|------------|----------|-------------|----------|-------------|
| Families | Income | Families | Income | Families | Income |
| 4,426 | P7,981,766 | 5,126 | P13,023,610 | 6,347 | P23,714,284 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 17.0 | 3.3 | 11.6 | 1.4 | 5.2 | 0.5 |
| 29.3 | 12.0 | 17.7 | 5.3 | 12.1 | 2.4 |
| 17.8 | 12.2 | 16.7 | 8.1 | 12.2 | 4.1 |
| 12.0 | 11.5 | 13.5 | 9.2 | 11.8 | 5.5 |
| 6.7 | 8.3 | 9.9 | 8.8 | 9.6 | 5.8 |
| 4.1 | 6.2 | 7.6 | 8.1 | 8.1 | 6.0 |
| 5.0 | 9.4 | 8.9 | 12.1 | 12.5 | 11.5 |
| 2.4 | 5.8 | 4.6 | 8.0 | 7.5 | 8.9 |
| 5.8 | 31.3 | 9.5 | 39.1 | 21.0 | 55.3 |
| 1.8 | 5.5 | 2.8 | 6.0 | 5.0 | 7.3 |
| 1.9 | 7.1 | 2.5 | 6.8 | 6.4 | 11.7 |
| 0.7 | 3.4 | 1.5 | 5.4 | 3.6 | 8.5 |
| 1.4 | 15.3 | 2.6 | 20.8 | 6.1 | 27.8 |
| 1,105 | 1,105 | 1,648 | 1,648 | | 2,454 |
| | 1,804 | | 2,541 | | 3,736 |

Bulletin, No. 34, p. 151.

APPENDIX TABLE VI
PER CAPITA GDP OF STATES AS PROPORTION OF PENINSULAR
MALAYSIA MEAN GDP, 1963-70

| | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 |
|----------------|------|------|------|------|------|------|------|------|
| Selangor | 1.53 | 1.56 | 1.47 | 1.48 | 1.56 | 1.52 | 1.49 | 1.49 |
| Sabah | — | — | — | — | 1.18 | 1.22 | 1.21 | 1.25 |
| Negri Sembilan | 1.30 | 1.06 | 1.11 | 1.18 | 1.14 | 1.14 | 1.16 | 1.16 |
| Perak | 1.03 | 1.09 | 1.12 | 1.09 | 1.09 | 1.06 | 1.08 | 1.07 |
| Pahang | 1.10 | 1.16 | 1.11 | 1.12 | 1.06 | 1.06 | 1.05 | 1.04 |
| Johore | 0.97 | 0.95 | 0.99 | 0.97 | 0.93 | 0.90 | 0.97 | 0.98 |
| Sarawak | — | — | — | — | 0.87 | 0.93 | 0.92 | 0.99 |
| Perlis | 0.70 | 0.77 | 0.76 | 0.81 | 0.84 | 0.91 | 0.85 | 0.80 |
| Kedah | 0.81 | 0.86 | 0.83 | 0.84 | 0.84 | 0.83 | 0.81 | 0.81 |
| Penang | 0.67 | 0.71 | 0.73 | 0.75 | 0.75 | 0.77 | 0.76 | 0.78 |
| Malacca | 0.82 | 0.75 | 0.73 | 0.79 | 0.70 | 0.69 | 0.79 | 0.69 |
| Trengganu | 0.69 | 0.68 | 0.61 | 0.57 | 0.61 | 0.58 | 0.57 | 0.60 |
| Kelantan | 0.58 | 0.57 | 0.52 | 0.47 | 0.47 | 0.49 | 0.51 | 0.52 |

Source: *Mid-Term Review of Second Malaysia Plan*, p. 18.

APPENDIX
DISTRIBUTION OF HOUSEHOLDS BY INCOME,

| Income Range ^a (Per Month) | Urban Households as % of Total Households | | | |
|--|--|---------|--------|---------|
| | Malay | Chinese | Indian | Other |
| \$1-99 | 4.4 | 4.3 | 1.2 | 0.1 |
| \$100-199 | 7.3 | 12.0 | 4.4 | 0.1 |
| \$200-399 | 10.2 | 21.8 | 4.2 | 0.1 |
| \$400-699 | 11.6 | 30.6 | 6.6 | 0.5 |
| \$700-1,499 | 11.7 | 42.2 | 9.2 | 2.0 |
| \$1,500-2,999 | 8.5 | 48.5 | 10.7 | 6.6 |
| \$3,000 and above | 6.8 | 42.7 | 16.0 | 13.3 |
| As a % of total households | 7.9 | 16.1 | 4.0 | 0.3 |
| Mean household income (\$ per month) | 328.1 | 464.3 | 441.5 | 1,491.7 |
| Median household income (\$ per month) | 227.3 | 289.9 | 241.9 | 1,139.5 |

Source: *Mid-Term Review of Second Malaysia Plan*, p. 4.

^a Income includes cash income, imputed income for earnings in kind plus transfer

APPENDIX TABLE VIII
ODA OF THE DAC MEMBER COUNTRIES TO THAILAND

(Million U.S.\$)

| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--------------|--------|--------|--------|--------|--------|--------|
| Australia | 3.248 | 3.598 | 2.754 | 2.651 | 3.812 | 4.880 |
| Austria | 1.821 | -0.241 | 1.206 | -0.183 | 4.924 | -0.594 |
| Belgium | 0.031 | 0.052 | 0.080 | 0.064 | 0.022 | 0.037 |
| Canada | 0.698 | 0.853 | 1.481 | 1.189 | 1.069 | 0.742 |
| Denmark | 0.146 | 0.088 | 0.247 | 0.321 | 0.467 | 0.554 |
| France | | | | | | |
| West Germany | 17.622 | 9.584 | 7.620 | 6.827 | 3.214 | 1.421 |
| Italy | 0.093 | -0.074 | -0.085 | 0.016 | 0.016 | 0.013 |
| Japan | 3.657 | 4.108 | 4.911 | 14.860 | 16.905 | 15.524 |
| Netherlands | | | | | | |
| Norway | 0.017 | 0.032 | 0.029 | 0.028 | 0.043 | 0.050 |
| Portugal | | | | | | |
| Sweden | 0.013 | | 0.011 | | | |
| Switzerland | | | 0.019 | 0.012 | 0.004 | |
| England | 0.620 | 4.640 | 0.910 | 1.190 | 1.210 | 1.218 |
| U.S.A. | 21.000 | 43.000 | 56.000 | 37.000 | 37.000 | 33.000 |
| DAC-Total | 48.966 | 65.640 | 75.174 | 63.975 | 69.465 | 61.951 |

Source: Compiled by Eiji Tajika at Institute of Developing Economies, using the DAC reports.

TABLE VII
PENINSULAR MALAYSIA, 1970

| Rural Households as % of Total Households | | | | Total | | | | Total |
|--|---------|--------|-------|-------|---------|--------|-------|-------|
| Malay | Chinese | Indian | Other | Malay | Chinese | Indian | Other | |
| 80.1 | 5.3 | 3.7 | 0.9 | 84.5 | 9.6 | 4.9 | 1.0 | 100 |
| 53.5 | 12.9 | 9.6 | 0.2 | 60.8 | 24.9 | 14.0 | 0.3 | 100 |
| 30.1 | 24.2 | 9.3 | 0.1 | 40.3 | 46.0 | 13.5 | 0.2 | 100 |
| 20.0 | 25.1 | 5.5 | 0.1 | 31.6 | 55.7 | 12.1 | 0.6 | 100 |
| 11.5 | 19.1 | 3.3 | 0.9 | 23.2 | 61.4 | 12.5 | 2.9 | 100 |
| 5.5 | 13.6 | 2.9 | 3.7 | 14.0 | 62.1 | 13.6 | 10.3 | 100 |
| 5.3 | 9.3 | 1.3 | 5.3 | 12.1 | 52.0 | 17.3 | 18.6 | 100 |
| 48.8 | 15.2 | 7.2 | 0.5 | 56.7 | 31.3 | 11.2 | 0.8 | 100 |
| 154.5 | 332.6 | 237.2 | 563.4 | 178.7 | 387.4 | 310.4 | 950.5 | 268.7 |
| 111.7 | 254.4 | 220.3 | 87.9 | 122.3 | 271.1 | 195.5 | 324.2 | 168.6 |

receipts.

APPENDIX TABLE IX
ODA OF THE DAC MEMBER COUNTRIES TO INDONESIA

(Million U.S.\$)

| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--------------|--------|---------|---------|---------|---------|---------|
| Australia | 1.067 | 7.681 | 7.036 | 12.664 | 17.992 | 17.090 |
| Austria | -1.171 | -1.168 | | | | |
| Belgium | | 0.007 | 0.412 | 1.647 | 3.701 | 5.800 |
| Canada | 0.098 | 0.495 | 0.903 | 2.465 | 3.124 | 2.081 |
| Denmark | | | 0.157 | 0.606 | 0.639 | 1.024 |
| France | | 22.800 | 18.900 | 17.300 | 13.800 | 28.400 |
| West Germany | 4.847 | 45.363 | 31.430 | 7.346 | 24.627 | 43.988 |
| Italy | 1.079 | 5.984 | 29.743 | 34.158 | 18.731 | 50.123 |
| Japan | 50.579 | 112.931 | 83.724 | 65.840 | 125.837 | 111.889 |
| Netherlands | | 18.699 | 31.920 | 15.880 | 46.990 | 44.844 |
| Norway | 0.903 | 0.002 | 0.001 | 0.015 | 0.027 | 0.016 |
| Portugal | | | | | | |
| Sweden | | | | 0.004 | 0.025 | |
| Switzerland | | | 0.110 | 0.081 | 0.261 | |
| England | 0.010 | 0.980 | 2.640 | 5.550 | 6.315 | 14.159 |
| U.S.A. | 27.000 | 41.000 | 126.000 | 151.000 | 186.000 | 227.000 |
| DAC-Total | 83.512 | 254.775 | 332.976 | 314.556 | 449.069 | 546.414 |

Source: See Appendix Table VIII.

APPENDIX TABLE X
ODA OF THE DAC MEMBER COUNTRIES TO MALAYSIA

(Million U.S.\$)

| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--------------|--------|--------|--------|--------|--------|--------|
| Australia | 2.324 | 2.700 | 4.326 | 2.793 | 3.382 | 3.630 |
| Austria | — | -0.215 | | | | |
| Belgium | 0.007 | 0.024 | 0.086 | 0.069 | 0.139 | 0.065 |
| Canada | 4.084 | 2.195 | 6.293 | 1.484 | 2.124 | 3.315 |
| Denmark | 0.007 | 0.029 | 0.090 | 0.080 | 0.043 | 2.357 |
| France | | | | | | |
| West Germany | 1.220 | 4.130 | 2.474 | 1.538 | 1.201 | 2.253 |
| Italy | 0.026 | -0.009 | -0.004 | 0.006 | 0.005 | 0.001 |
| Japan | 0.377 | 0.585 | 1.535 | 12.351 | 2.225 | 12.337 |
| Netherlands | | | | | 0.036 | 0.113 |
| Norway | | | | 0.005 | 0.004 | 0.002 |
| Portugal | | | | | | |
| Sweden | 0.001 | | 0.129 | 0.110 | | |
| Switzerland | | 0.001 | 0.012 | 0.006 | 0.061 | |
| England | 13.150 | | 9.580 | 6.740 | 11.486 | 9.946 |
| U.S.A. | 6.000 | 3.000 | 22.000 | 3.000 | 2.000 | 4.000 |
| DAC-Total | 27.196 | 12.440 | 46.521 | 28.182 | 22.706 | 38.019 |

Source: See Appendix Table VIII.

APPENDIX TABLE XI
ODA OF THE DAC MEMBER COUNTRIES TO THE PHILIPPINES

(Million U.S.\$)

| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--------------|--------|--------|--------|--------|--------|--------|
| Australia | 0.329 | 0.245 | 1.071 | 1.084 | 0.160 | 0.170 |
| Austria | -0.037 | -0.003 | | 0.004 | | 0.010 |
| Belgium | | 0.008 | 0.005 | 0.004 | 0.023 | 1.046 |
| Canada | 1.713 | -0.569 | 8.460 | 0.106 | 0.063 | 0.049 |
| Denmark | | | | 0.008 | 0.005 | 0.007 |
| France | | | | | | |
| West Germany | 0.604 | 4.187 | 7.415 | 1.303 | 2.095 | 1.802 |
| Italy | 0.002 | 0.132 | 0.045 | 0.012 | 0.011 | 0.005 |
| Japan | 30.502 | 61.539 | 27.764 | 49.212 | 19.229 | 29.627 |
| Netherlands | | | | | 0.493 | 0.654 |
| Norway | 0.003 | 0.002 | 0.002 | 0.012 | 0.015 | 0.018 |
| Portugal | | | | | | |
| Sweden | | | | | | |
| Switzerland | | 0.001 | | 0.008 | 0.020 | |
| England | 0.290 | | 0.330 | 0.290 | 0.179 | 0.263 |
| U.S.A. | 22.000 | 33.000 | 40.000 | 24.000 | 19.000 | 30.000 |
| DAC-Total | 55.406 | 98.542 | 85.092 | 76.043 | 41.293 | 63.651 |

Source: See Appendix Table VIII.

APPENDIX TABLE XII
ODA OF THE DAC MEMBER COUNTRIES TO SINGAPORE

(Million U.S.\$)

| | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--------------|--------|--------|--------|--------|--------|--------|
| Australia | 0.371 | 0.688 | 0.618 | 0.681 | 0.651 | 0.750 |
| Austria | 0.165 | -0.003 | | | | 0.010 |
| Belgium | | 0.056 | 0.010 | 0.001 | 0.001 | |
| Canada | 0.496 | 0.709 | 0.596 | 0.529 | 0.520 | 0.399 |
| Denmark | 0.002 | 0.022 | 0.059 | 0.037 | 0.002 | 0.001 |
| France | | | | | | |
| West Germany | 0.063 | 0.119 | 0.599 | 0.138 | 1.345 | 1.897 |
| Italy | -0.022 | 0.030 | -0.001 | 0.001 | | |
| Japan | 0.138 | 0.410 | 0.385 | 0.471 | 5.754 | 6.813 |
| Netherlands | | | | | 0.002 | 0.026 |
| Norway | | | | | | 0.007 |
| Portugal | | | | | | |
| Sweden | | | | | | |
| Switzerland | | | | | | |
| England | 0.430 | | 1.970 | 12.320 | 18.503 | 18.176 |
| U.S.A. | x | x | x | x | x | x |
| DAC-Total | 1.643 | 2.031 | 4.234 | 14.180 | 26.778 | 28.079 |

Source: See Appendix Table VIII.