

## FROM CONFLICT TO COOPERATION: HOW THE SYNTHETIC RUBBER WAS INSTRUMENTAL IN CULMINATING ASEAN-JAPAN TIES

*Md Nasrudin Md Akhir<sup>1</sup>*

**Abstract:** This article presents an analysis of ASEAN-Japan relations from their initial interaction in 1973 to the contemporary landscape. Notably, there is a dearth of publications that delve into the specific reasons behind the designation of 1973 as the inception year for ASEAN-Japan relations. The early stages of ASEAN-Japan relations in the first and second quarter of 1970s were met with challenges. Discontent arose over the issue of synthetic rubber in 1972-1974, and there was a lukewarm reception during Kakuei Tanaka's visit to the five ASEAN founding member countries in 1974. To bolster this analysis, the author has drawn upon primary sources from the National Archives of Malaysia, as well as declassified document prepared in December 1972 by officials from Malaysia's main ministries on the perceived threat posed by Japanese synthetic rubber production. This article meticulously elucidates the origins of this discontent, delineates the key figures engaged in negotiations, expounds upon the platforms that served as negotiation arenas, and unveils a series of events that culminated in the recognition of 1973 as the genesis of ASEAN-Japan relations. Despite the initial adversities, this article underscores the enduring strength and resilience of the ASEAN-Japan bond, rooted in mutual interests and a collective commitment to fostering regional harmony and development. Over the course of their journey, both parties have surmounted challenges, ultimately arriving at their current phase of cooperative partnership.

**Keyword:** Conflict, Cooperation, Synthetic Rubber, ASEAN-Japan, Bilateral Ties

---

### INTRODUCTION

The year 2023 marks the 50<sup>th</sup> anniversary of Japan's relations with the Association of Southeast Asian Nations (ASEAN). Over the course of the past five decades, the bilateral ties between ASEAN and Japan have grown and flourished across diverse spheres, encompassing politics and security, trade and investment, as well as socio-cultural and people-to-people diplomacy. It is essential to acknowledge that Japan's colonization of Southeast Asia from 1941 to 1945, an era marked by heartbreak, ultimately served as a catalyst for transforming these relations into a more positive and constructive framework. This transformation was driven by the notions of "lessons learned" and "complementary actions," paving the way for the development of a friendship grounded in regional cooperation with ASEAN. ASEAN, originally established in 1967 by its five

---

<sup>1</sup> First and Corresponding Author: Md Nasrudin Md Akhir, Associate Professor, Department of East Asian Studies, Faculty of Arts and Social Sciences, University of Malaya, Kuala Lumpur, 50603, Malaysia. Email: mnasrudi@um.edu.my.

founding members, subsequently expanded its membership in gradual stages, eventually encompassing 10 countries, with Cambodia joining as its newest member in 1999. What stands today as a significant achievement within ASEAN-Japan relations is a testament to ASEAN's success in fostering unity and strengthening cooperation with Japan across a wide spectrum of areas. The present state of ASEAN-Japan relations reflects the tangible outcomes of ASEAN's dedication to forging a robust and enduring partnership with Japan across various domains.

During the early 1970s, ASEAN-Japan relations encountered significant challenges. These challenges stemmed from dissatisfaction arising from the synthetic rubber issue that unfolded between 1972 and 1974, as well as the lukewarm reception during the visit of Japanese Prime Minister Kakuei Tanaka to five ASEAN member countries, namely, the Philippines, Thailand, Singapore, Malaysia and Indonesia from January 7 to 17, 1974. However, in the realm of international relations and foreign policy, enmity between nations does not always persist, and historical grievances, such as colonialism, can be acknowledged without being unforgivable. Disagreements or disputes can even pave the way for friendship, depending on the political will of the leaders involved. Therefore, the foreign policy formulation of ASEAN and Japan were geared towards fostering closeness and friendship, allowing them to adeptly manage the crises that emerged. This ultimately led to a strategic cooperation not only in the economic sphere but also in politics and socio-cultural endeavors, beginning in the third quarter of the 1970s.

The initial section of this article conducts an analysis of a primary source obtained from the National Archives of Malaysia, namely a confidential report prepared in December 1972 by officials from Malaysia's key ministries on the perceived threat posed by Japanese synthetic rubber. Remarkably, these officials adopted a "softening up" approach rather than employing "hard-bargaining tactics." Their strategy revolved around proposing the ASEAN platform as a means to engage with the Japanese government and seek the most favorable resolution. This comprehensive exploration represents a notable contribution and fills a significant gap in existing literature, elucidating the precise reasons why 1973 is recognized as the starting point of ASEAN-Japan relations. It has remained overlooked by many researchers due to the confidential nature of the archived document. It delves into the emergence of dissatisfaction, identifies the key figures involved in negotiations, delineates the negotiation platform, and unveils the series of behind-the-scenes events that led to the designation of 1973 as the beginning of ASEAN-Japan relations. It significantly enhances our understanding of the inception of ASEAN-Japan relations by shedding light on the transition from the initial conflict triggered by Japan's synthetic rubber production to a more substantial and constructive phase in their relationship. Additionally, this article succinctly portrays the extent of the challenges encountered in Japan's relations with ASEAN on their journey to their current phase. This relationship is a testament to the remarkable resilience and bond forged on the foundation of shared interests and a mutual commitment to advancing regional harmony and development. In other words, the 50-year-old nurturing and cultivation of ASEAN-Japan relations have been highly advantageous, and its absence would have been a significant loss.

## **CONFIDENTIAL REPORT ON SYNTHETIC RUBBER: CATALYST FOR ASEAN-JAPAN RELATIONS**

Historically, the genesis of ASEAN-Japan interactions and their subsequent evolution can be traced back to 1973, approximately six years after the establishment of ASEAN on August 8, 1967. These relations found their origins in Malaysia's discontent with Japan in 1972, triggered by Japan's significant production of synthetic rubber, which posed substantial competition to

Malaysia and several other Southeast Asian nations engaged in the production of natural rubber. As rubber was one of the main profitable commodities for these countries, competition from Japan undermined their national incomes. Recognizing the profound impact of Japanese synthetic rubber production on Malaysia's national income, a group of six prominent bureaucrats from various ministries, under the leadership of the Ministry of Foreign Affairs, convened a meeting as a step to initiate a report to the higher authority. It was this group that prepared the confidential report which then brought into the knowledge of the Minister of Foreign Affairs Malaysia<sup>2</sup> and the cabinet members and then Adam Malik, the Indonesian Minister of Foreign Affairs who acted as the chairman of the ASEAN Standing Committee, to transform it into an official ASEAN recommendation. This pivotal development culminated in the establishment of the ASEAN-Japan forum in 1973.

It is worth noting that Malaysia's protest against Japan in 1972-1974 due to the dumping and production of synthetic rubber was not the first time it had been done. In fact, the same protest was carried out by the Malayan natural rubber producers against the British plan to import 70,000 tons of synthetic rubber from the United States in 1956. This protest resulted in a visit by a goodwill mission of British rubber manufacturers, led by L.J.N. Bailey to Malaya in 1956, with representatives including Gillis, Baker, Covell, and Chichester Miles. This marked the first instance of British manufacturers engaging in talks with their Malayan suppliers.<sup>3</sup> Prior to the visit, the British government had agreed to consult the Federation of Malaya in advance before effecting any changes in its policy regarding imports of synthetic rubber into the United Kingdom.<sup>4</sup> Hence, Malaysia's pursuit of a solution to Japanese synthetic rubber production mirrored its earlier approach in dealing with British policy on synthetic rubber imports.

A number of Japanese firms played a pivotal role in the production of synthetic rubber, a venture that commenced at the onset of World War II. Notably, the Nissin Chemical Co., formerly known as Sumitomo Kagaku Kogyo, stood as one of Japan's top three chemical plants, manufacturing a diverse array of chemicals. Drawing from their experience in producing butadiene rubber in a pilot plant, Nissin Chemical Co. proceeded to design and construct a small-scale production facility. This plant had a design capacity of 5 metric tons per month. In 1943, the company also erected a pilot plant for the production of buna-type synthetic rubber, with a designed capacity of 1 metric ton per month. By March 1944, it had reached its peak production, producing 1.42 metric tons.<sup>5</sup> In addition to Nissin Chemical Co., three prominent producers of general-purpose synthetic rubber in Japan were Japan Synthetic Rubber Co., Japanese Geon Co., and Asahi Chemical Industry Co.<sup>6</sup> Another notable company, Nippon Carbide Industries Ltd., located in Uozu, Toyama prefecture, was established in 1941 with a designed production capacity of 30 tons per month. The peak production was reached in 1943, during which the plant consistently produced 5.142 tons of synthetic rubber per month. However, production declined, and with the conclusion of hostilities, this segment of Nippon Carbide Industries ceased operations.<sup>7</sup>

---

<sup>2</sup> Abdul Razak Hussein was the Prime Minister of Malaysia from 1970-1975 and at the same time also held the position of Minister of Foreign Affairs during the same period.

<sup>3</sup> "To Put Malaya Wise on Synthetic," *Singapore Standard*, 6 April 1956.

<sup>4</sup> "Malaya Gets a Pledge on Synthetic: UK Says We'll Consult You First," *Singapore Standard*, 16 February 1956.

<sup>5</sup> National Archives Malaysia, Reparations and Restitution Division, Australia, Mission in Japan, 3<sup>rd</sup> February 1948.

<sup>6</sup> National Archives Malaysia, File: MF/OFF/317, Natural/Synthetic Rubber, 4 August 1972, (Excerpts from the NRB News- April/May 1972, Japan, p. 4.

<sup>7</sup> National Archives Malaysia, Synthetic Rubber Plant- Japanese Reparations, File 2190/1948, Reparations and Restitution Division- Australian Mission in Japan, 14<sup>th</sup> January 1948.

Japan's entry into World War II disrupted the natural rubber supply chain for the United States and Western Europe, which heavily relied on Southeast Asia as their primary source. To address this challenge, the United States embarked on an ambitious initiative, producing up to one million tons of synthetic rubber toward the end of World War II.<sup>8</sup> However, it became evident that the wartime surge in America's synthetic rubber industry, which aimed for natural and synthetic rubber to coexist rather than engage in “cut-throat competition”,<sup>9</sup> had significant implications for Southeast Asia. Between 1955 and 1977, the production of natural rubber was concentrated in a select few Asian developing countries, with Malaysia, Indonesia, and Thailand emerging as the primary producers, contributing to over 80 percent of the world's total production. An additional 12 percent originated from Sri Lanka, India, and two African producers, Liberia and Nigeria.<sup>10</sup> European nations such as Germany and Canada also developed their synthetic rubber industries, as did Japan due to its cost-effective production capabilities. Consequently, the national income of rubber-producing countries, particularly Malaysia, Indonesia, and Thailand, was profoundly impacted, as natural rubber represented their primary export commodity. Table 1 illustrates the production of natural rubber by major Southeast Asian producers during the aforementioned period, with Malaysia took the lead in production from 1966 to 1968, contributing around 40.6 percent of the world's output. This figure later increased to 44.6 percent from 1972 to 1974. Throughout the years from 1955 to 1974, Malaysia, Indonesia, and Thailand consistently held their positions as major rubber producers.

---

<sup>8</sup> Enzo Grilli, Ray Halterline, and Peter Pollak, An Econometric Model of the World Natural Rubber Economy, *Metroeconomica*, Volume 31, Issue 3, October 1979. p. 300.

<sup>9</sup> Martin Rudner, “Rubber Strategy for Post-War Malaya, 1945-48,” *Journal of Southeast Asian Studies*, Vol. 1, No. 1 (Mar., 1970), p. 29.

<sup>10</sup> Enzo Grilli, Ray Halterline, and Peter Pollak, An Econometric Model of the World Natural Rubber Economy, *Metroeconomica*, Volume 31, Issue 3, October 1979. p. 304.

**Table 1: Natural Rubber – World Production Volumes by Major Producing Countries and Economic Regions, 1955-57, 1966-68 and 1972-74 Averages**

	1955-57 Average		1966-68 Average		1972-74 Average		Growth Rates (% p.a.)	
	'000 m.t.	% of World Total	'000 m.t.	% of World Total	'000 m.t.	% of World Total	1955-57-1966-68	1966-68-1972-74
<b>A. DEVELOPING COUNTRIES</b>	<u>1,823.1</u>	<u>94.9</u>	<u>2,422.0</u>	<u>96.3</u>	<u>3,252.2</u>	<u>98.4</u>	<u>2.6</u>	<u>5.0</u>
Asia								
Malaysia	691.5	36.0	1,021.2	40.6	1,473.4	44.6	3.6	6.3
Indonesia	714.0	37.3	743.8	29.6	846.5	25.6	0.4	2.2
Thailand	134.0	7.0	227.6	9.1	366.2	11.1	4.9	8.2
Sri Lanka	97.3	5.0	141.0	5.6	142.4	4.3	3.4	0.2
India	23.6	1.2	61.4	2.4	120.2	3.6	9.1	11.8
Other Asia /a	22.1	1.1	27.7	1.1	39.4	1.2	2.1	6.0
TOTAL /a	<u>1,682.5</u>	<u>87.6</u>	<u>2,222.7</u>	<u>88.4</u>	<u>2,988.1</u>	<u>90.4</u>	<u>2.6</u>	<u>5.1</u>
Africa								
Liberia	39.8	2.1	59.7	2.4	88.5	2.7	3.8	6.8
Nigeria	36.6	1.9	61.6	2.4	66.0	2.0	4.8	1.2
Zaire	31.0	1.6	30.0	1.2	41.0	1.2	-0.3	5.3
Other Africa	3.9	0.2	18.1	0.7	29.3	0.9	15.0	8.4
TOTAL	<u>111.3</u>	<u>5.8</u>	<u>169.4</u>	<u>6.7</u>	<u>224.8</u>	<u>6.8</u>	<u>3.9</u>	<u>4.8</u>
Latin America								
Brazil	23.3	1.2	22.9	0.9	22.6	0.7	-0.2	-0.2
Other Latin America	6.0	0.3	7.0	0.3	16.7	0.5	1.4	15.6
TOTAL	<u>29.3</u>	<u>1.5</u>	<u>29.9</u>	<u>1.2</u>	<u>39.3</u>	<u>1.2</u>	<u>0.2</u>	<u>15.0</u>
<b>B. CENTRALLY PLANNED ECONOMIES</b>	<u>99.1</u>	<u>5.1</u>	<u>91.8</u>	<u>3.7</u>	<u>52.5</u>	<u>1.6</u>	<u>-0.7</u>	<u>-8.9</u>
China, P.R.	-	-	-	-	15.0	0.5	-	-
Vietnam	68.7	3.5	39.7	1.6	21.0	0.6	-4.9	-10.0
Cambodia	30.4	1.6	52.1	2.1	16.5	0.5	5.0	-17.4
<b>C. WORLD TOTAL (A + B)</b>	<u>1,922.2</u>	<u>100.0</u>	<u>2,513.8</u>	<u>100.0</u>	<u>3,304.7</u>	<u>100.0</u>	<u>2.5</u>	<u>4.7</u>

/a Including Oceania.

Source: "An Econometric Model of the World Rubber Economy" in *World Bank Staff Commodity Paper No. 3*, p. 4 (1).

<https://documents1.worldbank.org/curated/en/785371468281687948/pdf/SCP3000An0econ0world0rubber0economy.pdf>

In early December 1972, the General Planning Unit under the Prime Minister's Office in Malaysia received a concerning report from the Malaysian Ministry of Foreign Affairs. The report indicated that the Japanese synthetic rubber industry was embarking on a significant research plan aimed at large-scale synthetic rubber production. The immediate consequence of this development could potentially be detrimental to the production of natural rubber in Malaysia.<sup>11</sup> Simultaneously, it was reported that Japan was engaged in the dumping of goods made from artificial rubber in Southeast Asia and other global markets. Given the gravity of the situation, it became imperative for the key ministries in Malaysia to formulate an appropriate strategy to safeguard national interests through bilateral or multilateral measures. To this end, the Ministry of Foreign Affairs of Malaysia proposed seeking support and collaborative action within the framework of ASEAN.<sup>12</sup>

The initial meeting to address this issue convened on December 18, 1972, under the chairmanship of Yusof Ariff, Malaysia's Secretary-General for ASEAN, at the Ministry of Foreign Affairs in Malaysia. The committee was composed of Hamzah Majeed from the Prime Minister's

<sup>11</sup> National Archives Malaysia, File No. 02/9/172, "A Confidential letter from Ministry of Foreign Affairs to 8 ministries and agencies dated 23 December 1972.

<sup>12</sup> National Archives Malaysia, File No. 02/9/172, "A Confidential letter from Ministry of Foreign Affairs to 8 ministries and agencies dated 23 December 1972.

Office, Dali M. Hashim from the Ministry of Foreign Affairs, Asmat Kamaludin<sup>13</sup> from the Ministry of Trade and Industry; Ambrin Buang<sup>14</sup> from the Ministry of Trade and Industry and Kadir Deen from the Ministry of Foreign Affairs. It's important to emphasize that the decisions made during this committee meeting were treated as confidential.<sup>15</sup> The meeting resolved to proceed with a second meeting scheduled for January 3, 1973. The report of the initial meeting was disseminated to key figures, including Malek Merican,<sup>16</sup> the Secretary-General of the Malaysian Treasury, as well as the Secretary-General of the Ministry of Primary Industries; the Director of the Customs and Excise Department; Director of the Rubber Research Center and Director of the Federal Land Development Authority (FELDA). The meeting established several pivotal decisions. Initially, the relevant authorities, such as the Rubber Research Institute (RRI), FELDA, Ministry of Trade and Industry, Customs and Excise Department, and the Ministry of Foreign Affairs, were tasked with conducting a comprehensive study to ascertain the existence of synthetic rubber dumping in the global market. This study also encompassed the examination of expansion and research initiatives in synthetic rubber production, along with the establishment of new synthetic rubber plants in Japan. Subsequently, a cabinet paper would be drafted based on the

---

<sup>13</sup> Tan Sri Asmat Kamaludin served as the former Secretary-General of MITI Malaysia and held the position of Senior Economic Counsellor for Malaysia in Brussels from 1973 to 1976. He represented Malaysia in various international bodies, including ASEAN, the World Trade Organization (WTO), and the Asia-Pacific Economic Cooperation (APEC), as well as representing Malaysia in international negotiations and agreements. In recognition of his contributions, His Majesty the Emperor of Japan awarded Tan Sri Asmat bin Kamaludin "The Order of the Rising Sun, Gold and Silver Star" (旭日重光章 : Kyokujitsu-Jūkōshō) in 2014. He has also been actively supporting the activities of Japanese enterprises operating in Malaysia by assuming chairmanships in several companies such as UMW Toyota Motors Sdn. Bhd., PERODUA Sdn. Bhd., and Panasonic Manufacturing Malaysia Sdn. Bhd. [https://www.my.emb-japan.go.jp/English/Other/E\\_JPDecoration2014.htm](https://www.my.emb-japan.go.jp/English/Other/E_JPDecoration2014.htm); <https://www.miti.gov.my/index.php/pages/view/3800>.

<sup>14</sup> Tan Sri Ambrin Buang retired from the Malaysian civil service after more than 35 years of service and was subsequently appointed as the Auditor General of Malaysia on 22 February 2006. He concluded his tenure in this role on 22 February 2017. Throughout his distinguished career, Tan Sri Ambrin held various significant positions within the Malaysian Civil Service. From 1971 to 1982, he served in the Ministry of Trade and Industry, where he was appointed as Deputy Director in the Small-Scale Industries Division in 1981. Following that, he contributed his expertise to the Malaysian Timber Industry Board from 1982 to 1987 and the National Institute of Public Administration from July 1987 to 1991. From 1992 to March 1995, Tan Sri Ambrin served at the Malaysian Embassy in Tokyo, Japan, holding the position of Minister for Economic Affairs and Deputy Head of Mission. Subsequently, he took on the role of Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999. Following this, he served as the State Secretary of the Selangor State Government from March 1999 to September 2001 before becoming the Secretary-General of the Ministry of Education until his appointment as Auditor-General. <https://gamuda.listedcompany.com/news.html/id/680935>.

<sup>15</sup> National Archives Malaysia, File No. 02/9/172, 18 December 1972.

<sup>16</sup> Datuk Malek Merican holds a degree in economics from Cambridge University and a Bachelor of Letters in Economics from Oxford University. He dedicated 15 years of his career to the Treasury, serving in various capacities, ultimately becoming the Deputy Secretary-General for the Finance, Economic, and Tax divisions. Between 1969 and 1971, he assumed the role of alternate Executive Director, representing ten Southeast Asian countries on the Board of the International Monetary Fund while on secondment. Afterward, he took on the position of Deputy at Aseambankers Malaysia Bhd., and in 1974, he was promoted to Managing Director, where he remained until 1979. Before joining AmMerchant Bank, he held the position of Group Director of Corporate Affairs and Planning at Sime Darby Bhd. Later, he served as the Managing Director of AmMerchant Bank Bhd. until his resignation in November 1989. Subsequently, he took on the roles of Vice Chairman of Malayan United Industries Bhd. and Managing Director of MUI Bank Bhd. until 1990. In May 1990, he returned to the board of AmMerchant Bank Bhd. and remained there until May 2004. In the 2000s, he also served as a board member for Pheim Emerging (M) Bhd. and Pheim Unit Trusts Bhd. "Cambridge-educated Economist Dato' Malek Merican passes on July 10, 2015," <https://dinmerican.wordpress.com/2015/07/10/cambridge-educated-economist-dato-malek-merican-passes-on/>

findings of this study to propose a course of action. The group of influential bureaucrats emphasized that, it should be recommended to the Malaysian cabinet that a collective approach by ASEAN against the dumping would give an effective impact and the problem be brought out at the 6<sup>th</sup> ASEAN Ministerial Meeting (AMM) scheduled in April 1973. Once the cabinet approval was secured, the plan was for the Secretary-General of ASEAN at the Ministry of Foreign Affairs in Malaysia to convey Malaysia's intention to other ASEAN Secretary-Generals. This would serve both as a "softening up" measure and as an opportunity to gauge their sentiments on the issue.

During the 6th ASEAN Ministerial Meeting (AMM) held in Pattaya, Thailand from April 16-18, 1973, ASEAN member countries expressed their dissatisfaction with Japan's production of synthetic rubber. This issue was among the key topics discussed during the meeting. The joint communique issued in April 1973 as a result of the 6th AMM included the following statement:

*The Ministers considered the indiscriminate expansion of the synthetic rubber industry by Japan and the accelerated export of such rubber and recognized that tills posed a serious threat to the economies of the ASEAN countries. In expressing their grave concern, they urged Japan to review its policy of indiscriminate expansion and accelerated export of synthetic rubber. They agreed that ASEAN officials would work out appropriate measures to meet this threat.<sup>17</sup>*

As a result of collective efforts by ASEAN to engage in direct dialogue with the Japanese government concerning the rapidly expanding production of Japanese synthetic polyisoprene rubber and Japan's assertive marketing techniques, an ASEAN-Japan forum comprising government officials and experts was established in November 1973. The primary focus of the ASEAN-Japan forum was to address the synthetic rubber issue, including its potential impact on the natural rubber sector in ASEAN member states, with the aim of safeguarding the economies reliant on natural rubber. Japan's willingness to engage with ASEAN in dialogues signaled a positive shift and served as a Confidence-Building Measure (CBM). During the inaugural meeting of the ASEAN-Japan forum held in Kuala Lumpur from February 19 to 21, 1974, the Japanese delegation confined the scope of its discussions to the open exchange of information and viewpoints regarding the synthetic rubber industry. They attempted to downplay the notion that Japan's expanding synthetic rubber production had adverse effects on natural rubber markets.<sup>18</sup> The Japanese delegation also reassured that it was unlikely for Japan to increase its current synthetic rubber production due to rising costs, shortages of petrochemical products, and significant environmental challenges linked to pollution from synthetic rubber factories in Japan. Simultaneously, reports indicated that the low price of natural rubber stemmed from multiple factors, including an oversupply of synthetic rubber, economic setbacks in major non-communist consuming countries, lower-than-expected off-take by the Soviet Union and China, and excessive stocks, particularly of Ribbed Smoked Sheets (RSS-I)<sup>19</sup> produced from natural rubber latex for various applications like tire manufacturing, tread carcasses, off-road tires, extruded hoses, and footwear.

---

<sup>17</sup> 1973 joint communique of the 6th ASEAN Ministerial Meeting, issued in Pattaya, Thailand on 16-18 April 1973. Centre for International Law, Singapore. [www.cil.nus.edu.sg](http://www.cil.nus.edu.sg).

<sup>18</sup> National Archives Malaysia, File: 1992/0018506. Report on ASEAN Collective Approach on Japanese Rapid Expansion of Synthetic Rubber, Wisma Putra Kuala Lumpur, 28 March 1974, p. 1.

<sup>19</sup> "Rubber Sets New Records in Production and Use," *New Nation*, 1 December 1972.

The ASEAN delegation, however, underscored its concerns about Japan's long-term policies regarding the expansion and marketing of Japanese synthetic polyisoprene rubber. It also expressed apprehension about Japan's potential participation in downstream joint-venture investments with oil-producing nations. ASEAN emphasized the need for a resolution beneficial to both parties and urged Japan to respond positively to the five-point proposals presented by ASEAN Standing Committee Chairman Adam Malik during the ASEAN-Japan Ministerial Meeting on synthetic rubber held on November 27, 1973, in Tokyo.<sup>20</sup> In the event that the Japanese government did not address ASEAN's concerns satisfactorily, the Japanese delegation was informed that ASEAN Senior Officials on synthetic rubber would submit their recommendations to the ASEAN Foreign Ministers. These recommendations would outline appropriate measures to prevent the Japanese synthetic rubber industry from causing harm and adverse effects on the economies of ASEAN member states.<sup>21</sup> By the conclusion of the initial meeting in Kuala Lumpur, Japan conveyed that it had no plans to increase its synthetic rubber production capacity until at least 1975. They also assured that the growth rate of synthetic rubber production in Japan would remain below 10 percent in the foreseeable future.<sup>22</sup>

Prior to the second meeting of the ASEAN-Japan forum, which took place in Tokyo from March 18 to 20, 1974, the ASEAN Senior Officials on synthetic rubber convened in Jakarta to formulate a joint strategy and position. During this meeting, ASEAN emphasized its expectation that the Japanese government would agree to specific measures aimed at curbing the expansion of synthetic polyisoprene rubber production. Additionally, they urged Japan to promote greater utilization of natural rubber from ASEAN countries within Japan. Through mass media outlets in ASEAN capitals, Japan was reminded of the desire for harmonious relations between ASEAN and Japan, but also of ASEAN's dissatisfaction with the direction in which the synthetic rubber dialogue was heading. ASEAN was resolute in its collective pursuit of this matter with Japan and was not willing to entertain any developments that would lead to "counterfeit optimism" on the issue. Japan was made aware that ASEAN was prepared to jointly explore various effective measures to safeguard the future economy of ASEAN's natural rubber. Yusof Ariff, Malaysia's Secretary-General for ASEAN, was appointed as the chairman of the meeting and was tasked with drafting the text of the agreement for the ASEAN-Japan Forum scheduled in Tokyo. This text was meticulously considered and subsequently accepted by ASEAN.<sup>23</sup>

The second meeting of the ASEAN-Japan forum on synthetic rubber, held in Tokyo from March 18 to 20, 1974, saw the ASEAN delegation led by Umarjadi Njotowijono, ASEAN Secretary-General for Indonesia, while the Japanese delegation was led by Seiichi Omori, Deputy Director-General of the Asian Affairs Bureau at the Ministry of Foreign Affairs of Japan.<sup>24</sup> On the proposal of Seiichi Omori, Yusof Ariff was once again unanimously elected as the chairman of

---

<sup>20</sup> National Archives Malaysia, 1992/0018506. Joint press release announced in Tokyo on 27 November 1974.

<sup>21</sup> National Archives Malaysia, File: 1992/0018506. Report on ASEAN Collective Approach on Japanese Rapid Expansion of Synthetic Rubber, Wisma Putra Kuala Lumpur, 28 March 1974, p. 1.

<sup>22</sup> National Archives Malaysia. Statement by Seiichi Omori head of the Japanese delegation at the ASEAN-Japan forum on synthetic rubber in Tokyo on 19 March 1974.

<sup>23</sup> Other members representing Malaysia were, Hamzah Majeed from the Prime Minister's Department; Onn Ismail, Ministry of Primary Industry; and three officials representing Malaysia Rubber Research and Development Board, Liew Sip Hon, P.O. Thomas and S. K. Koh. The ASEAN delegation was represented by all the five member countries.

<sup>24</sup> In addition to Seiichi Omori representing the Japanese Ministry of Foreign Affairs, the other two were Toshio Saiki and Kojiro Takano. The four officials representing the Ministry of International Trade and Industry were Tsunayuki Utsunomiya, Katsuhisa Yamada, Katsuo Shinzeki and Zanjii Kaminaga, together with two representatives from the Synthetic Rubber Industry namely Seizo Handa and A. Ohsawa from Bridgestone Tire, Co. Ltd.



the meeting. The meeting concluded with the Japanese government agreeing to ASEAN's proposals, which included measures to control the expansion of synthetic polyisoprene rubber production, regular updates to ASEAN governments on the development and expansion of synthetic rubber production, and active support for the promotion of greater use of natural rubber from ASEAN countries. The meeting adopted a report to be submitted to Masayoshi Ohira, the Foreign Minister of Japan, and Adam Malik, the Foreign Minister of Indonesia and Chairman of the ASEAN Standing Committee, for their approval.

In a report addressed to both foreign ministers of Japan and Indonesia, the ASEAN-Japan forum expressed the shared aspirations of ASEAN countries and Japan for promoting and strengthening good neighborly relations, sharing the benefits of peace and prosperity, and creating conditions in which ASEAN countries could enjoy lasting economic stability and prosperity while respecting each other's sovereignty and independence.<sup>25</sup> The ASEAN-Japan forum confirmed its belief that the spirit of regional solidarity and cooperation would contribute to the promotion of economic stability and prosperity in ASEAN countries.<sup>26</sup> The forum further welcomed the readiness of Japan to render technical assistance to the ASEAN countries for the purpose of increasing new uses of ASEAN natural rubber, and at the same time, was convinced that greater use of ASEAN natural rubber in Japan would contribute further to the economic development of ASEAN member states and thus to the promotion of constructive relationship between ASEAN and Japan. Table 2 provides a chronological overview of meetings related to the issue of synthetic rubber first initiated by Malaysian government officials on December 18, 1972. The results of those meetings later became the ASEAN agenda which eventually led to the agreement of the formation of the ASEAN-Japan forum on November 27, 1973 and followed by subsequent meetings in 1974.

**Table 2: Chronology of Meetings on Synthetic Rubber Leading to ASEAN-Japan Forum, 1972-1974**

<b>Date of Meeting</b>	<b>Name of Meeting</b>	<b>Outcome</b>
18 December 1972	First meeting among government officials initiated by six influential officials from various ministries in Malaysia.	To prepare a confidential report to the higher authority which then brought into the knowledge of the Minister of Foreign Affairs Malaysia and the cabinet members.
3 January 1973	Second meeting among Malaysian officials.	A report prepared by Malaysia and submitted to then Adam Malik, the Indonesian Minister of Foreign Affairs who acted as the chairman of the ASEAN Standing Committee, to make it as an ASEAN recommendation.
16-18 April 1973	Sixth ASEAN Ministerial Meeting held in Pattaya, Thailand.	ASEAN ministers urged Japan to review its policy of indiscriminate expansion and accelerated export of synthetic rubber.

<sup>25</sup> National Archives Malaysia, File 1992/0018506, joint press release.

<sup>26</sup> National Archives Malaysia, Report by the ASEAN-Japan forum on synthetic rubber for H.E. Adam Malik, Foreign Minister of Indonesia and Chairman of ASEAN Standing Committee and H.E. Masayoshi Ohira, Foreign Minister of Japan.

		ASEAN officials would work out appropriate measures to meet this threat.
27 November 1973	Ministerial level meeting between ASEAN and Japan held in Tokyo.	ASEAN-Japan forum was established consisting government officials and experts.
19-21 February 1974	First meeting of ASEAN-Japan forum held in Kuala Lumpur.	Yusof Ariff, Malaysia's Secretary-General for ASEAN, was elected as chairman of the meeting. He was asked to draft the text of agreement for ASEAN before the second meeting of ASEAN-Japan forum scheduled in Tokyo. Japanese delegation confined the scope of its discussions merely to frank exchange of information and views on the Japan's synthetic rubber industries.
18-20 March 1974	Second meeting of ASEAN-Japan forum held in Tokyo	The meeting concluded that the Japanese government agreeing to accept the ASEAN's proposals to control the expansion of production of synthetic polyisoprene rubber to keep the ASEAN government informed on the development and expansion of production of synthetic rubber and to promote greater uses of natural rubber from ASEAN countries by assisting ASEAN in intensification of research in new uses of natural rubber.

Source: Compiled by author based on the various reports on synthetic rubber kept in the National Archives Malaysia

Building on the prior agreements forged within the ASEAN-Japan forum concerning the synthetic rubber issue, a significant development occurred in 1977. Japan agreed to provide a grant of \$5.1 million (equivalent to 600 million yen) for the establishment of an ASEAN tire development and testing laboratory, located at the Rubber Research Institute (RRI) in Sungai Buloh, Malaysia. This initiative aimed to bolster ASEAN's natural rubber research facilities, signifying another noteworthy achievement following the 4th ASEAN-Japan forum convened in November 1976. During this forum, ASEAN had formally requested economic cooperation from the Japanese government for rubber research and development endeavors.<sup>27</sup> Japan also offered assurances during this period that the expansion of its synthetic rubber production would not adversely affect the natural rubber industry.<sup>28</sup>

## TANAKA'S VISIT TO ASEAN-5 IN 1974

<sup>27</sup> "ASEAN tyre lab: \$5m from Japan," *The Straits Times*, 31 March 1977.

<sup>28</sup> "Japan Grant for ASEAN Tyre Lab in Malaysia," *Business Times*, 31 March 1977.

Efforts to enhance bilateral or multilateral relations, whether undertaken by individual countries or groups of nations, often encounter obstacles and challenges. Such was the case with ASEAN-Japan relations during that period. The visit of Kakuei Tanaka to the five founding ASEAN countries in 1974, which took place from January 7 to 17, was marred by street riots and the emergence of neo-imperialistic and neo-colonialism slogans, significantly straining Japan's relations with ASEAN, particularly during the second and third quarters of the 1970s. Tanaka's visit turned out to be a foreign policy setback for Japan's engagement with ASEAN. Upon his arrival at Bangkok airport, Tanaka was met by approximately 5,000 student protesters waving placards bearing slogans such as "Get Out You Ugly Imperialist," "Nippon is Ghost," "Don't Exploit Thailand," "We Don't Want any Japanese Tricks," and "Imperialist Monster Tanaka." These students were protesting what they perceived as Japanese economic imperialism.<sup>29</sup> During a session with a delegation of 13 Thai students led by Sombat Thamrongthanyawong, a president of National Student Center of Thailand with Tanaka and also attended by Sanya Dharmasakti, Prime Minister of Thailand, the protesters criticized the behavior of Japanese expatriates for exploiting Thai labor. They expressed dissatisfaction with the low wages of Thai workers, the slow transfer of technology, river pollution caused by Japanese factories, and Thailand's comparatively sluggish economic growth in contrast to Japan.<sup>30</sup> Although all the accusations raised by the student representatives were not all unfounded, Tanaka's diplomacy managed to lower the temperature of the tension during the session. The harsh reaction by the students, along with the overall incidents, significantly strained Japan's relations with Thailand. This development was unexpected, particularly considering that Thailand was the only country in Southeast Asia that had not been colonized by Japan during World War II.

Simultaneously, in the capital city of Jakarta, thousands of students took to the streets in protest. It was reported that at least seven students were killed, 35 injured, hundreds of vehicles were destroyed, 10 buildings were set on fire, and over 50,000 commercial outlets were stormed and looted.<sup>31</sup> Prior to Tanaka's arrival in Indonesia, around 400 students from the Indonesian Christian University (UKI) burned an effigy of the Japanese leader bearing the sign "economic imperialism" on their campus, denouncing Japan's economic policies. Student leaders delivered speeches criticizing Japan's expanding role in Indonesia's economy, while protesters carried banners with provocative slogans such as "Go to Hell with your Aid" and "Revise our Investment Policy."<sup>32</sup> Following these violent riots, which extended beyond Jakarta, Mizuo Kuroda, a spokesperson from Japan's Ministry of Foreign Affairs, expressed deep regret over the outbreak of anti-Japanese rioting. Kuroda emphasized the need for Japan to reinforce efforts to deepen mutual understanding and find solutions to the problems at hand.<sup>33</sup>

During the 1960s and 1970s, the university student movement advocating social justice, opposing oppression, alleviating poverty, and upholding national sovereignty resonated across Southeast Asia and Asia. While there were no large-scale demonstrations like those in Thailand or riots resulting in loss of life as in Indonesia, approximately 500 students from the University of Malaya held a peaceful assembly in front of the Dewan Tunku Canselor after authorities blocked their attempt to deliver a notice of dissatisfaction to Tanaka. These university students accused

---

<sup>29</sup> "Big Demo Greets Tanaka: Thai Students Turn Out in the Thousands," *The Star*, 10 January 1974.

<sup>30</sup> "Tanaka Sees Thai Students Who Denounced His Visit," *The New York Times*, 11 January 1974.

<sup>31</sup> "Seven Dean in Riots," *The Star*, 17 January 1973; "Troops Swing into Actions as Thousands March on Downtown Jakarta," *The Star*, 17 January 1973.

<sup>32</sup> "Anti-Tanaka Feelings Among Students Increase," *The Star*, 13 January 1973.

<sup>33</sup> "Japan Expresses 'Deep Regret'," *The Star*, 17 January 1973.

Japan of practicing a new form of economic colonialism in Southeast Asia.<sup>34</sup> At the same time, they accused Tokyo of prioritizing the United States as well as the so-called developed Western bloc in its foreign policy. Fortunately, Tanaka and the Japanese business community were taking the anti-Japanese demonstrations in Bangkok and Jakarta as well as dissatisfaction among ASEAN member countries as an incentive for *hansei* – “soul-searching and self-criticism”.<sup>35</sup> The protests and riots in Thailand and Indonesia prompted Japan to engage in self-reflection and reassess its foreign policy approach towards ASEAN. Japan's foreign policy shifted to a more pragmatic approach, emphasizing peace, prosperity, independence, mutual understanding, and economic development in ASEAN without interfering in their economies. However, gaining acceptance of Japan's agenda among ASEAN member countries remained challenging at the time, as Japan's exploitation of Southeast Asia's natural resources hindered ASEAN's economic growth. It became evident that Japan's omni-directional policy, which sought to secure cheap and reliable raw materials for its economy through the exploitation of Southeast Asia's natural resources, indirectly hindered ASEAN's own economic development. Consequently, following the incidents during Tanaka's visit, Japan was compelled to reevaluate its interpretation of "*seikei bunri*" (the separation of economics and politics) and to pursue a more balanced engagement with ASEAN, particularly in economic terms.

## POST-TANAKA VISIT

Following the consolidation of the “ASEAN Spirit” at the 1976 Bali Summit, Japan began to perceive ASEAN as a crucial institution in fostering regional political stability as well as a key player in ensuring regional economic security. Simultaneously, Tokyo equally recognized ASEAN as a key ally in promoting regional balance of power, as its members were anti-communists and well-integrated with other non-communist states. In light of the mixed reactions from ASEAN countries in the first and second halves of the 1970s, Japan re-evaluated its position in Southeast Asia and concluded that working closely with ASEAN was the best approach. Consequently, Japanese leaders formulated a more equitable foreign policy toward Southeast Asia, reflecting a closer alignment with ASEAN. In parallel with the ASEAN Heads of State summit in Bali in 1976, which demonstrated a resolve to unify and address the economic recession facing ASEAN member states and the U.S. withdrawal from Vietnam in 1975, Japan adjusted its foreign policy toward ASEAN. Japan began to realize the significance of ASEAN as a partner in its quest for a new role in Southeast Asia. The four original ASEAN member states (excluding Singapore) produced most of the raw materials that Japan needed. Additionally, these five original ASEAN members were strategically located in the South China Sea, connecting the Straits of Malacca to global maritime trade routes—a vital waterway for Japan. The fact that ASEAN was a non-communist group made it even more attractive to Japan as it sought to expand its global economic influence.

The year 1977 witnessed a significant shift in Japan's foreign policy towards ASEAN through the *kokoro-to-kokoro no kankei* (heart-to-heart relationship) under the Fukuda Doctrine. Consequently, the first ASEAN-Japan Forum was initiated with its inaugural meeting held in Jakarta on 23 March 1977.<sup>36</sup> Japan's proactive steps and ASEAN's willingness to engage with Japan as a dialogue partner paved the way for a mature and dynamic relationship between ASEAN

<sup>34</sup> “Students Protest Against Tanaka,” *The Star*, 15 January 1973.

<sup>35</sup> “Co-prosperity Sphere,” *The New York Times*, 20 January 1974.

<sup>36</sup> <https://asean.org/joint-press-release-of-the-first-asean-japan-forum-jakarta-23-march-1977/> Browsed on 17 July 2023.

and Japan. Given Japan's greater economic prowess compared to other countries in Northeast Asia, coupled with its emergence as the second-strongest world economic power since the late 1960s, it had a distinct advantage in channeling substantial Japanese Official Development Assistance (ODA) to Southeast Asian countries. From a political perspective, Northeast Asia was experiencing flux, with China operating a closed-door policy due to its communist system, and both Korea embroiled in ongoing conflict after the Korean War. In contrast, Japan's dynamism and status as the main economic superpower in Asia and the second-largest economy globally made it highly appealing to ASEAN. Consequently, Japan earned recognition as an Asian champion.

The presence of "Pax-Nipponica" which nearly challenged the United States' position as the primary global economic power as argued by Ezra Vogel in his book entitled "Japan as Number One: Lessons for America" heightened the popularity of the Japanese management system, serving as an example for many countries. Numerous nations began to adopt Japan as their role model for economic development, given its status as a developed industrial nation achieved within a short period after World War II. For example, Singapore adopted Japan as its role model through its "Learn from Japan Campaign," while Malaysia pursued its "Look East Policy," emphasizing the adoption of Japanese work ethics. Although Indonesia, Thailand, and the Philippines did not have explicit national policies to imitate Japan, they expressed interest in emulating certain aspects of the Japanese model. While several factors contributed to the Japan model becoming less relevant in some ASEAN countries, a major reason was Japan's emergence as an economic superpower since the late 1960s, making it the second-largest economy in the world after the United States.

The concept of "Look to Japan" within the context of Malaysia's Look East Policy was not a novel idea. Back in 1883, Sultan Abu Bakar of Johor visited Japan for 106 days, and Japan's rapid economic development following the Meiji Restoration served as an inspiration for Johor's economic growth. Shortly after Sultan Abu Bakar's visit, Japanese investors began entering Johor, engaging in sectors like plantations and iron ore mining. Moreover, Tunku Abdul Rahman, during his reception of Kishi Nobusuke's visit to Malaysia in November 1957, announced Malaysia's intention to learn from Japan by sending trainees there.<sup>37</sup> Ambitious plans were made to send many Malaysians to Japan to acquire knowledge and expertise, following Japan's example and the path of advanced nations.<sup>38</sup> Malaysia's unique historical context lies in the fact that, while no other Northeast Asian country besides Japan had colonized Malaysia, the country's first diplomatic relations with Northeast Asian nations began with Japan. This significant development took place on August 31, 1957, the day Malaysia gained independence from Britain. Subsequently, Malaysia established diplomatic relations with South Korea on February 23, 1960, followed by North Korea on June 30, 1973, and China on May 31, 1974.<sup>39</sup>

After the announcement of the Fukuda Doctrine, Japan cultivated a close relationship with ASEAN and actively participated in regional frameworks. This strengthened multilateral relations with ASEAN through bilateral engagements with each ASEAN member state. Criticisms regarding Japan's neo-imperialism and neo-colonialism instantaneously disappeared. Japan's relationship with ASEAN saw a change. While in the 1960s and 1970s, the focus was primarily on technical assistance, attracting Japanese investments, and enhancing economic cooperation, by the late 1970s, the economic relationship between ASEAN and Japan evolved beyond trade.

---

<sup>37</sup> "Malaya to Follow Japan's Example," *The Malay Mail*, 25 November 1957.

<sup>38</sup> "Malaya to Follow Japanese," *The Straits Times*, 26 November 1957.

<sup>39</sup> Md Nasrudin Md Akhir, "Five Decades of Malaysia-Japan Relations," in Md Nasrudin Md Akhir and Rohayati Paidi (eds.), *Japan and the Asia-Pacific*, Kuala Lumpur: Department of East Asian Studies, 2009, p. 53.

Foreign Direct Investment (FDI) and aid packages under Official Development Assistance (ODA) gained prominence. A pivotal development was the increasing trend of Japanese FDI, involving the relocation of Japanese industries rendered uncompetitive by the strong yen to ASEAN. The Japanese consideration of ASEAN as a production base for Japanese industries had its beginnings in the early 1970s when the yen began to strengthen against the US dollar.

## **DEVELOPMENTS FROM THE 1980S ONWARDS**

In the 1980s, the relationship gradually developed into strategic partnerships, particularly with countries such as Singapore, Malaysia, Indonesia and Thailand. However, by the mid-1980s, pressure stemming from the United States' substantial trade deficit with Japan led to the emergence of the Plaza Accord 1985 causing the *yen endaka* (yen appreciation) to rise significantly. Nevertheless, Japan's prudent and swift action to relocate its industries to ASEAN countries not only shielded Japan from the United States' economic pressure, but also gave benefits as well as intensified trade and investment relations with ASEAN countries overall. This trend gained momentum after the Plaza Accord, as the yen's value nearly doubled against the US dollar. The post-Plaza Accord era witnessed a substantial influx of Japanese investments into ASEAN, further solidifying economic relations. This led to the establishment of more strategic ASEAN-Japan partnerships, making Japan a close ally of nearly all ASEAN countries. Public opinion polls conducted by *Gaimusho* (Ministry of Foreign Affairs) revealed that Japan was considered the closest ally by the majority of ASEAN nations.

In 1991, then-Malaysian Prime Minister Dr. Mahathir Mohammad had high expectations for Japan to lead a forum initially known as the East Asian Economic Group (EAEG), later renamed the East Asian Economic Caucus (EAEC). This idea emerged from ASEAN's desire to shield Southeast Asia from economic blocs such as the North American Free Trade Area (NAFTA), the European Union (EU), and other regional economic groups that exhibited signs of imposing trade barriers on developing ASEAN countries. However, Japan was hesitant to take on this responsibility due to pressure from the United States. Despite his disappointment, Dr. Mahathir refrained from condemning Japan, as he typically would against Western blocs or the United States when the interests of third-world nations were jeopardized by the strategies of global powers. Instead, he continued to respect Japan's stance vis a vis the United States. Dr. Mahathir maintained his admiration for Japanese work ethics, honesty, and determination.

The most significant economic challenge for ASEAN arrived in 1997 in the form of the Asian financial crisis. Southeast Asian nations had received substantial amounts of short-term foreign portfolio investments, leading to excess liquidity and the creation of a bubble economy. This, in turn, affected trade and account balances, triggering financial panic and a rapid withdrawal of international short-term investment funds. The crisis resulted in currency devaluation across ASEAN countries. While external factors such as attacks on Southeast Asian currencies by hedge funds played a role, internal weaknesses in the banking systems, ineffective financial monitoring and regulation, and heavy borrowing of foreign funds for property investments also contributed to the severe currency devaluation. The Thai baht depreciated by as much as 20 percent on July 2, 1997, followed by the Philippine peso on July 11, the Malaysian ringgit on July 14, the Indonesian rupiah on July 21, and a gradual decline in the Singapore dollar since July 24, 1997. The Nikkei

stock market also plummeted from its peak value of 20,681 points on June 16, 1997, to 14,957 points on January 5, 1998.<sup>40</sup>

Amidst the severe challenges and desperate time faced by ASEAN countries during the financial crisis, Japan's willingness to provide funds through the New Miyazawa Plan to the ASEAN-4 was seen as an "indispensable gift", deeply appreciated by all affected ASEAN nations. Reactions were overwhelmingly positive. While Japan's proposal for an Asian Monetary Fund (AMF) ultimately failed to materialize due to opposition from the United States, the crisis underscored the lack of a regional mechanism to address such crises. With Asia having minimal representation in international financial institutions like the International Monetary Fund (IMF) and the World Bank, the region appeared vulnerable and voiceless. This situation prompted calls for Japan to assume a greater role in driving its economy and taking proactive leadership in Asia. It was believed that both Japan and Asia would benefit from complementing each other in fostering a more prosperous Asia. The severity of the 1997 Asian financial crisis elevated ASEAN-Japan relations to a higher level of cooperation and closer partnership. This collaboration culminated in the formation of ASEAN+1 and ASEAN+3 in 1997 as a response to the financial crisis. Subsequently, this cooperative framework expanded with the establishment of the East Asian Summit (EAS) in December 2005. At a macro level, the failure to realize Dr. Mahathir's EAEC proposal in the early 1990s seemed to be redeemed through the establishment of the EAS.<sup>41</sup>

While Japanese aid giving and investment were not without problems, they nevertheless tempered exploitation by contributing to the industrial development of ASEAN. At least this was the perception of many in ASEAN as they increasingly viewed the FDI from Japan as not only legitimate but crucial to ASEAN industrial development. Thus, the situation that developed after the Fukuda doctrine worked fine for both sides. Japan reaped the economic benefits of this relationship without assuming an explicit political or military role, while ASEAN, despite some reservations, welcomed Japanese FDI, which treated ASEAN as a vital production base. This type of investment gained momentum following the Plaza Accord. However, from the 2000s onwards, this dynamic underwent changes due to Japan's economic stagnation and the emergence of China as an economic powerhouse by 2010. By the end of the 2000s, Japan's economic prowess began to be challenged by the emergence of two influential actors with strong economies in Northeast Asia that increasingly became closer to ASEAN, namely, South Korea and China. China's ascent to becoming the world's second-largest economy, surpassing Japan in 2010, marked a significant shift. For ASEAN, the inclusion of the ROK and China within the framework of ASEAN through ASEAN+1 and ASEAN+3 together with the formation of the EAS, not only showcased ASEAN-Japan success, but also symbolized progress toward building a broader East Asian community. Nonetheless, the birth of the EAS encompassing ASEAN, Japan, China, South Korea, and other nations within the same framework, widened the cooperative landscape which in turn has become a global challenge for all concerned.

It's essential to note that while ASEAN countries don't fear the possibility of war among themselves, military threats remain a focal concern. China's actions in the South China Sea have heightened tensions with the four ASEAN claimant states in the Spratly Islands. Moreover, China's growing economic power is of concern that it would widen its hegemony throughout the region until one day it might end up undermining ASEAN solidarity. These concerns have been

---

<sup>40</sup> Md Nasrudin Md Akhir, "Jepun dan Krisis Kewangan Asia Tenggara," (Japan and the Southeast Asian Financial Crisis," *Pemikir*, July-September 2000, 81-102.

<sup>41</sup> Md Nasrudin Md Akhir, "Jepun dan Krisis Kewangan Asia Tenggara," (Japan and the Southeast Asian Financial Crisis," *Pemikir*, July-September 2000, 81-102.

voiced not only by ASEAN leaders but also by Japan's former Prime Minister, Shinzo Abe, who expressed serious apprehension about China's assertiveness in the South China Sea. During the 13<sup>th</sup> EAS meeting in Singapore on 15 November 2018, again Abe voiced out his apprehensions about the on-going developments in the South China Sea. His concerns were mainly in relation to actions that seek to unilaterally change the status quo through militarization of disputed features threaten the interests of countries that utilize common resources in the South China Sea. During a talk on the sidelines of the Group of Seven (G7) summit in Hiroshima, Fumio Kishida, Prime Minister of Japan and Vietnamese Prime Minister, Pham Minh Chinh agreed to collaborate to tackle China's territorial claims in the South China Sea.<sup>42</sup> In fact, Malaysia and Vietnam, which are celebrating the 50th anniversary of diplomatic relations this year, have issued a joint statement by both their respective foreign ministers expressing their mutual interests in the South China Sea. The rapid militarization and island-building activities by China in this region have raised concerns among various stakeholders, as trillions of dollars' worth of cargo transit through this crucial maritime route. The main worry is that if a single power were to illegitimately and illogically take control of this strategic area, it could impose its own rules of commerce, potentially disrupting the free flow of goods and trade.<sup>43</sup> Other than concerns regarding the South China Sea dispute, a trade war between the United States and China will have a huge impact on ASEAN and Japan.

## CONCLUSION

This article commences with a discussion of Malaysia and ASEAN's historical dissatisfaction with Japan's synthetic rubber production, which laid the foundation for the establishment of the ASEAN-Japan forum in 1973. However, within this historical context, there are important lessons to be gleaned from the struggles that both ASEAN and Japan faced in forging a resilient relationship. Since the inception of the ASEAN-Japan forum in 1973, if we gauge the strength of this relationship based on the multitude of cooperative mechanisms and the depth of friendship that has not only involved elite leadership but also extended to people-to-people connections, it is as though the Japanese occupation had never transpired in Southeast Asia. The struggles and difficulties that ASEAN and Japan encountered in the past have, in essence, fortified their resilience. Similarly, history has demonstrated that Japan in particular always manages to rise from the ashes whatever adversities it is struck with. The 1997 Asian financial crisis which was a huge trial for the region certainly boosted Japan and ASEAN's resilience. ASEAN+1 and ASEAN+3 would not have been formed if not for this challenge.

Therefore, the pertinent question arises: What is our collective responsibility in safeguarding and nurturing the closeness of ASEAN's relations with Japan, which has been meticulously built over all these years? We share a responsibility in further enhancing and strengthening ASEAN-Japan relations. The framework for ASEAN-Japan relations, meticulously developed over the past five decades, is founded on trust, shared responsibility, and the common goal of regional harmony. Likewise, political leaders, whether from ASEAN, Japan, or the global stage, must consistently prioritize the ideals of peace and harmony. Hence, continuous efforts to facilitate interactions between ASEAN and Japan, as well as to nurture existing partnerships, must

---

<sup>42</sup> "Japan's Kishida, Vietnam's Pham vow to work to tackle China in nearby waters," Kyodo and Reuters, 22 May 2023. <https://www.scmp.com/news/asia/east-asia/article/3221350/japans-kishida-vietnams-pham-vow-work-tackle-china-nearby-waters>

<sup>43</sup> "50 Years on Malaysia-Vietnam Ties: A Reaffirmation of opportunities and cooperation," *The Star*, 1 April 2023.



remain at the forefront of our agenda. Existing relationships should be upheld, while new connections should be fostered with the overarching objective of advancing regional peace, stability, and economic development, especially in the face of an increasingly challenging and unpredictable world. Ultimately, it is a well-established fact that no country stands to lose by cultivating relations and cooperating with both Japan and ASEAN.

The 50-year journey of ASEAN-Japan relations has witnessed remarkable growth and collaboration. Despite the challenges encountered in the late 1960s and early 1970s, as previously discussed, strategic measures were taken to overcome them. The enduring bond between Japan and ASEAN, built upon mutual interests and shared responsibilities, has significantly contributed to regional harmony and development. The positive outcomes of this longstanding partnership between ASEAN and Japan underscore the benefits that can arise from nurturing and cultivating international relationships. It serves as a testament to the resilience and collective sense of responsibility that underpin regional development. The ASEAN-Japan relationship, rooted in mutual interests, has proven to be immensely advantageous. Without this enduring partnership, both parties would have missed out on significant opportunities for collaboration and progress.

## REFERENCE

- “An Econometric Model of the World Rubber Economy” in World Bank Staff Commodity Paper No. 3, p. 4 (1). <https://documents1.worldbank.org/curated/en/785371468281687948/pdf/SCP3000An0econ0world0rubber0economy.pdf>
- “1973 joint communique of the 6th ASEAN Ministerial Meeting,” Issued in Pattaya, Thailand on 16-18 April 1973. *Centre for International Law*, Singapore. [www.cil.nus.edu.sg](http://www.cil.nus.edu.sg).
- “50 Years on Malaysia-Vietnam Ties: A Reaffirmation of opportunities and cooperation,” *The Star*, 1 April 2023.
- “Anti-Tanaka Feelings Among Students Increase,” *The Star*, 13 January 1973.
- “ASEAN Tyre Lab: \$5m from Japan,” *The Straits Times*, 31 March 1977.
- “Big Demo Greets Tanaka: Thai Students Turn Out in the Thousands,” *The Star*, 10 January 1974.
- “Cambridge-educated Economist Dato’ Malek Merican passes on July 10, 2015,” <https://dinmerican.wordpress.com/2015/07/10/cambridge-educated-economist-dato-malek-merican-passes-on/>
- “Co-prosperity Sphere,” *The New York Times*, 20 January 1974.
- “Japan Expresses ‘Deep Regret’,” *The Star*, 17 January 1973.
- “Japan Grant for ASEAN Tyre Lab in Malaysia,” *Business Times*, 31 March 1977.
- “Japan’s Kishida, Vietnam’s Pham vow to work to tackle China in nearby waters,” *Kyodo and Reuters*, 22 May 2023. <https://www.scmp.com/news/asia/east-asia/article/3221350/japans-kishida-vietnams-pham-vow-work-tackle-china-nearby-waters>
- “Malaya Gets a Pledge on Synthetic: UK Says We’ll Consult You First,” *Singapore Standard*, 16 February 1956.
- “Malaya to Follow Japan’s Example,” *The Malay Mail*, 25 November 1957.
- “Malaya to Follow Japanese,” *The Straits Times*, 26 November 1957.
- “Rubber: No threat from Japan,” *The Straits Times*, 8 August 1973.
- “Seven Dean in Riots,” *The Star*, 17 January 1973; “Troops Swing into Actions as Thousands March on Downtown Jakarta,” *The Star*, 17 January 1973.
- “Students Protest Against Tanaka,” *The Star*, 15 January 1973.

- “Tanaka Sees Thai Students Who Denounced His Visit,” *The New York Times*, 11 January 1974.
- “To Put Malaya Wise on Synthetic,” *Singapore Standard*, 6 April 1956.
- Grilli, Enzo, Ray Halterline, and Peter Pollak, “An Econometric Model of the World Natural Rubber Economy,” *Metroeconomica*, Volume 31, Issue 3, October 1979.
- <https://asean.org/joint-press-release-of-the-first-asean-japan-forum-jakarta-23-march-1977/>  
Browsed on 17 July 2023.
- <https://gamuda.listedcompany.com/news.html/id/680935>.
- [https://www.my.emb-japan.go.jp/English/Other/E\\_JPDecoration2014.htm](https://www.my.emb-japan.go.jp/English/Other/E_JPDecoration2014.htm);  
<https://www.miti.gov.my/index.php/pages/view/3800>.
- Joint press release announced in Tokyo on 27 November 1974. National Archives Malaysia, 1992/0018506.
- McNeill, J. R., Kenneth Pomeranz (eds.), Cambridge University Press: 5 May 2015
- Md Nasrudin Md Akhir, “Five Decades of Malaysia-Japan Relations,” in Md Nasrudin Md Akhir and Rohayati Paidi (eds.), *Japan and the Asia-Pacific*, Kuala Lumpur: Department of East Asian Studies, 2009.
- Md Nasrudin Md Akhir, “Jepun dan Krisis Kewangan Asia Tenggara,” (Japan and the Southeast Asian Financial Crisis), *Pemikir*, July-September 2000.
- National Archives Malaysia, File No. 02/9/172, “A Confidential letter from Ministry of Foreign Affairs to 8 ministries and agencies dated 23 December 1972.
- National Archives Malaysia, File No. 02/9/172, 18 December 1972.
- National Archives Malaysia, File: 1992/0018506. Wisma Putra Kuala Lumpur, “Report on ASEAN Collective Approach on Japanese Rapid Expansion of Synthetic Rubber,” 28 March 1974.
- National Archives Malaysia, File: MF/OFF/317, Natural/Synthetic Rubber, 4 August 1972, (Excerpts from the NRB News- April/May 1972, Japan.
- National Archives Malaysia, Reparations and Restitution Division, Australia, Mission in Japan, 3rd February 1948.
- National Archives Malaysia, Report by the ASEAN-Japan Forum on synthetic rubber for H.E. Adam Malik, Foreign Minister of Indonesia and Chairman of ASEAN Standing Committee and H.E. Masayoshi Ohira, Foreign Minister of Japan.
- National Archives Malaysia, Statement by Seiichi Omori head of the Japanese delegation at the ASEAN-Japan Forum on synthetic rubber in Tokyo on 19 March 1974.
- National Archives Malaysia, Synthetic Rubber Plant- Japanese Reparations, File 2190/1948, Reparations and Restitution Division- Australian Mission in Japan, 14th January 1948.
- New Nation, Rubber sets new records in production and use, 1 December 1972.
- Rudner, Martin, “Rubber Strategy for Post-War Malaya, 1945-48,” *Journal of Southeast Asian Studies*, Vol. 1, No. 1 (Mar., 1970).