

Thai-Japanese Postwar Relations

Likhit Dhiravegin

*Dean, Faculty of Political Science
Thammasat University*

1. Introduction :

Thai-Japanese relation dated back to the pre-modern period. In fact, relation, between the two countries started since Sukhothai or about 700 years ago.⁽¹⁾ This relationship had continued onto the Ayuthaya period in the form of trade and official correspondence as well as visits by missions. A number of Japanese had emigrated to Ayuthaya especially in the reign of King Songtham. One of the Japanese settlers, Yamada Nizaemonmojo Nagamasa (1578-1623) had become a powerful high-ranking official of the court of Ayuthaya. He was ennobled and held the title of Okya Sena Pimook Rachmontri serving King Songtham. Chronicle had it that he played a very important part in the struggle for seizure of the throne but was later done away by the usurper who plotted to send him away on a mission to suppress the rebellious Governor of Nakorn Si Thammarat. In the process of fighting, he was wounded on the knee. This hero of Japanese origin was murdered by poison which was administered on the wounded knee, a plot probably masterminded by the usurper who later declared himself King Prasart Thong.

The good relation between the Thai and the Japanese was then obstructed by persecution of Japanese residents. They were hunted down by the Thai forces both at Ayuthaya and Nakorn Si Thammarat where Yamada's son succeeded his father as governor. He fled to Cambodia and died there. The above story was told by chronicle, the accuracy of which was debatable. There is yet a need for further research on the subject.

It was at this period that Tokugawa Ieyasu declared the country closed for outside contact. As a result, many Japanese abroad could not return including those who were in Ayuthaya. No record was kept where the Japanese community who escaped the King's persecution policy had fled to. However, it was conceivable that they would sail out somewhere around Southeast Asia.

King Prasart Thong attempted to re-establish contact with the Tokugawa Government. He sent five missions to the Shogunal Court but were refused reception on the ground that the legitimacy of his reign was questionable. The reason could probably be attributable to his persecution policy against the Japanese residents in the Ayuthaya Kingdom.

It will be remembered that after the closure of the country, the Shogunal Government only allowed the Chinese, Korean and Dutch ships to trade at Nagasaki. Among the

Chinese ships were Thai royal ships. This was because the Thai ruling elites carried on their trade by engaging Chinese junks and sailors for the enterprise. The most demanded goods from Ayuthaya were jungle goods such as fragrant woods, ivory and deer hide. In return, the Thai could get such goods as iron ore, copper, brass and horses.

In the reign of King Narai, trade was expanded. As mentioned above, trade between Ayuthaya and Japan was carried out through the Chinese junks. Thus, despite the fact that there was no diplomatic relation between the Court of Ayuthaya and the Shongunal Government, trade had continued on until the sack of Ayuthaya in 1767.

Relations between Japan and Thailand or Siam was revived after the "open door" practice of Japan. In 1860, Japanese nationals were allowed by the government to travel abroad; some of these travellers had come to Siam. Relations between the two countries had intensified during the Meiji period. In 1875, the Japanese Ambassador came to Siam to present his credential to King Chulalongkorn. In 1882 Prince Higashi Fushimi, upon his return from England, stopped over in Bangkok for a visit. The Prince had an audience with King Chulalongkorn. In 1887, a Thai mission was sent to Japan to negotiate and sign the Declaration of Amity and Commerce between Japan and Siam. The treaty specified about diplomatic exchange and promotion of commerce between the two countries. The most-favored nation clause was to be applied. After this treaty, there were more contacts between the two countries. Both countries had then agreed to establish embassies. Legal experts and experts in other fields from Japan were employed as advisors to the Thai Government.

In 1897 Japan and Siam signed the Treaty of Friendship, Commerce and Navigation and Protocol. This treaty covered the subjects indicated in the title. However, it was an unequal treaty because it gave Japan extra-territorial rights, the same as Siam had given to other Western powers. The only difference was that in case dispute arose regarding interpretation of the treaty, an arbitrator would be appointed to resolve the problem. The unequal treaty between Japan and Siam in regard to the extraterritoriality or the right to have consulate court on Thai soil was modified in the Treaty of Commerce and Navigation between Japan and Siam in 1923 and was completely abrogated (after the Revolution of 1932 in which the absolute monarchy was overthrown), in the Treaty, of Friendship, Commerce and Navigation between Thailand and Japan, in 1937.

It should be observed that relation between Japan and Siam had been continuous only to be interrupted by the closed-door policy of the Tokugawa Government. When the two countries resumed relationship on a more formal fashion signaled by conclusion of treaties, it started on a more or less equal basis. Then the relationship drifted into unequal treaties. It goes to show that relationship among nations of the period was dictated by

national power. Japan, through its success in the modernization program, had joined the "power" club and assumed a superior position in her relations with Siam and other Asian nations.

2. The Meiji Restoration (1868-1912) and the Chakkri Reformation (1868-1910) : The Relationship Resumed

As already mentioned, relations between Japan and Siam on the official level was intensified during the reign of King Chulalongkorn (1868-1910). It stemmed from the fact that the contemporary reigns of King Chulalongkorn and the Emperor Meiji (1867-1912) saw similar effects of the two governments to modernize the countries along the Western line with similar initial common objective of avoiding Western imperialism. Studies comparing the reforms of the two reigns known as the Chakkri Reformation in Siam and as the Meiji Restoration in Japan have been undertaken by scholars⁽²⁾ and the comparison has continued to be a subject of interest. Of immediate relevance to the Thai-Japanese relation were as follows.

It was highly probable that the modernization (Westernization) program launched by the new government of the Meiji Era, if it had not inspired the Thai ruling elite notably the King, it had at least served as a case to help show the direction toward which Siam should be heading. In fact, here and there one would read about references to the case of Japan as an example of success. Being an Asian nation which was able to withstand Western imperialism, Japan gradually became the focus of attention for the Thai ruling elite during the period, replacing the now discredited Chinese Empire. Not surprisingly then, Japanese advisors had been requested by the Siamese Court to counsel on the legal reform, seciculture, educational reform, painting, sculpture, etc. One legal advisor, Dr. Tokishi Masao who played an important role in the legal reform of Siam was given the title of Phraya Mahitorn.⁽³⁾

Apart from engaging Japanese experts as advisors, Thai nationals were sent to Japan for studies. In early 1900's, eight Thai were sent to Japan for education in various fields such as silk dyeing and weaving, dry flower arrangement, tea ceremony, porcelain-making, gold-smithing, silk etc. In 1908, a small number of Thai students were in Japan for studies in the Japanese army cadet and ship-building.⁽⁴⁾

As part of the educational and goodwill mission, a series of Thai officials visited Japan. For example, in 1888, a Thai official of the Ministry of Education was sent to Japan for a tour of observation of Japanese educational system. In 1893, Prince Panurangsi Sawangwong and a group of officials went to Tokyo for a trade fair. In 1900, Prince Nakorn Chaisi Suradech went to Japan for an observation of Japan's military establishment. In 1902, Crown Prince Wachiravuth, on his way home from England stopped over in Japan.

Visits to Japan by high-ranking officials were continued after King Chulalongkorn's death. In 1911, during King Rama VI's Prince Pitsanulok and consort, on their way back from the Coronation of the King of England, stopped over in Japan, Manchuria and Korea. In 1915, Prince Kamphangpet and consort, on their way back from the United States paid a visit to Japan. In 1916, Prince of Songkla visited Nagasaki and Tokyo and in 1918 Prince Pitsanulok and consort again visited Japan. In 1919 and 1921, Prince Lophuriramesuan went to Japan for an observation on local government system, agriculture and crafts. In 1924, Prince Prachathipok (later became King Rama VII) on his way back from Europe paid a visit to Japan. In 1925, Prince Chanburi Narunart, Minister of Commerce and Industry went to Japan for an observation on industry. In the same year the personal secretary of King Rama VI, Prince Thani Niwat went for a tour observation of educational systems in the Asian countries, paid a visit to Japan for a tour of observation of the school systems and visited various universities in Japan.⁽⁵⁾

It can be noticed that the officials who paid visits to Japan were high-rankings officials; many of whom were King Chulalongkorn's half-brothers. Two princes, Wachiravuth and Prachathipok who visited Japan later were crowned as King Rama VI and Rama VII.

It was also obvious that the success of Japan in the modernization program had fascinated the Thai ruling elite. Japan must have served as a model of a successful Asian nation which was able to catch up with the West. The victory of Japan over China in 1894-1895 and over Russia in 1905 must have had significant political implications. The relation of the ruling elite of Siam and Japan in late Chulalongkorn's and Meiji's reigns and in later period epitomized a close historical relation of the two countries.

3. Japan and Thailand in World War II

There was the linkage theory of international politics and domestic politics, or domestic politics and foreign policy. In the case of Thai-Japanese relation, there was no exception. The close relationship was soon intertwined with Siam's domestic politics. The cordial relation between the two countries had reached a crucial point in 1931 when Siam abstained in the vote to condemn Japan in the League of Nations over the Manchuria issue. The abstention probably stemmed from the sitting-on-the-fence policy pursued by the Thai. However, it could also interpreted as a signal of special relationship between the two countries. After 1932 revolution, relationship between the new government of Siam and Japan became even closer. Since the Royalists were having a close relationship with the Western powers, the People's Party then turned to Japan for support. Many personalities in the new government such as Phraya Pahol was familiar with Japan. As practiced in the past, a number of officials were sent to Japan for educational tours. Symbolic of good will were two elephants presented to the Japanese Scout Organization and 480 Buddha statues for the Japanese army who were fighting in China, etc.⁽⁶⁾

The cordial relationship between Japan and Siam had gradually dragged Siam into the inner circles of international politics. The success of Japan in her modernization program had inevitably turned her into an imperialist power. And as her power and status grew, her active role in regional politics also increased. Japan's stature as a power became indisputable after World War I which helped her economy to boom while the power of the Western countries started to wane. True to the saying that power corrupts, Japan started to expand her military operation and political maneuver. Her southward expansion had culminated in World War II. As the drama was unfolding itself, Siam was partly forced by Japan and the situation, partly guided by the ambivalent attitude of Field Marshal Pibulsongkram who entertained an ambitious plan of building a Thai Empire, to become an ally of Japan in the war. Hitherto, Japan had imprinted the Thai by her role as a mediator in the French-Siamese conflicts which Japan ruled in Siam's favor. Siam was then ushered into the war by signing a treaty of alliance with Japan in December 1941 and in January 1942, Siam declared war against the United States and England. The war declaration against the United States was, however, withheld by the Thai Ambassador to Washington, D.C. Thereafter, an underground movement called Seri Thai or the Free Thai Movement was organized jointly between Thai nationals in England, in the United States and Thailand. It was used as a reason to declare null and void the war declaration of the Thai government after the end of World War II. A detailed discussion of the period would be beyond the scope of the paper. Suffice it to mention that since the time of Ayuthaya up to World War II, Thai-Japanese relation had been close culminating in being allies in World War II. An analysis of later period up until today cannot fail to take cognizance of this fact. With the long history of relation and with the geographic proximity, (about five and a half hours by jet) and the increasing rate of interaction among nations in the present dynamic world, an understanding of the relationship between Japan and Thailand will be an integral part of international relations.

4. Japan and Thailand after the war

The occupation of Japan by the Supreme Command for the Allied Powers after the war had led to the end of Thai-Japanese relation. Thailand had informed the Japanese Government that all the treaties and agreements concluded by the two countries were to be terminated. On September 1, 1945, diplomatic relations had ceased and contact between Thailand and Japan was done through SCAP. However, in 1948, Japan was allowed to trade for necessary goods and trade with Thailand was resumed on a bilateral agreement basis on August 4, 1949. Normal relationship between Japan and Thailand was resumed in 1952 after Japan had gained back her sovereign power. A new trade agreement was signed on December 28, 1957. Thailand began to suffer deficit in her trade with Japan and the problem became acute as Japan which hitherto imported rice from Thailand started to produce more rice, Field Marshal Pibulsongkram who was Prime Minister during the

war and who was said to collaborate with Japan became Premier again. As part of his policy, he said he expected to visit Japan as a gesture of goodwill and mutual co-operation. The visit took place in April 1955. It was the first visit to Japan by a Thai Prime Minister. A return visit was made by the Japanese side. From May 31 to June 2, 1957, Mr. Kichi Nobosuke, the Prime Minister of Japan paid a visit to Thailand. In 1961, Prime Minister Hayato Ikeda came to visit Bangkok. In 1963, Their Majesties the King and Queen of Thailand paid a state visit to Japan. To return the visit, Prince Akihito came to Bangkok in 1964. Prime Minister Eisaku Sato visited Bangkok in 1967. In 1968, Field Marshal Thanom Kittikajorn, the Prime Minister of Thailand, on his way back from the United States stopped over in Japan.

After the overthrow of the military government in October 1973, a visit to Thailand was made by Prime Minister Kakue Tanaka who came to Bangkok in January 1974 and after the October 6, 1979 military coup, Prime Minister Takeo Fukuda paid an official visit to Bangkok from 16-17, August 1977. In September the same year, Prime Minister Thanin Kraivixian, the Prime Minister of Thailand returned the visit. From January 16-19, 1979, Prime Minister Kriangasak Chomanan and wife visited Japan. On July 6-9, 1980, General Prem Tinsulanond went to attend the funeral of Prime Minister Masayoshi Ohira in Tokyo. In the same year on December 20-29, Prince Hironomiya came to visit Bangkok. January 17-20, 1981, Prime Minister Zenko Suzuki and wife came to Thailand for an official visit. February 27-28, 1981, Crown Prince Akihito and Consort, Princess Michiko paid a visit to Bangkok. In the same year, Queen Sirikit, Crown Prince Maha Vachiralongkorn and Princess Chulabhorn returned the visit. On November 4-8, 1981, Prime Minister Prem Tinsulanond paid an official visit to Japan. In 1983, on March 24-25, Crown Prince Akihito and Princess Michiko again came to visit Bangkok. On May 2-4, 1983, Prime Minister Yasuhiro Nakasone and wife came to Thailand as part of his Asean tour.

The detailed description of the visits exchanged between members of the royal families and high-ranking officials especially prime ministers of both countries is made in order to confirm our previous argument that in analyzing the relation between the two countries, one has to bear in mind the continuity, the change and the shift in the pattern of relation. It must be reiterated here that the pattern started in Ayuthaya period as equal political units but in the nineteenth century when Japan resumed its relation with the world Japan had at the same time started to modernize. And as her status and power in international politics was on the rise, the equal relationship was turning into an unequal partners. Japan had assumed the role of a power à la the West. The relationship continued on until situation had called for a close alliance between the two and ended as losers in the war. Relation after the war has been concentrated in economic transaction, notably trade and investment. It is this area of transaction which will have a great effect on the relationship of the two countries, a part to which we will now turn our discussion.

5. Areas of Significance : Trade, Investment, Technological Transfer Aid and Politics

The exchanged visits between the Prime Minister of Japan and the Prime Minister of Thailand which have been frequent as time wears on to the extent of becoming customary for both countries would raise one question : What are the objectives of the visit ? To be sure, the agenda will cover such subject as trade, investment, technological co-operation, aid and the support of Japan on certain political issue and the question of security. For all the visits, negotiations on various issues ranging from trade imbalance, economic co-operation, economic aid, cultural exchange had been made. With Asean of which Thailand is an important and active member becoming more important for Japan, relationship between Japan and Thailand can be expected to grow more significant in the future. However, as there is an obvious disparity in the level of development between the two countries especially in the field of industries, conflicts would naturally arise. We have seen from our discussion that relationship between Japan and Siam started as equal partners and drifted into unequal relationship owing to the differential degree of development. The pattern is now repeating itself.

There are three areas where Japan and Thailand would likely come into conflicts : trade, investment and technological transfer. Trade investment and technological transfer and aid are more or less interrelated. Since the signing of trade agreement in 1957, Thailand has been suffering from trade imbalance. The situation has not changed much as time progresses. (see Table) This year, 1983, trade deficit with Japan rises by 17% during the first four months.⁽⁷⁾ The imbalance stemmed partly from structural differences; Thailand being mainly agricultural economy, Japan being manufacturing industry, partly because of the investment policy as part of the national development policy since Field Marshal Sarit Thanarat came to power which necessitated large imports of capital goods from Japan. Japan either rightly or wrongly has been blamed for the persistent trade deficit of Thailand. One crucial factor which the businessmen often cited as the underlying reason was Japan's trade practices which made it difficult for Thai traders to export to Japan. This is known as non-tariff barriers : quota, restriction on account of sanitary reasons, quality standard, etc.⁽⁸⁾

As for investment, Japan is the largest investor in Thailand in terms of flows. It is concentrated in the manufacturing sector. In this sense, Japan has been playing an important role in the industrialization of Thailand. What is expected from foreign investment, apart from industrialization and employment is technological transfer. It is often the complaint of the Thai side that Japan has the practice of reserving some of its high-level technology. Transfers of technological know-how, although has been in the process, is expected of the Japanese side to liberalize it so that it will increase in magnitude.⁽⁹⁾

Table I. Trade between Thailand and Japan, 1957-1982

unit : million baht

Year	Value of Export and Import in Total	% of Value of Export and Import	Value of Export to Japan	% of Export Value in Total	Value of Import from Japan	% of Import Value in Total	Trade Balance + Surplus - Deficit	% of Deficit in Total
1957	2,341.5	14.6	595.2	8	1,746.3	20	- 1,151.1	115.4
1958	2,375.8	16.2	485.7	7	1,890.1	23	- 1,404.4	78.4
1959	3,144.2	19.0	888.4	12	2,255.8	25	- 1,367.4	95.8
1960	3,993.1	21.9	1,529.8	18	2,463.3	26	- 933.5	92.6
1961	5,363.2	26.4	2,410.6	14	2,952.6	14	- 1,542.0	531.2
1962	4,709.0	22.4	1,352.0	14	3,357.0	29	- 1,409.0	71.4
1963	5,899.0	26.2	1,826.0	19	4,073.0	32	- 2,247.0	71.9
1964	7,377.0	27.7	2,673.0	22	4,704.0	33	- 2,031.0	106.1
1965	7,559.0	26.0	2,359.0	18	5,200.0	34	- 2,841.0	87.6
1966	9,617.0	24.3	2,874.0	21	6,743.0	36	- 3,869.0	35.0
1967	11,045.0	30.4	2,999.0	21	8,046.0	36	- 5,047.0	62.9
1968	11,214.0	29.7	2,940.0	21	8,274.0	34	- 5,334.0	51.2
1969	12,706.8	30.5	3,192.4	21.7	9,514.4	35.4	- 6,322.0	52.0
1970	13,877.1	33.2	3,770.4	25.5	10,106.7	37.4	- 6,336.3	51.8
1971	14,369.9	32.6	4,277.3	24.8	10,092.6	37.7	- 5,815.3	61.1
1972	16,061.1	30.1	4,659.8	20.7	11,401.3	36.9	- 6,741.5	80.4
1973	23,497.5	31.6	8,409.2	26.1	15,078.3	35.7	- 6,659.1	66.9
1974	32,955.7	28.8	12,853.5	25.5	20,102.2	31.4	- 7,248.7	52.8
1975	33,505.2	29.1	12,421.5	25.6	21,083.7	31.6	- 8,662.2	47.1
1976	39,334.8	29.4	15,685.7	25.8	23,649.1	32.5	- 7,963.4	65.9
1977	44,498.7	26.9	14,029.4	19.7	30,469.3	32.4	-16,439.9	71.5
1978	50,326.6	26.2	16,865.9	20.3	33,460.7	30.7	-16,594.8	64.2
1979	60,536.6	23.8	22,900.6	21.2	37,636.0	25.7	-14,735.4	38.8
1980	60,082.7	18.4	20,098.4	15.1	39,984.3	20.7	-19,885.9	32.9
1981	74,225.5	19.9	21,704.3	14.2	52,521.2	23.9	-30,816.9	46.7
1982	68,040.9	19.1	21,952.8	13.7	46,088.1	23.4	-24,135.3	64.9

Source : Department of Business Economics, Ministry of Commerce, Bangkok

As for economic aid which Japan has been giving to Thailand, it comes in the form of soft-loan and grant aid and technological co-operation. Japan can be ranked as one of the greatest aid donors for Thailand accounting for an overwhelming 68% (14% from West Germany, 6% from the U.S. and 12% from others).⁽¹⁰⁾ The yen loan committed in fiscal year 1981 was 55 billion yen plus a special loan of 15 billion yen for specific gas separation plant project was added making the total of 76 billion yen. This is just to give an example.

As for technical co-operation, Japan sends about 800 experts a year to co-operate with the Thai counterparts plus 70 students from Thailand to study in Japanese universities on scholarships. The scholarships given to Thailand rank the highest among Asean countries.

There is no question that Japan has been playing a very important role in helping Thailand in the areas mentioned above. However, there are also areas where improvement could and should be made. The problem of trade imbalance, for instance, has to be rectified. It is hoped that the situation will be improved on the basis of goodwill.

Apart from the positive role of Japan in helping Thailand to industrialize, and transfer of technological know-how, other positive role Japan has assumed which has not been much discussed are as follows. Japan, whether she intends it or not, has, through her industrial capacity in consumer production, helped reduce the gap between the rich and the poor. Japanese transistor radio, whose know-how has been learned by the host country such as Thailand, has become an object which can be afforded by most people resulting in the capacity to own a small instrument hitherto could only be afforded by the well-to-do. In this sense, the technology learned from Japan is instrumental in bringing about equitability among the people.

Japan also through her economic power plays an important political role for peace and stability in the region which of course would affect Thailand. Japan's support for the Kampuchean resolution of Asean and the U.N. is a very positive role in this regard. In fact, Japan is expected by some people to play a leading role for Asean in the manner of the U.S. playing the role of leader of the Western democracies and the Soviet Union playing the leader of Comecon.⁽¹¹⁾

6. Thai-Japanese Relation : Problems and Solution

The long history of Thai-Japanese relation, as in any other relations, was not without flows. Relation between Ayuthaya during King Prasart Thong and the Tokugawa Bakufu was not very cordial as already mentioned. Relation between the two countries in the modern period were at times strained by the trade imbalance problem which we have

discussed. Thailand has been suffering from trade deficit with Japan since the conclusion of the commercial agreement in 1957. The problem of trade deficit had culminated in anti-Japanese goods in 1972 organized by the National Students Center of Thailand prior to the mass uprising on October 14, 1973 in which the military government was overthrown. After 1973, anti-Japanese sentiment was boiling and sporadic events had taken place. When Prime Minister Tanaka came to visit Thailand in 1974, he met with students who were opposed to a number of Japanese policies. What was of concern to many people was that anti-Japanese demonstrations had spread to some other Asean countries. After October 6, 1976 coup by the military, the country was put under a dictatorial rule. All kinds of movements were banned. After the half-way democracy came into existence, interests of the people including those of the now powerless students were shifted to the domestic scene. However, the anti-Japanese movements in the early 1970's, if anything, were indicative of the conflicts between the two countries. And these areas of conflicts or differences had to be rectified in order to pave the way for a smooth relationship, for if they were left unchecked, they potentially could become explosive. This is undesirable for both parties. Below are some of the results of the field survey undertaken by a team of Thai scholars in 1974 and 1977 on attitude of the Thai toward Japan on a number of issues.⁽¹²⁾

On the question of Japanese trade and investment in Thailand a number of questions have been asked. Below are some of the examples

1. Do you think that Japanese trade and investment in Thailand is economically imperialistic in nature?⁽¹³⁾

Responses	General Public	Elite
Yes	37.5%	68.0%
No	13.2%	21.1%
Don't Know	<u>49.3%</u>	<u>10.9%</u>
Total	100.0%	100.0%

2. What is your opinion of Japanese trade and investment in Thailand?⁽¹⁴⁾

Responses	General Public	Elite
Japan takes unfair advantage of Thailand	41.6%	63.3%
Japan has been fair to Thailand	10.3%	3.9%
Japan has been too generous to Thailand	1.0%	0.0%
Japan is the same as other nations trading and investing in Thailand	20.3%	32.0%
No opinion	<u>26.8%</u>	<u>0.8%</u>
total	100.0%	100.0%

3. Do you feel the unfavorable balance (of trade of) Thailand with Japan⁽¹⁵⁾

Responses	General Public	Elite
is not alarming	9.9%	16.4%
is alarming	68.9%	68.1%
No Opinion	<u>21.6%</u>	<u>5.5%</u>
Total	100.0%	100.0%

4. What is the primary Japanese motive in having given so many loans to Thailand?⁽¹⁶⁾

Responses	General Public	Elite
Primarily to help Thailand	8.4%	2.3%
Primarily for Japan's own interests	45.7%	68.0%
Primarily for mutual benefit	20.7%	25.8%
No ^o Opinion	<u>25.2%</u>	<u>3.9%</u>
Total	100.0%	100.0%

From the above four questions and the answers, we would have an impression that there have been areas of differences between Japan and Thailand. The attitude expressed may be unfair and in many cases groundless or inaccurate, however, what counts in the attitude survey is *what the people believe* rather than what are facts. Since the survey was undertaken in 1974 and 1977, the outcome may reflect the situation of the time. The situation has now probably changed. However, at a recent conference in Thai-Japanese relation held at Thammasat University on April 22, 1983, with panalists which consisted of both Thai and Japanese government officials and academicians, a number of issues have been highlighted by the Thai participants. Again, the views expressed as well as policy recommendations may not be totally accurate. However, they could serve as the barometer to guage the mood, feeling and the attitude of some section of the Thai people about Japan and its relation with Thailand.

7. Views expressed by the Thai participants :-

I. Problem of Trade Imbalance

Trade imbalance between Japan and Thailand has stemmed from the following factors :

First, trade between Japan and Thailand is geared toward Japan's need rather than that of Thailand. Japan's imports are mostly raw material, food stuff, and energy. It is this trade pattern which Thailand has to follow. Since primary products and agricultural products are not much value-added goods, the revenue earned will never match industrial products. As a result, trade imbalance will continue.

Second, Japan has not been willing to import even products manufactured by Japanese financed and managed industries. (Some of the products which are not accepted by Japan are imported by European countries.) This policy will only perpetuate trade imbalance.

Third, non-tariff barriers such as refusal to admit food-stuff from Thailand on account of inadequate sanitation, some of which is groundless, is another cause of trade imbalance.

The list can be extended

Policy recommendations :

1. Short-run solution

Short-run solution is a solution aimed at altering the existing unfavorable situation, e.g. relaxing of tariff, opening up of Japan's market for increasing volume of Thai products, etc.

2. Long-run solution

Long-run solution has to be done by introducing structural change in trade relation between Japan and Thailand. It must be done with a certain time frame, say, five years. This will include Japanese aid to Thailand in the areas of production development, technological transfer, marketing improvement. All these have to be done on the basis of sincerity and goodwill. Otherwise, trade imbalance will continue to be a problem in Thai-Japanese relation.

II. Investment Problem

Problems of Japanese investment in Thailand are as follows :

1. Tariff policy in Thailand does not lend support to investment. Both import of raw material and export of processed goods are taxed.
2. Problems of political stability discourages or impedes Japanese investment.
3. Laws are not enforced. Law against strike, for example, is often broken. Cabinet decision against wage increase is also abused.

Policy Recommendations :

1. There is a need for Thailand to have a strong and stable government.
2. Law, once enacted, should be enforced, whether one likes it or not.
3. Thailand should have investment guarantee law to ensure investors that their investment has minimum degree of safety.

III. Problems of Japan's aid to Thailand

Aid given by Japan to Thailand has been voluminous. It has played an important role in the development of Thailand. However, there are areas where aid have become problematic and measures to rectify these problems need to be considered.

Problems :

1. The receipt, in this case Thailand does not have a specific plan for aid given by Japan. There is no follow-up of program.

2. Aid donor, in this case Japan, does not pay much attention to technological transfer, a process imperative for self reliance of aid receipt.

3. Japan does not show any trust in the aid receipt. Therefore, close supervisions are made. This is done by utilizing experts and instrument. More important, Japan initiates aid projects rather than responding to proposals of the receipt.

4. Aid receipt does not take the aid given with utmost care because it is a hand out. Thus it is not highly valued.

5. Certain aid programs are not in line with local need or appropriate for Thai society, e.g. certain instrument are technologically too advanced. It is difficult and costly to maintain.

6. There are problems of co-operation from the government agencies in the Thai side.

At times, they even struggle against one another for aid. And when one agency became the sole receipt, other agencies would refuse to co-operate

7. Certain negative impacts of aid on Thai societies should be noted.

- a) It worsens the economic imbalance between the urban and the rural sector.
- b) The target group is not clear. The poor usually do not benefit from Japanese aid.
- c) Japan does not pay any attention to non-governmental organizations. Most aid is done on the government-to-government basis.

Policy Recommendations :**Aid policy should be**

1. "To give what is of value". That is, what the Thai, *need*, not what the Japanese *want* to give.
2. Emphasis on qualitative change rather than quantitative change should be made a criterion for aid giving.
3. Employment of local resources should be given attention by the aid donor.
4. The "target group" should be clear from both the perspectives of the donor and the receipt. The "target group" has been specified by the Diet in 1978.
5. Follow-up studies and evaluation of the aid programs should be made by both the donor and the receipt. Reports should be available for both parties, not to be shelved somewhere.

6. Aid should also be given to non-governmental organizations in order that it may serve as a balance against governmental agencies monopolizing the national development process.
7. Aid should aim at closing the gap between the urban and the rural sectors.

Other issues such as technological transfer have also been raised by the Thai. Japan, it was agreed, was not willing to allow the Thai firms' to make use of some of her technological know-how. As a result, the products manufactured were of inferior quality making them unfit for export.

The Japanese representatives argued back that many of the observations made by the Thai side were inaccurate. For example, on the question of trade imbalance, as long as the structural difference remained, Thailand being mainly an agricultural economy, whereas Japan being an industrial economy trade imbalance would likely continue. Investment and technological transfer, argued the Japanese participants, was another area where many people did not fully understand the Japanese situation. Japan is a free country with an open economy. The government in many cases does not have the authority to force the private firms to carry on a policy which they disagree. For example, technological know-how has a price; it has to be purchased. One cannot simply ask a certain company to give away its technology. As for aid, Japan has to it to the government agencies. If the government cannot be trusted by the Thai people, Japan simply cannot be expected to do otherwise. The transaction would have to be done on a government to government basis.

There have also been other points which the Japanese participants have tried to explain with reasons as well as evidence. However, some areas of disagreement still remain. This is because each side looks at the issues from a different perspective. Whatever the case, the positive sign is that the discussion was carried on a frank manner which serves both parties positively. Playing diplomatic game on such issues of conflicts would only cloud the matter making them harder to come up with solutions. Many of the conflicts discussed will remain. However, realization of the existence of the problems and of the measures to be adopted to solve the problems will hopefully mitigate the conflicts as time progresses.

8. Conclusion :

Japan and Thailand are historical and traditional friends. Relationship between the two countries dated back to the Sukhothai period. The four centuries of relation have seen very few major conflicts.⁽¹⁷⁾ The present relation between the two countries, despite the problems of trade imbalance and other related issues, have been cordial. Needless to say, Thailand will need Japan for her economic policy of industrialization and development in many areas. It is expected that relationship between the two countries will become more interdependent and mutual beneficial

The conflicts of interests which we have discussed are expected to be rectified. This is an aim to which both Japan and Thailand would have to strive for. On the part of Japan this intention was expressed by Mr. Motoo Ogiso, the Japanese Ambassador to Bangkok, who, in an interview broadcast on T.V. before the visit of Prime Minister Yasuhiro Nakasone to Thailand said in part :

As for the balance of trade, Thailand's imports from Japan so far exceed her exports to Japan. Although this trend is inevitable because of differences of industrial situations of two countries, it is expected that, in the process of expansion and diversification of trade Japan and Thailand will continue to co-operate with each other to *reduce the imbalance*. (emphasis supplied)

On the Thai side, His Excellency Sommai Hoontrakool, the Finance Minister in an interview recently said in part :

"I have discussed the matter with high-level Japanese, I have told them that in fact there have been very few real problems between Thai-Japanese relation except the fundamental problem of trade imbalance. If this problem is solved, there will not be any other major problem then. As for bringing about a solution to this problem, Japan has been in the process of trying to do its part. We also try our part in a friendly manner. However, I feel that the problem of Trade imbalance still remains serious. The problem cannot be solved by depending on agricultural produce. We have been discussing about our national energy. If Japan agrees to buy a substantive amount, the trade imbalance problem may be mitigated We are in the process of negotiation"⁽¹³⁾

A relationship as old as that of Thailand and Japan will have to be upheld. It would be a sad state of affairs and a tragedy for mankind if relation between old friends like Japan and Thailand became sour. Being Asian fellow nations and with the long history of cordial relationship as the background, one is optimistic that this good relation will continue on a trustworthy, mutually beneficial, and respectable basis befitting good neighbors. As Prime Minister Nakasone said in his Policy Speech given at the 97th Session of the National Diet on December 3, 1982 :

It is my fervent hope that Japan can contribute actively to the peace and prosperity of mankind, can be trusted and respected as a good neighbor, and can hold a place of honor in the international community.

footnotes :-

1. Discussion on Thai-Japanese relation up to World War II in this paper is drawn substantially and selectively from Tawee Thiravongseree, *Sampanthaparb Tangkarnmuang Rawang Thai Khab Yipoon*. [The Political Relations between Thailand and Japan] Bangkok : Thai Watana Panich, Co., Ltd., 1981.
2. See for example,

Likhit Dhiravegin, "Contrasting Modernization in Chulalongkorn's Siam (1868-1910) and Meiji's Japan (1867-1912)" in *The Emergence of Modern States Thailand and Japan* Bangkok : Thailand-Japan Studies Program, Institute of Asian Studies, Chulalongkorn University, 1976.

Likhit Dhiravegin, "The Meiji Restoration (1868-1912) and the Chakkri Reformation (1868-1910) : A case for a Comparative Study" in Chira Kongladarom and Medhi Krongkaew, eds., *Comparative Development: Japan and Thailand* Bangkok : Thammasat University Press, 1981.

Likhit Dhiravegin, "The Role of Political Leadership in the Modernization of Chulalongkorn's Siam (1868-1910) and Meiji's Japan (1868-1921)" *The Journal of Political Science*, Faculty of Political Science; Thammasat University, Bangkok, Vol. 8, No. 3 (September-December) 1982.
3. Thiravongseree, *op. cit.*, p. 53.
4. *Ibid.*, p. 55.
5. *Ibid.*, p. 56.
6. *Ibid.*, p. 63.
7. *Bangkok Post* July 12, 1983, p. 17.
8. This is a common complaint made by many Thai businessmen and the officials concerned. It was reiterated by the Direction-General of the Department of Business Economic Ministry of Commerce, at a seminar on Thai-Japanese Relation held at Thammasat University, on April 22, 1983. For other negative effects of Thai-Japanese trade relation, see Narongchai Akrasanee and Likhit Dhiravegin, "Trade and Development in Thai-Japanese Relation" paper presented at Asean-Japan Conference" 5-6 December 1981, Institute of Southeast Asian Studies, Singapore.
9. For a discussion on Japanese investment in Thailand, see Chulacheeb Chinwanno and Somsak Tambunlertchai, "Japanese Investment in Thailand and Its Prospects in 1980's" paper presented at Asean-Japan Conference, 5-6 December 1981, Institute of Southeast Asian Studies, Singapore.

For a discussion of technological transfer, see Banyat Surakanvit, "Training and Transfer of Technology in Japanese-Thai Joint Venture Firms," paper presented at ADIPA General Meeting, Kuala Lumpur, Malaysia, 2-5 June, 1983.

10. His Excellency, Mr. Motoo Ogise, Ambassador of Japan of Thailand, in an interview on T.V. 9, Bangkok, May 22, 1983 prior to the visit of Prime Minister Yasuhiro Nakasone to ASEAN and Brunei between April 30th and May 10th, 1983.
11. Boonchu Rojanasathien, "Keynote Address" *Japan and Thailand New Dimensions of Dialogue* Tokyo : Japan Center for International Exchange, 1979, pp. 6-7.
12. Khien Theeravit, "Japan in Thai Perspective" in *Japan and Thailand New Dimensions of Dialogue*, Chapter 3.
13. *Ibid.* p. 30, Table 8.
14. *Ibid.*, Table 9.
15. *Ibid.*, p. 42, Table 17.
16. *Ibid.*, p. 33, Table 12.
17. Sommai Hoontrakool, Minister of Finance, an interview on Thai-Japanese relation to be published in *Tawan*, forth-coming.
18. *Ibid.*