Article

India Japan Peace Treaty in Japan’s Post-War Asian Diplomacy

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1. Issues and Perspectives

There has so far been hardly any study on how Japan and India negotiated to conclude a bilateral peace treaty in June 1952. This neglect is more conspicuous when we turn to the San Francisco Peace Treaty (henceforth SFPT) that preceded India’s peace treaty with Japan. The contrast is quite obvious. The SFPT not only evoked strong reaction from the Soviet Union and the People’s Republic of China. It was received with reservation by the newly independent states, including India and Burma. The SFPT also heralded the cold war confrontation against the backdrop of the hot war in the Korean peninsula. India did not attend the San Francisco conference, though she expressed simultaneously her willingness to go into negotiation for a bilateral peace treaty with Japan in line with the SFPT. India’s independent stand on the SFPT has been well documented by a number of studies, including an article by P. A. Narasimha Murthy [Murthy 1986] which deserves special attention.¹

Conclusion of the peace treaty between India and Japan, in fact, was far less a dramatic event and was, so to speak, a derived process of the preceding events that culminated in the San Francisco conference in September 1951. India’s peace treaty with Japan (henceforth IJPT) consisted of only eleven articles with a brief exchange of notes; and most of the controversial articles in the SFPT, such as the territorial clauses, were naturally absent. It was apparently a much simpler treaty and most of the articles were modelled after those of the SFPT. But at the same time, it was not

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merely a small replica of the "mother" treaty, and we need to closely scrutinize the process of negotiation in order to examine the stake each country had in a set of articles that were substantially different from the SFPT. The stake was much higher on the part of Japan, a defeated nation which had just started to re-engage herself with post-war Asia. Peace treaty with India was one of the earliest treaties that Japan was going to conclude. It was the first bilateral peace treaty with an Asian nation, except the rather controversial one with the Nationalist Government of China (Taiwan) in April 1952. Japan naturally wanted the peace treaty with India to be phrased in a way that would help her to become better accommodated among the Asian nations. Herein lay the importance of the reparation clauses in the IJPT, in which India liberally waived the right to reparation. In Article 4, India waived the right to Japanese properties placed under Indian custody during World War II. And in Article 6, India categorically waived all claims to reparation. Indian Prime Minister Nehru was well known to have repeatedly clarified India’s position not to claim reparation.2)

India’s waiving of reparation by no means lessened Japan’s reparation obligation towards Southeast Asian countries, but we cannot overlook the fact that the same set of officials in the Japanese Foreign Ministry (particularly in the Asian Bureau and the Treaties Bureau) pursued the peace treaty negotiations with India and the reparation talks with the Southeast Asian countries simultaneously.3) We can hardly assume that the former negotiation was pursued totally independently of the latter, or vice versa. Previous studies on Japanese reparation have focused mainly on East and Southeast Asia, on which Japan enforced colonialist or militarist rule before and during World War II and was to face huge reparation claims after her defeat. India or South Asia rarely attracted attention of scholars working on Japanese reparation (e.g. [Yoshikawa 1991]). By examining the negotiation process of the IJPT, we shall bring India into a broader picture of Japan’s post-war engagement with Asian countries.

There is another dimension to locating the IJPT in a wider context of Japan’s post-war Asian diplomacy. This little-studied treaty has been hastily acclaimed among the Japanese as a symbol of the extraordinary feeling of friendship expressed by the Indian people.4) The relevant part of the treaty in this connection is again the set of reparation articles cited above. These articles are viewed as evidence of Indian people’s perpetual friendship and generosity toward Japan. But Japanese official records on the negotiation clearly indicate that in the first and original draft presented by the Indian Government, it was clearly stated, in line with Article 14 (a) 2 of SFPT, that India was entitled to the Japanese properties under Indian custody during World War II. India only parted with this demand on the request of the Japanese Foreign Ministry. The reason behind India’s readiness to waive her demand for frozen properties certainly needs to be probed, and we shall try to do so later. But it is also very obvious that Japan needed India’s goodwill to re-engage the Asian neighbours and to cope better with the reparation demands by the Southeast Asian nations. Expectations of
the two governments were certainly different, but not conflicting. There was indeed
goodwill; but what we need to emphasize is that the IJPT was concluded on the basis
of such different expectations.

This paper gives a brief account of the negotiation process and salient features of
the IJPT in Section II. In Section III, the original Indian draft vis-à-vis the Japanese
counterproposals for modification is examined with regard to the basic principles of
the bilateral relations, reparations, reciprocal return of properties and economic
(trade) relations. Analysis shows that India accepted most of the Japanese proposals
that eventually made the treaty very much favourable for Japanese interests. In Sec-
tion IV, different expectations of the two governments are examined. We shall first
analyze the background of India’s concession mainly focusing on what Nehru ex-
pected from Japan with this generous treaty. After all, the final decision was made by
Nehru in spite of whatever opposition or resistance that existed among the Indian
policy makers with regard to this treaty. We also examine what connection the nego-
tiation for IJPT might have had with Japan’s reparation talks with the Southeast Asian
nations. Particular attention is paid to the Burmese position as a possible link between
India and Southeast Asian nations. Conclusion summarizes the findings by consider-
ing India-Japan relations in the context of Japan’s post-war Asian diplomacy.

2. Negotiation Process and Salient Features of the IJPT

2.1 Outline of the Negotiation Process

India declined to sign the peace treaty cosponsored by the USA and the UK, but
Prime Minister Nehru announced in parliament his intention to establish diplomatic
relations by notifying a declaration to terminate the state of war with Japan once the
SFPT came into force and to initiate simultaneously the negotiations over a separate
bilateral peace treaty with Japan [Murthy 1986].

Negotiation, however, started much earlier as both sides wanted early conclusion
of a treaty, preferably at the same time as the SFPT coming into force on 28th April
1952. On 22nd December 1951, India sent a draft treaty whose texts largely followed
the relevant articles in the SFPT. It signified that although India did not sign the treaty,
she wanted to reserve the same rights and claims that the SFPT accorded to the sign-
natories of the Allied Powers. Three rounds of preliminary informal negotiation par-
ticipated by K.K. Chettur, the Representative of the Indian Liaison Mission, Tokyo,
and V. C. Trivedi, the First Secretary of the Mission, were held and the differences
were sorted out. The two Indian representatives stood firm to the line of the draft,
probably without any mandate to modify their stand. Nevertheless, informal discus-
sions clearly indicated where India’s concern lay. On 9th January 1952, the Japanese
Foreign Ministry presented an extensive note of the official observations on the In-
dian draft and suggested several important amendments.
Meanwhile, India and Japan established formal diplomatic relations on 28th April 1952 when the SFPT came into force and the Liaison Representative, K. K. Chettur, was appointed the first ambassador of India to Japan. The Indian Government declared by notification the termination of war with Japan. But it was not until 3rd June 1952 that New Delhi sent a final draft, conceding nearly all the important amendments proposed by Japan, including the contentious issue of Japanese properties in India. The Indian Government took five months to come to the final decision.

An official of the Japanese Foreign Ministry later remarked that because of the lack of response from the Indian side, the negotiation was stalled for three months after Japan presented her views in January 1952. We might ask whether there was any substantive difference of opinion among the Indian policy makers regarding the content of the treaty. Did India need some time to sort out the difference? Or, was the delay only due to other extraneous circumstances? We know that this was the time of India’s first general elections after independence, and delay was expected to some extent due to domestic contingencies. But we cannot preclude the former possibility. A Japanese Foreign Ministry record provides evidence that officials in the Commerce Ministry were against Nehru waiving the right to Japanese properties held by the Custodian of Enemy Properties in Bombay. Details of this will be discussed later in Sections III and IV.

The Japanese Foreign Ministry, on receiving the final Indian draft which must have been unexpectedly favourable, quickly responded, appreciating the draft as a gesture of “extraordinarily friendly consideration” by the Indian people. They promptly resumed another three rounds of formal negotiation to finalize the text in the hope that the early ratification in the Japanese Diet would “exert immensely good effect on both internal and external situations.” The Diet had just two weeks’ working days in hand. The treaty was finally signed in Tokyo on 9th June 1952. It was ratified in New Delhi on 27th August 1952.

2.2 Salient Features of the IJPT

The most crucial aspect of the IJPT negotiation was that the modified version of the original Indian draft, which was highly appreciated by the Japanese side as a gesture of the “extraordinarily friendly consideration,” was actually drafted by the Japanese Foreign Ministry. Mr. Takezo Shimoda, then the Director-General, Treaties Bureau, Ministry of Foreign Affairs, underlined in his reminiscences four distinctive features of the IJPT that separated it from the SFPT. It is not surprising that among the four features outlined by him, the first two were related to those articles for which Japan proposed different versions on the draft presented by the Indian Government. The four features are as follows (according to [Shimoda 1984: 188–9] with some modifications, also see [Yoshida 1957: 77–8]):

(1) Preamble and Article 1
India Japan Peace Treaty in Japan’s Post-War Asian Diplomacy

In Article 1, bilateral relation was defined as the relation of “firm and perpetual peace and amity.” In the SFPT, the relation between Japan and signatory nations was defined in its Preamble in such general terms as “(to) cooperate in friendly association to promote the common welfare and to maintain international peace and security.”

(2) Article 4 and Article 6
In Article 4, India waived all claims to the properties, rights and interests of Japan or her nationals which came under the custody of the Government of India. Article 6 further clarified India’s stance of waiving all claims to reparation. Such generous clauses do not appear in any of the Articles of the SFPT dealing with Japan’s reparation obligation.

(3) Article 10
Negotiation and arbitration are the methods to deal with any dispute arising out of interpretation or application of the Treaty, while the SFPT (Article 22) chose reference of unsettled dispute to the International Court of Justice. Article 10 of the IJPT was actually invoked in 1958 to settle Indian claims for compensation for the loss and damage of the properties left in Japan during the war (see Section III.3, as well as note 22).

(4) Article 2 and Official Exchange of Notes
Article 2 accorded both countries the most-favoured-nation treatment with respect to customs duties etc. in connection with importation and exportation of goods. An exchange of notes was appended to clarify India’s stand on the exemption clause in applying the most-favoured-nation treatment. In the SFPT, Japan was unilaterally bound to accord the most-favoured-nation treatment to each of the Allied Powers (Article 12).

The first two features were what impressed Japan most as a gesture of “friendship” expressed by India. As we will discuss in the next section, these articles were exactly the same as the ones proposed in the Japanese note of observation on the Indian draft. In the last two features, India exhibited her positive aspirations to build up new political and economic relations with Japan. The latter was more important as it clearly showed that, unlike the United Kingdom or Australia, India did not foresee any element of economic threat in the recovery of the Japanese economy.

3. The Indian Draft and Japanese Response

3.1 Defining Basic Principles of Bilateral Relations
The preamble of the Indian draft was just a reiteration of what the SFPT stated in its preamble. The latter said the Allied Powers and Japan will “cooperate in friendly association to promote the common welfare and to maintain international peace and security.” But Article 1 of IJPT defined India-Japan relation as one of “firm and per-
petual amity.” This was proposed by Japan in her observation on the original Indian draft. Japan repeatedly referred to this phrase in subsequent negotiations with Southeast Asian nations.

In preliminary negotiations, Japan also demanded insertion of a phrase “in Asia and in the world” after the phrase “maintain international peace and security,” and another insertion “according to the principles of the Charter of the United Nations.” The latter expression is also found in the SFPT, but for some reason the Indian draft omitted reference to the Charter of the United Nations. Trivedi did not show much interest in specifying Asia, since he was of the opinion that Indian diplomacy was against any form of colonialism anywhere in the world and in this respect, it was not appropriate to specify “Asia” only. Japan offered to drop the idea but kept to the suggestion of reference to the Charter of the United Nations (for the exchanges on above, see [MOFA 1952: 9, 11, 12]).

Discussion over the bilateral principles clearly illustrates that the basic principles laid in the Preamble and Article 1 of the IJPT were phrased in the way that Japan wanted it to be. It was not India but Japan who needed firmer declaration of friendship and wished to be better accommodated among the newly independent Asian nations.

The negotiation incidentally throws light on an important aspect of Japan’s post-war diplomacy. By emphasizing the importance of Asian diplomacy and the United Nations, Japan tried to impress upon not only India but also the world at large the basic concern and orientation of her post-war diplomacy.

3.2 India’s Waiving Reparation

The return of Japanese properties held in custody by the Indian Government during World War II eventually became the most entangled issue in the IJPT negotiation. Their total value was estimated to be no more than 1.5 to 1.8 billion yen at current price in 1953. In the original draft, India wanted to dispose them in her favour, as this kind of properties was accorded to the Allied Powers by way of Article 14(a) 2 of the SFPT, one of the articles defining Japan’s obligation for reparation.

In the case of India, unlike the East and Southeast Asian nations, “reparation” was much more about the issue of Japanese properties seized during the war, than of the war damages due to direct war operations in her territory by the Japanese armed forces. Nehru, in his repeated announcement to renounce “reparation,” had in mind this kind of damages due to direct military actions as the ground for reparation demand. His letter to U Nu, the Burmese Prime Minister, on 24th July 1951 is suggestive:

So far as the Japanese peace treaty is concerned, I entirely agree with you that Burma’s claim for compensation or reparations is very strong. In our own preliminary reactions to the drafts received by us from the U. K. and U. S. A., we
had naturally considered the question of reparations from our own point of view. We had come to the conclusion that we should not demand such reparations on behalf of India. This was due to the fact that damage done by the Japanese to India was relatively small.

Applying this analogy [reparations after the First World War], we felt that any stress on reparation would really have no particular meaning in economic terms, and, as I have said, we were not particularly affected in India. As a matter of fact, we have paid from forty to fifty lakhs [four to five million] of rupees in war damages to the people of North-Eastern areas of India out of our own resources. These damages were caused partly by the Japanese and partly by the Anglo-American forces there [SWJN, Vol.16, Pt.2: 604–5]. (Words in [ ] have been added).

Nehru’s concept of “reparation,” however, was questionable. After all, Article 14(a) of the SFPT, clearly defined Japan’s overseas properties as constituting a part of reparations. Moreover, damages on the nationals of a country were not always inflicted within its territory. As India had a large overseas population especially in Southeast Asia, and not a few in Japan too, loss suffered by Indian nationals tended to be underestimated by the application of a narrow definition of reparation.

In the preliminary negotiations, arguing against Japan’s request to return her properties, Trivedi contended that many Indians in East and Southeast Asia suffered losses and damages due to Japan’s war operations, and the Indian Government, in spite of their wishes, could not afford to compensate them. Japanese properties under Indian custody could be utilized for assuaging their loss, he argued. Trivedi’s argument cannot be discarded lightly as it reflected the voices of Indian mercantile community overseas who suffered in various war fronts in East and Southeast Asia.

Japan, on the other hand, expected that India’s waiving the demand for Japanese properties would highlight India’s goodwill on the reparation issue. Negotiation for the IJPT took place at the same time as the reparation negotiation with Indonesia, the Philippines and Burma. The same team of officials in the Foreign Ministry had to deal with all the negotiations simultaneously. On 22nd December 1951, the day when the Indian draft was presented through the Indian Liaison Office, Japan’s Foreign Ministry held its first official talks with the Indonesian delegation in Tokyo. Japanese officials would have certainly welcomed and appreciated any friendly gesture displayed by India.

A Japanese note suggested the following amendments to the Indian draft of Article 5 which dealt with reparation: “India will return or restore in their present form all property tangible or intangible, and right or interest of Japan and its nationals which were within India at the time of commencement of the war...” [MOFA 1952:63] and again, “Except as otherwise provided in the present Treaty, India waives all repara-
tion claims, other claims of India and Indian nationals arising out of actions taken by Japan and its nationals in the course of prosecution of war, and claims on India arising from the fact that it participated in the occupation of Japan” [ibid.].

The note requested India to reconsider on this point:

the disposition of the Japanese overseas assets is no more of reparation, as is clear in the provision of Article 14 (a) of the San Francisco Peace Treaty, while it has been frequently reported that India has no intention to take any reparation from Japan (underlines added). In view of these circumstances, if Government of India could agree to the above formula, it would be deeply appreciated by the Japanese people as an evidence of the friendly feelings of the Indian people toward them [MOFA 1952: 47–8, 57].

The final texts of Article 4 and 6 of the IJPT incorporated the amendments suggested by Japan in this note. Chettur’s covering letter to the final draft referred particularly to the reparation clauses:

It gives me great pleasure in this connection to bring to your notice also that my Government have accepted the suggestions of your Government that the disposition of the Japanese overseas assets is no more than a form of reparation and that retention by India of Japanese property in India seized during the war will, to that extent, be to levy reparations from Japan [MOFA 1952: 66].

3.3 Returning and Compensating the Indian Properties in Japan

The SFPT in its Article 15 (a) enforced Japan to return property of the Allied Powers and their nationals seized during the war. In cases such property which was within Japan on 7th December 1941 could not be returned, or had suffered injury or damage as a result of war, Japan had to compensate on the terms provided in the Allied Powers Property Compensation Law to be enacted by the Japanese Government. Original draft of Article 6 by the Indian Government is just a copy of this article in the SFPT. The Indian Government assumed that the government and people of India were entitled to the same privilege as those of the Allied signatories.

But the matter was not so simple. The Japanese Government argued that they “did not take any war-time special measures against the properties of India or its nationals” [MOFA 1952: 47]. They also contended that their obligation was limited only to compensation for injury or damages. They argued as follows. Unlike the US, the UK or Dutch properties, the Japanese Government did not generally apply enemy property sanction against the Indian properties right from the initial stage of the war. And since 1st March 1943, Indian properties along with those of the Philippines, Hong Kong, British Borneo, Burma, British Malay and Dutch East India were legally placed out of the definition of enemy property. Therefore, the question of “return” of Indian properties did not arise. Japan was only obliged to compensate Indian properties within Japan on 7th December 1941 [MOFA 1952: 48].
The Indian Government was not agreeable to this case. Their final draft retained the portion of the first draft which claimed the return of Indian properties. Japan agreed to incorporate it in Article 5 of the treaty. Incidentally, when negotiation started to implement this article after concluding the treaty, four cases of Indian properties were found which were under Japanese custody as enemy properties.

But the real trouble concerning Indian properties in Japan started after the conclusion of the treaty. Most of the Indians in Japan were small traders and merchants. They left Japan after December 1941, leaving their properties under the care of Japanese trustees or personal friends. As the properties were not under the custody of the Japanese Government, actual injuries or damages were quite difficult to be accurately ascertained. During the negotiation of IJPT, the Japanese side had no official knowledge of the scale of Indian properties left in Japan during the war. Nor could the Indian claimants present satisfactory evidences to prove their ownership or value of their properties. Lack of evidence caused delay in compensating Indian properties, while the properties of the Allied Powers were recovered by a post-war legislation as envisaged in Article 15 of the SFPT, and quickly returned or compensated for their loss by the Japanese Government. This unhappy consequence made Indians feel betrayed in spite of their ample goodwill shown to the Japanese by a liberal treaty. It also made India discontented with the alleged Japanese “non-cooperation” and led her to take hostage of the Japanese properties in India which were kept under the Government of India custody. Deadlock was brought to end only during 1957 and 1958.

We transgressed into the post-1952 episode because of the close link between Article 4 and 5 of the IJPT. In this connection, the remark made by Trivedi during the informal talks in December 1951 was also relevant. Though overshadowed by Nehru’s generous non-reparation approach, IJPT negotiations also involved business interests which Indian and Japanese claimants found hard to forsake.

3.4 India and Economic Relations with Japan

Article 2 of the IJPT, which accorded each country the most-favoured-nation (MFN) status to Japan, is in sharp contrast to Article 12 in the SFPT that unilaterally obliged Japan to concede the MFN status to every Allied Power. India’s position clearly contrasted with that of the UK and Australia, which showed extreme caution against Japan’s post-war recovery as a revival of competitive economic power, particularly in the Asian region. Independent India, on the contrary, envisaged the Japanese economic recovery not in a competitive, but in a more complementary perspective. She welcomed recovery of the Japanese economy for her own economic development as a supplier of capital goods as well as a market for her raw materials. As early as in May 1948, India hosted a Japanese trade mission. On his meeting with the mission, Nehru remarked that the economies of both countries should be complemen-
tary and assured that India would, within the limits of her programme of economic and industrial development, assist as much as possible in sending raw materials to Japan. India agreed on the occasion to sell to Japan 14,000 tons of raw jute and 85,000 bales of raw cotton [SWJN, Vol. 6: 481]. Mutual concession of the MFN status thus testified that India clearly had a different perception toward Japan’s post-war economic recovery. Japan’s economic recovery was welcomed by India from the viewpoint of both trade and investment. From the point of view of the Japanese too, India was a market with easy access and little stigma of wartime occupation and torture. In March 1952, even before the IJPT was concluded, the Japanese Government sent a semi-official industrial mission to India, headed by Taizo Ishizaka, President of Toshiba Corporation. Smooth sailing of the bilateral economic relations reached a zenith in the latter half of the 1950s when the first yen credit was arranged for India in 1957 with the reciprocated visits of the Prime Ministers of the two countries.

4. Making Peace with Different Expectations

4.1 Nehru’s Expectation

We have seen that the negotiation over the IJPT was not without problems. But India readily waived her claims and helped Japan to conclude the negotiation successfully. What led the Indian Government, or Prime Minister Nehru in particular, to fully accept the Japanese proposals? The Indian Foreign Office started to examine the Japanese note soon after it received it in January 1952. Although Nehru termed the treaty as “a very simple treaty, not dealing with any controversial political issue at all, just a normal treaty for opening of diplomatic relations” [SWJN, Vol. 17: 557], it took five months for India to reach a decision after having been informed of the Japanese viewpoint. Delay cannot simply be attributed to such domestic circumstances as the first General Elections. One month after the two countries established diplomatic relations, the final decision on the treaty was made on 26th May 1952 by the Cabinet Committee on Foreign Affairs with Nehru as the chair. No doubt he must have initiated the decision.

Although no decisive evidence can be given without access to Indian archival sources, several Japanese sources suggest where the problem lay. A Japanese Foreign Ministry record in 1955 clearly points out that officials in the Indian Commerce Ministry were against the terms of Article 4 that returned to Japan her frozen properties in India, and despite the opposition it was Nehru who decided in Japan’s favour. On 24th February 1952, an Asahi Shinbun correspondent reported from New Delhi that an idea to separate the issue of Indian properties in Japan from the IJPT was being considered by the Indian Ministry of External Affairs. As we have examined, Article 4 and 5 were closely linked. Resistance by the Commerce Ministry continued even after the conclusion of the treaty, as we discussed in the preceding section.
Nehru’s diplomacy often undervalued the importance of economic interest. He often revealed himself amazingly ignorant of economic matters; and the Ministry of External Affairs under Nehru, until the mid 1950s, paid scanty attention to economic and commercial matters. These matters were left to be disposed of by some able I.C.S. bureaucrats who had good knowledge of international economy, like B.K. Nehru and K.B. Lall.

Although Nehru erroneously conceived “reparation” only in terms of damages inflicted within Indian territory, his repeated statements not to claim “reparation” were not missed by the Japanese officials, as the Japanese note clearly indicated. Nehru’s ignorance of the full meaning of “reparation” certainly cost India’s interest. But on his part, Nehru appeared to have placed a very high stake on Japanese goodwill as a support for his peace diplomacy. American observers went so far as to take Nehru’s goodwill for the Japanese as a diplomatic manoeuvre to separate Japan from the USA. Judging from some of his observations on Japanese public opinion and the divisions within, it appears that Nehru overestimated the strength of opposition against the SFPT as well as pro-US policies in general among Japanese public opinion.

Nehru noticed in August 1951 that Japanese opinion was divided over the issue of the SFPT, and India’s attitude not to sign the SFPT was “privately” appreciated by “the editor of the biggest newspaper in Tokyo”. He wrote to M. A. Rauf, India’s ambassador to Burma (who later succeeded Chettur in Tokyo), on 13th August 1951 that “I am almost sure that our action will be approved by a majority of the Japanese people, though the present Yoshida Government may not like it”. He was also dissatisfied with “Yoshida’s refusal to consult Japanese people through new election to Diet on Japanese treaty” in contrast to India’s willingness “to let people of Kashmir give their verdict through free and impartial plebiscite”.

These were Nehru’s observations on the SFPT debates, but he must have expected to win over Japanese opinion for his peace and nonalignment diplomacy in Asia in the negotiations of the IJPT as well, by demonstrating as much goodwill as possible while discarding the discontent and opposition against the terms of Article 4.

### 4.2 Japanese Expectation

On the other hand, Japan was greatly benefited by India’s generous approach to reparation when she had to start talks on reparation with the Southeast Asian countries, particularly Burma, the Philippines and Indonesia. An Indian scholar has pointed out:

> [Another] important feature of the Indo-Japanese peace Treaty was Article 6, by which India decided to waive all its claims to reparations from Japan. Japan has hailed this as an extraordinary demonstration of India’s friendly feeling for the
Japanese people. The real worth of India’s gesture can be better understood against the background of Japan’s numerous difficulties in forging relations with the countries of South-East Asia (underlines added). These countries were opposed to normalizing relations with Japan without receiving adequate reparations. They stood strictly by the terms of Article 14 of the Peace Treaty, which recognized their claims to reparation. Thus at a time when Japan was totally excluded from the rest of Asia, India’s gesture came as a great relief. Furthermore, it persuaded Burma under Premier U Nu to settle the reparation question in 1954 without much acrimony [Embassy of Japan 1977: 73–4].

This observation suggests to us the importance of the position of Burma, probably as a link between India and Southeast Asia, not in a geographical sense, but in her role to facilitate Japan’s reparation negotiations with the Philippines and Indonesia, since Burma was the first among the three nations to settle the reparation issue with Japan. It is widely believed that Burma’s “scaling down” of the reparation demand, and the formula devised for its payment, served as a precedent for other claimant countries [Yoshida 1983: 164–5]. In the words of S. Yoshida, Burmese reparation opened the window of reparation which had been closed till then [ibid.: 167]. In this context, it would be significant to explore the possibility of an India-Burma link in the Burmese reparation negotiation.

In the first instance, Burma, as was well known, took more or less similar line on the SFPT as the Indian Government. The two countries, along with Indonesia to a certain extent, maintained close interactions in collaborating on the SFPT and other related issues. Immediately before the San Francisco Conference, the United States suspected that India planned to sponsor a “rival conference” along with Burma and Indonesia by refusing to participate in the San Francisco Conference. After the conference, India and Burma coordinated the process of normalization and peace treaty negotiations with Japan, though, as we discussed already, the two differed in their stand on reparation. Nehru wrote in an earlier letter to U Nu on 27th July 1951:

I have already written to you on the subject of reparation [Nehru’s letter to Thakin Nu, on 24th July 1951 quoted on page 7]. So far as we are concerned, we shall be happy indeed if you can get reparation from Japan. But I fear there is little chance of it” [SWJN, Vol. 16, part 2: 606].

Burma declared terminating war with Japan on 30th April 1952 on a similar line with India. It is interesting to know that K.K. Chettur, who was the main negotiator in the IJPT talks, was transferred in June 1952 to Burma as the Indian ambassador after signing the Treaty in Tokyo. He later served as a valuable source of information on Burmese affairs for the Japanese Foreign Ministry.

Japan accelerated the pace of negotiation from early 1953. M. A. Rauf, who succeeded Chettur as the Indian ambassador to Japan, observed the Japanese initiative on Burma in a broad context. He wrote a letter to Nehru on 11th November 1952
which Nehru read “with interest.” Rauf observed that as the US aid to Japan was going to be reduced under the Eisenhower administration, Japan had to explore the market in South East Asia. He also saw that Japan was prepared to discuss the question of reparations with the Philippines, Indonesia and Burma and was eager to sign a treaty with Burma. This was due to the USA’s desire to bring Japan and South East Asian countries together to create a front against communism, particularly against China [SWJN, Vol. 20: 504]. With the prospect of ceasefire in the Korean Peninsula, war boom in Japanese economy came to end and Japan was expected to pursue a more aggressive policy to reemerge as a major force in the Southeast Asian market.36)

Eiji Wajima, D.G., Asian Bureau, visited Burma on the way back to Japan from New Delhi in late December 1952. From 29th September to 15th October in the same year, Japanese Foreign Minister K. Okazaki visited the Philippines, Indonesia and Burma. Japanese Foreign Ministry was well aware of the close coordination between India and Burma, and offered the Burmese Government a draft of a peace treaty modelled the IJPT with substantive differences in the reparation obligations.37) In the draft, the bilateral relation was defined by a borrowed phrase from Article 1 of the IJPT, as a relation of “firm and perpetual peace and amity.” The IJPT was always used as a ready reference for both parties. Wajima observed that the Burmese Government became frustrated with the “big powers,” as the British were totally indifferent to Burma after they left and the US helped only the Philippines.38) Wajima did not mention the India-Burmese relation, but a discordant note was visible since early 1953. India could not afford to support Burma’s ambitious “welfare state” plan. Nehru’s attitude towards Burmese reparation was not very encouraging, as his two letters to U Nu in July 1951 indicated. He also confessed later that the Burmese plan was much too ambitious considering the size of their economy.39)

Burma’s position was also weak due to her inability to put forth a reasoned demand for reparation. Before Wajima’s visit to Burma, the Japanese Consul General in Rangoon was informed of the Burmese position on reparation through Chettur, the Indian ambassador. In Rangoon, Wajima personally asked Chettur to explore the Burmese attitude on the reparation issue. Chettur observed that Japan should take initiative with her own plan of reparation, as the Burmese administration was neither competent nor prepared enough to negotiate on the basis of their own homework. In Chettur’s words, “they [Burmese Government] are not prepared for anything.”40) Undoubtedly, Chettur was well informed of the Burmese position (otherwise Wajima would not have taken him as an informant) and his observation was not off the mark.41) Subsequent Japanese action also proves the value of his advice. He was not directly but closely involved in the Japan Burma negotiation.

The Burmese reparation broadened the scope of reparation to include comprehensive “economic cooperation.” Hugh Tinker has pointed out that after the agreement with Burma, reparation became more “a business deal” than “an act of conciliation
by a defeated nation” [Tinker 1967: 268]. In the Burmese negotiation, Japan was greatly benefited by the preceding experience of negotiation over the peace treaty with India. We will not overstretch our conclusion to establish a direct link between the IJPT negotiations and the reparation talks with the Philippines and Indonesia. But if the agreement with Burma played a role of catalyst in Japan’s subsequent reparation negotiations, as suggested by S. Yoshida, the IJPT negotiation undoubtedly formed the first link in a chain of events that led to Japan’s political and economic re-emergence in post-war Asia.

5. Conclusion

Our examination of the IJPT clearly demonstrates that, contrary to popular belief, India’s “goodwill” was negotiated. The original draft of the Indian Government was more or less along the same line as the SFPT, but the Japanese Foreign Ministry succeeded in persuading India to modify the texts in Japan’s favour. India agreed to return the frozen Japanese properties and to declare the principle of non-reparation. Some discontent was visible among the Indian traders and merchants who left their properties in wartime Japan as well as their sympathizers in the Commerce Ministry, but Nehru had his own desires and expectations. In the first instance, his nationalist instinct wanted to concede Japan as a nation an honourable place in the post-war world. More importantly, he was very much interested in winning over public opinion in Japan for supporting his peace initiative in the post-war world and in Asia in particular.

The Japanese Government’s expectation was different. They welcomed India’s goodwill as a springboard for their re-emergence in post-war Asia. The IJPT was a bilateral treaty in its form and content, but its significance extended much further. It assisted Japan in the subsequent reparation negotiation with Burma. The Burmese reparation then opened the window for negotiations with other claimant countries in Southeast Asia [Yoshida 1983: 167]. In the chain of these events, the IJPT and its negotiations formed the first link or stepping-stone for Japanese post-war diplomacy in Asia. Although India’s goodwill was negotiated, it had a significant role to play.

After a spell of close relations initiated by the IJPT in the 1950s, and with Japanese interest progressively concentrated in Southeast Asia, India was phased out of the Japanese diplomatic horizon in the subsequent decades, as if India’s goodwill was kept in storage. But its worth has never been lost, as Japan often invoked it whenever she wanted to revitalize bilateral relation with India and to extend her diplomatic horizon beyond Southeast Asia.

Notes
1) India’s criticism of the SFPT was based mainly on three points: (1) The Ryukyu and the
Bonin Islands should be restored to Japan; (2) Continued presence of the occupation forces limits the exercise of the sovereignty by Japan; (3) Islands of Formosa should be declared part of Chinese territory. The Indian Government worried that the “imperfection” of the SFPT would enhance the war danger in Asia [MOFA 1952: 21–3]. Nehru wrote in September 1952 that India’s refusal to sign the San Francisco Peace Treaty with Japan had been “one of the wisest things” done so far [Selected Works of Jawaharlal Nehru, 2nd Series, Volume 19, p. 629]. This reference is henceforth noted as [SWJN, Vol. 19: 629].

After Murthy’s work, no Indian or Japanese scholar has examined the bilateral negotiations between India and Japan that led to the conclusion of India Japan Peace Treaty in 1952. This paper addresses the issue by drawing upon declassified records of the Ministry of Foreign Affairs (MOFA), Government of Japan. Murthy wrote on the topic before the publication of Selected Works of Jawaharlal Nehru, 2nd Series for the relevant years, which we shall quote extensively.

2) For example, minutes of the sixth meeting of the Commonwealth Prime Ministers, London, 9th January 1951 describe Nehru’s attitude toward reparation as follows: “...Mr. Nehru said that Government of India were prepared to waive their claims: the loss which they would incur thereby would be outweighed by the advantages of gaining Japan’s goodwill...” [SWJN, Vol. 15, Pt.2: 584].

3) Leading officials in the negotiation for the IJPT included Katsuo Okazaki, Minister for Foreign Affairs (Ex-Vice-Minister, Ministry of Foreign Affairs i.e. equivalent to Foreign Secretary in India), Kumao Nishimura, Director-General, Treaties Bureau, succeeded by Takezo Shimoda, and Seiji Wajima, Director-General, Asia Bureau.

4) See Section II for the comment on the treaty by [Shimoda 1984].

5) For the text of the address, see [SWJN, Vol.16, Pt. 2: 617–620].

6) India declared by a Government notification on 28th April 1952 to end war with Japan. There was another set of negotiations with regard to the text of this notification issued on behalf of the Indian Government. Original draft officially proposed by India on 8th September 1951 included the following paragraph:

“In the treaty the Government of India intend to stipulate provisions which will secure to themselves and the nation of India all rights, privileges, indemnities and advantages, together with the right to enforce the same, which under the Treaty of San Francisco have been stipulated in favour of the Allied Powers and their nations.”

7) K. K. Chettur was born in 1901. He held various posts in the Central Board of Revenue, Ministry of Finance and Commerce, Consul General in San Francisco before his appointment as the representative of Indian Liaison Mission in Tokyo. He was not known to Nehru before he was appointed as the Consul General in San Francisco in July 1949 [SWJN, Vol. 12: 423–434].

8) In the final text of the notification, the entire paragraph in our footnote 6) was deleted [MOFA 1952]. Even when the draft notification was presented in early September 1951, Japan had suggested deleting this paragraph. We may infer that with this omission, India expressed her willingness to forswear what she was entitled to claim by the SFPT. It may be added that the notification was issued nearly twelve hours before the SFPT came into force [A’ 0124].

9) Shimoda thought at the time that India was keeping a calculated silence, but he later found this baseless. He suspected that India tried to impress her generosity, in view of the Tai-
wanese (Republic of China) Government’s uncompromising attitude before the conclusion of a peace treaty with Japan [Shimoda 1984: 188].

10) In a fortnightly letter to the Chief Ministers, Nehru narrated his domestic preoccupation mainly due to the election, and confessed his inability to pay much attention to some important foreign developments including Japan’s move to rearm herself [SWJN, Vol. 17: 601].

11) [MOFA 1955c: 3]. See note 29) for more on this point.

12) [MOFA 1952: 3], and the telegram from the Minister for Foreign Affairs to Chargé d’Affaires in New Delhi, on 3rd June 1952 [B’0019].

13) [MOFA 1952:75], and the telegram from the Minister for Foreign Affairs to Chargé d’Affaires in New Delhi, on 6th June 1952 [B’0019].

14) Issues involved in the formal negotiation were mainly on trade relations. Japan wanted India to clarify the meaning of “neighbouring countries” for special treatment given by her.

15) Trivedi did not want to mention the United Nations as, he thought, its Charter was an “extraneous instrument to the bilateral relation, and permanence of its existence was not taken for granted” [MOFA 1952: 7]. This negative view on the United Nations might be related to the situation in Korea.

16) [MOFA 1953a] puts the amount at Rs. 20 million (1.5 billion yen). [MOFA 1955b] puts it at Rs. 21,629,831 of which Rs. 18,393,210 was in cash and bank deposit.

17) [MOFA 1952: 57–8] noted that this part of the article was “inserted only at the last stage of drafting the San Francisco Peace Treaty at the insistence of certain South American countries which feared that otherwise they might not be entitled to the benefit of Article 14 (a) 2.” It emphasized that “these South American countries were inflicted practically no such damage or suffering.” In our view, equating India with any one of the South American countries has little relevance, as India and her people were much more closely involved in the war.

18) [MOFA 1952: 10]. Trivedi specifically referred to the Indian people in Japan, Hong Kong, Singapore and Indonesia. They were mostly merchants and traders. His omission of Malaya may be suggestive. Malaya had more Indian working class people who suffered. Their loss was no less severe. They formed a very substantial portion of Romushas (labourers) mobilized for the construction of Thai-Burma Railway (so-called Death Railway). Regarding their mobilization to construct the railway, see [Sato 1995: 128–139]. Although governmental initiative did not come to rehabilitate Indians in Malaya, except Nehru’s visit after the war, the Indian National Congress sent a medical mission to Malaya (see Siva Rama Shastri, Congress Mission to Malay, 1947, Tenali). Medical team was led by Dr. M. R. Cholkar who in the late thirties joined the Congress Medical Mission to China. Sufferings of the Indians overseas as well as the Indian POWs during the war are yet to be fully narrated.

19) We are reminded of the fact that K.K. Chettur was an official whose career was closely associated with the Commerce Ministry.

20) Ministry of Finance notified on 24th December 1941 to put enemy property under government custody, but the notification (No.585) in question was not strictly applied to the Indian properties. After the IJPT negotiation, four cases were found to have been under the enemy property administration. On 1st March 1943, the Ministry exempted people
from India and some other areas from the category of “enemy” by Notification No.70. According to an estimate by the Japanese Government, total value of Indian properties in June-July 1941 amounted to ¥17,879,677 [MOFA 1953b].

21) “Indian claimants were mostly middle-class traders,” in Aide Memoire, Embassy of India in Japan, 14 April 1955, p.4 [MOFA 1953b].

22) Some properties were disposed or transferred without the knowledge of the owners [MOFA 1953b].

23) Japanese properties in India were returned in July 1958 after the intervention by an association of major claimants. Indian properties in Japan were compensated after a series of consultations under Article 10 of the IJPT. Consultations continued from April to October 1958. Total amount of compensation paid for 124 cases was about ¥272,560,000 [Press information by MOFA on 21 February 1959].

24) The mission was led by W.R. Eaton, Chief of Cotton Branch, Textile Division of Economic and Scientific Section, G.H.Q. (Information supplied by Ms. Phaik Chean Lim). For SCAP’s role in reconstructing Japanese post-war trade, see [Lim 2004].

25) Asahi Shinbun, 28th December 1951, 5th February 1952. The delegation consisted of 14 members, with 11 members from private businesses and one each from MOFA, MITI and Exim Bank.

26) For Nehru’s visit and Japan’s offer of yen credit (loan), see [A’ 0145].

27) In the Indian Parliament on 8th February 1952, some members questioned the IJTP. Nehru did not give any informative answers [Parliamentary Debates, Part 2, Vol. 1, No. 2, Friday 8th February 1952, col. 70–2]. Also see the report on Nehru’s press conference [SWJN, Vol.17: 557–8]. He said that there was “no further progress,” and Japanese comments were “being examined.” See also Asahi Shinbun, 30th January 1952, 12th February 1952, 24th February 1952.

28) Telegram from Chargé d’Affaires in New Delhi to the Minister for Foreign Affairs on 27th May 1952 [B’ 0019]. Prime Minister Yoshida’s envoy, Taketora Ogata, was then in New Delhi. He met Nehru on 27th May, but his role in the negotiation is not at all clear [Times of India, 26th May 1952, Asahi Shinbun, 28th May 1952]. On Indian decision making on the matter, A.M. Nair mentions the names of seven key persons who scrutinized the treaty before it was presented in a cabinet meeting. They were K.K. Chettur (with Nair himself as his advisor) in Tokyo, N.R. Pillai, Secretary-General, Foreign Ministry, K.P.S. Menon, Foreign Secretary, two Ambassadors and one High Commissioner (K.M. Panikkar in Beijing, N. Raghavan in Paris and V.K. Krishna Menon in London) [Nair 1982: 302–2]. Most of them were against signing of the SFPT [SWJN, Vol.16, Pt.1: 612–3], and formed the inner circle of the Nehru diplomacy. All were, incidentally, Keralites. Nehru was informed of complaints against alleged favouritism for the “Malabaris” in the External Affairs Ministry [SWJN, Vol. 12: 432–3].

29) “We are told that in the course of the negotiation over the IJPT, Indian Ministry of Commerce and Industry was opposed to returning the Japanese properties, on the ground that Indians in Japan suffered loss due to the depreciation of yen currency. Despite their opposition, Nehru signed the treaty” [MOFA 1955c: 3].

30) Asahi Shinbun, 24th February 1952. The correspondent credited his report to Dr. B.V. Keskar, Deputy Minister for External Affairs.

31) B.K. Nehru made a harsh comment in his memoir on the attitude of the Indian Foreign
Office over economic matters. “Their attitude till then [B.K. Nehru is talking about the preparation of an economic brief for the Bandung Conference in 1955], and till very much later, was that these ‘minor’ matters were not subjects in which diplomats should take any particular interest.... the function of the Foreign Office was to maintain peace in the world and to ensure social justice for the entire human race. The work of building the Indian economy and pursuing the Indian economic interest vis-à-vis the outside world had nothing to do with them, these matters could be taken care of by such inferior fry as the members of the finance and commerce ministries” [Nehru 1997: 261]. B.K. Nehru’s comment obviously refers to the Prime Minister himself too.

32) K.B. Lall, Additional Secretary, Ministry of Commerce and Industry, was the key bureaucrat to resolve the conflict involving Article 4 and 5 during the final phase in late 1957 to early 1958. See also [Jha 1983: 330–1].

33) The Embassy of Japan was the publisher of this booklet, and the Jawaharlal Nehru University scholars, including P.A. Narasimha Murthy, S.B. Verma and K. V. Kesavan, were the authors. Quoted paragraph was written by K.V. Kesavan [Personal communication with Prof. K.V. Kesavan].

34) Acting Secretary of State to Embassy of India, 31st August 1951 [FRUS, Vol.VI: 1312-3], the Ambassador to India to the Secretary of State, 3rd September 1951 [FRUS Vol.VI: 1325–6]. For the interaction among the three nations, see also references in SWJN [Vol. 16, Part 2, 1st August 1951: 611; 13th August: 614; 16th August: 615; 18th August: 616].

35) Nehru appears not to have been very encouraging regarding Burma’s reparation claims. Burmese response is not known.

36) A Burmese newspaper, Rangoon Daily on 26th September 1953, analyzed the new Japanese thrust in reparation negotiation in the light of the ceasefire in the Korean Peninsula [A’ 0153].

37) The Minister for Foreign Affairs to the Consul General, Rangoon, on 7th July 1953, observed that the Japanese Government was willing to conclude a peace treaty with Burma at the earliest opportunity. As was presumed by their previous contacts, the Burmese Government appeared to conceive the same treaty as the IJPT, but with an additional clause on reparation [B’ 0162].

38) Wajima’s observation in the Consul General, Rangoon to the Minister for Foreign Affairs, 31st December 1952 [B’ 0162].

39) India Burma relation became rather strained from 1953 due to disagreements on such issues as price to be fixed on imported rice from Burma [SWJN, Vol. 22: 337–8, Vol. 23: 472], Land Nationalization Bill [Vol. 23: 473–4], Burma’s relation with China [Vol. 25: 478–480], and India’s inability to provide a loan for the Burmese plan [Vol. 29: 343–4]. Nehru’s comment on the Burmese economic planning was as follows: “From the point of view of population and resources, Burma’s planning is far more ambitious than India’s. Compared to a State like Bombay, again Burma’s plan is much more ambitious with far less resources. It seems difficult to carry this through and it would be unfortunate at a later stage to have to give up schemes they start now” [Vol.29, 14th August 1955: 344].

40) The Consul General, Rangoon to the Minister for Foreign Affairs, 31st December 1952; 11th January 1953; 15th January 1953 (All in [B’ 0162]). The last message clearly shows that Wajima personally asked Chettur to collect information on Burma’s approach to the reparation issue. Chettur even suggested that it was opportune time to make a proactive
approach. After Burma, he was transferred to Belgium as the Indian ambassador (1954–56).

41) Rangoon Daily (as quoted in note 35) blamed the government for their failure in forcefully presenting Burma’s demand for reparation. The paper was very much critical of the government’s failure in ascertaining the extent of damages inflicted on the common people [B’ 0152].

42) Hugh Tinker was a Professor in History at Rangoon University from 1954–55, during the final stage of the reparation negotiations. His remarks on Japanese reparation are very illuminating, i.e. complementary interests between Burma and Japan [Tinker 1967: 119], Burma’s need for foreign assistance [ibid.: 121–2], Japan’s gaining commanding position in the Burmese economy [ibid.: 267–8], large absorption of reparation fund by Balu Chaung Power Project and award of its contract to Nippon Koei Kabushiki Kaisha [ibid.: 307].

43) Compared to his “pacifist” face, Nehru’s strong sympathy toward nationalist sentiment in post-war Japan has been overlooked. He observed on the occasion of the Sydney Conference of Commonwealth Foreign Ministers that “countries like Japan were not kept down permanently and India should not subscribe to any statement which laid down Japan should be kept weak in any sense of the word” [SWJN, Vol. 14, Pt. 2: 438]. He was also against the trial of Emperor Hirohito. He believed that “a trial of this kind will be bitterly opposed by the Japanese people and would cause ill-feeling.” He added that “there was no point in carrying on this witch hunt” [SWJN, Vol. 15, Pt. 1: 482]. After the SFPT and the IJPT were concluded, he responded favourably to the Japanese Government’s request for clemency to the Japanese war criminals sentenced in the International Military Tribunal for the Far East [SWJN, Vol. 20: 503; Vol. 25: 506].

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