Introduction

The 7 December 1941 attack on the United States at Pearl Harbor by Japan was a gamble. Japan was already entangled in a long-standing, probably unwinnable war in China, which since its outbreak in mid-1937 had cost 185,000 Japanese dead and billions of yen. Pearl Harbor opened a second military front and dangerously committed Japan, with a relatively small population and limited economic capacity, to a full-scale Pacific war. For Southeast Asia, the war brought three and a half years of Japanese occupation from the end of 1941 until Japan surrendered unconditionally on 15 August 1945. During this period, GDP in most Southeast Asian countries fell by half; 4.4 million civilians died prematurely; severe shortages of food and goods affected almost all Southeast Asians; and many lived in fear of draconian military rule. The present book explores why and how this happened.

Japan followed the operationally successful attack on Pearl Harbor with a clinically executed, swift occupation of all of Southeast Asia. Known as the Southern Regions in Japan, Southeast Asia covered 1.7 million square miles and had a population of some 145 million, double that of Japan (Figure I.1 and Table I.1). By May 1942, the Japanese military had control of a vast area of the Pacific and virtually all of Southeast Asia’s six main countries of Burma, Thailand (Siam), Malaya (including the Straits Settlements of Singapore, Penang and Malacca), Indonesia (Netherlands India), Indochina (the five French administrative districts of Tonkin in the north, Annam in the centre and Cochinchina in the south, along with Laos and Cambodia) and the Philippines (Figure I.2). Japanese occupation swept aside colonial rule by Britain (Burma and Malaya), the Netherlands (Indonesia) and the United States (the Philippines). Thailand, part of Britain’s informal empire, had its own government which remained in place as the Kingdom’s nominal authority during the Japanese occupation. A pro-Vichy French colonial regime in Indochina accepted Japanese occupation and was left in administration until a Japanese coup on 9 March 1945. In both Thailand and Indochina, however, Japan and its military held determining power.

Occupation of Southeast Asia presented Japan with three problems which arose from the region’s geography and demography and continually appear in various forms throughout this book. One was Southeast Asia’s sheer geographic extent and a second its physical terrain, which channelled pre-war communications networks into north–south configurations. The insular nature of much of Southeast Asia and virtual absence of east–west transport across the region’s mainland areas ran counter to Japanese military requirements and necessitated a heavy reliance on shipping and lengthy journeys to move men and materiel. Mountain ranges and jungles formed near-impenetrable barriers.

Table I.1 Southeast Asia pre-World War II population (000 persons)

<table>
<thead>
<tr>
<th></th>
<th>1931</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burma</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Burma</td>
<td>7,964</td>
<td>9,066</td>
</tr>
<tr>
<td>Total Burma</td>
<td>14,667</td>
<td>16,824</td>
</tr>
<tr>
<td>Indochina</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cochinchina</td>
<td>4,484</td>
<td>4,620</td>
</tr>
<tr>
<td>Total Indochina</td>
<td>21,450</td>
<td>23,030</td>
</tr>
<tr>
<td>Thailand</td>
<td>11,506</td>
<td>14,464</td>
</tr>
<tr>
<td>Malaya</td>
<td>4,348</td>
<td>5,004</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outer Islands</td>
<td>19,009</td>
<td></td>
</tr>
<tr>
<td>Java and Madura</td>
<td>41,718</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>13,405</td>
<td>16,000</td>
</tr>
</tbody>
</table>

across Indochina and into Thailand, between Thailand and Burma, from one coast of Malaya to the other and across Sumatra. Japanese railway construction, notably the Thailand–Burma railway completed in October 1943, attempted to forge needed east–west transport links but these did not become available until at least the middle stages of the war and were no more than partially successful.

Southeast Asia’s geographical size and population distribution created a third set of problems (Figure I.3). Because most of Southeast Asia was rural and sparsely populated, large numbers of Japanese military personnel and administrators would have been required to cover the region effectively. Japan countered this difficulty partly by administering through local elites. Puppet regimes were set up in Burma and the Philippines to try to gain popular support and bolster Japan’s position in strategic areas: the Ba Maw government on 1 August 1943 and the José P. Laurel government on 14 October. The Tonkin delta in north Vietnam and Java had an administrative challenge of being exceptionally densely populated. In both areas, historic pressure on food and reliance on imported food at times of crisis put a premium on transport to avoid shortages.
Japanese military success was short-lived. Turning points in the war came as early as the first week of June 1942 with the Battle of Midway, a distant part of the Hawaiian group of islands, and, beginning in August 1942, the Battle of Guadalcanal in the Solomon Islands. By 1943, World War II began to cause great suffering for Japanese civilians. But even worse, often terrible, suffering was imposed on many Southeast Asians from the onset of occupation. By 1944, Thailand was the only country where national income was clearly above half of pre-war levels.

By the latter part of the war most Southeast Asians were malnourished, many seriously. Famine during 1944–45 claimed 3.4 million lives in Vietnam and Java; forced labour caused the deaths of hundreds of thousands more Southeast Asians. The number of Southeast Asian civilians who died due to occupation, about 3.1 per cent of the region’s population, far exceeded all Japanese deaths, civilian and military, which resulted from World War II. Few moving monuments exist for the Southeast Asian civilian dead. There are no burial grounds comparable to the Piskaryov Memorial Cemetery for the famine victims of the 1941–44 Leningrad siege or the Kanchanaburi Cemetery in Thailand for Allied
war dead from labour on the Thailand–Burma railway (also known as the Siam–Burma railway and the Death railway). Japanese wartime infrastructure projects like railways, which might, to some extent, stand proxy for memorials, are now, if still traceable at all, little more than rusting relics partly overgrown with jungle.

Some commemoration attempts have been made, however. In 1962, after the unearthing in Singapore of the bones of thousands of Chinese massacred by the Japanese, the Singapore Chinese Chamber of Commerce gathered the bones and created the Civilian War Memorial, commonly known as the ‘four chopsticks’. A three-metre high concrete memorial built in 1951 in Hanoi’s Hop Thien charity cemetery where the remains of thousands of Vietnamese famine victims were interred had fallen into disrepair by 1954. The cemetery itself became buried beneath urban sprawl, making the 1951 monument virtually undiscoverable. In 2001, restoration work on the original memorial began as part of a modestly sized ‘zone of recollection’. Its few visitors are mostly government officials and Japanese dignitaries who come periodically to

Figure I.3 Southeast Asia population distribution 1940
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‘recall’ the famine dead. In most histories of World War II, the great number of Southeast Asians who died as a result of Japanese occupation goes almost entirely unnoticed.

Comparatively little is written about how World War II affected Southeast Asia’s economies or about the Southeast Asian civilians who died prematurely as a consequence of Japanese occupation. Literature on World War II in Southeast Asia deals chiefly with military manoeuvres, with the fate of British, American, Australian and Dutch in Japanese prisoner of war camps, with death marches inflicted on Allied prisoners and with European workers on the Thailand–Burma railway. The present book moves away from this military and European bias. Its principal aim is to explore the war’s economic and social impact on Southeast Asia.

Economics and War

The primary motivation for war is frequently economic. Over and above the possibly pleasurable anticipation of war for some dictators are ‘the pressure of population and the competitive struggle for markets’. These, Keynes explains, furnish the impulse for war as an instrument of economic policy and account for most of the conflicts during the nineteenth century. Moreover, writing in 1936, Keynes predicted that economic motives might again be the predominant cause of war. He proved correct: for both Germany and Japan, economic considerations were the chief motivation for decisions that led to World War II.

From the late nineteenth century onwards, Japan began to industrialize and in this depended heavily on selling manufactured goods in world markets in exchange for raw materials. As markets closed against Japanese goods in the 1930s and the world divided into economic blocs, Japan sought to escape the pressures of an acute lack of natural resources, a shortage of foreign exchange to buy the raw material inputs for industrialization, exclusion from external markets and the burden of a rapidly growing population. ‘There is’, contended General Hachiro Arita, Japanese army ideologist and Minister for Foreign Affairs from 1936 to 1940, ‘scarcely any difference between economic and military pressure. If, indeed, there is a difference at all, it is nothing more than that between a gradual process of starvation and instant death’. For Japan, the formation of an economic bloc was a necessary ‘measure of economic self-defence’.

In November 1941, just before Pearl Harbor, the reasoning behind

3 Keynes, General theory, pp. 381–82.
4 For Germany, see, for example, Barkai, Nazi economics, p. 157; Tooze, Wages, pp. 166–99, 219–22, 239–41.
5 Arita, ‘Greater East Asian sphere’, p. 12. The economic causes of the war are well known; see, for example, Feis, Road, pp. 3–4; Butow, Tojo, pp. 328, 340–41; Matsuoka, ‘New order in East Asia’, pp. 1–5.
the decision for war, as later explained by wartime Prime Minister General Tōjō, was that ‘rather than await extinction it were better to face death by breaking through the encircling ring [of the ABCD powers of America, Britain, China and the Dutch] to find a way for existence’.6

In Japan, the concept of an East Asian empire – a co-operative regional structure of subordinate nations that would form a self-sufficient economic bloc and, as a counterweight to western liberal capitalism, re-shape the global order – had a lengthy history. In 1918, Konoe Fumimaro (who as Prime Minister announced in 1938 Japan’s New Order in East Asia) contrasted Japan as a ‘have-not’ nation with the ‘haves’ of Britain and the United States. The ‘haves’, Konoe went on to explain, denied the ‘have-nots’ equal access to the natural resources and markets of colonized areas. Unless this changed, Japan would be forced ‘to destroy the status quo, just like Germany’.7

By the end of the 1930s, the idea, or perhaps more accurately the vision, of an East Asian economic bloc directed from Tokyo was rapidly gaining momentum as a national goal.8 The Japanese desire for a New Order in Asia evolved into the concept of the Greater East Asia Co-Prosperity Sphere. This description became official on 1 August 1940. A sphere of control in Asia seemed to offer a solution to the acute natural resource poverty of the home islands, to encirclement by European powers and imminent economic strangulation, and to the perceived Japanese economic predicament of ‘have-not’ status. During the 1930s Japan had relentlessly sought access to Southeast Asian markets, and had been successful in penetrating them until halted by the rising protectionism of the colonial powers. A Co-Prosperity Sphere centred on Japan, it was argued, would enable the Japanese nation to assume its rightful place among the world’s great powers.

The concept of a Greater East Asia Co-Prosperity Sphere had as its basis the economics of large areas. In this, Japan’s sphere resembled Albert Speer’s vision of the role of Germany in Europe as the central manufacturing core of a large free trade area, a single customs union to match those of the US, Russia and the British Empire.9 An East Asia of Japan, Korea, Taiwan, Manchuria (Manchukuo), Southeast Asia and China would form an economic unit big enough to become, with appropriate modifications, essentially self-sufficient and effectively insulate Japan from the international economy. The envisaged Co-Prosperity Sphere would provide raw materials for Japanese industry and an assured market for Japanese manufactured goods.

Japan would have preferred to pursue its economic goals by peaceful means. But if that strategy failed, war was always considered to be the legitimate next

economic policy step. When the war in Europe and early German victories isolated European colonies in Southeast Asia, Japanese leaders identified an unrepeatable opportunity to take control of the region: Southeast Asian ‘natural resources waited for Japanese picking like “fresh rice cakes off a shelf”’. Southeast Asia would become a fundamental constituent of a Greater East Asia Co-Prosperity Sphere.

The Economics of War and Southeast Asia

Objectively, Japan had little chance of winning World War II, and almost none of outright victory. Fundamental determinants of the ability to win conventional wars are the means to finance them, access to resources and productive capacity. In all three respects, Japan was far behind the United States. The new economics of war builds on these points. Its central argument is that among major country combatants in conventional twentieth-century warfare, relative economic strength – measured as national output, an economy’s transformation capacity to shift towards war-related production and degree of geographical vulnerability – is close to decisive in determining the outcome of war.

For Southeast Asia, analysis of World War II, although relevant to the economics of war literature, must take a different tack. Events there relate to the literature because the economic weakness that prejudiced Japan’s chances in World War II directly impacted Southeast Asia’s economies and peoples. This study differs from the war economics literature, however, in that Southeast Asians themselves did not have economic motives for the war and were peripheral to its outcome. Rather, Japan’s economic and military vulnerability shaped its policy approach to, and management of, Southeast Asia in ways that led to catastrophic economic and social collapse in what were essentially neutral countries.

Much of the book focuses on the economic aspects of military occupation. A substantial part of the study considers areas such as production, trade, currency, taxation, population movements, price controls, rationing, food availability, living standards and the provision of labour. Economics is fundamental to all of these and is either heavily influenced by an occupying administration into the military administration's economic policy.

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10 Butow, Tojo, p. 203.
11 Drea, Japanese imperial army, p. 209 and see Ike, Japan’s decision, pp. xix, 134, 202, 238; KKC, file B1-209, Japan, Imperial Headquarters, Gozen kaigi shidai: Tai Ei-Bei-Ran Sensō ni tomonau zaisei kin'yū no jikyū-ryoku handan ni kansuru setsumei yōshi (Ōkura Daijin) [Minutes of Imperial Conference: Summary of explanation (by Finance Minister) on the financial durability of monetary and fiscal systems in relation to the war against Britain, America and the Netherlands], 5 November 1941.
12 Goldsmith, ‘Power of victory’; Milward, German economy and War, economy and society; Ränki, Economics; Offer, First World War and ‘War economy’; Harrison, Accounting and Economics; Broadberry and Harrison, Economics; Tooze, Wages; Rockoff, America’s economic way.
or under its direction. Yet consideration of economic issues, particularly in wartime occupation, cannot have a wholly economic focus. After occupying Southeast Asia, military and civilian Japanese administrators immediately confronted major problems. Difficulties arose from the distance between Southeast Asia and Japan, from an exceptionally challenging Southeast Asian geography, from a continuously shifting military balance, from the cultural distance between Japan and all Southeast Asian countries, and from the need to exert social control over the local population. While all these problems were intertwined with economics, none had entirely, or even necessarily primarily, economic solutions.

Geography and War

The vastness of the Pacific and Japan’s remoteness from Southeast Asia (2,888 nautical miles from Tokyo or Yokohama to Singapore, a minimum of about eight days’ travel by sea) put a premium on shipping and air transport. So too did the large land area of Southeast Asia, its island configuration and north–south infrastructure bias. The extreme transport and supply difficulties that confronted Japan were further compounded by the rapidity and ease with which it occupied Southeast Asia along with much of the Pacific, and by the United States April 1942 Doolittle bomber raid on Tokyo, the latter causing the army to move further into China to destroy threatening Chinese air bases. In the Pacific, Japanese strategists decided in the spring of 1942 to extend military advance beyond the huge area already under Japanese control to include the Solomon Islands and Port Moresby, followed, if possible, by New Caledonia, Samoa and Fiji, the capture of Midway and temporary occupation of the Aleutians (Figure I.2). Japan’s forces were, however, already stretched beyond Japanese economic and military capabilities and “[N]o amount of bravery could compensate for logistical impotence.”

After the Pacific War’s turning points in the summer of 1942, the military balance continuously shifted against Japan and its defensive perimeter began to contract. During late 1943 and 1944, Japanese losses of merchant and oil tanker tonnage soared. Over the course of 1944, American submarine and air attacks reduced Japan’s merchant fleet to under a third, and by the end of the war to less than a fifth, of its 1941 tonnage. In 1944, the inability to move refined products home or to war zones caused Japan to limit oil refinery operations in Southeast Asia; the last Japanese tanker convoy for Japan left Singapore on 19 March 1945 but probably never arrived. With small and

13 Coox, ‘Pacific war’, p. 357, and see Drea, Japan’s imperial army, pp. 226–27.
14 Andô, Kindai nihon keizai shi yòran, p. 139; see also USSBS, Effects of strategic bombing, pp. 41–44.
15 USSBS, Oil, pp. 6, 49; Parillo, Japanese merchant marine, pp. 143–44.
declining stocks of oil, aeroplanes were of little use except for kamikaze missions, which required fuel for only an outward flight. The sole military option still available to Japan was a last-ditch defence of the home islands where, moreover, if war had continued into the winter of 1945, there would probably have been famine.

A lack of shipping to carry goods from Southeast Asia to Japan and troops to the region was paralleled by acute intra-Southeast Asian transport shortages. Although Japan commandeered most Southeast Asian transport, this was insufficient for Japanese military needs. Shortages of fuel, lubricants and spare parts along with increasingly effective Allied bombing in Burma and Indochina further disrupted transport. By the war’s late stages, transport systems in much of Southeast Asia functioned badly, if at all.

In large parts of Southeast Asia, the Japanese military instituted country autarky. The reasons for autarkic policies were to limit transport use and, for an army living off the land, to avoid the domino effect of a military loss in one region causing the loss of another due to food and materiel shortages. Deterioration in Japan’s military situation led to country autarky becoming regional, or even sub-regional, autarky.

By mid-1943, a lack of regional shipping and land transport further contributed to pushing Southeast Asian countries towards autarky. Pre-war Southeast Asian countries and regions were so economically integrated and so interdependent, especially in regard to food, that the collapse of intra-regional and inter-country trade associated with the shortage of transport exacerbated the already steep economic decline caused by Southeast Asia’s severance from the global economy.

Food supplies in Southeast Asia, especially outside rice-growing areas, were drastically reduced by ever more narrowly circumscribed autarky, mounting transport deficiencies, increased Allied bombing and greater control over food distribution which included delivery quotas for farmers and confiscation. The Burma delta, Cochinchina in the south of Vietnam and Central Thailand produced great surpluses of rice that were essential in feeding much of the rest of Southeast Asia but which during the war became largely or entirely unavailable to many food-deficit areas. In the food-deficit (net food-importing) countries of Malaya, Indonesia and the Philippines, the Japanese had to ration rice virtually from the start of occupation and then progressively rationed other foods. As the war continued, ration sizes were continuously cut. They fell to well below minimum calorie requirements in the largest cities, typically to even less in smaller cities, and to nothing in rural areas. Numerous Japanese campaigns encouraged Southeast Asians to grow their own food. These and Japanese dissemination of information on the preparation of substitutes for foods no longer available, especially rice, at best only partially countered scarcities.