

Japan's new 'Asia Doctrine' is received warmly during Kaifu tour

by Susan Maitra and Ramtanu Maitra

Japanese Prime Minister Toshiki Kaifu's week-long tour of South Asia has been hailed as a major success. Beginning April 30, the Japanese prime minister visited India, Bangladesh, Pakistan, and Sri Lanka. It was the new Japanese premier's first tour in Asia, and the South Asian nations were pleased with the attention from their pace-setting neighbor at a time of shifting global equations, and with the promise of increased aid that forms the core of Kaifu's new "Asia Doctrine."

That the trip signals a new dimension in Japan's foreign policy, was most evident from the reaction to the tour among the Japanese themselves. But while Japanese bankers congregated in New Delhi for the Asian Development Bank Board of Governors meeting said Kaifu had not only enhanced Japan's position on the world stage but also helped to consolidate his own position at home, influential voices in Tokyo were still openly expressing some worries.

International cooperative initiative

In an address to the Indian Parliament on April 30, Prime Minister Kaifu presented his country's vision of building a "new world" through cooperation, the vision that inspired his present tour. Kaifu explained that when "confrontation of power governed the world order," his country's contribution to preserving order among nations was "necessarily limited." Now, he said, "times have changed dramatically," and he was convinced that the time had come to extend the effectiveness of Japan's two-year-old "international cooperative initiative" further. This initiative rests on three pillars, Kaifu explained: 1) strengthening cooperation and political and economic dialogue to achieve peace; 2) expanding official development assistance; and, 3) promoting international cultural exchange.

Kaifu pointed to the collapse of the communist system in the Soviet Union and Eastern Europe, and to the acceptance by an increasing number of people around the world of the ideas of freedom, democracy, and market economy. He emphasized that it was to the interest of the world economy as a whole to resolve the economic difficulties of developing countries plagued with debt accumulation. It has become imperative, he said, to reflect the voices of developing coun-

tries in the management of the world economy. Economic dialogue between Japan and South Asia must be seen in this context, he said.

At a meeting with Indian journalists prior to his departure from Tokyo, Prime Minister Kaifu emphasized that Japan has an international responsibility now, and a unique role to play, especially in putting its economic and technical capabilities to effective use. It must now take foreign policy initiatives which would contribute to the stability and prosperity of the entire Asian region. This could only be done, he said, through discussion with leaders of countries such as India.

In two lengthy meetings with Indian Prime Minister V.P. Singh—one of which was devoted solely to India's economic conditions—Kaifu was fully apprised of India's view of the world, in particular the problem of Kashmir, India's commitment to multilateralism (i.e., the problem of the U.S. unilateral Super 301 trade-bashing actions), and India's determination to proceed with its economic "liberalization" at a pace that does not threaten the country's balance of payments position.

The prime minister took the Indians by surprise with his announcement of a 100 billion yen promise of aid to India for the coming year, to be formalized during the upcoming Paris meeting of the Aid India Consortium in June. "We never thought that assistance would be offered on this visit," said Indian Finance Minister Madhu Dandavate. "The Japanese are two steps ahead of us." The aid commitment represents a hike from the 97 billion yen level of assistance for 1989-90, meaning that Japan has now emerged as the single largest donor to India among countries and international aid agencies.

During his 20-hour visit to Bangladesh, Kaifu announced a 31.2 billion yen aid package for the country's next financial year beginning in July—a 3.7% hike over last year. It was the first visit of a Japanese prime minister to Bangladesh, and Kaifu used the occasion to inaugurate the Japanese-financed "Friendship Bridge" over the Meghna River, and assured Bangladeshi officials he would send a team of experts to evaluate the proposed Jamuna Bridge soon. Japan is the largest aid donor to Bangladesh, and is also currently involved, along with the World Bank and other donors, in

financing a five-year, \$150 million feasibility study—including setting up pilot projects—on prevention of natural calamities, namely flooding.

While in Pakistan, Prime Minister Kaifu committed 20 billion yen in new credits to that country for development projects. Kaifu also pledged Japan's continued financial assistance to Pakistan for the 3 million Afghan refugees still there. Kaifu also took the initiative to act as a kind of messenger between Indian Prime Minister V.P. Singh and Pakistan Prime Minister Benazir Bhutto, in attempts to defuse the tense Kashmir issue. While Kaifu was still in Pakistan, Bhutto offered to initiate a dialogue with her Indian counterpart.

Japan boosts South Asian cooperation

Arguably the single most significant element of the tour was the Japanese prime minister's offer of formal cooperation between Japan and the South Asian Association for Regional Cooperation (SAARC), the South Asian corollary of ASEAN formed in 1985 at Indian initiative.

SAARC, whose membership consists of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives Islands, got hopelessly bogged down over the past four years due to strained relations among the member nations. Last year's heads of state meeting, to be hosted by the last year's SAARC chairman, Sri Lanka, is still hanging fire because of bitter relations developed between India and Sri Lanka over stationing of the Indian Peace Keeping Forces in the island nation under a bilateral agreement with the previous government. It is expected that Kaifu's offer of economic assistance to SAARC, if the group chooses to take it up, will act as an initiative to revive the organization.

As Kaifu told the Indian Parliament, "I sincerely hope that the South Asian Association for Regional Cooperation will overcome whatever challenge may arise with wisdom and effort to realize step by step the lofty goals it set for itself at the time of inauguration. Should SAARC as an organization desire to receive cooperation from countries outside the region in its endeavor to attain these goals, Japan will be prepared to consider extending appropriate cooperation."

It was immediately noted in New Delhi that in making this offer, Prime Minister Kaifu was elevating the South Asian region to the same level as ASEAN, heretofore the priority focus of Japan's attention in Asia and a major beneficiary of Japanese economic cooperation. From the Japanese point of view, the offer to SAARC is a master stroke. Japan has always been uneasy funding any one particular nation in a region while ignoring others, and the intense rivalries and suspicions within the South Asian nations make it an even more sensitive issue. But by developing a cooperative relationship with SAARC as a whole, this problem is resolved.

For SAARC, which had also entertained a series of abortive discussions on establishing a regional development financing mechanism or otherwise jointly enhancing regional economic prospects, the Japanese offer of cooperation

comes as a potential boon.

Skeptical voices in Japan

But even before Kaifu left Tokyo, the wisdom of the new "Asia Doctrine" had come under attack. Why, asked some Japanese foreign affairs experts, had he chosen to go to South Asia, a regional "powder keg?" Japan's declared policy, after all, is not to play the role of a "military power," complained the liberal *Asahi Shimbun* editorially.

More significant, perhaps, was the editorial commentary in Japan's *Nihon Keizai*, a liberal mouthpiece for Japan's politico-business establishment, following the Kaifu tour. "We are only raising South Asia's expectations to a great height," worried *Nihon Keizai*, and putting "a new burden on our shoulders." The paper asked how aid can help lift the South Asian economies out of their long-persisting stagnation, or find solutions to the chronic problems of religious conflict and other difficult socio-political issues.

Other Japanese commentators noted that Japan's stature in South Asia was much greater today than just six years ago, when Prime Minister Yasuhiro Nakasone visited India and Pakistan. And the region's expectations of Japan are higher, too, as was evident in Pakistan President Ghulam Ishaq Khan's blunt remarks to Kaifu, that since the traditional powers were moving away from the region with the end of East-West confrontation, Japan could fill the resulting vacuum.

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