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Japan and South Korea: Yesterday, Today, and Tomorrow

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A Research Paper

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A Research Paper

This paper was prepared by for the Office of East Asian Analysis. Comments and queries are welcome and may be directed to the Special Assistant for Regional Analysis, OEA,

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Japan and South Korea: Yesterday, Today, and Tomorrow [redacted]

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Summary

Information available as of 15 December 1984 was used in this report.

The factors that have shaped the Japanese–South Korean relationship have remained fairly constant since 1945. Positive pressures toward at least a reasonably stable and generally accepted relationship have been exerted by geographic proximity, economic ties that are important to both even though in different ways, and the importance for each country of relations with the United States, which has its own strong interest in cooperation between its two allies. But negative factors have also been strong: the heritage of bitterness and misunderstanding left by three and a half decades of Japanese colonial rule in Korea, the frictions of a conspicuously unequal economic interchange, irritants relating to the status of the Korean minority in Japan, and complications caused by the division of the peninsula. The role of the relationship in the domestic politics of the two countries has also affected its development, mostly in negative ways.

Over the past two years, Japan and South Korea have entered into a relationship, which, although it rests upon foundations gradually erected since 1965, nevertheless has been generally greeted as the opening of a new era. The visits Japan's Prime Minister Yasuhiro Nakasone and President Chun Doo Hwan of the Republic of Korea (ROK) exchanged in 1983 and 1984 have been credited with the inauguration of this new era and have become its symbols.

Nakasone's visit to Seoul in January 1983 was, significantly, his first trip abroad as Prime Minister. He not only went to Seoul first, he was also the first Japanese Prime Minister to pay a state visit to South Korea. (Nakasone's predecessor Prime Minister Zenko Suzuki broke with the precedent that the first such visit should be to the United States. Suzuki, however, in going to Southeast Asia on his inaugural trip, followed in the footsteps of earlier prime ministers in destination if not in timing.) Chun's return visit in September 1984 was equally without precedent. Not only was it the first such Korean state visit to Japan, but it also derived great symbolic weight from the fact that the ROK chief of state was received on an equal basis by the same Emperor whom colonized Korea had been forced to venerate as its own ruler.

The new cordiality of the relationship rests heavily upon the leadership that Nakasone and Chun have provided. Both have been determined to subordinate longstanding and still strong national antagonisms. But although Nakasone and Chun have taken the lead, this same determination not to let hostile emotions dominate the relationship seems also to extend fairly widely within leadership circles in both countries. There are even signs that attitudes at the popular level are beginning to soften.

Although considerable credit must be given to the style and determination of the two leaders, the new era is also the outcome of changed circumstances. South Korea has assumed a different and more important global position. Its economic dynamism places it in the forefront of the developing world; it maintains trade relations with more than 160 countries and interacts much more vigorously than in the past with its Asian neighbors as well as with more distant countries. Its new status has been internationally recognized by its selection as the site of the Asian Games in 1986 and the Summer Olympics in 1988. Meanwhile, its Communist rival, the Democratic People's Republic of Korea (DPRK), despite its superior military strength, has fallen considerably behind in the competition for political and economic status.

Japan also has been moving out into the world, a trend that has become more conspicuous under Nakasone's assertive leadership but that predates his entry into office. As Japan has become increasingly conscious of the need to balance its economic progress by a higher political profile and of Asia as a natural center of its interest, relations with South Korea have come more into the forefront. With the strengthening of the economic and political standing of South Korea, its importance for Japan has increased while the attractions of North Korea have declined even for P'yongyang's most loyal supporters on the left.

For each of the two countries, the relationship with the United States remains both central and a link with the other. But, especially for Japan, this third-country linkage, although still very important in the Tokyo-Seoul relationship, is now somewhat less its dominant feature. For many years, forthcoming Japanese policies toward South Korea largely reflected explicit concerns with the US relationship rather than with South Korea's intrinsic importance to Japan. Today, much more than ever before, Japan's interest in South Korea itself as neighbor, customer, and Asian partner is an important determinant of policy.

From Seoul's perspective, the still very important US-Japanese relationship no longer needs to be relied upon as heavily as in the past to force Japan into generosity or to deter it from taking actions that might be contrary to South Korean interests. These elements survive, but for South Korea Japan has also become an independent actor with which it can work in partnership, however cautiously, and to which it can look, even though somewhat suspiciously, to use its own international standing on South Korea's behalf.

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Despite the progress that has been made, the relationship will continue to be tested in years to come, as in the past, by fortuitous events and differences over issues not yet resolved. The economic relationship, particularly, will continue to be contentious, as indeed it is between Japan and its other trading partners. Depending on what he does there and how the government handles him, Kim Dae Jung's projected return to South Korea could have political repercussions in Japan. And other events, impossible to predict, could reawaken popular passions. Nevertheless, although difficulties can be anticipated, the prospect is both countries will manage them better than in the past.

The relationship will also continue to be affected by North-South developments. South Korean concerns that Japan will move independently in this regard in ways contrary to South Korean interests are far from dead.

There remain also pressures on the Japanese Government to stay ahead of the curve, and these may increase with what now seem to be more hopeful prospects for relaxation of tensions between North and South. But the more important pressures on Tokyo are those that move it toward giving priority to its relations with South Korea, pressures that are reinforced by its very clear consciousness of the limits on its own leverage. The Japanese Government will want to be quite sure that it is being kept fully informed by both the United States and South Korea. It will be prepared to add its voice to that of the United States in the Korean-related dialogue with China without conceding to Chinese pressures for gestures to the North, likely to be seen as premature in Washington or Seoul. Should the process go so far as to include multilateral discussions, Japan will wish to be included if the Soviet Union participates. But it is most unlikely that Japan will embark on any initiatives of its own that could disturb its relations with the United States or South Korea.

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The Evolution of the Relationship

Even though their relative weights may have changed, the factors shaping the Japanese–South Korean relationship have remained fairly constant since 1945. Positive pressures to develop at least a reasonably stable and generally accepted relationship have been exerted by geographic proximity, economic ties that are important to both even though in different ways, and the importance for each country of relations with the United States, which has its own strong interest in cooperation between its two allies. But negative factors have also been strong: the heritage of bitterness and misunderstanding left by three and a half decades of Japanese colonial rule, the frictions of a conspicuously unequal economic interchange, irritants relating to the status of the Korean minority in Japan, and complications caused by the division of the peninsula.

The role of the relationship in the domestic politics of the two countries has also affected its development, mostly in negative ways. In South Korea, governments and the opposition alike have used anti-Japanese passions to mobilize political support. The opposition, the media, and members of the academic community have seen intimacy between Japan and South Korea as contributing to the ability of authoritarian regimes to maintain themselves and as abetting corruption in South Korean politics. Attacks on Japan are thus frequently a way of indirectly attacking the government.

In Japan, it is not prejudice against the Koreans—although this is strong—that makes Korea an issue in domestic politics. Instead, the linking of South Korean and Japanese security and the conflicting views over Japan's proper stance in relations with the two Koreas have inhibited the development of Tokyo's relations with Seoul.

In the first two decades after the end of World War II, the negative factors dominated. On the Korean side, memories of the hated Japanese occupation remained vivid. South Korea's first president, Syngman Rhee—himself a longtime leader of Korea's independence movement—deliberately fanned anti-Japanese feeling to unite the South behind his rule. For postoccupation Japan, a relationship with this backward and turbulent country had no advantages that would prompt Tokyo to comply with South Korean demands or to take steps that might seem to bind Japan to the southern half of the peninsula.

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Despite US efforts to bring the two countries together, normalization was not achieved until 1965, four years after Rhee's overthrow and replacement as president by Park Chung Hee. The negotiations Park initiated led to a normalization treaty and arrangements for long-term Japanese economic assistance. But they were extremely difficult and accompanied by political uproar in both countries. In South Korea, Park's political opponents mobilized anti-Japanese emotions against his still far from consolidated regime: an estimated 3.5 million people participated in mass meetings and demonstrations against normalization in 1964 and 1965. In Japan, both the left opposition and elements within the ruling Liberal Democratic Party (LDP) attacked normalization as drawing Japan further into the US alliance system, foreclosing prospects for a relationship with the North, complicating relations with China and the Soviet Union, encouraging the movement of Japanese capital to South Korea at the expense of the domestic economy, and opening the Japanese market to a flood of goods produced by cheap Korean labor.

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Once normalization was achieved, however, the economic benefits anticipated by Park, and by the Japanese and Korean businessmen who had lobbied for it, quickly became evident. Japanese funds began to flow into South Korea—not only the $500 million in official grants and credits promised as part of the normalization agreement but also large-scale private investment in South Korean industry. From 1965 to 1969, trade between the two countries quadrupled.

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Although the 1965 normalization laid the basis for an increasingly active and important economic relationship, there was no such corresponding development on the political side. Such LDP leaders as Nobusuke Kishi, Eisaku Sato, and Takeo Fukuda worked to strengthen ties, but their results were almost invariably expressed in economic rather than political terms. An exiguous political relationship at the government-to-government level, however, did not discourage—and perhaps even encouraged—the development of an informal network among influential politicians and businessmen, supported by substantial under-the-table financial transactions in both directions. Serving public as well as private purposes, this network of personal ties performed useful facilitative and ameliorative functions, at times even crucial ones. This was the case in 1974, for example, when then Korean Prime Minister Kim Chung Pil and former Japanese Prime Minister Kishi, meeting together privately, were able to devise a face-saving way out of the bitter confrontation precipitated over the assassination of President Park's wife by a Korean resident of Japan.

Since 1965, positive pressures pushing Japan and South Korea together have generally outweighed negative ones, but not by much. Movement has been excruciatingly slow and, on occasion, totally blocked, with fortuitous incidents sometimes exacerbating policy differences. This was very much the case in 1973-75. In August 1973, after a period of unusually cordial South Korean–Japanese relations under Prime Minister Sato, Japanese national sensitivities were aroused when agents of the Korean Central Intelligence Agency (KCIA) kidnaped South Korean opposition leader Kim Dae Jung in Tokyo. The failure of the Korean Government to return Kim and cooperate in investigating the incident heightened Japanese anger. In 1974, fuel was added to the fire by harsh sentences meted out to two Japanese students arrested in South Korea on charges of complicity with South Korean antigovernment student organizations.

In the poisoned atmosphere created by these events and the consequent reduction of Japanese aid, the assassination of his wife in August 1974 led President Park into a campaign against Japan of unprecedented ferocity. Korean feelings were aroused not only by Japan's refusal to accept responsibility for a crime committed by a member of its Korean minority, but also by what seemed to be its rather perfunctory expressions of sympathy for a deeply felt loss. To the Japanese, Korean demands for stricter controls over the P'yongyang-oriented General Federation of Korean Residents in Japan (Chosen Soren) represented unacceptable interference in Japanese domestic affairs, adding insult to the injury already caused by South Korea's refusal to accept responsibility and take action in the Kim Dae Jung case. With the South Korean relationship in almost total disarray, Japan, at the same time, seemed to be moving closer to the North. Foreign Minister Toshio Kimura's statements, which suggested that Japan was dismissing the military threat from the North and putting the Governments of North and South Korea on a juridical par, were followed in December 1974 by unprecedented Japanese Export-Import Bank credits to finance the export of two industrial plants to North Korea. 25X1

It was only in the spring of 1975 that the two sides began to move toward each other once again. Although Park's awareness of the need for continued Japanese support for his economic development plans was an important factor in Korean decisions, a heightened sense of external threat influenced Japanese as well as Korean actions. Concern over how the fall of South Vietnam would affect US policy elsewhere in Asia, the belligerence of Kim Il-song's post-Vietnam rhetoric, and the discovery of two North Korean tunnels under the Demilitarized Zone underlined for Seoul the importance of reconciliation with its Japanese neighbor. The same developments were read in Tokyo as requiring Japan to help preserve stability on the peninsula by demonstrating its support for the South and particularly for its economic progress. In September, the reconciliation was completed when the Eighth Japan-Korea Ministerial Conference was finally held and Japan agreed to continue its economic assistance beyond the terms provided in the 1965 settlement. Welcoming the agreement, Deputy Prime Minister Fukuda quoted the proverb, "The soil further firms up after a spell of rain," as Chun Doo Hwan was to do 10 years later in his audience with the Emperor. For the rest of the 1970s, while "Koreagate," the human rights controversy, and President

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Carter's plan to withdraw US ground forces from South Korea foreshadowed a possible weakening of Washington's commitment to Seoul, Japanese–South Korean relations remained unusually cordial. 25X1

In the first two years of the 1980s, however, as US–South Korean relations strengthened, South Korean–Japanese relations went into another period of decline. Hints of trouble appeared late in 1980 when Prime Minister Zenko Suzuki reportedly told the South Korean Ambassador that Japan would end its economic assistance if the death sentence against Kim Dae Jung were carried out. Another cycle of anti-Japanese demonstrations in Korea was then matched by leftist-organized campaigns in Japan on Kim's behalf. Not long after the commutation of Kim's sentence had temporarily eased the strain, Tokyo was alarmed and affronted by President Chun's abrupt demand for a five-year, $10 billion Japanese loan. There was outrage not only over the amount demanded (about 70 percent of all projected Japanese aid to Asia for the period), but also over the public linkage Seoul wanted Tokyo to make between support for the Korean economy and Japan's own defense and over readily aroused suspicions that Chun was using his cordial reception by the new Reagan administration to blackmail Japan into new commitments. Once again, in the familiar pattern, irritations created by one issue were reinforced by another—in this case, bitter South Korean complaints in the summer of 1982 that Japanese textbooks were being revised under Education Ministry auspices to gloss over Japanese aggression and brutal behavior before and during World War II.

Some progress was made in resolving these issues before the inauguration in November 1982 of a new Japanese cabinet under Yasuhiro Nakasone—a long-time member of the pro–South Korean group in the LDP leadership. It was, however, Nakasone's unprecedented state visit to South Korea in January 1983, reciprocated by Chun's visit to Japan in September 1984, that marked the beginning of what is widely seen as a new stage in the relationship.

The conviction of the two leaders that national self-interest requires South Korea and Japan to move toward a more solid relationship is neither original with them nor a strictly personal view. However,

Figure 1. President Chun and Prime Minister Nakasone UPI © 25X1

while evolutionary trends must be credited for some of the progress in this direction, Nakasone has brought a new style and sensitivity to the relationship, Chun has been unusually responsive, and both leaders have moved more rapidly and more independently of their bureaucracies than has been customary in the past. 25X1

The Issues

Despite what seems to be a real broadening of support for a healthy Japanese–South Korean relationship, the hostile emotions of the past have not disappeared. Moreover, many of the issues that have troubled the relationship since 1945 remain in one form or another. And they are not likely to disappear before the end of 1986 (when Nakasone completes the second consecutive term in office to which current LDP rules confine him) or by 1988 (when the single presidential term to which Chun has limited himself expires). 25X1

Two kinds of issues remain active: those that are essentially bilateral and those that extend beyond bilateral limits. The bilateral issues include the question of Japan's guilt for its past subjugation of Korea, the status of the Korean minority in Japan, and the inequality of the economic relationship. Those that exist in a broader international framework concern Japan's role between North and South Korea and its

responsibilities in connection with South Korean security. Some of these issues, such as Japan's guilt, may be fading somewhat. Others, such as the economic relationships, may produce even more friction. Developments beyond either South Korean or Japanese control could affect North Korean and security issues.

Japan's Guilt. Since 1945 the differences in their approaches to the question of Japan's guilt in connection with the colonial experience have made a major contribution to the psychological distance between Japanese and Koreans. As the Koreans have seen it, Japan's guilt is not confined to harsh colonial policies: the suppression of their national language and its forced replacement by Japanese, the imposition of aspects of Japan's political culture that included veneration of the Emperor, and the brutality with which Japanese authority was often enforced are also included. Japanese guilt in Korean eyes extends also to the fact of colonization itself—the destruction of the sovereignty of a proud and long-independent country whose cultural achievements, transmitted across the Korean straits, played an important part in Japan's cultural development.

This expansive view of Japanese guilt was an important element in both the abortive US-sponsored negotiations of the 1950s and in those preceding the 1965 settlement. It formed the basis of demands that Japan acknowledge the illegality of the agreements under which it had exercised sovereignty over Korea from the very date of their signing, explicitly apologize for the past, pay reparations, make restitution for Korean losses sustained during the colonial period and the postsurrender evacuation, and abandon its own claims for restitution for property seized in Korea after the war.

The guilt thesis has remained an important ingredient of Korean claims on Japan for economic assistance and more generous terms of trade. This is one way, Koreans argue, that Japan can atone for past crimes. They are alert, also, to any signs that the Japanese are seeking to gloss over their past misdeeds, as was most recently evident in the Korean outcry against the 1982 Japanese textbook revisions.

The Japanese have been unwilling to admit that their colonial occupation of Korea was either illegal or immoral. They have argued it should be viewed as a historical event consistent with international practices at a time when colonies were attributes of great-power status. They have seen no more reason for Japan to apologize to Korea than for the United States to apologize to the Philippines or Britain to Burma. And although some have agreed that Japan's colonial rule was harsh, most Japanese also believe it made important contributions to Korea's modernization through the development of industry and transportation, a contribution for which the Koreans should be grateful. It has also been difficult for the Japanese to recognize any uniquely Korean contribution to their own culture; they prefer, at most, to acknowledge Korea as a transmission belt between China's culture and their own.

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In negotiations with South Korea, Japanese representatives have been unresponsive to and irritated by Korean appeals to their historical guilt. They have carefully avoided linking economic assistance and other agreements to reparations or other forms of apology. Until the Nakasone-Chun era, the Japanese had made only one official statement that the Koreans could construe as an apology, and this at a rather low level. The statement was made by Foreign Minister Etsusaburo Shiina when he came to Seoul to initial the 1965 treaty. "I really regret," he said, "that an unfortunate period existed in the long history of the two nations, and deeply reflect [the Japanese term implies some degree of regret] on such a past."

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The apology issue was a central concern in the preparations for the Chun visit. Nakasone had already expressed his regrets for the past. But what the Emperor would say when he received Chun and how it would compare with statements made to the United States and China were very delicate problems in both countries. The final formulation represented a careful balance between Japanese and Korean sensitivities. The Emperor said:

> *It is indeed regrettable that there was an unfortunate past between us for a period in this century, and I believe that it should not be repeated again.*

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Nakasone's statement was a good deal more specific:

> *The fact remains that there was a period in this century when Japan brought to bear great sufferings upon your country and its people. I would like to state here that the Government and people of Japan feel a deep regret for this error and are determined firmly to warn ourselves for the future.*

Moreover, both the Emperor and the Prime Minister acknowledged Korean cultural contributions, with Nakasone's again adding specificity to a more vague Imperial formulation, saying that, during most of the several thousand years of relations between the two countries, "Korea was the teacher and Japan was the student."

Although the statements made by the Emperor and the Prime Minister can be construed as the national apology the Koreans have long desired, the degree to which this desire has been satisfied remains uncertain. For many Koreans, nothing the Emperor could say would be enough. However, the statements made in the course of the two visits, even though they will not bury the past, should at least lighten the burdens the past has placed on the relationship.

The Korean Minority in Japan. Japanese feel superior toward Koreans on many counts, among them Korea's former subordination to their country and its current less important position in the world than Japan's. The Korean minority in Japan—now numbering some 670,000—serves in many respects to reinforce Japanese prejudices. The Korean presence—accounting for about 80 percent of all non-Japanese in Japan—is an affront to Japan's concept of itself as a uniquely homogeneous nation. The fact that, for the most part, Koreans in Japan have remained at the bottom of the economic ladder and are concentrated in a few urban ghettos both restricts contacts between the two communities and supports Japanese views of Koreans as inferior people, prone to crude and criminal behavior. Their disturbing role in Japanese politics, especially through the alliance of Chosen Soren with the left, is also held against them.

The minority presence also reinforces negative Korean feelings. The way in which the minority originated is another instance for Koreans of Japanese brutality and contemptuous behavior. Although there has always been some voluntary migration of Koreans to Japan, the vast majority of Koreans now living there are the descendants of laborers forcibly brought to Japan during the colonial period. Because they were brought to Japan against their own will, the social and legal discrimination imposed upon them and their descendants is resented even more.

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When World War II ended, there were 2 million Koreans in Japan. The US occupation authorities encouraged repatriation in principle and many returned. Others, however, were discouraged by occupation regulations, intended to prevent excessive drains on Japan's economy, which permitted repatriates to take with them only 1,000 yen and such possessions as they could carry. After the end of the occupation, any Japanese desires to promote repatriation were frustrated by the unacceptable South Korean condition that repatriates be permitted to bring with them all of their property and sizable compensation as well. In 1959, when Japan responded eagerly to P'yongyang's offer to accept—unconditionally and at North Korean expense—all Koreans who wished to come, an embarrassed and angered South Korea broke off all dealings with Japan for months.

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Over the years Seoul's objective has not been repatriation so much as a changed status for Koreans in Japan. South Korean governments have consistently sought a special position for Koreans based on the "historical circumstances" of their presence in Japan: on the one hand, preservation of their Korean nationality and their right to South Korean protection; on the other, the elimination of regulations that distinguish them from Japanese citizens. The most resented legal discriminations are those of the Alien Registration Law. These require resident Koreans, like other aliens, to carry identification cards at all times and to be fingerprinted every five years. In addition to demands that Koreans be exempted from these requirements, South Korea has pressed Japan to provide increased employment opportunities and to extend national pension benefits to Koreans 35 and older.

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Although the Japanese agreed in 1965 to provide permanent residence status to Koreans who had been living in Japan before 1945 and to their descendants, they have been unwilling to alter their legal status further. The communique issued at the end of the Chun visit said merely that Japan will "continue its efforts" to improve the legal status and treatment of resident Koreans. Movement will not be rapid, especially with respect to registration and fingerprinting, because the Justice Ministry is strongly opposed to change and public government statements have precluded alteration any time soon.

Moreover, Korean interests are divided: Seoul must continue to press the fingerprinting/registration issue for political reasons, but, at the same time, it does not want to reduce the ability of the Japanese police to surveil Koreans sympathetic to the North. Over time, the problem may be reduced by recent legal changes that make it possible for children of a Japanese mother and an alien father to claim Japanese citizenship. Moreover, although it is too soon to say that Japanese popular attitudes are changing, there are straws in the wind—for example, the decision of the LDP and the two moderate opposition parties to petition the government to exempt Koreans from the alien registration requirements.

Issues in the Economic Relationship. Economic issues have assumed somewhat different forms as South Korea's economic status and role in the global economy have changed. At first, aid issues were dominant: how much aid could Japan be induced to provide and on what terms? More recently, as South Korea has moved into the front ranks of developing countries, aid issues have been joined by others relating to trade and technological transfer. A new element has also entered into the economic relationship as South Korean manufactures, including steel products, ships, and consumer electronics, have begun to compete with Japanese products in third-country markets.

There is no economy with which the South Korean economy is more closely linked than with the Japanese. Two-way trade runs about $10 billion a year. South Korea is Japan's second-largest trading partner; Japan is South Korea's second-largest customer, after the United States, taking 16 percent of its exports in 1983. As a supplier, Japan outranks all others, producing 21 percent of all South Korean imports in 1983—33 percent if we exclude energy. Japan is even more prominent in direct foreign investment. By 1983, cumulative net Japanese investments totaled $843 million or 49.5 percent of the total, compared with $471 million or 27.7 percent for the United States. 25X1

Many Japanese and many Koreans have, of course, profited from this intense economic interchange, and important elements of the business communities of the two countries are closely linked. Japanese businessmen with large interests in South Korea constitute an influential Korean lobby in Japan; their South Korean counterparts, although by no means as politically potent as the Japanese business class, nevertheless, manage to bring to bear on the ruling authorities their concern with maintaining a reasonably smooth South Korean–Japanese relationship. There are organizational as well as informal ties; in 1983, for example, in the 15th of a series of private-sector conferences, 200 businessmen from both countries met in Seoul. 25X1

At the same time, however, irritants normal to a close but unequal economic interchange are magnified by the emotional baggage of the broader relationship. South Korean complaints against Japanese economic behavior are much like those of Japan's other trading partners: Japan is unfair, it makes excessive use of nontariff barriers, and so forth. But resentment is greater because Korea is convinced that Japan's historical role imposes on it an obligation to give Korea special help and consideration. Instead, the Koreans charge, Japan discriminates against them. In July 1984, for example, the South Korean Ministry of Trade and Industry accused Japan of erecting higher tariff and nontariff barriers against South Korea's exports than against those of other countries. Japan, it alleged, bows more readily to ASEAN's demands, because ASEAN's population is much larger and its competitive potential much less, and to those of the United States and Europe, because they are more powerful. Some even see Japan's economic success as first made possible by Korea's suffering. They are all too conscious that, while their country was being devastated by the Korean war, Japan was profiting heavily from the war boom. 25X1

The Japanese, for their part, see no merit in Korean arguments of this kind and, indeed, resent them. They see the Koreans as ungrateful for the role Japan played in underwriting South Korea's remarkable growth and for the very large share of Japan's concessional loans it continues to enjoy. The Koreans, they argue, should stop pressing for a one-way street of Japanese concessions; instead, Japan and South Korea should be equal partners with both responsible for removing trade impediments.

Between 1981 and 1983, economic issues centered on the dispute over the size and terms of South Korea's requested loan. In mid-1982, agreement had been reached on the size of the loan ($4 billion instead of $10 billion) but on little else. It took the stimulus of Nakasone's pending visit to Seoul to break the impasse. Apparently on Nakasone's own instructions, the Japanese negotiators agreed to a concessional loan share of $1.8 billion with the remainder to be provided as ExIm credits. The loan was to be spread over seven years, instead of the five the Koreans had requested, but the Japanese made a number of concessions on nonproject loans and local cost financing. Even so, outraged pride almost torpedoed the arrangements at the last moment as Chun reacted with fury to the news that the Japanese would not break with their past practice and sign a formal ODA agreement.

Today, the burning issues are the trade deficit and technology transfer. The intensity of Korean feelings about the trade deficit with Japan is shown by the Koreans' unique practice of citing it in cumulative terms, currently as a total deficit from 1965 to 1983 of almost $27 billion. In fact, during this period, there has been a substantial percentage reduction in the gap, to a considerable extent because of growing South Korean self-sufficiency in such areas as steel milling and shipbuilding. Thus, while in 1965 South Korea's imports from Japan were 3.8 times greater than its exports to Japan, in 1982 they were only 1.6 times greater. Nevertheless, the Japanese surplus is large and in 1983 rose to $2.8 billion after falling in 1982 to $1.9 billion.

The gap reflects continued South Korean dependence on Japan both for capital goods and for intermediate industrial products that already contain high added value and are intended for further processing. But the continued very large annual deficit, South Koreans contend, also reflects trade practices that restrict their access to the Japanese market. They have put particular pressure on Japan to expand its application of the Generalized System of Preferences (GSP) to Korean products and to reduce tariffs on Korean marine and farm products and on such light industrial products as leather and knitwear. 25X1 25X1

Although the Japanese have made some concessions to Korean demands, they generally regard them as excessive. They resent the Koreans' expressing the trade imbalance in cumulative terms and sometimes even argue that Japan's export surplus should be seen as benefiting Korea, because so much of what South Korea imports is processed for highly profitable sales to other countries. Of all Japanese imports from South Korea, they point out, one-third is already covered by GSP, and this represents 25 percent of all of Japan's GSP imports. In other cases, the need to consider Japan's own small-scale domestic producers and declining industries is cited. Japan also complains of South Korean trade practices, charging that South Korea has erected its own barriers against Japanese products and investments and, in a mirror image of South Korean complaints, argues that Seoul's own liberalization measures are directed only at placating the United States and are of no benefit to Japan. 25X1 25X1

Despite the heat generated by the trade deficit, Korean businessmen and officials, in fact, recognize that, even if Japan complied with South Korean demands for market access, the trade deficit would continue because of the structural differences between the two economies. These differences, of course, may narrow over time and the centrality of the relationship may decline as Korean global trade continues to expand faster than Korean trade with Japan. However, despite talk of looking to alternative sources, there is little question that Japan will continue for some time to be the preferred and most economical 25X1 25X1

supplier, given its proximity, its familiarity with Korean requirements, the efficiency of its trading companies, the reputation of its product, its followup, and its service. Thus, rather than expecting any real solution of their trade imbalance with Japan, South Korean economic leaders look to increased sales elsewhere to help balance their global trade while looking to Japan to provide technology that will help South Korea move further up the economic ladder.

On technology transfer—as on other issues—the differences between the two countries are wide. The Koreans would prefer government-to-government arrangements in which, once appropriate guidelines had been established, Japanese firms would respond to Korean requirements according to the dictates of administrative guidance. They see Tokyo's claim that the government cannot commit private industry in this manner as mere foot-dragging. They believe that what really lies behind the government's position is Japan's determination to avoid enhancing South Korea's already significant ability to compete in third-country markets. This so-called boomerang effect is undeniably a strong element in Japanese industry's attitude toward transferring high technology to Korea.

At times the prospect of lucrative sales works in the opposite direction. Initially, Japanese steel producers were reluctant to provide assistance to the second Pohang integrated steel complex, having seen their sales to Korea decline as the first Japanese-assisted steel facility at Pohang increased its output. In due course, however, the prospect of the immediate profits won out and the Japanese agreed to provide the requested plant and technology. Other such deals have been made, government-to-government technical training agreements have been reached (although thus far on a very limited basis), and Tokyo has agreed to give positive consideration to technology transfer from semigovernmental enterprises. Nevertheless, technology transfer is not likely to occur to the extent and with the speed that Koreans desire, and continued contention over this issue can be expected.

Japan Between the Two Koreas. Concerned Japanese recognize that few events would cause their country greater problems than a war between North and South Korea. At the same time, they prefer the present division of the peninsula to any conceivable alternative. In fact, they find it hard to envisage alternatives. They do not see any realistic prospects for peaceful reunification. Nor do they think it possible that North Korea will attempt to impose reunification by force, at least as long as the United States maintains a plausible deterrent and the Sino-Soviet equation undergoes no basic change. Accepting division as the only likely status for the indefinite future, they would prefer it to exist on a more stable basis and with at least the tacit acquiescence of North and South Korea as well as of their great-power patrons.

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Although Japan sees its interests best served in the reduction of tensions between the two Koreas and has regarded some balance in its own relations between North and South as contributing to this end, it has in fact tilted toward the South. The importance to Japan of its alliance with the United States has been extremely influential in bringing this about. Increasingly, however, Japan's policies toward the North have also been influenced by its own desire, independent of its ties to the United States, to preserve and expand relations with the South.

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Japan's relations with North Korea have been both a bone of contention between Tokyo and Seoul and an issue in Japanese domestic politics, with the pro-P'yongyang sympathies of a substantial element of Japan's Korean minority playing a somewhat complicating role. Customarily, Japan's Socialist and Communist Parties have been pro-P'yongyang and anti-Seoul and have aligned themselves on Korean issues with the Chosen Soren. It is from this side of the political spectrum that the strongest pressures have come for movement toward official relations with the North, for increased trade, and for contacts and exchanges of all sorts. It is also from this side of the spectrum that the South (but not the North) is most vehemently criticized for its authoritarian practices and attacked for such "insults" to Japan as the kidnaping of Kim Dae Jung. And, finally, it is on this side of the spectrum that suspicions are most readily aroused about Japanese security relationships with South Korea.

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Support not so much for North Korea as for a more equidistant policy has come from some newspapers, especially the *Asahi Shimbu*, and from academicians, as well as from within the LDP and the national government bureaucracy, the Ministry of Foreign Affairs, and the Ministry of International Trade and Industry (MITI) especially. A number of considerations are involved: the belief among Japanese in general that, if a problem exists, it is better for all parties involved to be in contact with each other; interest in trade with the North; and the conviction that isolating P'yongyang will only reinforce its intransigence and bellicosity. Rather than contribute to the isolation of North Korea, it is argued, Japan should be working to reduce tensions on the peninsula by maintaining contact with the North; not only do history and proximity support this role, but it is also one that Japan, especially because of its limited influence, can more appropriately perform than the United States. As one Japanese specialist put it, "The American card is much more powerful than the Japanese card and, therefore, must be played much more carefully."

The American card is, in fact, a major worry, and within the government there is a constant concern that it might indeed be played. The Japanese fear the United States, without consultation, might inflict on Japan a Korean version of the "China Shock," leaving the government open to attack from LDP factions as well as the opposition for a major foreign policy failure. This fear, and aspirations in government and conservative circles for a more independent foreign policy, put pressure on policymakers to stay at least somewhat ahead of the United States in relations with North Korea. Looking to the future also, LDP leaders believe it is important to disabuse P'yongyang of the idea that its only channel to Tokyo is through the left; the two chairmen of the nonpartisan Dietmen's League for Promotion of Japanese–North Korean Relations have both been LDP members.

Although Japan has consistently sought to keep the door to North Korea at least slightly open, South Korea has sought recognition from Japan as the sole legitimate government for all of Korea, has opposed any official contact between Tokyo and P'yongyang, and has been deeply suspicious and resentful of trading connections—especially those, whether legitimate or covert, that could strengthen North Korean military capabilities. Japanese dealings with the North in the name of reducing tensions, the South Koreans have argued, could have the opposite effect, encouraging the North Koreans to discount the risks of provocative conduct. If there is to be some improvement in Japan's relations with North Korea, Seoul contends, this should be part of a bargain—such as cross recognition—from which South Korea also benefits. 25X1

Japan's position in the contest for legitimacy between North and South was a highly contentious issue in the negotiations of the 1950s and 1960s. South Korea pressed for recognition in principle of its authority as the legitimate government of all of Korea. But the Japanese, unwilling to foreclose the possibility of some sort of relationship with the North, refused to accept this. 25X1

In the end, compromise was reached by using language legitimized by the UN General Assembly in 1948 after elections had been held in the South under UN supervision. In the normalization treaty, Tokyo recognized the South Korean Government as "the only lawful government in Korea as specified in the resolution 195(116) of the UN General Assembly." Leaving the South Koreans to interpret this statement as they might, Foreign Minister Shiina was careful to explain to the Diet the very limited construction the Japanese Government placed upon the statement: "the problem of North Korea is still in the state of carte blanche. The area of the treaty application is limited only to the area where the present jurisdiction of South Korea extends." 25X1 25X1

Shiina's explanation notwithstanding, in the political controversy over normalization a principal issue was the fact that Japan's formal relationship with the South was unmatched by any with the North. This, it was argued, helped to postpone reunification. 25X1 25X1

Meanwhile, as early as 1955—following the principle of "separating politics from economics" established for similar dealings with China—Japan made unofficial trade arrangements with the North in the form of

so-called peoples agreements. It was not until the early 1970s, however, with the initiation of contacts between the two Koreas and P'yongyang's economic opening to the West, that the trade flow became more than a trickle. In January 1972, a five-year trade agreement was negotiated by the Dietmen's League for Promotion of Japanese–North Korean Friendship (organized in 1971 under the chairmanship of LDP member, Chuji Kuno). From $58 million in 1970, trade grew to over $360 million in 1974. In the following years, however, North Korea began to face very serious economic problems. Having assumed large foreign debts through extensive purchases of whole plants and technology, P'yongyang became unable to meet its interest payments as oil prices rose while the market for its own mineral exports declined sharply. In 1976, North Korea became the first Communist state to default on its debt repayments, and its foreign trade declined precipitously.

By 1979 North Korea reached a rescheduling agreement with its Japanese creditors to whom by this time it owed $380 million in principal and interest. Since then, North Korea's debt has fallen to about $240 million and trade has increased, mostly on a cash basis since ExIm credits are precluded and Japanese firms are unwilling to extend credit. Trade now runs between $400 million and $500 million a year with Japan enjoying a considerable surplus; 80 percent is in the hands of enterprises owned by Koreans resident in Japan, but a number of large Japanese firms are also involved.

South Korean concern with this trading relationship has centered on its military and political implications. Japanese Government regulation of exports to North Korea is confined to prohibiting sales of items on the COCOM list, and even some of these have found their way from Japan to North Korea. There are no controls over items not on the list, however, even if they can be used for military purposes. This is another source of South Korean concern, one that is currently directed toward the documented military use that North Korea is making of trucks bought from Japan.

Fear that North Korea will use the economic relationship with Japan to promote a political one also enters into South Korean attitudes. This is clearly one of P'yongyang's objectives, and it has been aided and abetted by the Dietmen's League and other such pressure groups. South Koreans are acutely sensitive to the possibility that the Japanese Government will accede to these pressures and their apprehensions are easily aroused. Such events as Kuno's calls on high government officials before he embarks on one of his frequent trips to North Korea and Foreign Minister Abe's conversation with a North Korean official at a Foreign Ministry reception are almost invariably seen with alarm as signs that Japan is about to enter into some sort of official relationship with the North. 25X1

In fact, North Korean efforts in this regard have been quite unsuccessful. The recently renewed unofficial fisheries agreement is a case in point. Reached in 1977 and described by North Korea as an act of friendship toward the Japanese people, the agreement permitted Japanese to continue to fish, as they had for centuries, in waters now contained within North Korea's 200-mile economic zone and without fees or licenses. 25X1 25X1

Extended twice, the agreement's expiration in June 1982 was preceded by an unusually large number of seizures of Japanese fishing boats for alleged violation of North Korean regulations. It soon became evident that North Korea was seeking to play upon the need for a number of LDP Diet members, including Abe himself, to protect the interests of their constituents among fishermen in central Honshu whose catch in North Korean waters was valued at $20-50 million annually. 25X1 25X1

With Kuno as its messenger, P'yongyang insisted that fisheries negotiators on the North Korean side include officials whose status or previous behavior in Japan had made them unacceptable in Tokyo. It was also indicated that the price tag for a new agreement might include the opening of trade offices in P'yongyang and Tokyo, the establishment of a direct Tokyo-P'yongyang air service, the exchange of official visits, and steps toward expanding economic relationships. Despite apprehension in Seoul, however, the Japanese Government stood firm, its resistance to any such proposals stiffened by the fact that the interests of the 25X1

fishermen affected were balanced by the interests of a larger group who relied on access to South Korean waters. In due course, the North Koreans yielded. In October 1984, the agreement was renewed without preconditions and, as in the past, under the auspices of the Friendship Leagues of both sides.

South Korea will continue to watch Japan's economic relationship with the North for signs of major growth or political exploitation. Nevertheless, the issue has become somewhat less sensitive as Japan under Nakasone and in the wake of the Rangoon incident has, in fact, aligned itself more overtly and specifically than ever before with South Korea and with its policies on the division of the peninsula.

The Rangoon incident was a key event, reinforcing feelings of fellowship that had been stimulated by Japan's highly cooperative and sympathetic behavior after the KAL shootdown had taken the lives of nationals of both countries. Some Koreans criticized Japan for not having sent a higher level delegation to the funeral ceremonies for the Rangoon victims or for not imposing stiffer sanctions. Most, however, seemed to appreciate Japan's behavior as demonstrating a new and welcome warmth and sympathy. At the funeral, Foreign Minister Abe expressed Japan's wholehearted support of South Korea.

After Burma charged North Korea with the crimes and broke off its own relations, the Japanese Government announced that:

- Japanese diplomats would be instructed to refrain from all contact with North Korean officials in third countries.
- Japanese officials would not be permitted to travel to North Korea.
- Visas would not be issued to North Korean officials and the entry of nonofficial Koreans would be severely limited.
- Special charter flights between P'yongyang and Tokyo would not be permitted.

No formal restrictions were imposed on the activities of private citizens. Japanese officials, however, indicated privately that the government would do its best to discourage travel to North Korea, especially by LDP politicians, and would use "administrative guidance" to discourage trade. 25X1

Their response to Rangoon has not altered the Japanese view of the long-term danger of isolating P'yongyang. In July 1984, following up on remarks he had made during his trip to Seoul earlier in the month, Abe made a very carefully hedged statement in the Diet. "The government," he said, "did not intend to continue the Rangoon sanctions indefinitely." But he tied change in existing policy to hopes "that there will be a change in the situation in the future that would lead to a lifting of the measures." He refused, however, to respond to questions about what changes would be required. 25X1

Whatever apprehensions the Koreans may have had that Abe's remarks portended some early Japanese Government action were assuaged when Nakasone's comments reassured them during the Chun visit that Japan would make no changes in its policy toward North Korea without first consulting South Korea and the United States and by the wording of the joint communique. 25X1

The communique made clear Japan's support for the South Korean call for resolution of the Korean problem by direct talks between North and South. And, for the first time, Japan endorsed the South Korean proposal—opposed by the North—for the admission of both Koreas to the United Nations. Also, welcome tribute was paid to South Korean policy in the statement that the Prime Minister "highly appreciated that the defense efforts" of South Korea "together with its efforts for dialogue have contributed to the maintenance of peace on the Korean Peninsula." 25X1

The Japanese resisted Seoul's pressures for statements recognizing South Korea as the only legitimate government on the peninsula and endorsing the position that the United States and Japan should not seek improved relations with North Korea until the USSR 25X1

recognizes South Korea. Otherwise, however, the Japanese went reasonably far in endorsing South Korean positions. At his luncheon for Chun, Nakasone went even further in his own remarks, declaring, "There can be no peace and stability for Japan without long-term and stable relations of friendship and cooperation with the Republic of Korea."

Tokyo also seems to have altered its view of how Japan can best promote stability on the peninsula. The utility of an opening to the North has been distinctly downgraded and Japan's contribution to the strength and self-confidence of the South given much greater importance. Chun, for his part, seems to envisage more of a role for Japan on North-South issues than the distrustful Koreans had been willing to contemplate in the past, as witness his apparently spontaneous public suggestion while in Japan that Tokyo might be a suitable venue for talks between the leaders of the two Koreas. More immediately, South Korea seems to have accepted quite readily the possibility of using the Japanese as interlocutors on their behalf with the Chinese. Clearly, these developments reflect South Korean confidence in Japan's intentions. But they may also reflect the same uneasiness over the possibility that an independent Washington-Beijing agreement on the Korean question could have developed in the wake of the US opening to China in 1971.

The idea of a Sino-Japanese dialogue on Korea seems to have originated with Japan. In January 1983, during Nakasone's visit to Seoul, Chun responded positively when the Prime Minister asked him whether Japan would be of any help to the South Koreans with the Chinese. Although there seemed to be some Korean wavering in March 1984, when Nakasone visited China, Nakasone felt free to urge on the Chinese a closer relationship with Seoul and to express the hope that Beijing would expand personal exchanges and trade with the South, participate in the 1986 Asian Games and the 1988 Olympics, and agree to exchanges of visits between Koreans living in China and their relatives in the South.

At the same time, however, Nakasone rebuffed Chinese suggestions that Japan move closer to the North and support P'yongyang's October 1983 proposals for tripartite talks. He explained that, until the atmosphere for better North-South relations had been established, it would be very difficult for Japan to move toward better relations with the North. He emphasized Japan's belief that the best course would be the opening of direct talks between North and South that would contribute to the development of an atmosphere of mutual trust, while conceding that multilateral talks might be useful if both North and South agreed to them. Although he did not cite a North Korean apology for Rangoon as a prerequisite for talks, he did suggest the necessity in this regard for P'yongyang somehow to show its "sincerity." At the same time, he described the demand for US troop withdrawal as a prerequisite for North-South talks as completely unacceptable.

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Real regression from the climate of understanding on North-South issues, as it has developed in the last two years, seems unlikely. Temperatures could be raised, as they have been in the past, by Japanese and Korean failures to take each other's sensitivities into account, by intermittent use of the North Korean issue in Tokyo or Seoul as a makeweight in disputes over other issues, or by clumsy efforts by Japanese politicians to advance their own fortunes through well-publicized foreign policy initiatives.

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From Japan's perspective, however, opportunities to profit economically or politically from significantly expanded relations with the North are intrinsically small, and smaller still in comparison with the importance of the relationship with the South. Seoul may react unfavorably from time to time to continued Japanese business and other contacts with the North, if only for domestic political reasons and to remind Japan of the limits of acceptable behavior. But the prospects that either side will permit frictions on this score to get out of hand are very low.

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Even less so than in the past, economic considerations are not likely to lure the Japanese into unacceptable political behavior. Businessmen will respond to opportunities for profitmaking should P'yongyang persist in its apparently heightened interest in economic development. But they will respond with very real caution, past experience's having made them very skeptical of the prospects for doing business in a big way in the North. They will continue to look for ways to recoup

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their large investments of the past, but they will not be rushing into new ones; North Korea's recently announced policy welcoming joint ventures was received with great skepticism.

Japanese businessmen are also very watchful of the impact any deal with the North might have on their much more substantial interests in the South; the Koreans are well aware of their leverage in this regard and are quite willing to use it. Thus, and admittedly as an object lesson, in May 1984 South Korea closed its ports to the Iino Shipping Line, the principal Japanese shipping company that delivers Japanese goods to the North Korean port of Chongjin (in the expansion of which it assisted) for transhipment to China.

Japanese public opinion on North-South issues is also changing as South Korea's international economic and political standing has outdistanced that of the North by a considerable margin. The Dietmen's League is in parlous shape: in the December 1983 elections, 39 of its members were defeated, including Kuno himself, and it took seven months to find an LDP member (a very undistinguished one at that) who was prepared to replace him. The moderate opposition parties—Komeito and the Democratic Socialist Party—have long since established contacts with South Korea. Even those further to the left—the Socialist Party under its current president, Masashi Ishibashi, and its trade union federation ally, Sohyo—having failed to move the government toward equidistance between South and North, now seem to be moving away from their own single-minded devotion to the North.

Although there are strong divisions among the Socialists on this issue, Ishibashi's impact was clearly reflected in the expected party statement condemning the Chun visit. It confined itself to the impropriety of receiving the leader of the South in the absence of similar treatment of the North but omitted the customary vitriolic attacks on South Korean policy. The trend in Sohyo is equally evident, symbolized in May 1984 by the visit of a Sohyo delegation to Seoul, the first such visit since normalization. Even within the Korean community, support for the North has declined significantly. Whereas at one time more than half the Koreans in Japan were affiliated with Chosen Soren, according to Japanese Government statistics only 10 percent are today, with 24 percent affiliated with the pro–South Korean Mindan, and 66 percent unaffiliated. 25X1 25X1

Japan and the Defense of the South. The relationship between South Korea's security and Japan's has been more of an issue between Washington and Tokyo than between Seoul and Tokyo. Nevertheless, the question has entered into the South Korean relationship, especially in recent years. Here, as in other issues, there has been some evolution, in this case, one that has been especially glacial and subliminal. Japan, much more directly than in the past, now acknowledges the relationship between South Korean security and its own, and some low-level and largely unpublicized cooperation has developed between the military services of the two countries. Nevertheless, the whole question of a security relationship between them remains highly sensitive on both sides of the straits. 25X1 25X1

Japan's historical concern that the Korean Peninsula not fall into hostile hands was, of course, an important motive for the establishment of Japanese rule there. In much of the postwar period, however, it has been politically difficult for any Japanese government to acknowledge a direct link between Japan's security and that of South Korea. It is still politically impossible to suggest any direct Japanese participation in South Korea's military defense. The sensitivity of the issue reflects a number of concerns that have combined in different ways since 1945. 25X1

One of the most important concerns is the desire of the vast majority of Japanese to preserve their "peace" constitution. Article IX, which has been interpreted to permit Japan to maintain armed forces strictly for its own defense, is also read to preclude sending Japanese troops abroad, even under UN peacekeeping auspices, and to preclude participation in any kind of collective security arrangement. Another concern is to avoid involvement in situations and actions that could heighten confrontation—Japan's moving closer to South Korea militarily, it has been argued, will only lead to increased Chinese and Soviet military support of the North. 25X1 25X1

Unfavorable attitudes toward Korea and Koreans have also played a part. In particular, there are questions in Japan, as in the United States, about how the claims of South Korea as a professed member of the non-Communist to the support and protection of Western democracies can be reconciled with its authoritarian practices and human rights violations.

For the Koreans, the idea of any direct participation of Japanese military forces in the defense of Korea is completely intolerable, as would be the idea of the presence at any time of any large number of uniformed Japanese on Korean soil. Although South Korea welcomes the US-Japanese security tie, Koreans resent the extent to which the United States justifies its own large investment in South Korea's defense as required to support the prime US interest in the security of Japan. They are concerned that US pressures on Japan to increase its self-defense capabilities could in time lead to the resurgence of Japanese military ambitions. They also fear that, to lighten its own burdens, the United States might try to assign its responsibilities for the defense of South Korea to Japan.

The Koreans see some incompatibility between Japan's perceptions of the threat to regional security, which is centered on the USSR, and their own, which is centered on North Korea. They deduce from this that a defense relationship with Japan, while adding very little to their security, might involve them in unwanted conflict. However, even while rejecting a direct defense tie with Japan, the Koreans do want Japan to acknowledge that South Korea constitutes the frontline of Japanese defense. This, in their view, reinforces the deterrent to North Korean aggression and brings home to the Japanese their obligation to help compensate for South Korea's heavy investment in military strength with economic and political support.

Although Japan in recent years has come much closer to acknowledging this relationship, its movement in this direction has been slow and erratic. During the Korean war, Japan, still under US occupation, was not required to take an official position or to acknowledge the heavy logistic use of Japan as anything more than obedience to the fiat of occupation authorities. However, in September 1951, in anticipation of the conclusion of the peace treaty, Prime Minister Shigeru Yoshida committed Japan to "permit and facilitate the support in and about Japan . . . of the forces engaged in . . . United Nations action" in East Asia. This commitment was both broadened and made more specific in the 1952 US-Japan Security Treaty, which accepted the right of the United States to use its forces "in and about Japan" to defend the peace of Asia. Revisions in 1960 then defined the functions of US bases in Japan as contributing to Japanese security and also to "the maintenance of international peace and security in the Far East" and permitted the United States to operate from these bases in the event of armed attack outside Japan elsewhere in Asia.

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The security treaty remained controversial in Japan throughout the 1960s, and the charge that normalization with South Korea would draw Japan still deeper into the US alliance system was an element of the opposition to establishing diplomatic relations with Seoul. In 1969, however, the statement in the Nixon-Sato communique describing the security of South Korea as "essential to Japan's own security" caused no particular stir in Japan, perhaps because of gratification with the reversion of Okinawa.

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The Nixon-Sato statement was, in fact, part of the price of reversion, and Japan subsequently retreated some distance from it. In 1974, when relations between Tokyo and Seoul were particularly disturbed, the Nixon-Sato formulation was rephrased by Foreign Minister Kimura, who eliminated any specific references to South Korea and declared instead that "peace and security on the entire peninsula" were essential to Japan's security. In 1975, as the Miki government sought ways to reassure South Korea and bolster US resolve in the Pacific, an ingenious combination of the two approaches was devised:

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> *The peace and security of the Republic of Korea is essential to the peace and security of the Korean Peninsula, which in turn is necessary for the peace and security of East Asia, including Japan.*

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This has remained the standard formula, reiterated in the Chun-Nakasone communique, and the Japanese Government has resisted any efforts to alter it. Increasingly, however, another implicit connection has been made in Japanese statements endorsing efforts by South Korea to strengthen its own defenses. Thus, at the Japan–South Korean Ministerial Conference in September 1981, the Japanese representatives declared that they "appreciated the defense efforts" made by South Korea, which Nakasone again praised in his January 1983 visit to Seoul, describing them in the communique as contributing "to the maintenance of peace on the Korean Peninsula." This phrase was repeated in the communique following the Chun visit.

The bilateral security relationship each country maintains with the United States also raises the question of a triangular defense relationship. Both the Japanese and South Korean Governments fully appreciate the importance to the other of the relations each maintains with the United States. The South Koreans regard Japan's security ties to the United States as vital to maintaining the military balance in the westen Pacific and as permitting a Japanese contribution to this balance, while putting helpful limits on the prospects for independent employment of Japanese military might. Japan regards the US–South Korean security tie as an important deterrent to North Korean military adventurism and a source of constructive influence on the South. The Nixon administration's decision in 1970 to withdraw one of the two US infantry divisions in South Korea caused some alarm in official circles; the early Carter administration plan to withdraw the other evoked an even more intense reaction.

The value the Japanese place on both security relationships does not translate into any desire to see a connection established between them. Especially as long as the security relationship with the United States itself remained a highly emotive issue in Japanese politics, any suggestion that it also encompassed Japanese responsibilities for the defense of South Korea could only add fuel to the fire. Even today, when the security treaty itself has ceased to be a subject of significant controversy, the proposition that common bilateral ties might logically develop into some form of triangular linkage is politically unacceptable in Japan.

The South Korean position on a triangular linkage is less clear-cut. On the one hand, recent statements by high Korean officials, including Chun himself, have suggested that, at least over time, this is the direction in which Seoul would like to go. On the other hand, when the question is put directly, any such intentions are firmly denied.

A rather complex set of considerations seems to lie behind this somewhat murky Korean position. One is the ever-present interest in putting pressure on Japan to increase its economic contribution to the common defense.

The Koreans are aware also that remarks about triangular cooperation go down well with Americans. But their dominant view of the triangular relationship does not really seem to rest on the development of new institutional forms, concerning which most Koreans would be very cautious indeed. Rather, it encompasses a series of principles: the United States, Japan, and South Korea should each recognize and carry out its own responsibilities, but should present a common front to potential adversaries; the United States and Japan in their defense planning and cooperation, however, should not neglect South Korea's interests or ignore its sovereign prerogatives.

Rejection on both sides of formal defense ties, whether triangular or bilateral, has not totally precluded moves toward military cooperation. Such cooperation, however, has developed very slowly and on an extremely limited basis, taking place primarily on a service-to-service level and revolving around the exchange of visits and of intelligence.

Past sensitivities have declined somewhat. When the Director of Japan's Defense Agency first visited South Korea in July 1979, this "courtesy call," as it was defined, attracted considerable comment. Four years later, the fact that South Korea's Chief of Staff accompanied Chun to Tokyo and consulted with his uniformed counterparts was taken virtually as a matter of course. In November 1983, a formal Japanese Cabinet statement, the main purpose of which was to deny suggestions that Japan and South Korea were about to embark on triangular or bilateral security

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arrangements, nevertheless, explicity endorsed eventual exchange of training fleets and of students at defense academies. Moreover, although the Cabinet statement disclaimed any current plans for ministerial defense consultations, it did not rule them out for the future. Continued very close limits, however, were demonstrated in 1983 when, after a good deal of deliberation, the Japanese Government decided against permitting Air Self-Defense Force planes to exercise with US F-16s normally stationed in South Korea.

The Chun-Nakasone Factor

Prime Minister Nakasone and President Chun have been very important in efforts to bring their countries together. Both men, very much aware of the present limits on their tenure, have been intent on quickening the pace of the reconciliation and strengthening its foundations. There is still far to go. But there are reasons to believe that future regressions, if they occur, will be more measured and manageable than those of the past.

Nakasone's strategic outlook has inclined him toward a closer Japanese relationship with South Korea through most of his political life. As Prime Minister, he has been able to pursue this goal together with a South Korean counterpart who is more than ready to meet him halfway. Chun indeed has perhaps been freer to respond than his predecessor would have been; Park was burdened by charges that, as a graduate of Japan's Imperial Military Academy who had served with the Manchurian Army, he had been a collaborator during the colonial period and remained unduly subservient to the Japanese.

However, when Nakasone assumed office toward the end of 1982, the Japanese–South Korean relationship had been for some time in one of its recurrent periods of acute stress. Chun's own accession to power in 1980 and his early policies had aroused misgivings in Japan. In addition, Chun quickly struck a blow at the old informal network between the two countries by removing many of the businessmen and politicians who were its Korean mainstays from positions of power and influence, because of what he regarded as their responsibility for political corruption. His economic policies and his relations with the business community also raised serious doubts about whether the South Korean economy would remain on the highly successful course Park had set. The reversal of what had seemed to be the beginnings of a more democratic trend after Park's assassination, Chun's human rights policies, the Kwangju incident, Kim Dae Jung's death sentence—all became troublesome political issues in Japan. These unfavorable reactions were then aggravated by Chun's loan demand. Korean resentments were correspondingly magnified by the Japanese response and, in the summer of 1982, by the textbook case. 25X1 25X1

By October 1982 when Nakasone took office, there had already been some improvement in the atmosphere. Kim Dae Jung's sentence had been commuted, first to life imprisonment, then to 20 years. (He was to leave for the United States in December.) In mid-1982, agreement had been reached in the amount of the loan, even though not on its terms. Progress had also been made on the textbook problem. It is thus conceivable that, as in the past, trends already in motion would have led in due course to the restoration of a more equable relationship. However, Nakasone's proposal late in November that he visit South Korea set in motion a process that has very quickly brought quite a new tone to the relationship. 25X1 25X1

In following the path they have, both leaders have been motivated by rather similar aspirations in the international sphere. Nakasone, in office, has made a conspicuous effort to strengthen Japan's international role; Chun, on a smaller scale, has been similarly active in his trips abroad—his request for a dialogue with ASEAN and his proposals for a Pacific summit. Both have seen good relations between their two countries as an important step toward international acceptance of their broader role and, for South Korea particularly, toward enhancing national prestige. As Chun was to say concerning his own trip, "It would be difficult for us to leap into the world arena while shutting the door to our neighbors." 25X1 25X1

Both men are determined that the past should become much less important in the current relations between their countries. Chun has urged Koreans to forget the 25X1

past and look to the future. In his statement on his departure from Seoul, he used a highly symbolic past event to stress the importance of letting old grudges die, quoting a passage from the 1919 declaration of independence issued by Korean nationalists in Shanghai: "Busy in rallying ourselves, we can lose no time in cursing and blaming others, and busy in providing for the present, we can lose no time in finding fault with the deeds of the past." The Japanese contribution to exorcising the ghosts of the past—the Emperor's apology—was significantly reinforced by Nakasone's much more explicit statement.

In this two-year period, both leaders have subordinated the solution of specific problems to the creation of the proper atmosphere. The loan issue was resolved in time to contribute to the success of Nakasone's visit to Seoul. And Nakasone has done a good deal to reassure South Korea about Japanese intentions with respect to the North. But on such issues as trade, technology transfer, and the status of Koreans in Japan, there has been little or no forward movement.

Compromises on substantive issues, moreover, have been largely Korean compromises. Chun has carefully avoided confrontation;

Those negotiators, although they continued to press Korean positions until the eleventh hour, were apparently much more conciliatory than in the past, having undoubtedly been made well aware that postures likely to reduce the symbolic weight of a successful visit must be avoided.

To compensate for lack of progress on some of the substantive issues, the Japanese tried hard to accommodate to Korean sensitivities on symbolic ones. Nakasone's decision to make South Korea the scene of his first foreign visit as Prime Minister, his use of Korean in speeches made in Seoul, and his informality and verve all had a significant impact softening Korean attitudes. The establishment of a hotline between the Blue House and Nakasone's office, frequently used by the Prime Minister to brief Chun on his trips abroad, has reinforced the impression that Japan is at last beginning to treat South Korea as an equal partner.

Figure 2. President Chun and Emperor Hirohito Wide World ©

In preparing for the Chun visit, the Japanese were unwilling on constitutional grounds to comply with Korean desires for an invitation from the Emperor and to subject the Emperor's remarks to negotiation. However, they provided the Koreans with the text before Chun's arrival, agreed to Korean proposals for the size of the delegation (even though it was twice as big as would normally have been acceptable), and invited the entire delegation to the Emperor's dinner. Chun and his party were received at the airport by Foreign Minister Abe, not the Chief of Protocol as is customary. Nakasone, instead of giving one luncheon in honor of his visitor, gave two, one of them an informal family affair. To minimize echoes of Korea's former vassal status, the Emperor's welcoming ceremony was kept very simple: the participants wore business clothes rather than the usual morning dress, other aspects of normal court protocol were set aside, no decorations were exchanged, and the Korean gift was relatively modest. And with a careful eye to the reactions at home, Chun's bow to the Emperor was minimally low.

The visits did not pass without grumbling on both sides. The sight of the Japanese flag flying in Seoul was disturbing to many. Chun's trip was criticized as only another of his efforts to strengthen his domestic

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position by performing on the foreign policy stage and as unlikely to extract any concessions from the Japanese while enabling them to put the Koreans at a disadvantage. In Japan, conservative elements were uncomfortable with the idea of any form of Imperial apology. However, statements and demonstrations opposing the visit were small scale and low-key in both countries, a far cry indeed from the intense reaction against normalization in 1965.

This great contrast notwithstanding, the degree of change in basic attitudes remains uncertain. Japanese, often quite unconsciously, continue to display feelings of superiority, if not contempt, while in polls taken to ascertain how Japanese rank foreign countries, South Korea's standing remains very low. For Koreans, who are much more obsessed with the Japanese than the Japanese are with Koreans, bitterness over the past survives. Anti-Japanese sentiments are quite strong, for example, among today's students even though, unlike their grandparents, they did not live through the colonial experience and, unlike their parents, they were not subjected to the bitterly anti-Japanese indoctrination of the Rhee era.

Their attitudes toward Japan are, of course, in part a reflection of student opposition to the government. But some part is also played by the fact that today's students are better educated in Korean history than their forebears, to the intensification of their nationalist sentiments. Some also have been attracted by the writings of contemporary dependency theorists, some of them Japanese, who have persuaded them that South Korea remains an exploited dependency of Japanese monopoly capitalism.

There are, however, some scattered signs of change. Although the South Korean Government continues to refuse entry to Japanese films and tapes on the grounds that the people are not yet ready for so heavy a dose of Japanese culture, interest in each country in learning about the other seems to be growing. A Korean-language course is now being given daily on Japanese TV and is proving very popular, and a book about Japan by a Korean writer was one of 1983's best sellers. More South Koreans are studying Japanese than ever before. Practical motivations are important: for Korean students it is easier to pass required foreign language examinations in Japanese than in English, and knowledge of Japanese is very useful on the job market. But a heightened interest in Japan is also a factor. 25X1

Trends in elite circles—government and business—are more clearly positive. With the Chun-Nakasone relationship an energizing factor, government officials of the two countries are now carrying on a broader and more frequent dialogue. For example, the Joint Ministerial Conference—in the past an affair confined to reading prepared statements on bilateral issues—now includes informal exchanges and discussion of multilateral issues—not as free an exchange as with the United States, one participant commented, but still a good beginning. Although the business communities have always been closer than the bureaucratic ones, it was nevertheless also a first when the chairman of the Federation of Korean Industries (FKI) was invited to the annual seminar of the Japanese counterpart, *Keidanren* (Japan Federation of Economic Organization), even though he got cold comfort on technology transfer. 25X1

Meanwhile, the old informal network is recovering from its earlier disruption. An important part in arrangements for the Nakasone visit was played by an archetypical go-between, Ryuzo Seijima, an adviser to C. Itoh, active in negotiations over contracts for the Seoul-Pusan railway, in frequent touch with Chun as he had been with Park, and a generous contributor to political funds in both countries. Later in the year, social events in connection with former Prime Minister Kishi's visit signaled that the old informal ties were once more an accepted element of the bilateral relationship. 25X1

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