

## **Korea's Relations with China and Japan in the Post-Cold War Era**

*Ipyong J. Kim*  
University of Connecticut

The visit of Jiang Zemin, president of the People's Republic of China (PRC), to the United States to meet with President Bill Clinton in October 1997, and Japanese Prime Minister Ryutaro Hashimoto's meetings with Russian President Boris Yeltsin and Chinese President Jiang, on November 10, changed the international environment. Hostilities among the major powers surrounding the Korean peninsula are being transformed by an atmosphere of reconciliation and confidence building.

Yeltsin spent November 9 and 10, 1997, in China, returning Jiang's April visit to Russia. The two leaders discussed mutual interests and cooperation between their countries. The meeting on November 10, coming so soon after Jiang's visit to the United States, was held with warming relations between China and the United States in the background. The presidents played down any geopolitical significance to their talks except for agreement on the demarcation of the 2,800-mile border between their countries. They declared that the time of alliance aimed "against third countries" had passed. "China is an independent country that does not take part in any alliances," Jiang stressed. "Its relations with individual countries may have a specific flavor, but in general it treats all equally." Even so, a strategic partnership was established that obviously aimed to counter the New Guidelines for United States-Japanese Defense Cooperation, formulated in 1995 but still not ratified by the Japanese Diet. Chinese Premier Li Peng is scheduled to visit Japan for discussions with Japanese Prime Minister Hashimoto on the guidelines and on the future of Taiwan and the issue of Tiaoyutao (Senkaku) Island.

President Clinton's trip to China in 1998 will include a summit meeting to resolve international issues, among them the Korean question. Clinton and Jiang's joint communiqué touched upon the question of peace and stability on the Korean peninsula. "We've worked well together in convincing North Korea to end its dangerous nuclear program," Clinton asserted at their joint news conference on

October 29, 1997. "Today President Jiang and I agreed we will urge Pyongyang to take part in four-party peace talks with South Korea."<sup>1</sup> Can the United States and China resolve the Korean question without Japanese participation next year?

It is the contention of this paper that the Chinese-Japanese hegemonic rivalry of the 1890s over the Korean peninsula is recurring in the 1990s, and it is the United States that must balance the contest.

### **Korea's Relations with China**

China has had enormous influence on the development of Korean culture and history. The Choson dynasty (1392-1910) adopted Confucianism as the state ideology of Korea and paid allegiance to the Ming dynasty of China. Even the succession of the kings of the Choson dynasty was endorsed by the Chinese emperors in the form of *chakbong*. Thus, Chinese hegemony extended over the Korean royalty and court throughout the dynasty. Moreover, Korean kings sought Chinese protection from Japanese invasion; they depended on China for national security. However, the Sino-Japanese War of 1894-95 ended with a Chinese defeat, and the Japanese expanded their influence to Korea and subsequently controlled the peninsula for the first half of the twentieth century.

It is often said that Korea under the influence of China was a dagger pointed at the heart of Japan, but the peninsula under the control of Japan could be used in the same way against China. Japanese expansion into Manchuria and its occupation of northern China after the colonization of Korea in the early twentieth century led inevitably to the Sino-Japanese War of 1937 and eventually to the attack on Pearl Harbor that brought World War II in the Pacific to a full boil. China considered Japanese control of Korea a threat to its territorial interests, but China was unable to counter that control, due largely to the disintegration of its central authority and the fragmentation of its government.

After a century of revolutionary turmoil in China from the Opium War of 1839-1843 to the civil war of 1945-1949, the People's Republic of China was established under the leadership of Mao Zedong, unifying the fragmented and shattered country in October 1949. When the Korean War broke out in June 1950, the PRC supported North Korea and finally intervened by sending its armed forces, described as Chinese volunteers, to serve its security interests in the conflict.

The motivation and rationale of the Chinese intervention in the war have been so thoroughly interpreted and explained that this paper will not address the issues of the Chinese role. However, it should be pointed out that China considered the northern half of Korea, if not the entire peninsula, to be a buffer state.

The end of the cold war in the 1990s created a new international environment for economic and diplomatic relations between the PRC and the Republic of Korea (ROK). China had earlier become more assertive economically, as it began to achieve its goal of modernization. In contrast to the policy emphasis of the Mao period, which had stressed ideology, revolutionary change, and an egalitarian society, the Deng Xiaoping leadership's focus shifted to economic reform and increased foreign trade and foreign investment during the last quarter of the twentieth century.

China's relations with the two Koreas altered dramatically when the PRC established diplomatic relations with the ROK in August 1992.<sup>2</sup> China's former policy had been based on nationalistic and ideological considerations entailed in China's close alliance with the Democratic People's Republic of Korea (DPRK). It had been unswerving in its stance on reunification and the withdrawal of U.S. troops. Relations between China and North Korea had been described as "lips to the teeth" and as having been consolidated by "fresh blood"—meaning that Chinese blood had been shed for North Korea during the Korean War. It follows that China adamantly opposed South Korea's alliance with the United States and its admission to the United Nations.

China's relations with the two Koreas began to change in the 1980s, when the post-Mao leadership began to permit indirect trade and economic relations with South Korea and decided to participate in the Olympic Games in Seoul in 1988. A more pragmatic Chinese foreign policy was appropriate to meet the requirements of reform and an open door in the 1980s, with the goal of developing economic trade relations with South Korea while maintaining security interests with North Korea.

China responded to South Korea's approach so favorably because of the shift in ROK policy. In July 1988 the South Korean government launched a "northern policy" which was primarily designed to sound out China and the Soviet Union on opening diplomatic relations. China responded cautiously because of its alliance with North Korea. It was unwilling to open diplomatic relations with South Korea even as it maintained economic relations because it had

formal diplomatic relations with North Korea and was averse to a two-Korea policy. Nonetheless, a gradual process of normalization had begun earlier that year with Beijing's decision to participate in the Olympic Games. At about the same time South Korea was invited to take part in a trade fair in Guangzhou, which served as a catalyst for stepped-up economic relations.

When the Asian Development Bank held a conference in Beijing in May 1989, the South Korean finance minister was given a visa to travel there, which opened up a government-to-government relationship. As economic relations increased, the sea routes between Korean ports such as Inchon and Pusan and Chinese ports such as Shanghai, Tianjin, and Darien were well plied, a clear indication that China was abandoning indirect trade through Hong Kong. That indirect trade had been increasing in the 1980s; according to several sources, and the value of trade (exports plus imports) reached HK\$9.2 billion in 1987.

Trade between the PRC and South Korea was estimated to account for about 34 percent of the total trade of the two countries in 1987. By 1989, China's trade with South Korea had topped \$3 billion, almost ten times that with North Korea. In the 1990s China emerged as South Korea's third-largest trade partner, following the United States and Japan. Trade volume totaled \$5.8 billion in 1991 and doubled to \$9.8 billion in 1993, following normalization of diplomatic relations in 1992. By 1996 the trade volume between the two countries exceeded \$20 billion, more than thirty-two times the value of China's trade with North Korea. In 1997 it reached \$23.7 billion. This burgeoning trade is projected to grow at an average annual rate of 18.9 percent in the 1997-2001 period, topping \$56 billion by 2001.

In January 1991, South Korea opened a trade office in China, and the Chinese Chamber of International Commerce (CCOIC) opened a trade office, headed by Xu Dayou, in Seoul in April 1991. The Chinese trade office also served as a consulate of the PRC, which facilitated Korean tourism and business transactions. The Chinese trade office held a trade fair in Seoul in May 1991, an event that greatly enhanced economic relations between the two countries.

South Korea's investment in China has been increasing since the late 1980s; by 1994, the total investment amounted to more than \$2 billion. Almost 80 percent of investment, however, is concentrated in the three northeastern provinces of China: Jilin, Liaoning, Heilungjiang. However, investment in Shandong province accounted for 18.5 percent of the total, with Heilungjiang at 10.5 percent. The

Korean Land Development Corporation negotiated with the Chinese government to establish a "Korean industrial zone" of 1.2 square kilometers within the Tianjin special economic zone. There, about 150 enterprises owned by Koreans will produce textiles, electronics, clothing, and building materials.

Direct investments in China were made by Korean firms following the Seoul Olympic Games in 1988. In 1991, they invested \$84.72 million, an increase from only \$3.4 million in 1988. The cumulative total was \$165.3 million by 1991, in 181 projects, which contributed to China's desire to open diplomatic relations in 1992. By 1994, South Korea's investment was more than \$1.32 billion, 14.2 percent of South Korea's total overseas investment and the largest single component. In 1996 South Korean firms invested in China some \$801.5 million in the form of foreign direct investments, an accumulated total of \$2.72 billion since 1988.

Trade deficit problems remain to be resolved. South Korea's trade deficit with China has been substantial. In 1991 it was already \$1 billion and a source of friction. Another problem is that China's low production costs and devalued currency have made its products so competitive that they now challenge South Korea for market share in Japan and the United States. Still, China's interest in promoting economic cooperation with South Korea has been well served, and South Korea's interest in obtaining China's tacit agreement to maintaining stability and peace on the peninsula, including resolution of the nuclear issue, has also been well served. During talks with South Korean President Kim Young Sam in March 1994, Jiang reiterated China's position that the nuclear issue should be resolved through dialogue and negotiation rather than sanction.

Chinese Premier Li Peng also stressed during his meeting in Seoul with Kim on October 31, 1994, that China would play a constructive role in leading North Korea into implementing the nuclear agreement the Pyongyang government had signed with the United States in Geneva on October 21, 1994, known as the "Agreed Framework between the United States and the DPRK." The two countries agreed that the Framework has laid the foundation for the full resolution of Pyongyang's nuclear issue and stressed the importance of the North's compliance. Contrary to the concerns of some American politicians that the United States made too many concessions to North Korea during the nuclear negotiations, the South Korean and Chinese leaders believe that the Framework is better than war in the peninsula.

China also supported the North Korean call for replacement of

the Armistice Agreement on the Korean peninsula with a peace treaty since China believes the armistice is an anomaly now that the cold war is over. The Beijing government expects that the "parties concerned" will find a way to set up a new peace agreement through a dialogue preliminary to four-party peace talks among China, the United States, and North and South Korea. China believes that "stability in North Korea is in the interest of not only China and South Korea but also all Asian countries." Good relations with both South and North Korea are evidence that such relations are good for maintaining peace and security on the peninsula.

Because of Chinese involvement in the Korean War, North Korea and China both celebrate the anniversary of the armistice agreement of July 27, 1953, as the day of victory over the United States. Thus the alliance between the DPRK and the PRC has been characterized as "sealed in blood" or "lips to the teeth," and close ties between the two nations have been sustained for more than four decades. The Chinese provided enormous amounts of economic aid and technical assistance to rehabilitate the North Korean economy and society following the war, and many thousands of North Korean students were trained in China. Accordingly, the Chinese development model was subsequently emulated in North Korea.

Traditionally, China felt safe if Korea was in its sphere of influence. However, when Korea was under the influence of a hostile power, as it was under the Japanese occupation of Korea before World War II, or with the presence of the United States on the Korean peninsula after the end of World War II, China felt threatened. Thus, China considered the security of Korea essential to its own security.

During the Sino-Soviet conflict in the late 1950s and 1960s, China and the Soviet Union competed to keep North Korea in their respective spheres. The situation enabled the North Korean leadership to increase its independence and maintain neutrality during the conflict. Moreover, North Korea played one communist power against the other, thereby receiving economic and technical assistance, including military aid, from both at the height of the cold war.

Strains and stresses between North Korea and China developed in the late 1980s, when China decided to participate in the Olympic Games in Seoul and began to support the membership of both North and South Korea in the United Nations. North Korea's relations with China were further strained after the Sino-South Korean normalization of diplomatic relations in 1992.

At the height of the cold war, in the 1950s and 1960s, China's trade with North Korea increased. North Korea was China's major trade partner when China was isolated from the rest of the world during the Cultural Revolution and had no economic relations with the Soviet Union or the eastern European countries. North Korean-Chinese trade increased steadily in the 1970s, but economic reform and the open-door policy implemented in the 1980s brought about a decrease in North Korean-Chinese trade because China was on a buying spree in the Western world. In that decade, trade with China constituted about 19 percent of North Korea's total trade.

North Korean-Chinese trade steadily declined as China traded increasingly with Japan and the Western nations. By 1990, it accounted for only 0.5 percent of China's total trade. Moreover, China requested that the trade be conducted in hard currency instead of on the barter basis of the past. It was reported in the press that relations between China and North Korea were at their lowest point, but trade between them in 1991 is said to have reached \$610 million, 23.6 percent of North Korea's total trade with other countries. Trade volume in 1992 was \$697 million, 28.1 percent of the North Korean total, and it increased steadily until 1995-96, when North Korea suffered from shortages of food and fuel, due largely to natural calamities such as flood and drought. China sent emergency food aid and committed itself to send more than 200,000 metric tons of grain to North Korea in 1996 and 1997.

China's security interest in Korea has thus multiplied following the end of the cold war and the collapse of the Soviet Union. China believes that if and when North Korea collapses or is absorbed into the South, as happened to East Germany in the process of unification, crisis or instability would ensue in the peninsula, thereby increasing the threat to China's security. Accordingly, China has consistently supported stability and peace on the peninsula. It cannot afford to fight another war there. China has long taken the "carrot" rather than the "stick" approach in dealing with the nuclear issue in North Korea, and offers unwavering support to all North Korean proposals regarding Korean issues, including the reunification question.

### **Korea's Relations with Japan**

There is a long tradition of enmity and hatred between Korea and Japan. When the Japanese invaded Korea in 1597, samurai warriors took home priceless porcelain, ingenious metal printing type, and noses and ears hacked off the corpses of tens of thousands of

Koreans.<sup>3</sup> The Korean body parts were buried in the ancient Japanese capital of Kyoto. The four-hundredth anniversary of the Mimizuka, or Ear Mound, was thus commemorated in September 1997, an event that underscores the tensions and hostilities that still set Korea and Japan against each other.

During the eighteenth and nineteenth centuries, the Japanese attempted several times to invade and occupy Korea but failed. Their defeat of the Chinese in the Sino-Japanese War of 1894–95 eventually expanded Japanese influence in Korea. The Japanese invasion of Korea early in the twentieth century ended the Choson dynasty, and Japan ruled Korea from 1910 to 1945, when the Japanese Empire was defeated in World War II. Although Korea was liberated from the Japanese colonial rule at the end of the war, it was not able to achieve independence and sovereignty. The peninsula was divided at the 38th parallel, leaving the North under Soviet domination and the South under American occupation. However, the Korean people's hatred of the Japanese continues to this day.

The Syngman Rhee government of South Korea (1948–1960) attempted to negotiate normalized diplomatic relations with Japan, but anti-Japanese sentiment at home and an inconsistent Japanese policy toward Korea following the conclusion of the peace treaty between the United States and Japan in 1954 further complicated relations between South Korea and Japan. The Park Chung Hee government (1961–1979) finally concluded the Treaty on Basic Relations between South Korea and Japan in 1965, which normalized diplomatic relations. The treaty provided Japanese economic assistance to Korea in the amount of \$500 million, which served as the foundation of a series of five-year economic development plans in the 1960s and 1970s. Had it not been for the Japanese compensation, South Korea would not have achieved its growth rate of 10 percent each year for the past four decades. Annual per capita income was \$90 in 1961, the same level as in India; today it is more than \$10,000, causing the Korean economy to be characterized as a miracle.

Anti-Japanese sentiment in South Korea persists, and discriminatory attitudes toward Koreans also persist in Japan. There are many political and economic issues that the two countries must resolve, but the mutual resentment is so deep that it may work against resolution. Korean intellectuals believe that Japan is not interested in the reunification of the two Koreas because Japan fears that a unified Korea will threaten its security. Thus, Japan is perceived as a power that wants to control the affairs of the Korean peninsula by a “divide



and conquer” strategy, and that someday it will attempt to invade Korea again. According to a public opinion survey conducted in September 1997 by the *Joong-Ang Daily* in Korea, 51.1 percent of those polled disliked Japan most, followed by North Korea (22.3 percent) and the United States (7 percent). It is also interesting to note that the younger generation disliked Japan more than the older generation did. Respondents in their twenties accounted for 54 percent of those disliking Japan most, those in their thirties for 52.6 percent, those in their forties for 51.1 percent, those in their fifties for 48.4 percent, and those over sixty for only 43.2 percent. The younger generation was educated in an anti-Japanese atmosphere while the older generation tended to admire the advancement of Japanese science and technology.

During the cold war era, the United States and Japan established an alliance to counter their common enemies: the Soviet Union, China, and North Korea. However, the cold war has now ended, and the communist system in the Soviet Union and eastern Europe has collapsed. Japan still considers North Korea an enemy, nonetheless, and thus opposes any possibility of reunification of the two Koreas. The United States-Japan Defense Cooperation Guidelines formulated by the two countries in 1995, but still not ratified by the Japanese Diet, are perceived in South and North Korea as a sign of the revival of Japanese militarism and a reflection of the intention to invade the Korean peninsula again.

According to the U.S. Information Agency, “China is highly negative about the newly signed U.S.-Japan defense cooperation agreement, which it sees as a means for the United States and Japan to expand their influence in the region and, at the same time, isolate China. China also considers the agreement to be a tactic of Japanese ultra rightists to take advantage of U.S. forces to curb Chinese influence in the region.”<sup>4</sup> What China worries about most is that Japan is being allowed to do what it wants, even to become a military power. China, however, knows that the United States has played a dominant role in the region and that this has contributed to some extent to curbing Japanese military aspirations.

Korean newspapers reflect the public’s uneasiness with the United States-Japan agreement. The conservative *Chosun Ilbo* in Seoul insisted on September 26, 1997, that it may be that the United States and Japan have the right to establish emergency guidelines on a bilateral basis, whether it is on the Korean Peninsula or anywhere else, but when and if such guidelines . . . interfere with the interests of the third country it will be a concern of the neighbors. The Asian countries

defined in the guidelines as neighbors of Japan are concerned that the Defense Cooperation Guidelines...may lead Japan to seek hegemony in Asia. Japan must be extremely careful that it not give the impression that expansion of its defense force operation area is the first stage of hegemony.

The *Joong-Ang Ilbo* maintained on September 25, 1997,

The guidelines draw our attention because they could play a critical role in setting up a new security order in northeast Asia....One aspect of the guidelines must be seen as a pledge of the two countries to cooperate for peace on the Korean Peninsula, and that aspect will be positive if the guidelines concentrate on strengthening the U.S. role for our defense against North Korea. Of course, one aspect [of the guidelines] that worries many of us in Asia. . . . is that the prospect of Japan's inflated military status, and of a steep enhancement of its role in regional security. . . . We are careful not to give Japan the impression that we approve of its rise as strong military power. We are also concerned that the new agreement will complicate Asia's security if it is interpreted as a tactic for containing China. Already trying hard to strengthen its own military, a China provoked by the guidelines will certainly be a threat to security, heating up competition for better weapons [between Japan and China].

*Hankook Ilbo* wrote on September 25, 1997, that

the new U.S.-Japan Defense Cooperation Guidelines have opened the door for Japanese forces to intervene militarily abroad, enormously changing the security prospects of the Korean Peninsula. The U.S. endeavor to share defense costs with Japan and Japan's aspirations for an increased military have now found common ground, reflected in these new guidelines and opening up the road toward Japan becoming a major military power. In the process, Japan has finally crossed the line drawn by its pacifist constitution, and is now allowed to conduct more military operations than just those for defensive purposes. Under the new agreement, Japan, in the event of conflict, will be allowed to supply weapons and ammunition by plane, get rid of mines, and inspect foreign ships-all beyond the scope of defense.

Most people in East Asia and the Pacific worried that the new U.S.-Japan Defense Cooperation Guidelines "paved the way" for a

possible remilitarization of Japan. China's reaction to the new security arrangements was that they allowed for mutual cooperation between the United States and Japan "in situations in areas surrounding Japan." China perceived that the new alliance system was targeting China as an enemy.<sup>5</sup> "The new guidelines give one the idea that Japan seems to be under an imminent threat," asserted the *People's Daily*. "The guidelines. . . attempt to include Taiwan, a part of Chinese territory, within the scope of . . . U.S.-Japan defense cooperation." Invoking the specter of Japan's 1937-45 invasion of China, the *People's Daily* continued, "The new guidelines. . . will enable Japanese defense troops to go abroad 'justifiably,' something Japan has long dreamed of." China fears being cornered by an increasingly strong alliance between the United States and Japan.

China sees the defense guidelines "as a means for the U.S. and Japan to expand their influence in the region and . . . [to] isolate China. . . . A political critic pointed out that the new U.S.-Japan Defense Cooperation Guidelines reflect that the decision-makers of the United States and Japan are still, while handling the Asian issues, stuck in a Cold War mode of thinking. The so-called 'new guidelines' . . . go against the trend of the times."<sup>6</sup>

The spokesman for the Ministry of Foreign Affairs in Beijing stated, "We believe that the practice of strengthening military alliances and expanding military cooperation runs counter to the trends in . . . the Asia-Pacific region, which is witnessing relative political stability, sustained economic growth and an active security dialogue." The spokesman also pointed out that "it is known to all that Taiwan is an inseparable part of China. The Chinese government and people will never accept violations of or interference in China's sovereignty directly or indirectly, including the Taiwan Strait, in the scope of U.S.-Japan defense cooperation."<sup>7</sup>

*Izvestia* on September 26, 1997, summed up the sentiment of the Russian Federation and of European countries when it stated,

Expanding the U.S.-Japanese military alliance is in a way comparable to NATO's expansion. Washington and Tokyo, naturally, call it a new major contribution to peace and stability in the Pacific. China calls it a direct threat to security. Moscow, it seems, is inclined to consider the U.S.-Japanese alliance as a means to contain China and North Korea. It is as if it does not concern us, so we don't have to worry. Seeing that, Washington and Tokyo did not enter

Moscow on the list of the capitals to be briefed individually on the aims of the alliance.

Even Japanese public opinion did not support the new defense guidelines. An editorial in the conservative *Sankei Shimbun* on October 1, 1997, observed, "China has 'tolerated' U.S.-Japan security relations since the normalization of diplomatic relations with Japan, but as a result of Chinese concern that the new U.S.-Japan defense guidelines might well apply to an emergency in the Taiwan Strait, the situation has changed and China's relations with the United States and Japan have grown tender." The editorial continued,

This may have prompted some Japanese Diet members, including senior LDP officials, to propose that a "triangular" U.S.-Japan-China relationship or a U.S.-Japan-China security framework be established. We believe that such a proposal is worse than unrealistic; it also adversely affects Japan's ability to enact new laws and revise existing ones to accommodate the guidelines, and could call into question Japan's reliability as part of the U.S.-Japan alliance. China will most likely use such Japanese politicians to publicize the history of Japan's military adventure in China during World War II in an effort to "divide" (the Japanese and Americans) and "conquer" efforts to strengthen the U.S.-Japan security alliance.

A commentary in the *Asahi Shimbun* on September 26, 1997, stressed,

The new U.S.-Japan Defense Cooperation Guidelines are designed exclusively for a possible emergency on the Korean peninsula. However, the strategic environment on the peninsula has undergone a dramatic change during the past decade or so. South Korea has become more confident militarily, and is expected to include in its next national defense program a post-reunification defense strategy aimed at neighboring countries. It is, therefore, "not beyond understanding" that South Korea should be skeptical about Japan's present concern with contingencies in areas surrounding Japan.

An editorial of *Asahi Shimbun* also pointed out on September 24, 1997,

It is important that the government of Japan judge critically whether Japanese cooperation with the United States-in times of an emergency-contributes to the national interest-including Japan's security -in protecting Japanese rights, obtaining trust from neighboring countries and keeping the regional peace. . . . The government of Japan should not seize upon this as an opportunity to strengthen Japan's security legislation. China is wary of the new defense guidelines. South Korea and Southeast Asian countries also have mixed feelings-and a certain degree of concern-about the guidelines. Russia has shown an understanding of the need for the guidelines, but is also actively courting better ties with China.

North Korea is more concerned with the U.S.-Japan Defense Cooperation Guidelines because they target North Korea and China. The DPRK Foreign Ministry spokesman criticized the guidelines on September 27, 1997, saying, "The whole process of the discussion on the New Guidelines for Japan-U.S. Defense Cooperation demonstrate that the Guidelines are definitely aimed at our republic."<sup>8</sup> *Nodong Sinmun*, an official organ of the Korean Workers' Party, reported on October 1, 1997, that the guidelines were a war scenario worked out by Japan and the United States.

It is the strategic plan and target of the U.S. and Japanese reactionaries to invade and dominate Asia. The first target of their attack is the DPRK. . . . We cannot remain a passive onlooker to the fact that with the new "guidelines" worked out the U.S. and Japan are working in real earnest to realize their design of aggression on our country and other Asian countries. We will respond to the situation with sharpened revolutionary vigilance. The Asian countries should never allow the new guidelines.<sup>9</sup>

Observers in both North and South Korea speak in unison in criticizing the guidelines and calling for a united front in defense of the peninsula because the guidelines, they believe, are designed to revive Japanese militarism and thereby enable invasion by replacing U.S. troops as they are eventually withdrawn with Japanese forces. The increasing anti-Japanese sentiment and hostility toward the new defense cooperation prompted the Japanese to take steps to improve

relations with the DPRK before the two Koreas are unified into a strong and powerful Korea that might threaten the security of Japan.

The Japanese government offered to send food to North Korea in early October 1997 to ease the famine caused by two years of flood and drought. Japanese Foreign Minister Obuchi Keizo stated on October 12, 1997, that North Korea's opinion of Japan was improved by this gesture. He appeared on an NHK television talk show and said the DPRK media had reported that the aid brought "a clear signal of the changes in North Korean attitudes toward Japan." He also stressed that the Korean Central News Agency (KCNA) mentioned the name and position of Prime Minister Ryutaro Hashimoto, which also indicated a change in North Korea's reporting on Japan. Therefore, the foreign minister stressed, "Japan will strive to begin its dialogue with the DPRK for the normalization of diplomatic relations."

The KCNA welcomed the decision of the Japanese government to provide \$27 million in food to North Korea through the United Nations World Food Program, saying that the move would "positively contribute to the development of friendly relations between the two countries." Relations, then, between the DPRK and Japan are warming up, which may eventually lead to the normalization of diplomatic relations. Japan provided a half-million tons of rice to North Korea in 1995, but dialogue between the two countries stalled because of the kidnapping of Japanese citizens in North Korea and the controversial visit home by Japanese women who had married North Korean citizens.<sup>10</sup> North Korea and Japan held a preparatory meeting on the normalization of diplomatic relations in September 1997, and North Korea agreed to permit Japanese citizens who are married to North Korean citizens to visit Japan. The first group of fifteen Japanese wives arrived in Japan on November 8, 1997.<sup>11</sup>

A nine-member delegation representing the three major Japanese parties, the Liberal Democratic Party (LDP), the Social Democratic Party (SDP), and the Sakikake Party, was sent to Pyongyang on November 11, 1997, according to a NHK report, for a three-day discussion on the normalization of diplomatic relations between the DPRK and Japan. The delegation was to meet Kim Yong Soon, director of the International Relations Department of the KWP, and other leaders of the DPRK government concerning the improvement of relations between the two countries. The Japanese group requested a conference with Kim Jong Il, general secretary of the KWP, but a date was not confirmed.

Kim Jong Il said on October 4, 1997, that in order to normalize diplomatic relations between the two countries Japan should apologize for what was done to Koreans during their colonial status (1910–1945).<sup>12</sup> In a three-hour conference with Oleg Shenin, chairman of Russia's Council of the Union of Communist Parties, on September 2, 1997, General Secretary Kim Jong Il expressed his desire for the normalization of diplomatic relations with Japan if the Japanese government offered an apology. Kim was quoted as saying, "We don't want anything more than that," according to the ITAR-Tass news agency report on October 4, 1997.

It is generally understood that Japan will apologize for atrocities and repression during the colonial period and offer \$8 to \$10 billion in compensation to the DPRK government in order to establish diplomatic relations between the two countries. Normalization will serve the interests of both countries: Japan will be able to continue to maintain its two-Koreas policy, and North Korea will benefit from the Japanese compensation, which will stimulate its staggering economy. It will be recalled that the Japanese compensation of \$500 million at the time of normalization of diplomatic relations with South Korea in 1965 enabled the South Korean government to pay for the technology transfer and capital investment that enabled its economic "take off" in the 1960s and 1970s.

North Korea has now become the battleground for the diplomatic maneuvering of the United States, Japan, China, and Russia in the post-cold war era. The Agreed Framework between the United States and the DPRK, signed in October 1994 at Geneva, ushered in the possibility of diplomatic normalization between the two countries by establishing liaison offices in Pyongyang and Washington; opened channels for communication and dialogue; and established an economic relationship by permitting businesses to start investment and trade. Some of the firms have already taken part in the Najin-Sonbong Free Trade Zone, and the volume of two-way trade has been increasing for the past three years.

In Tokyo, the DPRK's Overseas Economic Cooperation Committee (OECC) revealed long-term plans for the three port cities of Wonsan, Nampo, and Najin-Sonbong during an international forum on investment in Najin-Sonbong in October 1997. "The Rajin-Sonbong area, as a free trade zone equipped with financial service functions, will specialize in intermediary trade," a DPRK official said during the forum. On the future of Wonsan and Nampo, the DPRK official commented, "On the basis of their existing infrastructures, the two

ports will serve as bonded-processing export zones focusing on consumer products.” During the recent World Economic Forum meeting in Hong Kong, other DPRK officials confirmed plans to turn Wonsan and Nampo into bonded-processing export zones instead of a free-trade zone like Najin-Sonbong. In a bonded-processing zone, enterprises are allowed to import raw materials freely from abroad before processing them for re-export, without paying customs duties and local taxes. In a free trade-zone, financial services are offered to enterprises operating there, allowing them to engage in intermediary trade.<sup>13</sup>

North Korea, it can be seen, is already following the model of the Chinese open-door policy and economic reform, thereby increasing Chinese influence in Pyongyang. Kim Young Nam, deputy premier and foreign minister of the DPRK, stressed that his country would strengthen and develop its traditional relations with China. When Kim received the Chinese Foreign Ministry delegation headed by Assistant Minister Qian Qian in Pyongyang on October 31, 1997, Qian said, “To further consolidate and develop the traditional relations between the two countries will serve the interest of the people and also be beneficial for the development of peace and stability in the region. China will continue to protect the bilateral relations.” The Chinese delegation arrived in North Korea on October 25 to discuss the preparatory meeting for the four-way peace talks, for which Qian is the head of the Chinese delegation, and to have discussions with Kang Suk Choo, the first deputy foreign minister of the DPRK, and Kim Ge Kwan, North Korean representative to the four-way peace talks.

The Chinese foreign policy objective on the Korean peninsula is to maintain stability and peace there while maintaining its strategic interest in Chinese-DPRK relations and its economic interest in Chinese-ROK relations, established in 1992. Japanese objectives in Korea, on the other hand, are to establish diplomatic relations with the DPRK by offering compensation and to improve its relations with the ROK in spite of problems of technology transfer, trade imbalance, and growing resentment against the Guidelines for U.S.-Japan Defense Cooperation, in order to counterbalance increasing Chinese influence in both North and South Korea. Some observers even charge that the guidelines repeat the Taft-Katsura agreement of 1905, when the United States acquiesced in the Japanese domination of Korea as a quid pro quo for Japan’s recognition of U.S. hegemony over the Philippines. Now the question is whether the Sino-Japanese rivalry of the 1890s will be replayed in the 1990s, when the United States remains the



hegemonic power in East Asia and plays the balancing role in the relationship among the three major powers, China, Japan, and Russia, that are deeply involved in Korean.

### **Conclusions**

Stability and peace will be maintained on the Korean peninsula if the four-way talks are successful in concluding a peace treaty by transforming the armistice agreement of the Korean War. The cross-recognition ideas of the 1970s are being achieved in the 1990s. The former Soviet Union recognized the ROK and established diplomatic relations in 1991, and China also recognized the ROK and opened diplomatic relations in 1992. The United States recognized the DPRK when the Agreed Framework between the United States and the DPRK was signed in October 1994, and promises were made to open liaison offices in Pyongyang and Washington. Moreover, Japan is moving cautiously to discuss the possibility of establishing diplomatic relations with the DPRK. If Japan accepts North Korea's conditions and agrees to pay compensation for colonial abuses in order to open diplomatic relations, then cross-recognition will be complete.

The conflict between North and South Korea remains in spite of the trends toward cross-recognition of two Koreas. North Korea had consistently opposed the entry of the two Koreas into the United Nations because it would perpetuate the division of Korea, but finally it decided to join with South Korea in 1991. It is time for North Korea to come to terms with the four-way peace talks that will enhance North Korea's interests in peace and security on the peninsula. Without ending the Korean War at the talks, the conflict between the two Koreas will drag on into the twenty-first century. Therefore, it behooves North Korea to come to the conference table by dropping the three conditions it proposed at the second preliminary meeting in New York on September 19, 1997: the withdrawal of U.S. troops from Korea, the inclusion of the agenda for a peace treaty between the United States and North Korea, and the cessation of the transporting of arms to the peninsula. Then North Korea would be able to conclude the peace treaty with the United States and work toward reunification. The Korean problem was created by the cold war, as former Ambassador to Korea Donald Gregg has stressed, but the Korean problem should be resolved by post-cold war approaches and modes of thinking.



## Notes

A draft of this paper was presented at the conference on "The 1997 Presidential Election in South Korea," at Georgetown University, Washington, November 21, 1997.

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4. United States Information Agency, "Digest of International Media Reaction to the New U.S.-Japan Defense Cooperation Guidelines," October 6, 1997.
5. *Ibid.*
6. *Ibid.*
7. *China Daily*, September 26, 1997.
8. DPRK Central Broadcasting Agency, September 27, 1997.
9. The text of this report may be found in the Korean Central News Agency, October 1, 1997.
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