

Competition and Countervailing Power in the Imperialist Marketplace: The Case of Korea

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Abstract

The purpose of this essay is to propose that both direct competition and Galbraith's notion of countervailing power were at work during two wars involving Korea, along with the war termination negotiations, as a way to curb the economic and/or political power of one or more strong states who presented as a hegemonic threat in the region of Korea. The Moscow Decision was the result of US-Russian competition for influence in the Korean peninsula. However, after the internationalization of the Korean War, several nations, many of them considered "weak sellers," organized to countervail Chinese and Russian hegemonic power in Korea. Two failed attempts at generating countervailing power occurred during the armistice negotiations towards the end of the Korean War, both by Syngman Rhee on behalf of Korea: a) sabotage of hostage release negotiations; b) refusal to sign the armistice agreement. Although Galbraith's model was initially applied to the American marketplace, it may be applied to cases in which the US was involved in Korean affairs because America's leaders were also native to the capitalist system that Galbraith described, which may have similarly influenced the behavior of other players in the imperialist market. This article argues that the imperialistic marketplace, particularly when tinged with American involvement, demonstrates mitigation of political power by both competitive behavior between strong buyers and countervailing power by weak sellers against strong buyers.

Keywords: US-Korean Relations, North Korea, South Korea, Moscow Declaration, Cairo Conference, Korean War, Galbraith, American Foreign Policy, Strong Buyers and Weak Sellers, Strategic Patience.

Introduction

One of the earliest significant American encounters with the kingdom of Korea arguably took the form of piracy in 1866, when the

crew of the American trading vessel, the *General Sherman*, abducted a Korean lieutenant commander and killed several Koreans. Local officials retaliated by destroying the ship and killing its crew.¹ The 43-day war that followed in 1871 resulted in 3 Americans and 243 Koreans dead.² About a decade later, the first Korean-American treaty (1882) was forged, in part because Korea could no longer afford to remain closed to the world, but also in part to keep Russia from invading Korea by allying with one of her competitors.³

In 1905, President Theodore Roosevelt of the US helped broker the Treaty of Portsmouth to end the Russo-Japanese War. Negotiating on behalf of Japan, he persuaded Russia to refrain from interfering with Japan's "political, military, and economic" interests in Korea,⁴ which eventually opened the door for a forced annexation of Korea by Japan in 1910. This tactic prevented Russia from gaining control over the peninsula, a move that the American people supported because they believed Japan was justly fighting Russian aggression.⁵ In the latter years of the Japanese occupation (1930s – 1940s), Koreans were forced to speak Japanese and consider them Japanese, being prohibited from speaking Korean or taking Korean names. They were also expected to believe in the divinity of the Japanese emperor and worship at the Shinto shrines built throughout the country.⁶ The US was unresponsive to the repeated Korean requests for assistance to be liberated from Japanese rule between 1919 and 1922. After the Four-Power Treaty was struck in 1922 (essentially assuring no interference by the US, Great Britain and France in Japan's affairs in Korea), Kim Kyu-sik placed the US on par with the other "bloodsucker nations" of that deal.⁷

In 1943 the Cairo Declaration made explicit the competition between Japan and three major states (USA, China, and Great Britain) for geopolitical power (including over the Korean peninsula). The "three great Allies fighting this war to restrain and punish the aggression of Japan" were also seemingly "mindful of the enslavement of the people of Korea, and determined that in due course Korea shall become free and independent."⁸ However, rather than facilitating a free and independent Korea, the country was divided into half in 1945 with the Moscow Decision, creating a Joint Commission, with "representatives of the United States command in southern Korea and the Soviet command in northern Korea."⁹

The 1950 invasion of the southern part of Korea by the North Koreans was an attempt to reunify the country. The conflict was

internationalized, and after a three-year conflict, was settled by the 1953 Armistice Agreement, which, against the wishes of the Korean people, permanently divided Korea into separate states, with North Korea under Russian influence and South Korea under American influence.

The purpose of this essay is to propose that both direct competition and Galbraith's notion of countervailing power¹⁰ were at work during two wars involving Korea, along with the war termination negotiations, as a way to curb the economic and/or political power of one or more strong states who presented as a hegemonic threat in the region of Korea. For example, the Cairo Declaration was the result of explicit competition between four "strong buyers" for Korea (among other nations) – Japan on the one hand, and the USA, China, and Great Britain on the other. The Moscow Decision was also the result of US-Russian competition for influence in the Korean peninsula. However, after the internationalization of the Korean War, several nations, many of them considered "weak sellers," organized to countervail Chinese and Russian hegemonic power in Korea. For example, Colombia, Ethiopia, Greece, Netherlands, New Zealand, and Thailand were among those nations that fought alongside the US.¹¹ The Korean War also involved directly competitive behavior between three "strong buyers" – China, Russia, and the US. Two failed attempts at generating countervailing power occurred during the armistice negotiations towards the end of the Korean War, both by Syngman Rhee on behalf of Korea: a) sabotage of hostage release negotiations; b) refusal to sign the armistice agreement. Although Galbraith's model was initially applied to the American marketplace, it may be applied to cases in which the US was involved in Korean affairs because America's leaders were also native to the capitalist system that Galbraith described, which may have similarly influenced the behavior of other players in the imperialist market.

The essay will be divided into five parts. The first part will introduce the theory and my method of analysis. The second part will provide some historical context (pre-1943) for the two cases examined. The third part will cover Case #1, World War 2 and the years surrounding the Moscow Decision. The fourth part will cover Case #2, The Korean War and Armistice Negotiations. The last part will offer a discussion of these cases and conclude by providing implications and recommendations for US policy makers.

Theory & Method

Galbraith

In examining the American marketplace, economist Kenneth Galbraith noted some deficiencies in the reigning explanations of the problem of economic power, namely competition and regulation by the state. Competition “mitigates economic power by making the behavior of any participant in the market contingent on the behavior of other and like participants,” and regulation by the state can also limit economic power assuming neither anarchy nor exploitation are viable solutions.¹² The former can be understood in terms of sellers competing against other sellers, and buyers competing against other buyers, i.e., players on the same side of the market (supply vs. demand). The latter can be illustrated by antitrust laws, the landmark decision being the Sherman Antitrust Law of 1890. This was passed by US Congress to prohibit stockholders in several companies from transferring their shares to a single set of trustees,¹³ which would result in the creation of an economic monopoly or some other obstacle to free competition.

The problem arises when trying to explain how, in a market of few sellers (rather than many), the active restraint is provided not by other sellers on the same side, but by strong buyers on the other side.¹⁴ Countervailing power—as both a self-generating tendency and characteristically distinct from competition (because the check comes from the other side of the market instead of the same side)—limits economic power in a way that cannot be explained by competition or state regulation.

The example he uses is the emergence of labor unions in the American market (weak sellers against strong buyers). Individually, workers in the steel industry are highly vulnerable to private economic power (as exercised by steel companies, e.g., low wages).¹⁵ The birth of United Steel Workers was the result of steel workers organizing to consolidate their negotiating power in a way that limited the private economic power of large steel companies.

Why are Galbraith’s thoughts on American capitalism relevant to this essay’s study of the historical treatment of Korea? First, the US had a controlling economic and political interest in Korea since the late 19th century, and the state’s behavior as a strong buyer tracks with Galbraith’s estimation of strong buyers in the American marketplace. Second, if we were to suggest that the world powers were at different points organized in such a way as to have a few “strong” buyers (invaders, colonizers,

“economic administrators”) on one side (various combinations of the USA, USSR, Great Britain, Japan, and China) and many “weak” sellers (the invaded or colonized, etc.) on the other (Koreans, member countries of the UN), it may be possible to explain both the competitive behavior among the strong buyers as well as the organizing behavior of weak powers on the other side of imperialist market, which helped to limit the strong powers of their invaders or colonizers. This essay seeks to extend Galbraith’s theory into conflict studies in Political Science, using the cases of World War II (and the years surrounding the Moscow Decision) and the Korean War/Armistice Negotiations.

Other theories

Regarding war and termination behavior, there are many theories; I will briefly mention three areas here. The areas are bargaining, strategic rivalries and power (in the non-Galbraithian sense). An example of a model of bargaining power can be found in Dan Reiter’s work (2009) in which he also borrows from economic literature, more specifically from the area of contract law. His issue with the bargaining literature in economics is the assumption of automatic compliance once the bargain is reached, which is potentially more complex of an issue in the area of international relations.¹⁶ The compliance problem can be resolved by imposing an absolute war outcome (total military defeat), extinguishing the adversary’s sovereignty and annexing its territory, or imposing a foreign regime change. His explanation of Korea leaned towards the last option. Both the information flow from battlefield activity and a question of commitment led to negotiations towards the Armistice Agreement, which resulted in a foreign-imposed regime change. However, Reiter does not address the significance of how member states of the UN (many of them smaller and weaker than the US, Russia, and China) organized in a way that checked the hegemonic threat (communism) that Russia and China presented to the peninsula.

In the area of strategic rivalries, Colaresi et al claim that the repeated fighting between North and South Korea are due primarily to the fact that they have been unable to resolve completely the source of their conflict. In the case of Korea, each state claims sole legitimacy on the Korean peninsula.¹⁷ Colaresi et al fail to take into account that both North and South Korea resisted the division of the peninsula and wanted to be a single, free Korea. The authors completely omit the strong buyer presence (US, Russia) on the peninsula, which stymied their efforts

toward a unified and free Korea. Furthermore, the two states were not an exclusive dyad in conflict (their unit of observation) – strong buyers like the US, China, and Russia heavily influenced conflict escalation and de-escalation on the peninsula in the post-war years.

In the area of power, Kenneth Waltz suggested that American exercise of power in Korea served a policing function, “garrisoning the noncommunist world from the 38th parallel in Korea eastward all the way to Berlin. We did serve as the world’s policemen, and still do, and policing is a governmental task.”¹⁸ However, Waltz failed to account for America’s long-standing (and conflicted) history with Korea, including the *General Sherman* incident (1866) and the Portsmouth Treaty (1905), neither of which served a policing function in Waltz’ sense. In a different vein, Hans Mouritzen examines and extends Goldmann’s model of the power of the weak, distinguishing between offensive and defensive power of weak states.¹⁹ He used a constellation approach to demonstrate how weak states either make use of the conflict between strong powers (symmetric constellation) or adaptively acquiesce to demands by the paramount power when conflict increases between the paramount power and the conflicting power pole (asymmetric constellation). However his constellation was limited to triadic relationships, which would not have explanatory power in the case of several weak UN member nations intervening during the Korean War against China and Russia.

Method

This essay examines two case studies that involved (but was not limited to) the US (a strong buyer) and Korea (weak seller): a) World War II and the years surrounding the Moscow Decision; b) The Korean War and Armistice negotiations. A brief historical context prior to 1943 helps set the stage, which will be provided prior to the cases. Regarding the two case studies, both competition and countervailing power as described by Galbraith were at work in this set. The first case focuses on the years surrounding the Moscow Decision (1945), although the Cairo Conference (1943) had already set the stage for Korea’s future. The second case (Korean War/Armistice negotiations) exhibits both successful and failed countervailing attempts by weak sellers.

I utilized a combination of secondary literature and archival records (English) accessed through both the Truman Library website and University of Wisconsin Digital Collections of Foreign Relations of the United States. Access to original language documents in Russian,

Chinese, Korean, and French was not possible at this time, which limited my ability to cross-check consistency and/or reliability of the English translations of the originals. As a result, motives on the Korean, Chinese, and Russian sides cannot be fully authenticated. Also, I was unable to physically visit archive sites, which may have had considerably more data available to study around the two wars.

Context: Historical Events before 1943

After the 1866 and 1871 skirmishes between the US and Korea, King Kojong was persuaded by reformists like Kim Hong-jip to be more open to a more benevolent relationship with the US, if nothing else but to use them as an effective “counterweight against other countries with imperial designs on Korea.”²⁰ In this way, a weak state like Korea organized with someone on the other side of the imperialist market to limit the economic and political power of other potential imperialists, Russia being of particular concern at that time. Competition for economic and political access to Korea had begun.

The 1882 Treaty of Peace, Amity and Commerce promised perpetual peace and friendship between the US and Korea, even promising intervention if “other Powers deal unjustly or oppressively” with either country.²¹ One could argue that the treaty amounted to nothing more than a scrap of paper, since little more than twenty years later the US negotiated for Japan’s occupation of Korea in the 1905 Treaty of Portsmouth. Although the outcome of Japanese occupation was an unwelcome one for the Korean people, it appeared to limit the hegemonic threat of communism (Russia) from the region, which was in America’s competitive interests for hegemonic influence. A competitive, hegemonic balance of power was thus maintained against Russia via Japan.

The purpose of providing this background to the two cases was to set precedent for a pattern of capitalistic behavior in an imperialistic market by strong buyers like the US, Japan, and Russia. As we will see in the following two cases, Korea was a target of direct competition by strong buyers. Organized resistance of weak sellers (like member nations of the UN) exercised countervailing power against some strong buyers. There were also failed attempts at exercising countervailing power during the Korean War Armistice negotiations. Both the competitive behavior of the US, Russia, China, and Japan and the countervailing behavior of weaker member nations of the UN (influenced by American troops) against Russia and China appear to track with Galbraith’s theory of competition

and countervailing power.

Case #1: WWII and the Years Surrounding the Moscow Decision

During World War II, the US, China and UK sought a total war outcome regarding Japan (Reiter) and determined during the Cairo Conference that “in due course Korea shall become free and independent.”²² Although the Allies were fighting to “restrain and punish the aggression of Japan,” they denied coveting gains for themselves or any thought of territorial expansion.²³

However, just two years later at the end of World War II, Korea was divided via the Moscow Decision through the establishment of a Joint Commission “consisting of representatives of the United States command in southern Korea and the Soviet command in northern Korea.”²⁴ The stated intent was to “re-establish Korea as an independent state,” but the US and the USSR believed that a roughly equal division of the peninsula, with one strong buyer controlling each half, would best facilitate the “creation of conditions for developing the country on democratic principles.”²⁵

As early as January of 1946, the US noticed a change in language by the Soviets that implied a more permanent power interest in Korea than indicated in the Moscow Decision. For example, in a telegram from the political adviser in Korea (Benninghoff) to the Secretary of State, Benninghoff noticed differences between the Korean version (Russian-supplied) and the Soviet version of the Moscow communiqué. “Trusteeship” was changed to “guardianship” and “maximum period of five years” was omitted and that the Joint Commission’s proposals “will be turned over to the four guardians.”²⁶

Perceptions of Soviet intent to dominate Korean affairs intensified on the US side later that month. Kennan’s telegram to the Secretary of State advised “There can now be little doubt that USSR wishes to assure earliest and most complete exclusion of other great powers from all connection with Korean affairs.” He goes further to say that “it is reasonable to assume...that USSR has in reserve at least strong nucleus of ready-made native governmental apparatus, including bureaucrats, militia and Korean units from Red Army which can be depended upon to follow obediently Moscow direction.”²⁷ The language in the telegram indicated a concern about the Soviets becoming a hegemonic threat in Korea. This language became even stronger by late 1947 in a CIA report (Nov. 1947): “Soviet tactics in Korea have clearly demonstrated that the

USSR is intent on securing all of Korea as a satellite. In pursuing this policy, the USSR has...adhered to a definite program of infiltration, consolidation, and control.”²⁸ The US unease about USSR intent in Korea can be described as a competitive struggle for economic and political power in Korea.

By early 1947 Langdon reported that Koreans were suspicious that the US was setting up a separate government in their zone and that Dr. Rhee has publicly campaigned for immediate independence.²⁹ Koreans were beginning to organize in the south against the imperialist powers of Russia and the US, attempting to generate countervailing power that would limit or eradicate the foreign influence (US/USSR) from their country. In order to prevent a successful coalescing of organized resistance to the US agenda, Gen. MacArthur recommended submitting the Korean problem to the UN. He also recommended that the US, UK, China, and USSR meet to clarify the Moscow Agreement, as well as a separate meeting between the US and USSR to “resolve issues preventing successful development of Korea as a political and economic unit with its planned emergence as an independent state.”³⁰

Syngman Rhee’s 1947 “A Solution of the Korean Problem” rather bluntly pointed out Korea’s strategic significance in the triangle of north Asia, bordered by the Siberian Maritime Province, China, and Japan. Rhee further indicated the danger that would follow if anyone or combination of them controlled Korea. Calling to mind the Cairo Declaration and the stated desire for a free and independent Korea, Rhee also outlined a program of minimal steps to begin rehabilitating Korea, beginning with the southern half. Among these recommendations were the election of an interim government, reparations from Japan, full commercial rights, and stabilized Korean currency.³¹ One could argue that Rhee telegraphed an organizing strategy for countervailing power that would limit the political and economic power that the US and USSR had over the peninsula. While Rhee worked to organize countervailing power against the US and USSR, the competitive nature of the relationship between the US and USSR reached a heightened state in the in the National Security Council’s report to the President regarding Korea. The rhetoric was most stark in the report’s comparison of “The Fundamental Purpose of the United States” with “The Fundamental Design of the Kremlin.”³² While the US is self-described as having the purpose of “insuring domestic tranquility, promoting general welfare, and securing the blessings of liberty to ourselves and our posterity,” the

fundamental design of the USSR was to: “retain and solidify their absolute power, first in the Soviet Union and second in the areas under their control. Achievement of this design requires... dynamic extension of their authority and ultimate elimination of any effective opposition to their authority.”³³

American competitiveness against Soviet influence in Korea could be outlined in the last paragraph of their description of the USSR, after indicating that Soviet forces were attempting to dominate the Eurasian land mass: “The United States, as the principal center of power in the non-Soviet world and the bulwark of opposition to Soviet expansion, is the principal enemy whose integrity and vitality must be subverted or destroyed...if the Kremlin is to achieve its fundamental design.”³⁴ In a political and economic perspective, the report states that:

“We should take dynamic steps to reduce the power and influence of the Kremlin inside the Soviet Union and other areas under its control...establish friendly regimes not under Kremlin’s domination. Such action is essential to engage the Kremlin’s attention, keep it off balance and force an increased expenditure of Soviet resources in counter-action.”³⁵

In other words, this tactic is the effort of one strong buyer (US) against another strong buyer (USSR) for control in an imperialist marketplace, using a capitalist model of competition to gain control of the marketplace (which included Korea as a part of that market).

Case #2: Korean War & Armistice Negotiations

Although the Joint Chiefs of Staff stated in 1949 that “Korea is of little strategic value to the United States and that any commitment to United States use of military force in Korea would be...impracticable in view of the potentialities of the over-all world situation,”³⁶ the CIA held the opposite view. The strategic importance of South Korea under US control was that “its denial to the USSR...would prevent the development of advanced bases from which Soviet forces could threaten or neutralize US operational bases in Japan and the Ryukyus.”³⁷ The CIA predicted that US withdrawal of troops would eventually be followed by an invasion of South Korea with communist assistance. In 1950, in the midst of US reduction of troops in South Korea, the predicted invasion came to pass. The US then reversed its view regarding Korea’s strategic significance from small to much bigger.

Two strong buyers backed the onset of the Korean War— the USSR and China. Kim Il Sung traveled to Moscow in the spring of 1950 to get Stalin’s support of his plan to invade, by which time Mao Zedong had apparently already transferred two Chinese divisions to North Korea.³⁸ Both China and USSR lent their support to North Korea in Kim’s planned attempt to reunify the peninsula by force. By August 1950, US perspective on Korea shifted to a decidedly more involved stance. In a memo by the Secretary of the Army (Pace), the Secretary of the Navy (Matthews), and the Secretary of the Air Force (Finletter) to the Secretary of Defense (Johnson), the invasion of South Korea was seen as precedent for a “new pattern of Soviet aggression” by which the USSR could set up satellite troops and “thus attempt to destroy the leadership and dissipate the strength of the United States.”³⁹ The Secretaries identified Greece, Philippines, Thailand, and Turkey among some of the weak sellers that a strong buyer like the USSR would pursue, in Granovetter’s terms.

The dynamic of weak sellers (S. Korea, Greece, Philippines, Thailand, Turkey, and many others) organizing to limit the power of strong buyers (China and USSR) is known as countervailing power in Granovetter’s model of American capitalism. The US suggested this maneuver during the Korean War. Once the US submitted the problem to the United Nations, 15 other UN members responded with military aid – including all of the named weak sellers in the Secretaries’ memo. The bulk of countervailing power was supplied by ROK ground troops (definitely a weak seller in the imperialist market), which outnumbered troops in the battle line than all the other nations combined.⁴⁰

Towards the end of the war, we can see two instances of failed countervailing attempts by Syngman Rhee (on behalf of Korea) against the strong buyers at the negotiating table: US, USSR, and China, who were negotiating a cease-fire and return to *status quo ante bellum* division of the country. By failed countervailing attempts, I mean that these maneuvers did not succeed in checking the power of the strong buyers during the Armistice negotiations.

Rhee was explicitly opposed to the armistice, which was noted in a telegram from the Commanding General, United States Eighth Army (Taylor) to the Commander in Chief, Far East (Clark) dated June 9, 1953. The General went further to note that Rhee had not accepted the “unchangeability of the essential provisions with regard to the prisoners,” and “needs help to get over this hump.”⁴¹

Rhee's first attempt to limit the power of these strong buyers was to sabotage the POW exchange negotiations by releasing between 25,000 – 27,000 non-repatriate North Korean POWs on June 18, 1953.⁴² In a letter to Gen. Clark (Commander in Chief of United Nations Command), President Rhee made clear that he took this action, knowing that “you could not do anything about it on account of the international complications.”⁴³ He also indicated that since none of the parties at the table heeded any of his other suggestions, the release of the POWs was his decision in response. Although I viewed this move to be a failed attempt to check the power of the UNC (led by the US), Chae-Jin Lee appears to point to some countervailing leverage in his assessment of Rhee's various maneuvers throughout the Armistice negotiations process:

“A politician who understood the dynamics and limits of US domestic politics and foreign policies, Rhee's adroit tactics of brinkmanship and unpredictability, combined with his personal charm and fluent English, allowed him to exploit his apparent weakness as the leader of the war-torn and poverty-stricken state so as to extract maximum concessions and promises from one of the superpowers. It is conceivable that his repeated public threats to march northward even without external military and logistic support were a carefully calculated negotiating ploy aimed at the United States as well as a patriotic appeal to South Koreans.”⁴⁴

In short, Rhee attempted to mobilize the weak sellers (S. Koreans) against a strong buyer (US) in order to establish gains for Korea. His tactics could arguably be interpreted as a twist of American business strategy. Given that Rhee's PhD dissertation at Princeton University (1912) traced the history of neutrality in international commerce, citing the significance of US contributions to the laws of neutrality,⁴⁵ it would seem reasonable to assume that Rhee was also sufficiently familiar with American capitalism to the extent that he used these principles in his own work in international relations, particularly with the US.

Rhee's second failed countervailing attempt was his refusal to sign the Armistice agreement. In a series of exchanges dated between July 24 - 26, 1953, Rhee withheld the position of the ROK from the truce because he felt two items remained uncertain: a) provisions for automatic and immediate support for ROK in case it was attacked by an outside enemy; b) US support in resuming military efforts to eject the Chinese invaders.⁴⁶ It was a last ditch effort to open a window of opportunity for

an independent, unified Korea. Rhee's intent in his correspondence was consistent with his decades-long (yet failed) efforts to ensure a free Korea, which began in 1905 with his meeting with Theodore Roosevelt.⁴⁷ Eventually he assured the UNC of ROK's cooperation with the armistice, although his signature remained conspicuously absent from the document.

Discussion and Conclusion

The imperialistic marketplace, particularly when tinged with American involvement, demonstrates mitigation of political power by both competitive behavior between strong buyers and countervailing power by weak sellers against strong buyers. This essay examined two case studies that involved (but was not limited to) the US (a strong buyer) and Korea (weak seller): a) World War II and the years surrounding the Moscow Decision; b) The Korean War and Armistice negotiations.

Towards the end of World War II, two instances of direct competition between strong buyers resulted in two agreements. The Cairo Conference (1943) made explicit the competition between four strong buyers: the US, China, and Great Britain on the one hand and Japan on the other. It set the stage for Korea's future, since during the conference the three countries declared that Korea should, "in due course," become free and independent. The Moscow Decision, forged two years later, reflected the competition between the US and USSR for controlling influence in Korea by dividing the peninsula in half, giving the northern part to the USSR and the southern part to the US.

The Korean War, although technically a civil war initiated by the north, was activated by the investment of two strong buyers: China and USSR. The US response against China and USSR was a competitive maneuver to prevent Communist control from overtaking the peninsula. Countervailing power was also generated against China and USSR by the South Koreans and member states of the United Nations, many of whom were weak sellers in the imperialist world market. Against the wishes of the Korean people, armistice negotiations towards the end of the war leaned towards re-establishing *status quo ante bellum*.

President Rhee made two failed countervailing attempts to check the power of the strong buyers at the negotiating table. His first attempt was a sabotage of the POW exchange negotiations through the unilateral release of at least 25,000 Korean POWs. It is possible by this maneuver he managed to extract more concessions from the US in the form of

economic and military aid, since the US wanted to stop fighting and an armistice was preferred by the opposing side. However, it failed to collapse the armistice and ultimately did not succeed in preventing the permanent division of the peninsula.

Rhee's second failed countervailing attempt was his refusal to sign the Armistice Agreement when it was finalized. Figure 1 shows the signature page of the agreement, with no representation from South Korea. Rhee still wanted to unify Korea, and while he promised to observe the armistice "for a limited time,"⁴⁸ his intent was to render it null and void when Korea found another way to unify. The refusal to sign the armistice, along with his plan to hold a political conference after the truce,⁴⁹ was reflective of his enduring attempt to unify Korea, against the wishes of the strong buyers in the Armistice deal. It, too, ultimately failed.

The implications of the cases studied in this essay are two-fold. First, Korea's occupation and division over the past 100+ years were the direct result of American involvement in competition for control over the peninsula against other strong buyers (Communists). Galbraith's description of American capitalism might also be applied to American foreign policy decisions when there is a competing controlling interest in a particular region. Case studies beyond the Korean peninsula would be needed to test this proposition. Second, countervailing power may be a useful concept to describe how weak states organize to limit the economic and/or political control of strong states in the global marketplace, especially in those regions influenced by American capitalism. Again, additional study would be needed to cross check Galbraith's applicability in a US-influenced world market, but it may serve as an alternative explanation of American tactics in the imperialistic marketplace.

That said, two sets of policy recommendations come to mind: one for S. Korea, and the other for the US. Regarding S. Korea, she should consider the notion that American patterns of diplomacy with respect to Korea mirrors competitive (strong buyer) behavior for hegemonic influence in the peninsula. If S. Korea positively confirms this for herself, action can and should be taken to develop real countervailing power against three strong buyers seeking hegemonic influence there – namely, Russia, China and the US.

Regarding the US, "strategic patience" may backfire if S. Korea successfully develops significant countervailing power and/or makes real

progress towards reunification of the two Koreas. President Park Geun-hye's Dresden Declaration in March 2014 already suggests that S. Korea may be organizing with Germany to support the Korean reunification project, even as President Park continues to call on N. Korea to join the South in building better infrastructure in the North to facilitate better living conditions there. She also called on NGOs from Germany and Europe to join the project, as well as the United Nations and World Bank.⁵⁰

If S. Korea is successful in building support for a peaceful and proactively planned reunification of Korea ahead of waiting for N. Korea to collapse, the new Korea, while likely to remain an ally of the US, may emerge with significant countervailing power against the US, Russia, and China, especially if none of them took part in working towards the peaceful reunification of the Koreas as President Park envisioned in the Dresden Declaration. The current incentive for organizing countervailing power is high because the two Koreas remain divided against the wishes of the Korean people, although all three strong buyers (US, Russia, and China) appear to want to keep it that way. A 2013 survey of North Korean refugees in China and South Koreans found that 92% of N. Koreans surveyed and 73% of S. Koreans still desire (extremely or very much) the reunification of Korea. When asked what S. Korea should do to bring about reunification, half of N. Korean refugees said that S. Korea needed to achieve independence from US rule. Most S. Koreans, when asked what other country could be useful in helping to bring about reunification, said "none". Furthermore, only 20% mentioned China as a possible help, and 19% said the USA could be useful.⁵¹

American diplomats could take a lesson from their own historical marketplace and realize that the tactics they use at home could be used against them to check their influence in the global marketplace. If they want to maintain high levels of influence on the peninsula, they will need to reduce the incentive for organizing countervailing power against the US, which may preclude both strategic patience and/or coercive measures against N. Korea.

63. All of the provisions of this Armistice Agreement, other than Paragraph 12, shall become effective at 2200 hours on 27 July 1953.

Done at Panmunjom, Korea, at 1000 hours on the 27th day of July, 1953, in English, Korean, and Chinese, all texts being equally authentic.



KIM IL SUNG
Marshal, Democratic People's
Republic of Korea
Supreme Commander,
Korean People's Army

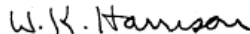
PENG TEH-HUAI
Commander,
Chinese People's
Volunteers

MARK W. CLARK
General, United States Army
Commander-in-Chief,
United Nations Command

PRESENT



NAM IL
General, Korean People's Army
Senior Delegate,
Delegation of the Korean People's Army
and the Chinese People's Volunteers



WILLIAM K. HARRISON, Jr.
Lieutenant General, United States Army
Senior Delegate,
United Nations Command Delegation

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Figure 1. Signature page of Armistice Agreement⁵²

Notes:

¹ Kim, Hakjoon, "A Brief History of the US-ROK Alliance and Anti-Americanism in South Korea," *Shorenstein APARC* 31 (May 2010): p. 9.

² "Marine Amphibious Landing in Korea, 1871," Naval Historical Foundation Publication, The Navy Department Library website, accessed 11/26/2014. http://www.history.navy.mil/library/online/marine_amphib_korea.htm.

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