

History and Geopolitics: In a Major Shift, South Korea Defies Its Alliance With Japan

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Trade restrictions, an end to intelligence sharing, heated rhetoric—it's all rooted in Japanese war crimes, papered over by a 1965 treaty in which Washington played a hidden hand.

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[A bitter dispute between South Korea and Japan](#) over compensation for Korean victims of Japan's war crimes escalated last week when Seoul announced that it would [terminate](#) a 2016 bilateral agreement with Tokyo to share classified military intelligence. The unprecedented move drew howls of outrage from US officials and analysts that were reflected in a Washington Post headline stating that the decision "was a blow to US security interests."

The announcement from President Moon Jae-in's Blue House came on August 22 after months of wrangling over a 2018 Supreme Court decision in Seoul that upheld claims that Japanese corporations must pay reparations to Koreans forced to work in their mines and factories during World War II. In response, Japanese Prime Minister Shinzo Abe had removed South Korea from a "white list" of preferential trading partners and slapped unprecedented trade restrictions on South Korean exports.

"The government deemed that Japan caused grave change in the bilateral security cooperation environment" by imposing the sanctions, President Moon's spokesperson said. "Under such circumstances, the government decided that it does not coincide with our national interest to maintain the agreement that was signed to exchange sensitive military information."

From President Trump on down, the US government and Washington's hawkish foreign policy experts had been pleading with South Korea not to take this step and to negotiate instead. "South Korea and Japan are fighting all the time," President Trump complained recently to White House reporters. "They've got to get along because it puts us in a very bad position." Afterward, a senior official in the administration [said](#) Seoul's decision "is laying bare fundamental questions about the Moon administration's commitment to our collective security."

In the days leading up to the announcement, US policy hard-liners had urged Trump to intervene, saying the tit-for-tat trade retaliation by Tokyo and Seoul and [a Korean boycott of Japanese goods](#) threaten [their collective stance against North Korea and China](#), and endanger both regional missile defense as well as the 2016 intelligence pact known as the General Security of Military Information Agreement (GSMIA).

“This dispute is a clear and present danger to US national security interests,” Patrick Cronin, a former Pentagon official at the Hudson Institute, said at an August 7 [seminar on the trade dispute](#) at the Heritage Foundation, a line parroted by the Post and many other US commentators.

In a typical response, Mintaro Oba, a former State Department official specializing in Korea, [tweeted](#) that “Seoul will pay a very grave price for this in Washington. It is not in keeping with a constructive approach to the U.S.-Korea alliance.” Hard-liner Victor Cha of the Center for Strategic and International Studies also lashed out at the US ally. “While this action is vindictively directed at Japan, it weakens the U.S.-ROK alliance as it weakens trilateral cooperation among the three countries,” he [wrote](#) in a CSIS commentary.

But Seoul’s foreign minister, Kang Kyung-wha, sharply disagreed with these assessments, [saying](#) the surprise decision “is a separate issue from the South Korea-U.S. alliance.” Taro Kono, her equivalent in Tokyo, [called](#) the decision “extremely regrettable” and lectured that Seoul “completely misread the regional security environment.”

Central to the dispute is a 1965 Normalization Treaty signed by South Korea and Japan during the height of the Cold War. That treaty, which was passed after years of intense US pressure, became the cornerstone of the “1965 system,” which helped make South Korea an industrial power and is the basis for the trilateral security alliance among Washington, Tokyo, and Seoul that still underpins US policy in Asia 54 years later.

An investigation by The Nation of US documents in the [National Archives and Records Administration](#) and newly [declassified documents from the Central Intelligence Agency](#) shows that the treaty—which brought Japan back to the Korean Peninsula for the first time since its surrender in 1945—was largely the work of the United States. They show that US pressure on Seoul to reopen ties with Tokyo began in the years after the Korean War, when US military planners and aid officials concluded that Korea would remain divided and that the South’s only chance for survival lay with its former colonizer.

One of the most remarkable documents in the archives was written in 1961 by [Hugh Farley](#), a senior US aid official in Seoul and President Kennedy’s top adviser on Korea. In a report for the National Security Council from a “Presidential Task Force on Korea,” on file in [the JFK presidential library](#), Farley urged the administration to move forcefully to persuade South Korea and Japan to normalize ties. But Washington, he insisted, should make it appear that the idea originated in Seoul.

“While the initiative should clearly be recognized as American, the action should be handled so as to appear Korean,” Farley wrote in a report that was cleared by the State Department, the Pentagon, and the CIA. “There can be no question of waiting for or seeking some Korean readiness to act. We must galvanize the action.”

Abe first imposed trade restrictions in July after South Korea’s Supreme Court ruled that the 1965 treaty did not override the compensation rights of Koreans forced to be slave laborers for [Nippon Steel & Sumitomo Metal](#) and other companies during Japan’s occupation of Korea.

Earlier this month, Abe [accused](#) Seoul of breaching the treaty, which compensated Korea as a nation but not individuals. Moon endorsed the court’s decision and vowed not to back down in enforcing it. “We will never again lose to Japan,” he told his cabinet and [broadcast in a tweet](#) on August 2.

The US expert class on Korea has clearly sided with Abe on the treaty. During the conference at Heritage, speakers were unanimous in their concern that President Moon’s stance on the compensation issue could undermine the 1965 agreement and, by extension, the close security ties

among the United States, Japan, and South Korea. President Moon “has a special responsibility to uphold international agreements, including the normalization treaty,” Scott Snyder, director of the program on US-Korea policy for the Council on Foreign Relations, warned at the Heritage event where Cronin spoke.

“Don’t reopen the treaty,” advised Bruce Klingner, a retired CIA officer who runs the Heritage program on Korea. Secretary of State Mike Pompeo has apparently taken such sentiments to heart: Recently, he [privately expressed](#) to the Abe government his support for Japan’s position that the South Korean demands for compensation violate the 1965 treaty. After the news broke, Pompeo said he was “disappointed” in South Korea. His spokesperson, Morgan Ortagus, [added](#) that Moon’s decision “will make defending #Korea more complicated and increase risk to U.S. forces.”

A TREATY UNDER MARTIAL LAW

But the treaty was hardly a model of democratic rule. It was [signed](#) under martial-law conditions on June 22, 1965, by the foreign minister for Park Chung-hee, a dictator who seized power in a military coup in 1961. In Tokyo, the signatory was Eisaku Sato, one of the first of a string of Liberal Democratic Party leaders who ruled Japan after the 1950s and were the [secret recipients of millions of dollars from the CIA](#). (Sato was also the great uncle of Shinzo Abe, Japan’s current leader, and the brother of [Nobusuke Kishi](#), an accused war criminal who was prime minister from 1957 to 1960.)

In addition to restoring diplomatic relations for the first time since Japan’s surrender, the treaty brought an immediate infusion into South Korea of \$800 million in compensation—in the form of Japanese aid and credits—that was deployed to build the Korean steel, electronics, and shipbuilding industries. By 1973, according to [a CIA “National Intelligence Survey,”](#) the United States and Japan accounted for about 70 percent of South Korea’s exports, 67 percent of its imports, 90 percent of foreign private investment, and “the bulk of official economic aid.”

The treaty also set the stage for the close security ties among the United States, Japan, and South Korea that intensified in the 1980s and ’90s and expanded in recent years with the rise of North Korea as a nuclear state.

There’s a reason US officials and policy analysts don’t want the treaty reopened and scrutinized: Any focus on its origins would reveal the hidden hand of the United States in the pact. The documents in the US archives reveal that the pressure began as early as 1947 and continued unabated until the US government capitalized on Park’s military takeover to force South Korea back into Japan’s arms. It culminated in 1965, just as the Johnson administration was beginning its massive escalation in Vietnam by sending thousands of US troops to fight the communist-led National Liberation Front and North Vietnam. As a price for its US support, South Korea sent a huge contingent of soldiers to support South Vietnam as well.

Five years after the treaty was signed, the CIA was ecstatic with the results. “One of [South Korea’s] most difficult problems was resolved on at least a formal level with the 1965 treaty normalizing relations with Japan,” the agency said in [a 1970 report](#) on “The Changing Scene in South Korea.” Since the treaty, it said, “Japanese capital has played a vital role in South Korea’s economic growth. Suspicion and outright dislike of Korea’s sometime conqueror persist; but there nevertheless is a growing recognition within the leadership in both countries of common regional interests.”

The CIA added, “An encouraging feature of the relationship has been quiet cooperation in the exchange of intelligence.” That startling passage is strong evidence that the 1965 treaty was the catalyst for the intelligence-sharing pact that South Korea has now canceled. And it points to one of

the more sinister motives behind US policies at the time: [to make Japan a junior partner](#) with the United States in running its new empire in East Asia after World War II.

A SHARED DIVISION OF LABOR

The LDP's eagerness to reopen ties with South Korea was part of a strategy by the United States to incorporate Japan into its anti-communist containment policies, according to Muto Ichiyo, one of the leaders of the Japanese New Left in the 1960s. As the Cold War heated up in the late 1940s, he said in [an interview I first cited in The Nation](#) in 2015, the Japanese elite decided that their best bet lay in forging a strategic alliance with the United States.

"The part of Japanese imperialism which was made powerless after the defeat in the war wanted, of course, to revive itself," Muto said. "But they knew perfectly well that the situation had changed.... So they adopted a very clear-cut strategy: Japan will concentrate on the buildup of the economic base structure of imperialism, while America will practically rule Asia through its military forces."

The treaty with South Korea and the enormous investments that followed, he said, reflected a "clear-cut strategy" by Japan's rulers to be part of a "shared division of labor" with the United States in backing US military allies in Asia. That partnership was sealed in 1969, when President Nixon and Prime Minister Sato [signed](#) a joint communiqué saying that the security of South Korea was "essential to Japan's own security." That meant, Muto said, "that Japan almost ceased to regard Korea as another country."

If that sounds like Marxist conspiracy talk, consider this tantalizing section of the secret 1970 report, which was submitted by the director of Central Intelligence. "Relations with Japan are likely to grow especially close, if not warm and friendly," as a result of the treaty, the agency wrote in its [National Intelligence Estimate on December 2, 1970](#). "A whole network of political, intelligence, economic, and military exchanges is developing between the two at various levels of government and commercial life which may lead to a sort of big-and-little brother relationship over the years."

That colonial relationship was also reflected in the treaty's ratification. To get the 1965 treaty through the Diet, Sato's LDP mobilized its own "Korea Lobby," a pressure group representing Japan's top capitalists, many of whom had interests in Korea during the colonial period. The lobby group was led by the infamous Kishi, Abe's grandfather, according to Kwan Bong Kim, a Korean academic who wrote a book on the treaty's politics. Like Kishi, the members of the Korea Lobby were "quite frank in their admiration for the aims and achievements of Japanese imperialism," the highly respected Far Eastern Economic Review reported in 1966.

One of the earliest signs of the US campaign to bring Japan back to the Korean Peninsula is dated nine years before the treaty. In 1956, President Eisenhower dispatched [Robert Macy](#), a prominent US government economist, to Seoul. As chief of the international division of the Bureau of the Budget, the precursor to today's powerful OMB, Macy's task was to wean the shattered country away from its status as the world's largest recipient of US economic aid. By the end of the 1950s, the US government provided more than half of South Korea's budget and 90 percent of its foreign exchange.

Macy suggested that South Korea's future depended on reintegration with Japan. "The biggest obstacle to ROK industrial development is the lack of skilled management," he wrote in a secret report to the White House that I found in the diplomatic section of the National Archives. "By far the most important single step to overcome this bottleneck is the restoration of full commercial relationships with highly industrialized Japan." Macy's recommendations carried weight in part

because he had been the special assistant to W. Averell Harriman, the director of the Marshall Plan in Western Europe.

In his report, Macy urged the administration to intensify the pressure on Seoul. But somewhat ominously, he added: “the situation appears to be ripe for a show down” with Syngman Rhee, South Korea’s autocratic president. “Unless President Rhee’s hand is forced soon on this whole situation, it is difficult to see how we can justify economic assistance” if South Korea “is not closely linked to a large industrial power.”

Rhee, who had resisted US pressure to link up with Tokyo, was [overthrown](#) in a popular and bloody revolt in April 1960 that the US government—in contrast to its intervention in [a similar uprising 20 years later](#)—did nothing to prevent. After his military refused orders to put down the demonstrations, Rhee was flown out of the country in a CIA plane. Over the next year, South Koreans took advantage of the democratic opening to press for more radical change; among the most popular ideas was reunification with the North and a neutral Korea free of both US and Soviet influence.

But in May 1961, Park, a general who had been trained in the Japanese Imperial Army and dutifully served in its colony in Manchuria, seized power in a military coup and put a stop to such talk. He was immediately recognized as South Korea’s legitimate leader by the incoming Kennedy administration, which looked to him to implement the US agenda. “After the Rhee period, it was generally recognized that reunification would not occur in the foreseeable future and that investment decisions should not be influenced by its possibility,” two former US advisers in Korea wrote in a 1971 book about the US aid program.

That decision was the impetus for the report to Kennedy’s NSC by Farley, the US aid official. After laying out South Korea’s dire economic situation, he recommended that President Kennedy discuss “the US planning for Korea” with the Japanese Prime Minister, Hayato Ikeda, during a forthcoming visit to Washington. Remarkably, that meant the United States was initiating an enormous change for Korea not with its leaders, but with the Japanese.

In another report, on June 5, 1961, the NSC spelled out what Korea’s future should be under Park, its new military strongman. “The United States, Japan and the United Nations are of dominant importance in Korea’s foreign affairs,” the NSC stated. “The United States stands first because of Korea’s immediate dependence upon support for its defense and economic existence.” But “second only to the United States, Japan is of critical importance in terms of long-term Korean international relations.”

Why? Because “there has existed in the past a trade and productive relationship which created for Japan both an opportunity and obligation, in its own political and strategic interests, to take a leading role supporting and developing Korea.” That bland description of Japan’s colonial rule was essentially an endorsement by the United States that South Korea was to be a permanent appendage to Japan, and was an insult to the many Koreans who had fought so hard against Japan—and suffered under its occupation—since the advent of the Korean independence movement in 1919.

Still, the administration pressed on, and in the spring of 1961 made it clear to Park’s military government and the ruling LDP in Japan that they should take steps to reopen diplomatic relations. The pressure paid off: Within four years of his coup, Park showed his worth to the United States by signing the Normalization Treaty. But it was passed only after Park placed tanks and troops around the National Assembly to keep the opposition party out. “Seoul police used tear gas and clubs to break up demonstrations by 7,000 students,” who called the treaty “the product of ‘humiliating concessions,’” *The Wall Street Journal* [reported](#) at the time.

The Japanese companies behind the treaty in Tokyo also provided millions of dollars to Park's political party in the years leading up to the treaty, according to a [secret CIA report](#) on "the future of Korean Japanese relations" written in March 1966. It said that Japanese firms "reportedly provided two thirds of the party's 1961-65 budget, six firms having paid the \$66-million total, with individual contributions ranging from \$1 million to \$20 million." "Politically sophisticated Koreans," the CIA concluded, "fear that their own venal politicians may become subservient to Japanese business interests." After South Korea's democratization in 1987, that is exactly what Korean reporters discovered.

THE END OF THE 1965 REGIME?

Based on that history, it's understandable why many Koreans view the 1965 treaty as an affront to their national dignity and believe it should no longer stand as the basis for South Korea's relationship with Japan.

"The history of the end of the '1965 regime' is now in full swing," Nam Ki-jeong, a Japan specialist at Seoul National University wrote in the progressive *Hankyoreh* on August 18. "The trigger pulled by Japan with its trade warfare is set to go down in history as its opening salvo." He added: "Moving beyond the 1965 regime is an essential stage in the Korean Peninsula peace process."

But that's the last thing the US foreign policy establishment wants. Besides keeping the treaty intact, US officials have been adamant that Seoul cannot allow the dispute to threaten the intelligence-sharing pact, which was signed in 2016 with strong US backing. "We are all stronger—and Northeast Asia is safer—when the United States, Japan, and Korea work together in solidarity and friendship," said Pentagon spokesperson Lieut. Col. Dave Eastburn after the agreement was nullified. "Intel sharing is key to developing our common defense policy and strategy."

American officials and experts in think tanks are also deeply concerned that continued friction between Moon and Abe could endanger South Korea's participation in a regional missile defense system that involves the militaries of all three countries. Both the GSMIA and the missile defense cooperation would have been impossible without the 1965 treaty, which established the shaky alliance between Seoul and Tokyo.

But unfortunately, the US response and media coverage of the dispute has been extremely favorable to Japan—so much so that when an American professor, [Gregg Brazinsky of George Washington University](#), wrote [an op-ed in The Washington Post](#) criticizing Japan for failing "to reckon with past atrocities," he was profiled in the [Dong-a Ilbo](#), a major Korean daily. "Many are accusing me of being anti-Japan," Brazinsky [tweeted](#). "Criticizing specific policies doesn't mean you hate a whole country."

That incident, and the history exposed in declassified US documents, underscores that the dispute over the "1965 system" is a problem of our own making. And it begs the question: Should the United States cling to an outmoded system put in place by a South Korean dictator in league with Japan's right-wing LDP for the sake of national security and America's massive forward base structure in Asia? And, more to the point, doesn't South Korea have the sovereign right to make decisions about its own future, even when its allies in Washington disagree?

Those are questions that American citizens should pose to both the Trump administration and the leaders of the Democratic Party, which are united in their support for the trilateral military alliances with South Korea and Japan. But it suggests an answer: If Japan should own up to its sordid past, so

should the United States.

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P.S.

- The Nation, August 27, 2019. 2:36 PM:

<https://www.thenation.com/article/south-korea-japan-cold-war/>

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He published his first article for *The Nation* in 1983, when he wrote about the repercussions of a North Korean attack on a South Korean government delegation to Burma. Since then, he has published many investigative stories here, including groundbreaking exposes of the Carlyle Group, the Bush administration's failed attempt to privatize Iraq, and the AFL-CIO's intervention in Chile and other countries during the Cold War. He was the first journalist to interview the four National Security Agency whistle-blowers who exposed corporate corruption at the NSA and its extensive program of domestic surveillance.

Shorrock has been a frequent guest on *Democracy Now!* and his stories have appeared in many publications, including *Salon*, *Mother Jones*, *The Progressive*, *The Daily Beast*, and *The New York Times*. You can find much of his past work at his blog, *Money Doesn't Talk, It Swears*. He has lived in Washington, DC, since 1982, and is a big fan of Bob Dylan and American blues and folk music.