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THE REDUCTION OF TENSION IN KOREA (U)

VOLUME II

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THE REDUCTION OF TENSION IN KOREA (U)

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VOLUME II

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Prepared for

THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY

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I

INTRODUCTION (U)

(U) On January 12, 1950, in a speech before the National Press Club, then Secretary of State Acheson described the US "defense perimeter" in Asia as including Japan but not the Republic of Korea, from which US forces had been withdrawn the year before. In the event of attack, Acheson said, countries not within the described perimeter would have to rely initially upon their own strength and then upon the United Nations. In June of the same year, the outbreak of war in Korea brought the United Nations actively to the defense of the Republic of Korea. The war also led to a formal US security commitment to that country. Twenty years after the Korean armistice, US combat forces are still stationed in Korea. Although later overshadowed by the Vietnam war, Korea was during those years the scene of some critical armed confrontations, most notably the Communist seizure of the USS Pueblo in 1968. There was in addition a chronic number of armed infiltrations and other incidents along the DMZ and the Korean coast.

(U) South Korea became an anchor of the chain of containment around the Asian Communist regimes; perhaps because South Korea's separate existence was continuously contested in minor and sometimes not-so-minor incidents, its importance to the US containment strategy was not again seriously questioned. In particular, Japan came to feel strongly that the US-manned defense perimeter should be drawn in Korea rather than in Japan itself. As late as November 1969, a Japanese prime minister affirmed in Washington--also before the National Press Club--the importance of South Korea's security for that of Japan. That US interests were vitally engaged in Japan was even more clear than when Secretary Acheson spoke in 1950.

(U) The ongoing armed confrontation in Korea was only one of the factors that seemed only a few years ago to make Korea an unlikely prospect for arms-control measures. The bitter ideological division between North and South was an additional element. Also important was the competitive involvement of China and the Soviet Union. Whatever one may have concluded about whether South Korea was properly within the US defense perimeter, Peking demonstrated in its 1950 intervention that the northern half of that country was within the defense perimeter of China. And the Soviet Union, while less directly involved, competed vigorously with China for

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influence in North Korea, using military assistance as an important instrument of leverage. Precedent also was a negative factor, particularly the failure of the 1953 armistice to lead to the contemplated political settlement and the collapse soon after the armistice was signed of some of its major provisions-- including one prohibiting the introduction of reinforcing military materiel into Korea.

(U) It was the announcement that President Nixon would visit China that changed the unpromising situation in Northeast Asia. The developing détente between the United States and China, followed by a rapprochement between Japan and China and accompanied by an accelerated pace of contacts between Japan and the United States and the Soviet Union, seemed to illuminate the fact that so far as the powers were concerned, their major self-perceived interests lay not in Korea but in their mutual relations with each other. It seemed that so far as Korea was concerned, the powers' concerns were mostly negative: that Korean issues should not lead to hostilities nor interrupt the progress toward détente (nor give an advantage to either side in the Sino-Soviet dispute). What made these not altogether new factors suddenly appear to be of major significance was the dramatic response of the two Koreas to the new environment of détente in Northeast Asia. Responding to initiatives by each other that had at first seemed not much different from the propaganda line of the preceding two decades, Seoul and Pyongyang announced that they were opening "humanitarian" Red Cross talks, and then--on July 4, 1972--that under the cover of those talks they had agreed to open high-level consultations aimed at easing tension and eventually uniting the country.

(U) Under these circumstances, the question of how the United States might contribute to the easing of tension in Korea ceased to be academic. The Republic of Korea, which in 1953 had refused to sign the armistice agreement, and North Korea, which as late as 1969 had shown itself to be the most militant by its actions (save Hanoi) of all Communist regimes, in the latter half of 1972, were beginning to discuss in sessions held alternately in each other's capital how a wide range of tension-reducing measures might be implemented. There have been no formal agreements since the July 4 communiqué, but tension in fact has abated and the military confrontation on the Korean DMZ has eased substantially. Proposals put forward by the two sides continue to reflect old political preoccupations and ulterior motives, but the idea that useful agreements may eventually be reached can no longer be dismissed out of hand. Also, it is conceivable that the powers--the United States, Japan, China, and the Soviet Union--with their real interest in détente much closer to the surface than ever before, may be able to stimulate their

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respective Korean partner into agreement or may be able to reach some agreements directly themselves.

(U) It is these matters that are examined in this study. Part One, entitled the "Current Situation," begins with an appraisal of the interests and policies of the four powers involved in Korean affairs (Chapter II), since it is our thesis that much of the stimulus for the North-South talks came from four-power interactions, and since we believe that arms control in Korea will be viable only insofar as it accommodates the interests, both parallel and conflicting, of the powers. Chapter III then examines the domestic situation in the two Koreas, where there were additional important factors that contributed to the new stance of the two regimes toward each other and that will continue to constrain their relations. Part One concludes with a brief discussion of the implications (Chapter IV) of the foregoing analysis for arms control and the reduction of tension generally.

(U) Part Two, entitled "US Policy Alternatives," begins by considering a range of policy options (Chapter V) that might be feasible for the United States within the context of the Nixon Doctrine. Chapter VI discusses the leverage available to the United States in moving from these options to specific tension-reducing and arms-control measures. Within this framework, Chapter VII considers those measures from the standpoint of their impact on the interests of the parties involved. Chapter VIII lays out the details of a negotiating plan by which some tension-reducing and arms-control agreements might be brought about and a dialogue initiated among the various parties concerning the more difficult and sensitive issues involved. The conclusions of the study are presented in Chapter IX. Finally, the military balance on the Korean peninsula is discussed in Appendix A and a detailed examination of Japan's interests in Korea is presented in Appendix B.

(U) Undue optimism is seldom warranted in international politics and least of all in arms-control matters, which normally develop with agonizing slowness. In regard to Korea, there are some common interests among the parties involved in reducing tension, but the burden of a quarter of a century of domestic and international conflict and confrontation is not easily shed. The negotiating plan presented here is designed to probe the intentions of the parties involved and to remove obstacles to the arms-control process in Korea. At the very least--and at little cost or risk for US interests--it could contribute to the confidence-building process in that country, help to stabilize the relationship between the two Koreas, and add substance to the developing détente between North and South Korea, the United States and China, the United States and the Soviet

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Union, and between the Communist countries and Japan. Some of these achievements can be attained, we believe, even if at the outset major arms-control measures are not realizable.

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PART ONE

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II

INTERESTS AND POLICIES OF THE GREAT POWERS (U)

A. THE UNITED STATES (U)

(U) US interests in Korea encompass several interrelated aspects:

- (U) An effective deterrent against Communist aggression, if possible at a low level of direct US involvement, and prevention of hostilities between the two Koreas that could involve the United States, China, the Soviet Union, or Japan.
- (U) An independent, self-reliant Republic of Korea that is friendly to the United States and Japan, that continues to develop economically, and that remains open to US trade, investment, and other contacts.
- (U) Stabilization of the relationship between North and South Korea to make possible the easing of tension and ultimately the realization of arms control.
- (U) Continued US access to military facilities in Korea so long as required as part of the US "forward strategy." *

(U) Having made substantial sacrifices and investments in the defense of the Republic of Korea in 1950-53 and in military assistance since then, the United States is above all interested in the maintenance of a credible deterrent against the renewal of Communist aggression in Korea. While this has been achieved, the defense of South Korea has been complicated by the development of military capabilities in the North grossly in excess of those permitted by the original provisions of the Korean cease-fire. Furthermore, Korea was the scene of some of the most serious military incidents of the 1960s, including sustained raids from the North in 1965-67, the January 1968 Blue House raid and the seizure of the USS Pueblo, and the April 1969 shooting down of the US EC-121. Even with the present, more relaxed atmosphere in East Asia, hostile

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armed forces face each other in Korea across a fragile barrier,¹ and the military balance that is maintained includes a substantial US nuclear-capable military presence. Tension-reducing and arms-control measures would, of course, be particularly addressed to these negative aspects of the Korean military situation.

(U) The other aspects of US interests in Korea have also developed unevenly since the Korean war. The United States has no critical economic interests in Korea; US-ROK trade and investment obviously do not constitute a significant percentage of the gross national product of the United States, and Korea is not the source of any US imports that are not readily available elsewhere. However, the US involvement in Korea's development during the past 25 years means that the ROK's economic success or failure reflects on the value of a small country's identification with the United States. To that extent, the United States has an interest in South Korea's continued economic growth. At present, South Korea is one of the more important countries where US developmental assistance has achieved most of its aims, although at the cost of some social inequity and strain and too close a dependence on US markets. Problems have arisen for the United States in regard to balance of payments and the competition of Korean textiles with US domestic producers, but these are aspects of a worldwide US problem and not specific only to Korea. In general, South Korea is accessible to US trade and investment on liberal terms, and the United States has remained South Korea's most important economic partner (closely followed by Japan, which has overtaken the United States in some specific categories, particularly as a source of manufactured imports).

(U) The international and diplomatic orientation of the Republic of Korea presents no problem for the United States. South Korea consistently cooperates diplomatically with the United States, and it has responded encouragingly to the innovative US diplomacy of the past years with initiatives of its own. However, on the domestic political side, the US interest in South Korea's development toward a more open society has received serious setbacks--not so grave as to vitiate the positive aspects of US relations with South Korea but nevertheless of a decidedly negative nature.

(C) Military cooperation with the Republic of Korea has been excellent, and Korean combat forces were available for use in

1. (U) Note the recurrence in 1973 of Communist-instigated minor armed incidents along the DMZ, not nearly on the previous scale but sufficient to give warning of the continuing danger.

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Vietnam when needed. There are no difficulties regarding US access to military facilities in Korea.

(C) The unification of Korea, even on terms approved by the Republic of Korea and the United Nations, would not necessarily be in the US interest. It is not necessary to examine this highly hypothetical question in detail here; suffice it to say that since Communist North Korea does not represent a military threat to any country except, potentially, South Korea, its elimination would presumably ease significantly only the problem of defending South Korea, with at best only a small gain in Japanese security. The unification of Korea would carry with it economic benefits for the South, e.g., access to the North's resources and creation of a larger domestic market, but for the United States economic benefits would be marginal. Much more important than the foregoing would be the potential negative aspects.

(C) Depending upon the process by which Korean unification was accomplished--and in the foreseeable future hostilities and a high degree of international tension would seem to be virtually unavoidable--establishment of a non-Communist regime in the North bordering on China and the Soviet Union could alarm those countries and bring Korea much more directly under a military threat from them than is now the case. The net result might well be a tense military situation in Northeast Asia that would require more, rather than less, US military involvement.

(U) In support of its interests in Korea since the Korean war, US policy has emphasized military and economic assistance and the indefinite maintenance of US combat forces in Korea. Those forces

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were augmented with additional air units after the Pueblo incident, but US ground combat forces have been reduced to one division, which was pulled back from the DMZ front line. Otherwise, there has been little change in the US posture in Korea. There had been no US contacts with the North, except those at Panmunjom, until a number of prominent US journalists visited North Korea in 1972 (the only other Americans to travel to the North had been various self-proclaimed American revolutionaries). US actions played a large part in stimulating events that led to the breakthrough of the July 4, 1972, communiqué and the North-South talks, but those actions were taken in regard to China, rather than Korea. The United States has had no direct role in the Korean initiatives. We shall discuss in Part Two, Chapter V, of this study some of the alternative strategies the United States might pursue in Korea in the present radically changed situation, particularly how a further relaxation of tensions and arms-control objectives might be attained.

B. JAPAN (U)

* ✓ (U) An analysis of Japan's interests in Korea is important for this study for two reasons.² First, Japan is so deeply involved in the peninsula that its actions will inevitably affect the policies of the two Koreas. Second, the policies of the other three major powers are influenced in varying degrees by their estimation of how their actions in Korea will impinge upon the interests of Japan.

(U) Japan's national interests, as they relate to Korea, can be stated as follows:

- (U) That there not be an outbreak of war on the Korean peninsula.
- (U) That Japan's policies toward Korea not invite the serious hostility of Peking or Moscow.
- (U) That South Korea not be controlled by a hostile government.
- (U) That Japan derive the maximum possible economic and political benefits from the Korean peninsula as a whole.

2. (U) This section is an abstract of Appendix B, which treats this subject in detail.

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These four interests should properly be viewed in hierarchical terms. The first is a vital interest, the second and third are of great consequence, and the fourth is significant, but less so than the three that precede it. The four interests are, moreover, clearly in tension with one another.

1. The First Interest: That There Be No War in Korea (U)

(U) This interest is of overriding importance compared with the other three because it incorporates two constituent interests, each of which is itself vital to Japan:

- (U) Japan must not be drawn into war with China or the Soviet Union as a result of a conflict on the Korean peninsula.
- (U) A conflict in Korea must not be allowed to damage seriously Japan's relations with the United States.

a. (U) The Problem of Mutually Conflicting Interests. One of the first consequences of another Korean war would be that the Japanese government would be confronted with some painfully difficult choices, for in such a crisis it would be impossible to devise policies that did not entail grave risks of damaging one of these two interests.

(C) The first of the above two constituent interests is a particular manifestation of a more general Japanese interest in not being drawn into any war, especially one which involves China or the Soviet Union. A crisis or a war on the Korean peninsula would engage this interest more readily and more fully than would similar events elsewhere, in part because of the proximity of South Korea to the home islands

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(C) If, on the other hand, Tokyo decided to renege on its obligations and attempted to dissociate Japan entirely from the conflict, the second of the two constituent interests would be affected. The

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AF.

b. (U) The Problem of Conflicting Policy Options. Most Japanese approve of the government's current policy of encouraging peace and stability in and around the Korean peninsula by improving relations with China, the Soviet Union, and to a lesser extent, North Korea. Most would also like to foster the improved prospects for détente that have emerged as a result of the North-South talks. Beyond this, however, the consensus on policy breaks down. Japanese of a "progressive" persuasion tend to emphasize policies that would serve to keep Japan from becoming involved in potential Korean conflicts and to minimize the possible effects of such an approach on the alliance with the United States. Other, more conservative Japanese believe that policies serving the second constituent interest should be given a higher priority even if this entails some risk of future entanglement in war. Each group maintains that the set of policies it advocates serves Japan's larger interest in continued peace on the peninsula. Neither group has managed to devise a strategy that would serve both constituent interests if a war did occur.

(U) The conservative establishment favors a policy of consolidating the status quo by contributing to the political, social, and economic stability of South Korea and by cooperating discreetly with South Korean and American efforts to deter aggression from the North. The Liberal Democratic Party (LDP) argues that steps such as these enhance stability on the peninsula without incurring an unacceptable risk of Japan's becoming involved in a Korean war if one does break out.

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(U) The opposition forces are in total disagreement with this approach. They would attempt to resolve the dilemmas inherent in the task of promoting stability while avoiding potentially dangerous involvements by opting for maximum disengagement, even if that proved to be destabilizing. The conservatives, meanwhile, continue to pursue both objectives in the hope that the status quo will in time be stabilized and that the deterrent to a North Korean attack will continue to be effective, thereby obviating the need to meet obligations that even the LDP would find extremely difficult to honor.

(U) Since the conservatives currently control a majority in the Diet, it is their view on what mix of measures best serves Japan's first interest in Korea that is reflected in government policy. If the North launched another attack on the South, the LDP would give the second constituent interest priority over the first and would support US and South Korean efforts to repel the invasion. If, however, China or the Soviet Union entered the conflict and made the highly unlikely decision to strike at US bases in Japan, even a conservative Japanese government might very well reverse priorities and drastically reduce, or terminate altogether, support for the Republic of Korea.

2. The Second Interest: That Japan's Policies Not Invite the Serious Hostility of Peking or Moscow (U)

(U) This second interest tends to circumscribe, rather than determine the content of, policy toward Korea. Examination of this interest exposes the very limited nature of Japan's aspirations in Korea and reveals the great importance of the international context within which Japan's Korea policy is formulated.

(C) Perhaps the most effective way to highlight the extent to which Japan's Korea policy is dependent upon its policies toward the Soviet Union and China is to imagine the kind of Korea the Japanese establishment might find most congenial were it not constrained to consider the attitudes of Peking and Moscow in its foreign policy calculations. Such a Korea would probably be unified, non-Communist, politically and socially stable, economically dynamic, friendly to Japan, and open to Japanese trade and investment. In reality, however, the conservatives regard this "ideal Korea" as an unattainable objective not worthy of serious policy efforts for two reasons, both of which relate to the inescapable fact that China and the Soviet Union are deeply involved and interested in what happens on the peninsula. The first reason concerns the process by which Korea would come to be unified under a non-Communist government. The current progress in the North-South talks notwithstanding, the Japanese government believes that a non-Communist government could

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only establish control over the entire peninsula by physically obliterating the North Korean regime. Such an attack would be certain to bring in the Soviet Union or China (or both) on the side of Pyongyang and would probably precipitate a more general conflict that might spread to Japan.

(C) The second reason concerns the result of unification under a non-Communist government. Analysis of this issue requires that we suspend judgment on the question of how such a situation could come to exist and address the question of how the Japanese believe the Soviets and the Chinese would respond to the new circumstances on the peninsula. Basically, the Japanese establishment knows that its "ideal Korea" would be highly undesirable from the point of view of China and the Soviet Union. Both powers would regard the disappearance of a member of the Socialist community as a serious political and ideological setback. A buffer state perceived by the Soviets as important to the security of the USSR and by the Chinese as vital to their security would have vanished, bringing them into direct contact with a non-Communist and potentially hostile Korean regime. Hostile or not (indeed, Communist or non-Communist), a unified Korea would be far stronger, more independent, and less amenable to guidance and manipulation than the smaller and more vulnerable state that now exists on their borders. Even if a non-Communist Korea adopted a neutral foreign policy, the two Communist states would probably see it as "objectively" aligned with the West and, therefore, as a clear gain for Japan and the United States. The heightening of tension in Northeast Asia that would almost certainly ensue might lead to a very serious deterioration in Soviet-Japanese relations and the beginning of that permanent rivalry with the People's Republic of China that some observers see as inevitable and that the Japanese are so anxious to avoid. In any case, there would be a definite net reduction in Japan's security.

(C) Tokyo views as understandable and legitimate the Soviet and Chinese interests in the continued existence of a Communist North Korea. Tokyo is also convinced that a basic element in Japan's long-range security policy must be a sustained effort to improve relations with the two great Communist powers, to reassure them as to Japan's ambitions and intentions, and to work to widen the area of common concerns and shared interests. Japanese policy-makers consequently have been, and will continue to be, most cautious in their approach to Korean problems. Above all, Tokyo will not lend its support to attempts to change the status quo on the peninsula in ways that in the short run might work to the advantage of Japan but that would at the same time provoke strong and probably violent opposition from China and the Soviet Union.

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3. The Third Interest: That South Korea Not Be Controlled by a Hostile Government (U)

(U) The overall effect of the two interests discussed thus far is to set limits on policy, inhibit action, and push the Japanese in the direction of minimizing their involvement in Korea. The third interest is of an entirely different nature. It invites, and in some respects necessitates, active participation in the shaping of events on the peninsula.

(U) If the Japanese government and people believe that Moscow and Peking have a legitimate interest in preserving a Communist North Korea, they also believe that Japan has a legitimate interest in not having the entire peninsula fall under the control of a Communist government. They believe that their country, too, needs a buffer between it and its most powerful potential enemies and that the Chinese and Soviets should be willing to recognize this need and tolerate the perpetuation of the status quo in Korea.

(U) There is a good deal of confusion and uncertainty as to whether a unified Communist Korea would necessarily be a hostile Korea. The Japanese Left maintains that it would not. Right-wing conservatives believe, and many moderate conservatives suspect, that it would. What this suggests is that the third interest is in reality composed of two overlapping but not completely congruent interests, i.e., that the government of South Korea should be, first, nonhostile and, second, preferably non-Communist. All that can be said with any certainty is that the interest in a nonhostile South Korea is one that is satisfied at present by the existence of a non-Communist government in the South and that might not be satisfied if Pyongyang succeeded in extending its control over the entire peninsula. Because of the confusion surrounding the third interest, we will examine what it would mean for Japan to be confronted with a Korea unified under a Communist government.

a. (U) Japan's Security Interests in South Korea. Perhaps the most important issues that would be raised by the creation of a unified Communist Korea are related to security. Unification would entail a drastic change in Japan's security environment, not so much because of the heightened threat that a Communist Korea itself would represent, but more because of the nature of the process by which unification would have to be accomplished and the conditions that would have to exist before Pyongyang would decide to set the process in motion and be able to carry it through successfully.

(U) The Japanese believe that the only way in which the entire peninsula will ever be brought under the control of a Communist government is through violence. (An attack by the North on the

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South would, of course, immediately raise the issues discussed in connection with Japan's primary interest of avoiding war in Korea.) The Japanese also believe that Pyongyang would only attack the South if conditions in Northeast Asia were much different from what they are now. As long as the US security relationship with both Korea and Japan remains intact, all-out political, military, and economic support from at least one of the two great Communist powers would be necessary for a successful invasion. In fact, so long as the US security relationship persists, the North would be unlikely to attack the South, even if it had obtained the backing of one or both of its allies.

(U) Either a withdrawal on the part of the United States or the assumption of a threatening posture by China or the Soviet Union (or both), however, would presage a period of great uncertainty and tension in Northeast Asia and increased danger to the security of Japan. It is primarily for these reasons, rather than because of the threat intrinsic in a new Communist regime, that most Japanese would feel that their national security had been seriously affected by the annexation of South Korea by the North.³

b. (U) Japan's Political Interests in South Korea. For most Japanese, the annexation of South Korea by the North would represent a serious constriction of their psychological-political horizons. South Korea is now one of Japan's most valued Asian friends, and relations between the two countries are cordial and cooperative to a degree that is surprising in view of their long history of hostility and strained relations.

(U) At the very least, a unified Communist Korea would be less susceptible to Japanese influence and more difficult to deal with than the existing government in Seoul. Even if Pyongyang abstained from aggressive behavior, the potential for mutual suspicion and misperception would be very high. Although Tokyo would probably feel that it had no other choice than to adjust to the new realities, the environment in Northeast Asia would have become much less congenial than it is now and Japan would feel more isolated politically.

(U) It should also be noted that most Japanese see Japan as an Asian nation with regional as well as global interests and whose energies will and properly should be displayed in both arenas. Many of these Japanese would like to see their country strengthen

3. (U) The nature of the security threat posed for Japan by a Communist Korea created by peaceful means and without disturbing upheavals in the configuration of power in Northeast Asia is explored in Appendix B.

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its position in Asia, acquire influence and prestige, and be recognized for what they are convinced it already is or soon will be: the preeminent state in Asia. For these Japanese, the disappearance of South Korea would be a setback. Their ambitions for their country have focused on the non-Communist countries of Asia, especially South Korea, because Communist states have been comparatively immune to Japanese influence and in the past have not been on friendly terms with Japan.

(U) At the same time, the context within which the Japanese see the Republic of Korea, and consequently the value which they place on its continued existence, may be changing. With the progress toward improved relations between the United States and China, the opening of diplomatic relations between Tokyo and Peking, the beginning of talks between North and South Korea, and the negotiation of a cease-fire in Vietnam, relations between the Communist and non-Communist states of Asia seem to be more relaxed. Add to this Japan's interest in pursuing a more activist, independent foreign policy, an important strand of which is an effort to regularize or at least improve relations with Asian Communist states, and it will be seen that Japan's field of action in Asia has expanded greatly since the late 1960s. As a consequence of these trends, South Korea may not figure as prominently in Tokyo's foreign policy calculations as it once did. And Tokyo might be able to "adjust" to a nonviolent absorption of the South by the North more readily than we now think probable.

c. (U) Japan's Economic Interests in South Korea. The statistics on Japan's trade with, and investment in, the Republic of Korea can be used to support varying estimates of the economic importance of South Korea to Japan.

(U) In 1971, Japanese exports to South Korea were valued at \$836 million, more than 8 times what they had been in 1960. In Asia, South Korea was second only to Taiwan as a market for Japan. Imports for the same year were \$274 million, 17 times as large as they had been in 1960. The balance of trade was \$581 million in Japan's favor. As for Japanese investments in South Korea, the cumulative total through March 31, 1971, was \$32,475,000.

(U) In absolute terms, the figures for trade and investment in 1971 are impressive, the more so when they are compared with what they were in earlier years. From the perspective of Japan's total foreign trade and investment, however, the data appear in a somewhat different light. In 1971, exports to South Korea accounted for 3.6 percent of total Japanese exports, while only 1.4 percent of total Japanese imports originated in South Korea. Although the \$581 million earned in trade with South Korea was certainly a substantial

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portion of the overall \$4.3 billion trade surplus for 1971, Japan's balance-of-payments position was by this time so strong that the contribution was not nearly as valuable as it once might have been. As for the \$32.5 million invested in the Republic of Korea, this sum represented a small fraction--0.9 percent--of the \$3,596 million invested worldwide through the end of FY1970. What these figures suggest is that Japan's economic stake in South Korea is valuable but by no means vital.

(U) It seems probable that much of Japan's economic involvement in South Korea, particularly the economic assistance that it has made available to the South (some \$630 million in approved grants and loans), is a product of a decision made on political and strategic grounds that Japan should contribute to economic growth and political stability in South Korea. Japan's economic interests in South Korea, in other words, seem to be more a product than a cause of Japan's political-strategic interests in that country.

(C) Thus, although the interests that cause Tokyo to desire the continued existence of a non-Communist South Korea are of no small importance, they are not sufficiently important that Japan would go to war to protect them. The damage to those interests that would follow from the absorption of the South by the North would be of less consequence to the Japanese than the way in which the damage was inflicted and the conditions in the international environment that prevailed during and after the ROK's disappearance. If unification was accomplished peacefully and was not precipitated or paralleled by a shift to a hostile policy toward Japan by China or the Soviet Union, the Japanese might be disturbed but would probably write off their losses, adjust to the new situation, and remain satisfied with relatively modest changes in their defense, foreign, and economic policies. If, however, unification was accomplished through violence and was accompanied by evidence that the intentions of the Soviet Union or China were threatening, the impact on Japan's defense and foreign policies would be much greater--but still not so great as to override Japan's prime interest in avoiding entanglement in a war with China or the Soviet Union.

4. The Fourth Interest: That Japan Derive Maximum Economic and Political Benefits from the Entire Korean Peninsula (U)

(U) Tokyo would prefer to see the existing balance of power on the peninsula stabilized. To this end, it has extended diplomatic and economic support to South Korea and, in the area of security, has pledged to permit the United States to use bases in Japan in the event of an attack by the North on the South. Conservative Japanese governments are likely to continue to take low-risk steps to protect Japan's considerable stake in the continued existence

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of the Republic of Korea, to remain on the best possible terms with the government in Seoul, and to work to expand trade with, and investment in, the South.

(U) As late as early 1971, with the exception of visits to Pyongyang by representatives of various elements of the Japanese Left, contacts with the North were all but nonexistent. Official relations were frozen in a pattern of mutual antipathy and mistrust. Just two years later, however, Korea policy was being formulated in an environment characterized by a perceived general reduction in tension throughout East Asia and by signs of a more relaxed atmosphere on the Korean peninsula. Furthermore, spurred first by the Nixon initiatives toward China in mid-1971 and later by the resignation of Prime Minister Sato and the advent of the Tanaka cabinet, the Japanese government began to display an increased interest in diversifying its contacts in Asia and in demonstrating its independence of the United States. This was evident in Tokyo's efforts to normalize or improve relations with the Communist states of Asia. With Pyongyang signaling its desire for better relations with Japan, with Seoul attempting to establish contact with Peking and Moscow, and with both Koreas apparently trying to work toward less hostile relations with each other, Tokyo had both greater latitude and more of an incentive to change its policy toward the North and began to modify its policy on peripheral issues. This naturally displeased the Republic of Korea, which let it be known that it was concerned about these indications of a budding rapprochement with Pyongyang. After some time, a consensus was evidently reached in Tokyo that Japan would broaden its unofficial cultural and economic contacts with the North but would not move toward diplomatic recognition of North Korea. This is tolerable for the Republic of Korea and--at least for the moment--acceptable to Japan.

(U) As a result, Japan now appears to be pursuing a strategy of maximizing its economic and political benefits from the peninsula as a whole or, to use an economic metaphor, of equalizing marginal returns from North and South. This does not mean that Tokyo will pursue an even-handed policy toward the two Koreas. First, equal efforts directed at the two Koreas are likely to return unequal dividends. For obvious reasons, it will be easier for Japan to build cooperative political relations and to expand trade and investment with the South than with the North. Nevertheless, Japan will attempt to improve its relations with North Korea--as long as this does not endanger relations with South Korea. Second, Japan's political and economic assets in South Korea are already substantial, certainly far larger than those it has in North Korea. Any effort to acquire comparable assets in the North must go forward under the constraint of not endangering the

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existing stake in the South. Marginal gains in the less important sector are unlikely to be pursued at the cost of large losses in the more important sector.

(3) On the economic front, while the release of Japanese Export-Import Bank credits for exports to the North is a distinct possibility, economic assistance will continue to be overwhelmingly concentrated in the South. Investments, of course, will be entirely concentrated in the South, which will probably become one of the locations most preferred by Japanese manufacturers seeking to relocate labor-intensive or polluting industries overseas.

(4) Japan's trade with South Korea has consistently been much larger and exhibited greater dynamism than has its trade with North Korea. Assuming that political factors do not intrude, trade with the North should for some time increase more rapidly in percentage terms than trade with the South, but it will still remain much smaller than trade between South Korea and Japan for the indefinite future. Japan's strategy with respect to economic issues is likely to be one of increasing trade with Pyongyang to the fullest extent possible without endangering or slowing the growth of trade and investment in South Korea.

(5) Strategy on political issues will probably be based on an analogous approach, with the one important qualification that moves toward the North are not likely to culminate soon in the normalization of diplomatic relations. Tokyo can be expected to take steps to open channels of communications and improve relations with Pyongyang, for example, by removing obstacles to a freer flow of individuals between Japan and North Korea, discreetly encouraging "private" contacts between members of the business community and the LDP, extending high-level indications of goodwill toward the government and people of North Korea, perhaps even permitting the opening of "non-official" trade offices in Tokyo and Pyongyang. Tokyo, however, is not likely to recognize Pyongyang in the near future primarily because this would precipitate a crisis in relations with the Republic of Korea, but also in part because it might cause Seoul to withdraw from the North-South talks, talks which Japan would like to see continue.

5. Conclusion: Japan and the Issue of Unification (U)

(U) On the face of it, unification would seem to be highly desirable from the Japanese point of view. By removing the most significant potential cause of war--the rivalry between the two hostile Korean governments--unification seemingly would work to promote stability on the peninsula and the reduction of tension in

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Northeast Asia. Unification by any method, however, is extremely unlikely. The least unlikely means would be violent, but violent unification would, of course, clash with Japan's vital interest in peace.

(C) As for peaceful unification, the most promising approach seems to be the North-South talks. For the present, Tokyo supports the talks in the expectation that the very process of negotiation will contribute to the reduction of tension on the peninsula. If, however, contrary to the expectation of the Japanese, the talks actually led to substantive progress toward their ostensible goal of unification, Tokyo would probably alter its posture toward the dialogue. The further Pyongyang seemed to be moving toward the acquisition of a measure of influence over the South, the more concerned the Japanese government would become about the possible impact on Japan's interest in the preservation of a nonhostile South Korea. OK

(U) If the talks appeared to be leading to the opposite result--the acquisition by Seoul of a measure of influence over the North, Tokyo's attitude toward the talks would probably be cool. Knowing that the Soviet Union and, especially, China would regard as highly provocative any attempt to promote movement toward unification on Seoul's terms, the Japanese government might try to persuade Seoul to moderate its objectives and proceed more cautiously.

(C) It would appear, therefore, that the North-South talks, as talks--as process--will be supported by Japan but that any substantial progress toward the objective of the talks would be disturbing, irrespective of whether the unified peninsula was apparently going to be ruled by a Communist or non-Communist government. OK

(C) The conclusion to be drawn from this analysis is obvious: the Japanese government and most of the Japanese people would prefer that Korea remain divided. Tokyo's objective appears to be to consolidate and stabilize the existing situation. All other alternatives would or might have a negative effect on any one or more of Japan's interests in Korea. Stabilization, on the other hand, if successful, would serve all four of Japan's interests. OK

C. THE SOVIET UNION (U)

(U) For the Soviet Union, the feasibility and desirability of a reduction of tension in Korea are and will be largely dependent on a complex interaction among four basic relationships. These include the Soviet Union's relations with North Korea itself and with each of the three other major powers that are involved in

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the Korean peninsula--China, the United States, and Japan. In ideal terms, these relations suggest that Soviet interests translate into an ultimate overall Soviet aspiration for a Korea that is peacefully reunified under Communist aegis, fully dependent on the Soviet Union, and free of the influence of all the other powers. The Soviet Union's actual policy toward the Korean peninsula, however, seems to be determined by the following more realistic interests: to maximize Soviet leverage and minimize Chinese leverage in North Korea; to prevent a deterioration of bilateral Soviet-US relations, including especially the possibility of a direct superpower confrontation; and to prevent a setback in its efforts to improve relations with Japan. In order to determine how these interests interact and what this interaction implies for possible Soviet support for specific measures to reduce tension in Korea, it is useful to analyze each of these interests separately in accord with the relationships noted above.

1. Soviet-DPRK Relations (U)

(U) On the eve of the Korean war, North Korea constituted the classic Soviet satellite: Moscow exercised dominant influence in all aspects of the DPRK's domestic and foreign policy. Its leader, Kim Il-song, was, according to a prominent American scholar, "a puppet of a foreign power to an extent unmatched by any other individual's relationship to a foreign power during this period."⁴ In the wake of the Korean war, however, Kim began to acquire increasing autonomy and, by the late 1950s, he was expressing openly his disenchantment with various of Khrushchev's policies. Kim's disenchantment was rooted in his perception of deep differences between the domestic and foreign policy interests of North Korea and those of the Soviet Union--differences that coincided with, but were not engendered by, the developing Sino-Soviet dispute.⁵ In domestic terms, these differences amounted to a basic divergence between Khrushchev's denigration of Stalinism and Kim's growing domestic ideological need for a cult of personality. In foreign policy terms, these differences were epitomized by the post-Stalinist Soviet effort to mitigate the siege atmosphere of the Soviet state in conjunction with incipient moves toward a betterment of US-Soviet relations. This effort ran contrary to Kim's need for a visible and unwavering commitment on the part of the Communist bloc to a policy of militant antagonism toward the United States that

4. (U) Robert Scalapino and Chong-sik Lee, Communism in Korea, in 2 parts (University of California Press, 1972), I:381.

5. (U) Ibid., I:558.

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aimed at, among other things, ousting the United States from Asia and securing the reunification of the Korean peninsula under Kim's aegis.

(U) The basic divergence between Soviet and DPRK domestic and foreign policy interests persisted throughout the 1960s and reached a high point between 1963 and 1965 and again in 1968 and 1969. In the early 1960s, Kim openly attacked the Soviet position on a whole range of issues; this provoked a sharp curtailment of Soviet economic and military assistance, which apparently caused severe hardships for the North.⁶ In the late 1960s, the seizure of the USS Pueblo, the DPRK commando raid on Pak Chong-hui's official residence, the Blue House, and the downing of the US EC-121 aircraft resulted in perhaps the most onerous sort of Soviet response--the Soviets openly lent a hand to US efforts to recover the downed aircraft. It is noteworthy that these latter incidents took place after substantial Soviet military and economic assistance was again forthcoming (in 1965 the new Brezhnev-Kosygin leadership undertook to patch up relations with Kim) and at a time when, as we shall presently note, Kim's relations with Peking were quite cool. Presumably as a consequence of the accumulated resentment at these incidents, the Soviets again curtailed their arms supplies in 1969 and 1970.⁷

(U) In the context of possible Soviet support for tension-reducing efforts in Korea, these incidents of the 1960s are instructive. In the first place, they point up a deep-seated suspicion of the Soviet Union on Kim's part. That Kim would have risked the cutoff of crucial Soviet economic and military assistance by openly criticizing the Soviets in the early 1960s, for example, indicates a deep distrust on his part of Soviet willingness to support the DPRK's domestic and foreign interests in

6. (U) "The rift with Khrushchev evidently produced a major crisis. According to one former North Korean naval officer, supplies of all sorts, including fuel and vital spare parts, were cut off as a result of the deep cleavage in North Korean-Soviet relations. Under these circumstances, it was virtually impossible to operate the navy effectively. There were even incidents where ships had to be towed into base because of breakdowns that could not be repaired. This situation was remedied only after ties with the Soviet Union were mended in late 1965." Ibid., II:944.

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return for dutiful support for the "leader" of the bloc.⁸ Indeed, Kim's strenuous efforts to assert his autonomy were primarily directed against the Soviet Union, the country upon which he was almost entirely dependent in his earlier rise to power. Kim's determination to maintain this autonomy in the future is perhaps best indicated by his formulation of economic plans that are designed to make North Korea as self-reliant as possible. The Soviet cutback of aid in the early 1960s no doubt was a powerful lesson in this regard.

(C) Insofar as the Soviets are sensitive to Kim's suspicion of their actions as a great power, they are likely to be cautious about assuming a role in those efforts to reduce tension in the Korean peninsula that might deepen this suspicion and increase Kim's estrangement. The history of Soviet-DPRK relations nevertheless offers some basis for optimism regarding a Soviet interest in tension-reducing efforts in Korea. The pertinent lesson in this regard concerns the limitation on Soviet influence in Pyongyang and its possible effects. The DPRK's heavy reliance on the Soviet Union for military assistance is one of the most crucial elements in preventing hostilities on the Korean peninsula. As is discussed in the appendix on the "Military Balance," North Korea could not wage sustained combat against the South without Soviet backing.

(U) Yet for all this, the record of Soviet-DPRK relations indicates that there is nonetheless ample cause for the Soviets to favor additional, or even possibly alternative, means of limiting the possibilities of conflict and tension in the Korean peninsula that could negatively affect the Soviet state. For, as the incidents of 1968 and 1969 demonstrate, Kim's military dependence on Moscow has not deterred him from indulging in a gamut of risk-taking ventures against the South. It is worth reiterating that these incidents occurred at a time when North Korea and China were estranged, which suggests that Kim was willing to risk Moscow's displeasure even despite the absence of any real assurance that Peking would attempt even partially to make up the possible loss of Soviet military or economic support. Kim was also apparently willing to take this risk despite having experienced the hardships that derived from the loss of Soviet backing between 1963 and 1965.

8. (U) The unreliability of Soviet support for its Socialist allies was particularly impressed upon Kim during the Taiwan offshore island crisis of 1958 and the Sino-Indian border war of 1962.

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(U) The significance of the limitations on Soviet influence made manifest in the 1960s is of course not simply confined to the problem of Kim's potential for risk-taking, per se. It is, for example, also of concern to the Soviets in terms of their competition with China for Pyongyang's affections. Moreover, the significance of the USSR's inability to restrain Kim from a wide gamut of tension-causing acts is strongly underscored by the prospect that such acts--even if they were well below the level of outright hostilities--could be particularly unwelcome irritants in Soviet-US and Soviet-Japanese relations. This is so because improved relations with both the United States and Japan are likely to be increasingly important for the Soviet Union in the near future.

(U) Nevertheless, it is important to bear in mind that the Soviets would have reason to be dissatisfied with the limitations on their influence over Pyongyang, even if good relations with the United States and Japan were not to be more highly valued in the future than in the 1960s and even if Peking did not stand to benefit. Kim's capacity to undertake risky ventures--however short of full-scale warfare--would still carry the potential of negatively affecting the USSR's ability to conduct its relations with the United States and Japan in accord with Soviet vital interests. It also should be stressed that there is little to indicate that the Soviets can hope to increase their influence over Kim in the future. Indeed, they might more reasonably expect their leverage to diminish. When this expectation is coupled with the fact that the Soviets have ample historical reason not to be sanguine about Kim's commitment to a peaceful policy in the future if left to his own devices, there would thus seem to be substantial grounds inherent in the nature of Soviet-DPRK relations for the Soviets to favor tension-reducing efforts in Korea.

9. (U) This is not simply a case of Peking's increasing its influence at Moscow's expense; it also involves Kim's effort to lessen his economic dependence on Moscow by seeking trading partners in Western Europe and Japan, an effort that was begun as early as 1967. The Soviet Union has been the DPRK's largest trading partner over the years, and the DPRK was the Soviets' second largest trading partner in Asia in 1971, surpassing India and preceded only by Japan. Trade with North Korea accounted for 1.5 percent of the USSR's total trade in 1970 and 1.9 percent in 1971. Japan in the same years accounted for 3 percent and 3.1 percent, respectively. Vnyeshnyaya Torgovlya SSR za 1971 God [Foreign trade of the USSR for 1971] (Moscow, 1972), p. 16.

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2. Sino-Soviet Relations (U)

(U) The above factors, which both complicate the USSR's ability actively to support tension-reducing measures in Korea and create an incentive for the Soviet Union to favor such measures, are, as noted, significantly affected by Soviet relations with China. To be sure, the fundamental cleavage between Soviet and DPRK domestic and foreign policy interests was not engendered by the Sino-Soviet dispute. However, the dispute increased the difficulty for the Soviets of either bringing Kim to heel or allowing their relations with him to become permanently soured. For while Kim did not seek to replace his earlier subordination to Moscow with a new subordination to Peking, there was cemented by the Sino-Soviet dispute a certain commonality of domestic and foreign policy interests between Pyongyang and Peking that gave rise to a general ideological affinity, with possible cultural undertones, between the two countries that was incompatible with the Soviet world view. The Soviets have had to attempt to counter the influence that accrued to Peking from this ideological bond by their principal means of leverage-- economic and military assistance.

(U) It should be pointed out, however, that while this competition for influence has only been sporadic it is significantly active at present. Pyongyang attempted to maintain at least a nominal neutrality between Moscow and Peking until roughly 1963, at which time Kim openly sided with the Chinese. At this point, as has been noted, the Soviets did not attempt to outbid the Chinese for influence but instead sought to intimidate Kim with economic and military sanctions. By 1965, the new Soviet leadership had realized the counterproductive nature of a policy that amounted to writing off North Korea and set about mending relations with Kim. But just as the Soviets had left the Chinese an open field between 1963 and 1965, the Chinese essentially abjured from competing with the Soviets between 1965 and the end of the decade. Indeed, at the height of the cultural revolution, Kim was subjected to harsh personal propaganda attacks by the Chinese. By 1970, however, the Chinese began to patch up their relations with Kim, thereby confronting the Soviets with the prospect of truly active competition with the Chinese for Pyongyang's affections.

(U) In many respects, the China factor complicates the USSR's ability to support tension-reducing measures in Korea. Any initiative by the Soviets that the Chinese oppose and that might be interpreted by Kim as evidence of Soviet great-power interference, for example, might not only carry the risk of estranging Kim and further weakening the USSR's ability to deter him from potential risky ventures, but would also carry the risk of strengthening Peking's

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hand in Pyongyang. Because of the DPRK-PFC estrangement in the late 1960s, this latter consideration was something the Soviets did not have to weigh as heavily as they do now and as they will probably have to for the foreseeable future.

(U) Some measure of the Soviets' sensitivity to the problem of Peking's capitalizing on their strained relations with Kim is indicated by Soviet treatment of the North-South contacts. In light of the disquieting coincidence between the recent breakthrough in relations between China and the United States and Kim's initiatives toward the South, the Soviets no doubt have been quite concerned that Peking prompted these initiatives and sees itself as the ultimate beneficiary of them. Soviet wariness was probably compounded by the reunification rubric under which the contacts were made. The Soviets are of course hardly likely to support reunification of the peninsula by force of arms since this could carry grave risks of a US-USSR confrontation. But a peaceful reunification under Kim's aegis also is not to Moscow's liking. Partly, this stems from a Soviet concern that Kim's autonomy might be increased in the event. Partly also, especially in view of Peking's vociferous support of Kim's reunification stance, the Soviets may suspect that Peking's influence would be enhanced. While they are disenchanted with the stated long-term goal of the talks, the Soviets are in no position to oppose Kim's reunification ideas openly. For to do so would simply bring Kim and China closer together. Instead, the Soviets have chosen to give Kim's initiatives as low a profile as possible.¹⁰

10. (U) Since the goal of peaceful reunification is essentially farfetched and will therefore retain mostly a symbolic significance, Moscow might have adopted another course that would have played less into Peking's hands. Based on several precedents, including the terms of the 1961 Soviet-North Korean treaty, the Soviets could at least have given the peaceful reunification idea maximum lipservice. It is quite likely that a concern with maintaining public consistency with Soviet policy on a divided Germany has inhibited Moscow from adopting this course. As indicated by recent increased Soviet coverage of the North-South contacts (in the wake of Kim Il's message to the Congresses of the world in April 1973), this inhibition may, however, be on the wane. It will probably further diminish over time as the Soviet breakthroughs on the German question become history. This should make it easier for the Soviets to pay the necessary lipservice to the reunification idea with respect to the enactment of tension-reducing or arms-control measures in Korea in the future.

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(S) Another consideration deriving from the China factor that affects the relative acceptability of various tension-reducing measures to the Soviets is the asymmetrical nature of Soviet and Chinese influence in Pyongyang. Given the greater ideological affinity between Pyongyang and Peking and Moscow's heavy reliance on military and economic assistance for leverage on the DPRK, any measures that significantly lessened the DPRK's overall need for military assistance would obviously tend to place Moscow at a disadvantage from the standpoint of comparative Sino-Soviet influence in North Korea. Such concern as this may represent for the Soviets is likely to be enhanced, moreover, by the fact that in recent years China has sought to augment its influence in Pyongyang through military assistance.

[REDACTED]

[REDACTED] In addition, there are some signs that China may be prepared to continue to supply North Korea with Mig-19s in the future, an aircraft which by Chinese and DPRK standards is modern and sophisticated.¹² China's willingness to provide sophisticated military assistance to North Korea on generous terms, combined with Kim's apparent desire to lessen the DPRK's heavy military reliance on Moscow, creates a particularly unpleasant prospect for the Soviets. For any tension-reducing or arms-control measures that weakened the DPRK's overall need for military assistance would tend to leave Peking not only with its ideological lever on Pyongyang intact but might also increase Peking's relative share of the total military assistance North Korea received.

(U) As significant as these above considerations may be in reinforcing Soviet wariness of supporting tension-reducing measures in the Korean peninsula, there is nevertheless a related dimension of the China factor that can act in the opposite direction. It is reasonable to suppose that even if the PRC's relative share of the DPRK's arms supplies is increased by the enactment of various arms-control measures, the Soviet share would remain quite substantial, probably even predominant. This is a consequence of the extreme disparity between China and the Soviet Union from the standpoint of their shares of total military supply to North Korea over the years--China has

11. (U) US Department of State, Bureau of Intelligence and Research, "INR Intelligence Note," REAN-51 (September 22, 1971), SECRET.

12. (U) See Appendix on "The Military Balance."

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supplied less than 10 percent of the DPRK's military assistance. This means that even though at any given year in the future China might be capable of approaching or even surpassing the level of Soviet military assistance to Pyongyang in that year, it would still have a long way to go before the share of Chinese weapons in the DPRK arsenal equalled, let alone exceeded, the Soviet share. The stockpile of Soviet weapons in the DPRK inventory will make North Korea quite dependent on the Soviet Union for spare parts and the like for some time to come, notwithstanding an increased arms supply role for China. This consideration would ameliorate the negative effects on Soviet influence of certain tension-reducing measures in Korea.

(S) A more positive inducement to favor tension reduction derives from the fact that the Soviets can take little comfort in the situation that could develop in the absence of tension-reducing efforts. Although the Soviets are likely to retain the edge over China in military assistance terms in any event, the PRC's willingness to become an arms supplier and the DPRK's apparent receptivity in this regard raise the costs for the Soviets of attempting to maintain influence in North Korea--and without increasing the benefits.

[REDACTED] In the light of this new Chinese competition, the Soviets face the prospect of keeping the ante high or raising it in the future. At the same time, there is little reason for them to assume that this will, in fact, translate into increased leverage. There is no basis for the Soviets to believe that with the PRC-DPRK ideological affinity reaffirmed and with Chinese military assistance at hand, Kim would somehow be more appreciative of the danger of losing Soviet military and economic assistance (of even a greater magnitude than it was formerly) if he acted contrary to Soviet interests in the future.

3. Soviet-US Relations (U)

(U) The principal significance of Soviet-US relations in an assessment of Soviet interests in tension-reducing measures in the Korean peninsula is that the Soviet Union must be concerned lest developments in Korea have a negative impact on this

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strongest argument for the Soviets generally to favor the enactment of tension-reducing measures. Without such measures, this dilemma may persist or, if Kim's autonomy is increased, even become more acute.

(U) At the same time, the Soviet Union has particular cause now and probably for the near future to avoid not only the ever present worst-case development in Soviet-US relations but any other Korean damage to this bilateral relationship as well. This is a product of recent Soviet-US efforts to improve their bilateral relationship with respect to strategic arms, trade and investment, and so on. As a consequence of these various manifestations of US-Soviet détente there is thus created a special incentive for the Soviets to seek means to minimize the possibilities for tension and risk-taking in the Korean peninsula that could complicate US-Soviet relations.

4. Soviet-Japanese Relations (U)

(U) The USSR's relations with Japan also have an important bearing on Soviet reactions to tension-reducing proposals in Korea. This is a result of two developments. The first is Japan's increasing involvement in Korea. The second is the USSR's departure from its initial postwar policy of deemphasizing Japan and its adoption of a halting but nevertheless persistent policy to improve relations with Japan. The conjuncture of these developments means that the Soviets must increasingly take into account the possible impact of their policies toward Korea on bilateral Soviet-Japanese relations.

(U) Soviet concern about Japan's involvement in Korea, per se, is of a somewhat lower order than is that of China. For the Soviets, the security implication of a heavy Japanese involvement in South Korea is not so much that this involvement might carry clear portents of some future Japanese design to regain the Korean peninsula. Rather, it is a more amorphous one and is seen basically in terms of the possible stimulus this

being implicit in the reduction of the DPRK armed forces. An additional factor informing the Soviet receptivity to Kim Il's proposal might also be that it would not necessarily imply a loss of Soviet leverage in military assistance terms. Indeed, the importance to the North of a large and sophisticated air force would tend to be emphasized by a reduction of ground forces, thus implying a continuing and substantial requirement for Soviet military assistance in this area.

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involvement could give to Japanese rearmament in general. Therefore, the Soviet Union is not strongly averse to Japanese efforts to improve relations with North Korea and to establish some sort of economic role there. To be sure, the Soviets have some reason to be ambivalent in this respect since, over time, the leverage that accrues to the Soviet Union from its own economic relations with North Korea stands to be weakened. By the same token, however, to the extent that ties with Japan provided an additional disincentive to risk-taking on Kim's part-- among other reasons, to avoid losing Japan's economic contribution-- the Soviets would stand to gain. Unless Japan were to eschew any involvement in either Korea, the Soviets would prefer that the Japanese presence was one that had a stabilizing impact. To the extent that tension-reducing or arms-control measures would facilitate a more even-handed Japanese effort in both North and South Korea this should provide an additional incentive for the Soviets generally to favor such measures.

(U) Even if these measures would not appreciably affect Japan's involvement in North Korea, it is in the Soviet interest to favor means to reduce tensions in the Korean peninsula because of the Japan factor. Japanese expressions of strong concern for the security of South Korea (in the Nixon-Sato communiqué of 1969, for example) intrudes the Japan factor visibly into the Soviet calculus of the possible consequences of risk-taking on Kim's part against the South. While this risk-taking would not raise immediately the specter of a direct confrontation between the Soviet Union and Japan, it nevertheless could, in the Soviet view, increase the Japanese sense of threat in East Asia, stimulate Japanese rearmament sentiments, and in the long run increase the potential for future conflict between the Soviet Union and Japan.

(U) These possible negative effects on Soviet-Japanese relations are and would be of much greater moment for the Soviets in present and future circumstances than they have been in the past because of the growing Soviet stake in amicable relations with Japan. While there are serious complications, to be sure, in this relationship--manifested most vividly in their conflicting claims to the Northern Territories--there are nevertheless compelling reasons for the Soviets to seek a continuing betterment of relations with Japan. These derive basically from a desire for Japanese technology and capital to help in the development of Siberia, concern about the possible consequences of Japan's drawing closer to China, and a sense of Soviet uncertainty about Japan's future course (combined with an appreciation of the historical enmity between the two countries and the fact that Japan's economic prowess could make a revival of that enmity

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quite dangerous for the Soviet state). These considerations thus give the Soviet Union special cause to value improved relations with Japan. In consequence, it has become increasingly important for the Soviet Union to see that those developments on the Korean peninsula that could harm these relations are avoided.

D. CHINA (U)

(U) If it is meaningful to speak of "vital" interests, then China's major self-perceived interests in Korea probably come closer to qualifying as such than those of any other power. China's first interest in Korea is in the buffer that the northern half of that country provides for the adjoining heavily industrialized Manchurian region; its border with Korea is second only to its border with the Soviet Union in strategic importance and sensitivity (in contrast with the Soviet border with Korea, which extends for only a few miles along a remote corner of the Soviet Union). China's second interest is in North Korea as an ally, particularly in support of three areas of foreign policy: relations with Asia, relations with the Soviet bloc, and relations with the United States. Both of these interests have an important ideological component; in the Chinese view, the value of the Korean buffer and of the Korean alliance hinges in part upon Pyongyang's ideological orientation within the Communist world and vis-à-vis the principal non-Communist countries. Peking's interest is that North Korea should provide added security for Manchuria from the United States (and potentially from Japan) and that it should help prevent the virtual "encirclement" of Manchuria by the Soviet Union and countries friendly to it--Outer Mongolia is irrevocably pro-Soviet, but North Korea has been only intermittently so. Peking's diplomatic and revolutionary alliance with Pyongyang has proceeded unevenly and was completely interrupted during the cultural revolution. At other times, however, Pyongyang's ideological identification with Peking has given the latter important support, most recently in the convoluted struggle to create a "hard-line" Asian Communist united front and then in its moves toward détente.

(U) The most important challenge to China's interests in Korea came during the Korean war, when the newly established Chinese Communist regime intervened at great human and material cost against UN forces (under US command) that had almost exterminated the North Korean regime and were about to establish a strong and potentially hostile military position on the Yalu border. (Soviet interests were also involved in the intervention but were probably secondary in bringing about China's action.) It is noteworthy that Peking's intervention was undertaken despite the danger that the United States might react by bombing the very Manchurian industrial

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installations for whose defense the North Korean buffer was so crucial. There were additional factors involved, including the fact that if the United Nations had succeeded in unifying Korea under the Seoul government, the momentum of Communist victory in Asia set by the Communist success in China would have been severely impeded. Peking could not have predicted the initial military successes of its intervention, and probably at the outset it had only the minimum objectives of ensuring a buffer zone near the Chinese border and the restoration of at least a vestigial North Korean Communist regime. In the course of the war, once these minimal objectives had been assured, additional factors came into play, including for a while even the hope of unifying Korea under a Communist regime. Eventually more realistic aims prevailed: restoring North Korea's territory essentially to its antebellum extent, and demonstrating China's military and political prowess in achieving a kind of stalemate on the battlefield and considerable political gains in the truce tent. It was only when Stalin's death and US domestic politics introduced added uncertainties into the stalemated situation that Peking agreed to the cease-fire terms.¹⁵

(U) At the conclusion of the Korean war, when China's most crucial interests in the survival of the Communist regime in the North as a buffer and ally seemed to be beyond serious challenge, Peking set about to reduce its involvement in Korea and thereby the risk that it might again become embroiled in hostilities there. When persistent Communist diplomatic and propaganda pressures failed to obtain US and ROK agreement to the withdrawal of foreign military forces from Korea, the Chinese withdrew their "volunteers" unilaterally. The move increased China's maneuverability in the event of military incidents and served to improve its international image, which had been hurt by UN condemnation of the Chinese intervention; it also helped establish Pyongyang's posture of autonomy in contrast to Seoul's continuing dependence upon a US military presence (although at the time Kim Il-song possibly would have preferred to retain the Chinese military presence as a safeguard and bargaining counter). China's position on Korean issues subsequently varied according to the overall policy stance Peking chose to assume from time to time: conciliatory at Bandung, but dogmatically militant as the Sino-Soviet dispute

15. (U) On China's motivation in intervening in Korea, see Allen S. Whiting's definitive China Crosses the Yalu (New York: The MacMillan Co., 1960). On the truce talks, see the official US Army history, Walter C. Hermes, Truce Tent and Fighting Front (Washington, D.C.: Office of the Chief of Military History, US Army, 1966).

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developed. In general, Peking's usually militant posture suited Kim Il-song's purposes better than Moscow's post-Stalin efforts to find an acceptable East-West balance. North Korea--after an unsuccessful effort to remain neutral--became Peking's most outspoken ally in the Sino-Soviet dispute, after Albania, thereby greatly increasing its value to Peking.

(U) The Peking-Pyongyang ideological axis was subsequently subjected to severe strains. Early in 1966, when the escalation of US combat involvement in Vietnam had ended hopes for an early Communist victory there, Peking was placed under great pressure from "fraternal" Communist parties to end the dispute with Moscow and join in united Communist assistance to Hanoi. This Mao Tse-tung refused to do, thereby calling forth sharp criticism particularly from the Japanese and North Korean Communist parties.¹⁶ At about the same time, the overthrow of Sukarno, following an abortive Communist coup, dealt a blow to Communist hopes of establishing a militant third-world bloc. The disaster in Indonesia was blamed by Moscow on Peking's unscientific revolutionary adventurism--a judgment that Kim Il-song may have shared.¹⁷ Peking, however, was in no position to repair the damage to its ideological alliance with Pyongyang. On the contrary, in 1967 and 1968, in the course of the domestic turmoil that marked China's cultural revolution, Kim Il-song was personally attacked by Red Guard publications as a luxury-loving "fat revisionist" (even though Kim's ideological innovations consisted almost entirely of adapting slogans of Mao). Sino-Korean tensions rose after these acts of *lèse-majesté*, to the point that minor border clashes were reported and Chinese officials charged that "Korean revisionist enemy agents" were organizing subversive activities in Manchuria.¹⁸ How seriously Sino-Korean tensions undermined China's most crucial interests in Korea may not have been apparent to the Chinese

16. (U) North Korea's concern over Vietnamese developments was heightened because, at the same time that united Communist action was blocked by Peking, South Korea was asserting a more visible international role (and gaining added US military aid) through its combat involvement in Vietnam.

17. (U) Kim Il-song's involvement with Indonesian developments was not only ideological but also personal, since Kim's visit to Indonesia in April 1965, a half-year before the coup, was his first diplomatic effort outside the Communist bloc.

18. (U) See Scalapino and Lee, Communism in Korea, fn. 106, p. 642.

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leadership at the time, beset as it was with the domestic crises of the cultural revolution, until the major armed clashes that broke out between China and the Soviet Union in 1969 on the Soviet-Manchurian border brought the problem of Manchuria's security once more sharply into focus in Peking.

(U) North Korea was once again given priority and prominence as Chou En-lai set about in late 1969 and early 1970 to restore China's shattered foreign relations after the cultural revolution. In April 1970, Chou En-lai visited Pyongyang. He had some assets at the time. As noted in the previous section, Moscow had disassociated itself almost openly from Pyongyang's recklessly aggressive stance toward South Korea and the United States.¹⁹ In addition, North Korea shared China's concern over Japan's rapidly growing role in Asia, and particularly Japan's economic involvement in South Korea and its public expression of interest in the security of South Korea (in the Nixon-Sato communiqué of November 1967)--developments that Moscow seemed to be taking quite in stride in its efforts to expand Soviet-Japanese economic relations. The Sino-Korean alliance was revived in an ideologically militant anti-Japanese and anti-American context. Peking's concern over actions Moscow might take in the aftermath of the border clashes also figured importantly, although deference was paid to Kim Il-sung's nominal neutrality by avoiding outright anti-Soviet formulations in joint statements.

(U) The restored Sino-Korean alliance became an important part of Peking's subsequent diplomatic ballet. When Cambodian Prince Sihanouk was overthrown and sought exile in Peking, he was made the symbol of a "hard-line" united front of Asian Communist movements and regimes--North Vietnam, the Viet Cong, the Pathet Lao, and Sihanouk's own "FUNK" (Khmer United National Front)--all of which with Peking and Pyongyang as paternalistic co-sponsors.²⁰ (The Soviet Union, which does not recognize Sihanouk's exiled regime, was excluded.) Despite this hard-line ideological posture, it was clear at this time that Peking no more than Moscow was willing to share in the risks raised by North Korean guerrilla actions against the South, to say nothing of the incidents that

19. (U) See also the discussion of the Pueblo and EC-121 incidents and the Blue House raid in the next chapter.

20. (U) Sihanouk made the first of many trips to Pyongyang only two months after Chou En-lai's April 1970 visit.

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had directly involved the United States. Perhaps by this time Kim Il-song himself was no longer convinced that the high-risk policy was worth its cost. At any rate, when Chou En-lai very neatly turned around his hard-line posture in order to engage in diplomatic moves with Henry Kissinger and President Nixon, that remarkable achievement was followed by Peking's persuading Pyongyang ~~to act as a~~ ^{to act as a} ~~claque~~ (a role it refused to play in regard to Moscow's corresponding moves in the first Nixon-Brezhnev summit).

(U) The Peking-Pyongyang moves seem to have been carefully orchestrated and included a flurry of high-level travel between the two capitals and several visits to North Korea by Sihanouk. Chou En-lai sold Kim Il-song on the usefulness of détente diplomacy, thereby maintaining the solidarity of the Peking-Pyongyang axis and contributing to Pyongyang's own subsequent détente and unification initiatives.²¹

(U) Other than Peking's strategic and ideological interests in North Korea, which are reflected in the foregoing policies, Peking has relatively few conventional interests there. Economic relations between China and North Korea are of great importance to North Korea but relatively unimportant to China, except insofar as the flow of trade and aid (particularly military aid) gives Peking a certain amount of additional influence in Pyongyang. (The level of Soviet aid remains much higher than that of Peking,

21. (U) Peking's announcement on July 15, 1971, of the invitation to President Nixon to visit China was followed by critical comments from Hanoi and Moscow. Pyongyang, however, remained silent until August 6, when Kim Il-song, in a speech that also offered to open direct contacts with the Republic of Korea, presented a hard-line rationalization of Peking's new diplomacy. Kim described Peking's moves as a "great victory of the Chinese ... and world revolutionary people" and as an indication of the bankruptcy of US policy, comparable to the United States going to Panmunjom with a "white flag" after its "defeat" in the Korean war. Kim's speech was carried in full by the Chinese Communist press, as was a follow-up editorial in Pyongyang's official Nodong Sinmun. These documents constituted the first extensive public exposition of Peking's new diplomacy to appear in China after the July 15 announcement, appearing before any Chinese-originated commentary. See also the discussion of North Korea in Chapter III.

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but Peking tries to maximize the psychological impact of its aid by stressing that much of it is grant aid, presumably in contrast with Soviet practice.) During the Korean war it was thought in the United States that electric power generated by jointly operated dams along the Yalu was vital to Manchuria's industry. That importance may have been overstated then and certainly is reduced now due to the intensive development of Manchuria in the intervening years and the Chinese desire to minimize dependence upon even friendly foreign resources.²² Similar reasoning probably applies to other aspects of Sino-Korean trade relations.

(U) The Republic of Korea figures much less in Chinese calculations. Peking would not want Pyongyang to absorb South Korea if that process were likely to lead to extreme tension and the danger of hostilities involving the United States, or to Japan's remilitarization. Beyond that, Peking appears to be lukewarm about Korean unification, even peaceful reunification on Pyongyang's terms--but significantly less so than Moscow. Unification would greatly reduce Kim Il-song's dependence upon outside support and thereby eliminate some of Peking's leverage, but the loss to Moscow would be much greater. Moscow probably is also more concerned about the risks that might be involved. This could account for Peking's much greater propaganda support for Pyongyang's unification tactics (although such support also is simply a good way to win and influence friends in Pyongyang at very little cost). Peking may figure that if Korea is unified under a Communist regime, that regime might still be more responsive to its guidance than to Moscow's. Peking also is conscious of international diplomatic precedents that may be set in Korea--as is Moscow. As has been noted, Moscow has some concern that Kim Il-song's unification proposals might contradict the Soviet policy line on regularizing relations with West Germany. Peking likely fears a precedent of dual representation of divided countries that might aid in a diplomatic comeback by Taiwan. Kim Il-song's insistence, superficial as it may be, on symbolic unification (e.g., "confederation") is more responsive to Chinese than Soviet concerns, and in addition, as we shall see, probably suits the Korean environment.

(U) Withdrawal of US forces from Korea has been a persistent North Korean demand since the Korean war and invariably seconded in Peking's propaganda. There have been recent suggestions, based on personal remarks by Chou En-lai to foreign visitors

22. (U) For example, the opening of the Ta-ching oil field in Manchuria greatly improved that region's energy position.

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and on nuances in Peking's propaganda, that Peking might--as an interim measure--accept the retention of a US military presence in South Korea, particularly if it was not under the UN flag, rather than run the risk that Japan might fill the "vacuum" left by a precipitous US military withdrawal. It is difficult to imagine that so astute an observer as Chou would take seriously his own propaganda charges that Japan is preparing to fill a military vacuum in Korea, except possibly as a very long-range consequence of Japan's economic penetration of South Korea.²³ Peking may be concerned--but probably less so than Moscow--that a rapid US withdrawal could encourage North Korea to resume a risky policy of military provocation against the South. Peking may also be concerned that Japanese rearmament might be spurred by a precipitate US withdrawal. Most likely, Peking's current, relatively relaxed attitude about the US military presence reveals not that Peking wishes the United States to remain, but rather that it knows it is relatively powerless to bring about an early US withdrawal.²⁴

(U) The Chinese interests described above are significant for purposes of this study in two ways. First, because of Peking's considerable influence with the Kim Il-song regime, its interests have been and will continue to be factors in determining Pyongyang's

23. (U) Peking probably worries more than Moscow over Japan's economic role in South Korea. Since Japan would have a less free role in the economy of a unified Communist Korea, this may contribute further to Peking's slightly lower skepticism regarding unification.

24. (U) There are some parallels between Peking's recent reluctance to make an issue of the presence of US troops in Korea and its acceptance of the status quo in Taiwan and of the continuing US military presence in Southeast Asia--but the parallels should not be overdrawn. A US withdrawal from Korea would be a political victory for Peking's North Korean ally; US withdrawal from Taiwan, however, might only underscore the fact that China still will not be able to seize Taiwan by either political or military means. In regard to Southeast Asia, the important US withdrawal was from Vietnam. The remaining US military presence in Thailand and the Philippines simply does not figure importantly in Peking's calculations, compared with its desire to establish a détente with the United States and even to involve the anti-Communist Southeast Asian allies of the United States in that détente.

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policies and actions. (We shall deal with this aspect further in the next chapter.) Second, Peking's interests and policies are directly relevant to the discussion of arms-control and tension-reducing measures because of the interrelationship that has been created between Peking's détente diplomacy and Pyongyang's North-South tactics and because of Peking's likely involvement in any agreements that may be reached, either directly as a party to negotiations or indirectly as guarantor or sponsor of agreements reached by other parties. Any agreement pertaining to Korea might not be viable if strongly opposed by Peking.

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III

THE TWO KOREAS (U)

(U) With respect to the objective of reducing tension and eventually controlling armaments in Korea, the most encouraging developments since the signing of the July 1953 armistice agreement have been the opening of the Red Cross talks in August 1971 and the secret high-level contacts that led to the July 4, 1972, Joint Statement announcing agreement on "principles for unification of the fatherland" and the establishment of a North-South Coordinating Committee. Limited as these steps may be, they nevertheless represent a major departure from the pre-existing relationship in which each government displayed an unrelenting hostility toward the other and maintained a rigid, uncompromising posture on the issue of treating with its rival. By entering into these discussions, each government did far more than open a channel of communication to the enemy capital. It acknowledged the existence of the other and thereby compromised its claim to be the sole legitimate Korean government and the core around which a future unified Korea would be formed.

(U) North-South contacts have already brought about some relaxation of tension. The issue now is whether the dialogue will be continued or whether it will be allowed to stagnate or break down. Success in maintaining the present momentum will both reflect and affect success in the effort to reduce tension on the peninsula.

(U) Necessary to an analysis of what the prospects are for further progress in the talks--and of what the United States can and cannot do to affect this process--is an appreciation of the reasons why Seoul and Pyongyang have chosen to make contact with one another. The motives of the two governments, the constraints under which they operate, and the domestic and foreign pressures which play upon them, must be understood before an informed prognosis of future developments on the peninsula can be made. It is to these issues that this chapter is addressed.

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A. INTERNAL AND EXTERNAL FACTORS INFLUENCING SOUTH KOREA'S POLICY TOWARD THE NORTH (U)

1. The Domestic Political Environment (U)

(U) In formulating its policy toward the North, the South Korean government must remain sensitive to two sentiments that apparently are widely diffused among all levels and segments of Korean society: hatred of communism, and the desire for unification of the divided Korean fatherland.¹ For the government to pursue policies that appeared to be exposing the country to serious danger of violent or peaceful communization would be to court very strong hostile reactions from the people in general and most particularly from the military establishment. For the government to declare publicly that the longing for national unification could never be gratified would be to violate some of the most deeply held aspirations of its citizens and, therefore, to dilute its popularity and legitimacy. Hence, the government must by actions as well as words confirm--and reconfirm--its anti-Communist bona fides, while giving at least the appearance of working toward, and maintaining its faith in, eventual unification.

(U) The only way in which both of these desires could be satisfied completely would be for Korea to be unified under a non-Communist government. But this could not be achieved unless the South attacked and defeated the North. Having experienced the ravages of civil war and tasted the benefits of two decades of peace, the South Koreans have no desire to exercise this option. Since a North-South coalition government appears to be out of the question, this leaves the choice of permitting unification under a Communist government or of preserving a non-Communist society in the South and postponing unification until some time in the indefinite future. Although there is little reason to doubt that the South Korean people would prefer both continued peace to a forcible attempt to bring all of the peninsula under the control of Seoul and the continued division of Korea to unification under Pyongyang, there is also no doubt that the desire for unification still runs strong in the South and remains a reality with which the government must contend in its policymaking.

1. (U) Dr. Kim Kyung-won, chairman, Policy Studies Division, Asiatic Research Center, Korea University, in a briefing at the Institute for Defense Analyses on January 9, 1973, provided information on domestic politics in South Korea that was of considerable assistance in the preparation of this section.

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a. (U) Anticommunism and Nationalism. The general abhorrence of communism is found in an accentuated form in three of the most powerful segments of South Korean society: the military, the refugees from the North, and the former landed aristocracy. Of these, the military is obviously the group whose wishes President Pak must take the greatest care not to ignore. Since at least the beginning of the Korean war, the ROK armed forces have been either fighting or preparing to fight Communist North Korea. Their experience with the enemy has been such as to induce strong feelings of distrust in the DPRK's intentions and a healthy--perhaps exaggerated--respect for the military capabilities of the North. These feelings are systematically reinforced within the armed forces in training exercises and through the anti-Communist institutional ideology of the South Korean military, both of which are viewed as indispensable to the task of maintaining the armed forces at a high pitch of military readiness.²

(U) The military's apprehension about any move toward an accommodation with the North is also motivated by a number of more prosaic considerations. There is a strong possibility that a policy of détente with North Korea would in time lead to at least some degree of demobilization. In addition to the obvious impact this would have on the careers of the officers and men directly affected, it might well weaken the influence of the armed services both in government circles and in the society as a whole. Furthermore, détente and demobilization might conceivably so weaken the South relative to the North that the South might again become vulnerable to a sudden attack by DPRK forces. If the North won, the South Korean officer corps would undoubtedly be high on the list of groups targeted for purging. In sum, given the experiences, concerns, ideals, and vested interests of the ROK armed forces, it is not surprising that the military views President Pak's démarche with uncertainty and fear.

2. (U) The internal politics of the Korean military are not discussed in any detail in this study, but it would appear that the so-called "North Korean group" (i.e., the Hamgyong and Pyongan faction) and the "Chinese faction" are exceptionally rigid in their anticommunism and are watched carefully by President Pak. For a description of the factions within the ROK armed forces, see National Intelligence Survey, NIS 41B GS(REV), February 1970, SECRET/NOFORN.

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(U) At the end of the Korean war, perhaps one million refugees from the North remained in the South.³ This group is highly vocal and is concentrated in cities, business, the mass media, and the military. Hatred and fear of the North Koreans are apparently exceptionally intense among the refugees, who see the talks with the North as futile and dangerous. Almost all South Koreans over the age of twenty have had some contact with the Communists, but the refugees more than any other segment of the society know what it means to be ruled by the Korean Workers' Party. Any sign that they might again come under the control of Pyongyang would be alarming to them.⁴

(U) The former landed aristocracy, the backbone of the now-banned opposition parties, is said to be still quite influential. It has considerable prestige among the people and has good connections with the media, the universities, and business. Members of this group were not pleased with the President's decision to contact Pyongyang, and their representatives in the opposition parties questioned Pak closely on his unification policy in the Assembly before that body was reorganized so as to preclude the expression of dissent. Although a desire to embarrass Pak doubtlessly played a part in their decision to take up this issue, there is no reason to question the sincerity of their antipathy to communism or their fear that Pyongyang might somehow be able to use the North-South talks to undermine the defenses of the South. Like the military, this group would suffer greatly if Pyongyang ever managed to extend its control over the entire peninsula.⁵

(U) There appear to be only three groups that would like to see the talks with the North progress more rapidly than they are. One of these is made up of former leftist elements who presumably would be pleased if Seoul acceded to Pyongyang's terms on the timing and content of the steps toward reunification. How large this group is is not known. It is believed to be small and certainly at the present time is completely suppressed. Under

3. (U) Kenneth G. Clare, et al., Area Handbook for the Republic of Korea (Washington, D.C.: The American University, 1969), p. 58. The range of estimates for the number of refugees is wide. As is observed in this source, "the precise number of refugees from the north will probably never be determined."

4. (U) Conversation with Dr. Kim Kyung-won.

5. (U) Ibid.

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certain circumstances, however, such as might obtain if the South and the North negotiated a large-scale program for the exchange of refugees, official missions, and the like, the former leftists might be activated by North Korean agents and create instability in the South. Because the fomenting of instability by the North is one of the risks Seoul finds most disturbing, any support this group lends to the North-South talks probably strengthens rather than weakens Seoul's inclination to proceed with caution. This group in any case is not one whose support the government feels any need to court. The government's response to any pressure that it believes originates in this quarter will be one of repression rather than accommodation.

(U) The students and the younger generation in general seem to desire a relaxation of the rigid anticommunism that characterizes the government's foreign and domestic policies. It is not known, however, whether they favor a freezing of the status quo and a reduction of tension on the peninsula (which might prepare the way for a lifting of domestic controls) or a serious effort to negotiate with Pyongyang on the subject of unification (which would probably entail a further tightening of domestic controls). A romantic, nationalistic longing for unification does exist among this group, but it seems safe to assume that the impact on the government is weakened by what Seoul probably sees as the students' dangerously naive attitude toward the Communist North and their unrealistic demands for a more open society in the South.

(U) The one group that, if only for a brief time, may have made Pak feel that he was under considerable pressure to formulate a more creative policy toward North Korea was the New Democratic Party, in the person of Kim Dae-jung, candidate for the presidency in the April 1971 election. Arguing that the country was in danger of coming under the control of the Japanese, Kim took the then-unprecedented step of openly calling for a more relaxed approach to the North.⁶ He suggested such measures as postal, athletic,

6. (U) See the Selig Harrison interview of Kim Dae-jung that appeared in the Washington Post of February 13, 1971. A more recent exposition of Kim's views on this and other subjects appears in "The Masses Will Not Remain Silent," Asahi Janaru, February 2, 1973, in Summary of Selected Japanese Magazines, US Embassy, Tokyo, February 1973, pp. 39-47. In this interview, Kim links progress toward unification with a return to democratic politics in the South, a notion that is not likely to enhance his standing with the authorities in Seoul.

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and journalistic exchanges; a no-war declaration; a four-power guarantee of Korean security; and diplomatic or quasi-diplomatic relations with the Soviet Union and other "nonhostile" Communist countries in Eastern Europe. Kim's voicing of the widespread aspiration for less hostile relations with the northern half of the nation and his subsequent success in attracting 45 percent of the popular vote in the April election probably helped persuade President Pak that the pace of the approach to Pyongyang should be accelerated, the better to preempt the issue of unification from the opposition and to ensure that it was dealt with in the proper fashion.⁷

(U) The main conclusion to be drawn from this survey of the groups interested in the status of the ROK's relations with the North is roughly the same as the conclusion drawn from the discussion of the more diffuse, generalized attitudes toward this issue held by the population at large, that is, that fear of the North and of communism is stronger than the desire for unification. The groups most skeptical in their attitudes toward the talks--the military, the refugees, and the former landed aristocracy--are, collectively, more powerful than the thoroughly suppressed leftist elements or the students or, for that matter, that element in the New Democratic Party that decided to call for an improvement in North-South relations.

(U) If this analysis of the influence of the domestic political environment on Seoul's policy toward North Korea were to end here, we would have to say that its net effect has been to inhibit the government, to induce caution, to delay initiatives, and to ensure that these initiatives that have been taken were cast in such a way as to minimize the danger that they might be used by the authorities in Pyongyang to gain some advantage over the South. To be sure, the opening to the North would probably not have been made had there not been a strong desire in the South for a relaxation of tension between the two halves of the divided nation, but this sentiment would almost certainly not have overcome the fear of the North had other variables not intervened.

b. (U) Increased Self-confidence in the ROK. Between the early 1960s and the early 1970s, the government and people of South Korea achieved an impressive degree of success in stabilizing political conditions, strengthening the country's armed forces, and modernizing the economy. There seems to be a consensus among both foreign and South Korean observers that

7. (U) Conversation with Robert A. Scalapino, November 7, 1972.

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one consequence of these accomplishments was a marked improvement in national morale. Whereas South Koreans had previously felt themselves to be in a weak, vulnerable position relative to the North, which for years had succeeded in projecting an image of social solidarity, rapid industrialization, and military prowess, by the late 1960s these feelings of inferiority apparently had almost evaporated and had been replaced by pride in the higher rate of economic growth and comparatively free social and political conditions prevailing in the South.

(U) These changes in the country's image of itself were a prerequisite to Seoul's decision to open talks with Pyongyang. It was reasonable to assume that the Communists would try to use the talks as the opening wedge of a campaign of subversion in the South. Thus, neither the government, the groups that supported it, nor the population at large would have wanted to undertake what was seen as a hazardous enterprise had there not existed a level of confidence in the strength and cohesion of South Korea sufficient to overcome the fear that the Communists would somehow manage to infiltrate and successfully exploit cleavages and tensions in the South.

(U) These changes had one other important effect: they greatly strengthened the personal position of President Pak Chong-hui, who was viewed as having made an indispensable contribution to the advances made since 1961. The President's prestige and the confidence that his supporters--particularly his allies in the armed forces--had in his commitment to the task of thwarting all North Korean schemes to undermine the Republic of Korea made it possible for him to take initiatives that probably would not have been tolerated on the part of a leader less successful in mobilizing the country's energies. Pak continues to enjoy the backing of the most powerful segments of the society in his effort to move cautiously toward a relaxation of tensions on the peninsula, not because it is believed that he will actually succeed in achieving his announced goal of engineering the unification of the fatherland, but because of his very real accomplishments in other areas. For the President, as for the country as a whole, success has made possible the taking of otherwise unacceptable risks.

c. (U) The ROK Leadership. The final domestic variable that will be considered here concerns the values and ambitions of the South Korean leadership, particularly President Pak. In his approach to politics, Pak has displayed a deep-seated mistrust of representative democracy and a decided preference for authoritarian forms of government. To the extent that he has

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been attracted to, or influenced by, foreign examples as he has worked to strengthen and modernize his country, the President has been drawn to the Japanese rather than the American model. Pak has never been comfortable with the United States and its culture. He was willing to experiment with democratic forms as long as he was certain of American support and thought a non-authoritarian government important to the securing of this support, but he was never enthusiastic about democracy. His model is the Meiji Restoration with its authoritarian form of government and its ethic of sacrifice, spartanism, nationalism, and struggle.

(U) Intertwined with these convictions and ideals are the President's personal ambitions. If Pak believes that the representative form of government is a luxury that South Korea can ill afford and that what the country really needs, at least at its present stage of development, is a firm hand at the helm, his actions indicate that he has no doubt about whose hand that should be. The President evidently is determined to, and feels that he should, govern the Republic of Korea for the indefinite future.

(U) The opening of conversations with the North provided President Pak with an excellent opportunity to carry out a sweeping reorganization of the political system that would at once bring it into conformity with what he viewed as proper and necessary and ensure that he would be able to remain in power after the expiration of his term of office in 1975. No sooner had the Red Cross delegations from the North and the South held their first meeting in August 1971 than speculation began about the possible consequences of agreements with the North for the exchange of substantial numbers of people across the cease-fire line. North Korea is a tightly organized, rigidly controlled state, all but impervious to influence by southerners travelling in the North. South Korea, in contrast, is a more loosely structured polity, less firmly under the control of the state security apparatus, and more vulnerable to penetration by enemy agents. It was argued--and perhaps believed--that the grievances and unmet demands of many elements of the society, coupled with continuing pressure from a vigorous and sometimes opportunistic opposition, might enable the North to foment discord and instability in the South. In his special announcement of

8. (U) Conversation with Robert A. Scalapino, November 7, 1972.

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October 17, 1972, the President stressed as one of the two primary reasons for the "revitalizing reforms" he was undertaking the necessity to "readjust" the country's political institutions so that the dialogue with the Communists could be continued in order to achieve "peace on the Korean peninsula, reunion of dispersed families, and peaceful reunification of the fatherland." The successful accomplishment of these "supreme national tasks" required the elimination of "disorder and inefficiency," the dissolution of "irresponsible political parties" that were "obsessed with factional strife and discord," and the drawing together of the entire South Korean people into a cohesive, unified, and revitalized family. And it was Pak's "historic mission" to preside over these reforms.

(U) The North-South talks, therefore, because of their status as means necessary to the unquestionably desirable end of national unification, were of great utility to the President for purposes of rationalizing repressive measures that otherwise might have been considerably less acceptable to the South Korean people.

(U) The talks and the distant objective of unification also appear to have become involved in the ongoing power struggle among Pak's chief lieutenants. From the beginning, responsibility for the talks has been in the hands of Yi Hu-rak, head of the ROK Central Intelligence Agency. Yi has become an enthusiastic promoter of the dialogue with Pyongyang, apparently because he believes that this will enable him to strengthen his position within the government. Yi's principal rival is Prime Minister Kim Chong-pil, who is said to be skeptical about prospects for meaningful negotiations with the Communists. This suggests that the talks may be affected by the political fortunes of Kim and Yi.

(U) The net effect of these ambitions over time is almost impossible to predict. The North-South talks have been of considerable instrumental value to both Pak Chong-hui and Yi Hu-rak. To the extent that each continues to believe that his position is insecure and that he could benefit from the legitimizing influence afforded by the talks, each will presumably continue to support them. It seems reasonable to assume, however, that to the extent

9. (U) The full text of the announcement will be found in FBIS, Asia and Pacific, IV, October 17, 1972, pp. E1-E5.

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that each consolidates his position and feels confident of maintaining it against his opponents, each will feel less of a need to invest prestige or take risks in the talks. Support for the talks in these circumstances might weaken or even cease altogether.

(U) Unfortunately for those interested in forecasting the effects of this variable on the North-South talks, the issue of legitimacy is not the only lens through which it is possible to view the linkage between Pak's consolidation of power and his continued interest in a dialogue with Pyongyang. The preceding analysis suggests that government support for the talks should vary inversely with the success the President enjoys in establishing his authority in the South. This prognosis implicitly rests on the reasonable assumption that, left to follow his own inclinations, Pak would be extremely cautious in his approach to the North and might even prefer to dispense with the talks altogether. But Pak has already taken some fairly daring initiatives and, under pressure from disturbing events in the external environment, might once again feel that the situation called for further departures from past policy toward the North. In this situation, as in the past, Pak would have to feel that his position was secure before he would take risks that might otherwise invite opposition from his allies in the armed forces. Government support for changes in policy toward the talks would then tend to vary directly with the success the President enjoyed in establishing his authority.

(U) Perhaps the most satisfactory way of resolving these apparent ambiguities and contradictions is to view the South Korean political system as one that has built into it an inertia that will tend to cause the talks to proceed very slowly and perhaps grind to a halt in the absence of stimuli from the external political environment. The climate of opinion and the balance of forces in the South are such as to exercise a definite inhibiting influence on the talks. It is true that Pak has rested much of his case for an authoritarian form of government on the need to create a firmer base for a dialogue with the Communists. He has also aroused the expectations of the South Korean people and so would incur political costs if he broke off talks with Pyongyang. Nevertheless, the pressure on Pak to make some progress toward unification is far less powerful than the fear that agreements with the North may jeopardize the security of the South. And Pak, himself, is prone to be extremely cautious in his dealings with the Communists. All of this suggests that the internal political environment will probably continue to exert a negative influence on the talks sufficiently strong to preclude substantial progress toward agreements on arms-control measures--unless external variables once again intervene. If they do not, the strengthening of Pak's position will probably work to minimize movement in the talks.

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If, on the other hand, external events continue to disturb the President and move him to action, the strengthening of his position will provide the indispensable foundation for a creative response on his part.

2. The Foreign Political Environment (U)

a. (U) Big Power Incentives. To use a time-honored formula of Soviet propagandists, it was not a coincidence that on August 12, 1971, less than one month after President Nixon's announcement of Dr. Kissinger's secret visit to Peking, the President of the South Korean Red Cross was authorized to propose direct negotiations with his North Korean counterpart on ways to reunite divided families. Similarly, Yi Hu-rak apparently made his initial secret overture to Pyongyang for the purpose of opening high-level political consultations on March 1, 1972, only two days after the publication of the Sino-American joint statement in Shanghai.¹⁰ There is little doubt that, at least in these two instances, temporal proximity did reflect a causal connection: the blossoming of "peaceful coexistence" between the United States and China during and after the summer of 1971 was the primary reason for Seoul's decision to open channels of communication with the North and to attempt to reduce tension on the peninsula. This was, however, by no means the sole element at work in the external environment shaping the government's policy toward the North.

(U) The US effort to improve relations with China was only one, albeit the most dramatic, strand in a larger shift in US policy toward Asia. At least as early as mid-1969, when the Nixon Doctrine was first articulated, Washington made known its intention to reduce present and potential future burdens on the United States flowing from its commitments in East Asia. The non-Communist governments of the region were, in effect, given notice that the United States would not again commit military resources--particularly ground troops--on the scale it had in Vietnam. Subsequently, the new policy orientation was manifested in a gradual, large-scale reduction in US forces deployed in the Far East. South Korea was not able to convince its ally that it should be granted a dispensation from the consequences of the Nixon Doctrine. Of the two American divisions stationed in the Republic of Korea, one was withdrawn and the other was pulled out of the front line and placed in reserve. By March 1971, US armed forces in South Korea had declined by 20,000 men from 64,000 to 44,000.

10. (U) See Astri Suhrke and Charles E. Morrison, The World Today, XXVIII, No. 11 (November 1972), p. 498.

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(U) Developments elsewhere tended to reinforce the anxieties and the sense of uncertainty following from the altered US posture toward Asian security issues. Relations among the four powers engaged in Northeast Asia underwent profound changes. The détente between the United States and China was paralleled by an improvement in US-Soviet relations. The US approach to China also precipitated a change in Japan's China policy only slightly less disquieting for the South Koreans than the change in US policy. Tokyo, moreover, not only moved to open communications with Peking, it established diplomatic relations with the PRC and severed relations with the Republic of China, sacrificing the interests of a long-standing friend of no small value to itself in order to attain what was deemed the more important objective of improving relations with a less friendly but far-more-powerful state. Simultaneously, the Japanese government moved to expand economic intercourse with the Soviet Union and relaxed its restrictions on contacts with North Korea.

(U) At the same time that tension between the Communist and non-Communist powers was declining, the most important bilateral relationship in non-Communist Asia, that between the United States and Japan, was undergoing increasing stress, largely because of a clash of economic interests. The cooling of relations between Tokyo and Washington, in turn, fed the prevailing American disenchantment with Asian involvements following from the war in Vietnam. The climate of opinion in the United States was becoming such that it would be politically difficult for the United States to mount an all-out effort to repulse Communist aggression in Asia. These changes in popular attitudes and in official US foreign and defense policies combined to create serious doubts among South Koreans about the credibility of the American security guarantee, doubts that an increase in US military assistance, demonstrations of a capability to move units into South Korea rapidly from the United States, and repeated affirmations of American support for the Mutual Defense Treaty only partially assuaged. Seoul increasingly came to question whether the United States could be trusted to render more than token assistance in the event of an attack by the North. What was apparently at issue, from the point of view of the South Korean government, was not so much the ability of the United States to supply the air, sea, nuclear, or logistic support that might be needed to turn back a DPRK invasion but the willingness of the US government, should a crisis actually materialize, to honor its commitment as expeditiously and effectively as might be necessary. Furthermore, it was only prudent to assume that what was evident in Seoul was also evident in Pyongyang and, therefore, that the US component of the deterrent, as seen from North Korea, was gradually being eroded.

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(U) And all the while that trust and mutual understanding between Japan and the United States were being eroded and the prospects for active American participation in the defense of non-Communist Asia were waning, the size and seemingly inexhaustible dynamism of Japan's economy were thrusting that country into even greater prominence in East Asia. Its presence, its economic power, was felt everywhere in the region--not least of all in the Republic of Korea, which was becoming increasingly dependent on Tokyo for economic and political support. Given the prevailing distrust of, and lingering hatred for, the Japanese, this dependence was both distasteful and a source of apprehension. And the more the US presence in Asia in general and in South Korea, specifically, was diluted, the more valuable--and disturbing--the growing Japanese presence appeared.

(U) Collectively, these developments added up to a change in the configuration of power in the Far East such as had not been seen since the surfacing of the Sino-Soviet dispute more than a decade earlier. The South Korean government drew the conclusion that East Asia was entering an era of flux in which the relative power and influence of the actors and the relationships among the four big powers and between them and the weaker states of the region would be undergoing continuous changes. The intentions and actions of the major powers could no longer be predicted with the degree of confidence previously attainable. If the maneuvers of the recent past were any index of what could be expected in the future, important changes in policy might well be decided upon unilaterally, revealed abruptly, and carried out with little consideration for their impact on the political needs and interests of minor powers. More specifically, if yesterday Washington and Tokyo could ride roughshod over the Republic of China on their way to Peking, what might they not do tomorrow to the Republic of Korea should they find that pursuit of their interests seemed to require actions a secondary consequence of which would be the inflicting of serious damage on the interests of South Korea. It followed that in its foreign policy calculations South Korea could not discount the possibility that agreements might be negotiated at the four-power level at its expense.

(U) Seoul apparently has derived from its analysis of the foreign environment three major policy conclusions. First, in order to minimize its dependence on foreign powers and its vulnerability to external aggression, the Republic of Korea must be strengthened economically, politically, and militarily. This entails continued emphasis on rapid economic growth, a radical restructuring of the domestic political system, and modernization of the armed forces. Pak Chong-hui evidently hopes that by the mid-to-late 1970s (a) the economy of South Korea will have become indisputably

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stronger than that of the North and will no longer require significant inputs of foreign economic aid; (b) the "revitalization" of the polity will have resulted in the elimination of debilitating and potentially dangerous divisiveness and the creation of a society characterized by solidarity, cohesiveness, energy, rectitude, and a commitment to strengthening the country; and (c) the armed forces will be capable of coping with any plausible DPRK threat with a minimum of assistance from outside powers.¹¹

(U) The second major policy conclusion was that the government should open channels of communication to the North. A dialogue with Pyongyang would serve two purposes. If the North could be drawn into a lengthy negotiating process, precious time would be gained during which the domestic base in the South could be strengthened so as to enable the country to maintain its security with an absolute minimum of foreign assistance. Once set in motion, the negotiating process would also provide Pyongyang with incentives for refraining from rash or violent actions. If the strategy proved successful, the talks would help to increase stability and reduce tension on the peninsula and this, in turn, would enhance the South's security by compensating to some extent for unsettling trends in the foreign environment, particularly with respect to the American security guarantee.¹²

11. (U) Most observers seem to concur in the judgment that, while the extent of the changes in the East Asian political system should not be minimized, they were not so important as to virtually necessitate the drastic steps taken by Pak to consolidate his hold on power in the South. The domestic variables discussed above almost certainly played a larger role. Thus, the South Korean government drew this first policy conclusion--at least with respect to the supposed need for the imposition of an authoritarian form of government--as much because of its usefulness in rationalizing measures the President wanted to undertake for other reasons as because of the way in which developments in the foreign environment were unfolding.

12. (U) Much of the public justification for the change in policy toward the North was cast in terms of the government's determination to take concrete steps toward the sacred goal of national reunification. The realities being what they are, it seems unlikely that the rhetoric of unification is taken very seriously by the decision-making elite in Seoul.

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(U) The new approach to relations with North Korea also figured into the third policy conclusion that Seoul drew from its analysis of the external environment. If the United States was drifting toward a progressively more attenuated involvement in the defense of South Korea, then South Korea should use every device at its disposal to slow or halt this trend. The North-South talks could serve this purpose, for Seoul could argue, with some reason, that it could be shortsighted for Washington (or Tokyo) to change policy on issues such as the status of the United Nations in Korea, recognition of North Korea, or the stationing of troops in South Korea while negotiations with the North were in progress. To undercut the ROK's negotiating position would be destabilizing and, by implication, might alarm Seoul and cause it to break off the talks. Another negotiating tactic available to the South Korean government was to exaggerate the sense of insecurity produced by the American demarches. This enabled Seoul to rationalize strong demands for increased US military assistance, continued US rigidity on the recognition and UN issues, maintenance of the US force presence in South Korea, and firm adherence to the Mutual Defense Treaty.

(U) It is unclear just how necessary it is for the United States or Japan to refrain from initiatives on matters Korean, and just how sincere is the professed sense of insecurity voiced by the South Korean authorities. In a sense, the United States is being manipulated in the same fashion that Seoul is attempting to manipulate the DPRK and ROK public, but it would seem to be a mistake to draw the conclusion that either the government's analysis of the foreign environment or the policy conclusions drawn from it are entirely motivated by a cynical desire to wring as much advantage as possible from events that it regards as basically not very disturbing. The changes in East Asia have been sufficiently radical, and their impact on the political and security interests of South Korea sufficiently direct, that they afford the most plausible explanation for the ROK policies that have just been described, the more so because these policies were adopted in spite of the continuing inhibiting influence of an element of the foreign environment that has as yet been considered only indirectly: North Korea.

b. (U) North Korean Disincentives. President Pak has no intention of allowing North Korea to gain some advantage over the South, either by exploiting the developing situation in East Asia more successfully than Seoul or by using the talks to maneuver US forces out of South Korea, to draw Japan closer to recognition, to penetrate the society of the South, or to build up pressures on the government to make concessions disproportionately advantageous to the North. The Communists will be permitted absolutely no

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chance to infiltrate or create instability in the South. Negotiations will proceed at a deliberate pace, with agreements being made first on relatively innocuous matters (sports, cultural exchanges, locating divided families) and only later on more difficult and potentially dangerous economic and political issues. Seoul will be reluctant to enter into military agreements until after the intentions of the Communists have been tested in the course of carrying out agreements on issues less vital to the ROK's security. To date, President Pak has resisted any compromise on the issue of troop reductions.¹³ The President's attitude toward a reduction in the number of American soldiers stationed in South Korea is also fairly rigid. All the evidence suggests that the prospect of a US troop withdrawal is very disturbing to Pak, all the more so because he apparently anticipates that the US military presence will come to an end in the not-too-distant future. President Pak is not happy about this and will probably try to keep as many American soldiers in South Korea as long as possible, evidently not so much because he feels that they, themselves, would be of any great value in an actual war as because he believes that the stationing of US forces in South Korea is very important to the credibility of the deterrent, largely because their presence would make it more difficult for US decisionmakers to avoid committing large US forces in the event of another war with North Korea.

(U) The implications of this for arms control are obvious. Both Pak and his military supporters will strenuously oppose any drawdown in US troop strength. The President's objectives are rather to build up his country's strength and to reduce tension by drawing the North into a nonhostile, nonviolent form of interaction with the South without giving up much of substance or in any way exposing the South or weakening it relative to the North.

(U) There is one respect in which the actions of the North do tend to encourage Seoul to take a positive approach to the talks. Pyongyang has launched a multifaceted peace offensive. It is not

13. (S) However, there are recent reports that the Republic of Korea is considering limited troop reductions of up to 100,000 men, with the resulting savings to be applied to force modernization and domestic development projects. These reductions would not necessarily be in the context of a North-South agreement.

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only pressing ahead with the North-South talks, it is also broadening the circle of states with which it maintains political or commercial relations, taking a relatively reasonable position in its approach to Japan, improving its image in the United Nations and international society in general, and altogether acting in such a way that many states now doubt whether the South really is seriously threatened by attack or subversion from the North.

(U) This puts Seoul under considerable pressure to compete with Pyongyang for influence in third countries; to demonstrate that it, too, is a peace-loving state sincerely devoted to the task of reducing the likelihood that war will break out on the peninsula; and to show the United States specifically that it will contribute to the reduction of tension in the area by adopting a more flexible policy toward the North. It is in this indirect fashion that the North Korean variable has helped to goad Seoul into taking as positive an approach as it has to the North-South talks.¹⁴

(U) Overall, however, there is no doubt that the net effect of North Korea is definitely inhibiting. Had there not been disturbing developments elsewhere in the foreign political environment, the threat posed by the Communist North would have combined with the conservative balance of forces in the domestic political environment to preclude substantial change in North-South relations. Policy would have remained frozen in the pattern set by the Korean war.

B. NORTH KOREA (U)

(U) Some of the same kinds of factors that brought about Pak Chong-hui's initiatives and that sustain the ROK interest in North-South contacts operated also in North Korea to bring about Kim Il-song's responsiveness to the ROK initiatives and his proposal of additional measures. The changes in the international environment in Northeast Asia--China's reemergence into the world of power diplomacy after the cultural revolution, the evolving Nixon Doctrine, and the developing US-China and China-Japan détente--

14. (U) This factor probably also played a role in President Pak's initiative in June 1973 proposing UN membership for both Koreas.

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were particularly important. Domestically, the North has consistently focused its ambitions and fears upon the South. To a greater extent than the reverse is true of Seoul, Pyongyang's programs have had as a major aim the strengthening of North Korean society vis-à-vis that of the South. The emphasis in all of Pyongyang's policies and activities upon the ultimate goal of unification reflects not only the Communist regime's hegemonic ambitions but also the strong unifying urge that underlies much of Korea's politics and popular attitudes, North and South.

(U) There are, of course, important elements bearing on problems of unification, reduction of tension, and arms control that are unique to the North. The Pyongyang regime has since 1948 evolved from a model Stalinist satellite to today's independent-minded North Korea, moulded in the image of Kim Il-song, who has gained remarkable autonomy by maneuvering between his quarreling Communist allies in Moscow and Peking. The striving for autonomy is much less evident in the South, which from the outset has had international acceptance and UN endorsement as an independent state. Pyongyang's Communist organization and ideology also are important factors. Despite President Pak's moves to bring the South Korean society under greater "discipline," the North remains by far the more tightly controlled totalitarian state. (North Korea has few rivals in this regard, even within the Communist bloc.) Kim Il-song has the decided advantage over Pak Chong-hui in tactical flexibility. Shifts from a policy of direct military challenge to the South to a "peace" tactic--and possibly the reverse--can be accomplished in the North with a semblance of continuity and apparently without the same need for appeasing dissenting factions that handicaps Pak.

(U) In the following sections, we shall examine in more detail those internal and external factors that are likely to affect North Korea's view of the utility of continued North-South contacts and other aspects of reducing tension in Korea.¹⁵

1. International Factors (U)

(U) When Soviet occupying forces withdrew from North Korea in 1948 they left behind a satellite regime that was ruled, under Soviet supervision, by Communist officials, many of whom held

15. (U) The most comprehensive and up-to-date unclassified treatment of the subjects discussed in this chapter is the monumental work by Robert A. Scalapino and Chong-sik Lee, Communism in Korea, in two parts (Berkeley: University of California Press, 1972).

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dual Korean and Soviet nationality (Kim Il-song himself had arrived three years earlier with Soviet forces in the uniform of a Soviet army major), and that was designed as the base from which all of Korea was to be brought under Communist rule.¹⁶ It is not credible that such a regime could have launched the June 1950 attack against South Korea without Soviet concurrence and probably, planning. But when the attack failed in the face of UN counteraction, the North Korean regime was saved from annihilation by Chinese, not Soviet, intervention, thereby initiating events that were to alter the nature of the Pyongyang regime in profound and unexpected directions. The introduction of a second outside political factor in North Korea created substantial maneuverability for Kim Il-song, particularly later in the decade when the Sino-Soviet dispute began to surface.

(U) Kim Il-song might have preferred to maintain his single-minded Soviet orientation, if he could thereby have gained the support that he believed he needed. However, even during the Korean war it was clear that Kim's sources of outside support--first Moscow and then Peking--were willing to make major contributions and sacrifices to enable the North Korean regime to survive, but they were unwilling--after the abortive tries of 1950--to accept the risks entailed in the goal of reunification. History provided one example after another of the fact that the major Communist powers were not going to accept the risks or costs of attaining objectives that were important to other Communist regimes. In the 1954 Geneva Conference, which met to discuss Korea and Vietnam, Moscow and Peking sacrificed Hanoi's prospects to gain diplomatic advantages. Moscow failed to support Peking fully in the 1958 Quemoy crisis and gave Peking no support at all in the 1962 border war with India. In 1965, Moscow and Peking would not ease their quarrel to create a united front to aid Hanoi. Pyongyang's growing campaign of guerrilla infiltration against the South failed to receive endorsement from Moscow and when the seizure of the USS Pueblo was followed in April 1969 by the shooting down of a US EC-121 aircraft over international waters, Moscow disassociated itself from the North Korean action to the point of cooperating with US rescue efforts. Most recently, Moscow and Peking engaged (separately) in moves toward détente with the United States and played host to President

16. (U) See the report of a State Department study mission to North Korea in the fall of 1950, when much of North Korea had been seized by UN forces, published as, North Korea: A Case Study in the Techniques of Takeover, Department of State Publication 7118 (Washington, D.C.: Government Printing Office, 1961).

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Nixon without waiting for the resolution even of the Vietnam war, to say nothing of other Asian issues.

(U) During the period when Kim Il-song presumably was learning that Soviet aid might not be forthcoming for North Korea's external goals, such as unification, he was also discovering that reliance on foreign aid would not suffice for the regime's domestic goals. After the Korean war, North Korean reconstruction depended heavily upon Soviet (and some Chinese) economic aid, but Moscow apparently refused to underwrite fully Kim's ambitious developmental Five-Year Plan (1957-61). This led Kim to turn to Maoist models of economic self-reliance. While the ideological debt has not been acknowledged in North Korea, there is a clear relationship between Mao's "great leap forward" and Kim's "flying horse [chollima]" campaign; between Chinese communes and the North Korean oversized amalgamated collective farms; and between Chinese emphasis on "politics takes command" and the "mass line" and corresponding North Korean slogans.

(U) Initially, Kim Il-song maintained a superficial neutrality in ideological matters between Peking and Moscow (which probably also suited his desire to appropriate Chinese formulations without giving due credit). However, by 1962 Kim was openly denouncing Soviet "revisionism" and publicly revealing in the process his complaints about the lack of Soviet support for North Korea's industrialization and agricultural collectivization. Shortly afterwards, Kim learned an additional lesson: because of his actions, Soviet aid that he considered inadequate was suspended altogether, not to be restored until after Khrushchev's fall.

(U) In Chapter II, in the sections dealing with Soviet and Chinese interests and policies, we described how the Soviet-Korean relationship was restored after Khrushchev's fall from power and how Peking's mishandling of matters of close personal interest to Kim Il-song, particularly Vietnam and Indonesia, and the subsequent ill-advised Red Guard attacks on Kim Il-song's personality interrupted the Peking-Pyongyang relationship. It was

17. (U) See Kim Ilpyong J., "The Chinese Communist Relations with North Korea: Continuity and Change" (particularly the section entitled "The Sino-Soviet Conflict and the Policy of Self-Reliance"). Paper prepared for the International Conference on Problems of Korean Unification, August 24-29, 1970, Asiatic Research Center, Korea University, Seoul, 1970. See also the discussion of Soviet aid to North Korea in Chapter II.C. of this study.

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only after the end of the cultural revolution that Peking--alarmed by the Sino-Soviet border incidents--set about to restore its alliance with Pyongyang.

(U) The new Peking-Pyongyang axis was developed initially on the basis of a "hard-line" approach to the issues of Indochina, Japan, and the United States. Chou En-lai then turned this approach around to support China's new détente diplomacy. The development thereafter of Kim Il-song's own détente diplomacy probably was due to a combination of factors. Kim came to recognize that his militant policy was not achieving any gains in the South and was only perpetuating North Korea's international isolation. At the same time, North Korea's economic situation made it more difficult to accept the costs of that policy, not only in direct terms, such as the budgetary and manpower costs of a high degree of military preparedness, but also in indirect terms, such as the unavailability or high cost of the resources and technology that might be obtained from Japan, Western Europe, and even the United States on much better terms than from the Soviet Union. The importance of the latter point was probably underscored for Kim Il-song by the examples of China and the Soviet Union, both of which were in the process of expanding trade and technical exchanges with non-Communist countries in the wake of a less tense international situation. It was probably the conjunction of these factors that made Kim Il-song susceptible to Chou En-lai's persuasiveness and that led him to develop a "peace" strategy paralleling that of Peking (even though under different circumstances he would have resisted foreign pressures no matter what the domestic cost, as he had done on earlier occasions). What is more difficult to explain in this is why Kim Il-song chose to develop his détente diplomacy under Chinese rather than Soviet auspices and why he went so far as to criticize in more or less elliptical fashion Moscow's détente moves (e.g., the Nixon visit to Moscow). Presumably the answer lies in the innate ideological affinity that exists between Pyongyang and Peking, both of which have a major ongoing "cult of personality" and a strong Stalinist bent; both are also developing, "have not" countries with major unfulfilled domestic goals.

(U) The initial results of Pyongyang's new approach on the international scene have tended to strengthen Kim's policy decisions. His pro-Peking leaning no doubt was confirmed by Moscow's studiously cool response to Pyongyang's unification initiatives and particularly to Kim Il-song's claimed personal role in those moves. The approaches to Japan and the United States, i.e., opening the North to selected journalists and encouraging trade with Japan, have greatly improved North Korea's general image in those countries. Very usefully, North Korea has tremendously

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expanded its diplomatic contacts outside the Communist world, and even UN membership could now be within Pyongyang's grasp. On the economic side, many of the barriers to North Korea's access to Japanese and West European trade and technology have fallen; in regard to Japan, even long-term, government-guaranteed loans may become possible in the near future.

2. Domestic Factors (U)

(U) The initiatives that led to the North-South contacts were largely worked out by Pyongyang in the context of its external relations. However, as we have noted, domestic North Korean factors were also involved in Kim Il-song's calculations.

(U) Since the personalities of President Pak and his CIA chief Yi Hu-rak figured so importantly in South Korea's initiatives toward the North, it is interesting to note that similar factors are important in Pyongyang. North Korea is ruled under a cult of personality that exceeds in many respects even that of Stalin. Even while opening North Korea slightly to officials from the South and to newsmen and traders from Japan and other countries, Pyongyang has remained pathologically sensitive to seeming slights directed against Kim Il-song personally. The July 4, 1972, communiqué was phrased to permit Kim Il-song to claim the initiative (even while permitting President Pak a similar claim),¹⁸ and it seems likely that any future North-South understanding will have to be formulated in similar personal terms. North Korean propaganda has been effusive in describing how ROK delegations in the North were "deeply moved" by their visits to great shrines of the cult of personality, such as Kim Il-song's birthplace.

18. (U) Pyongyang has stated that the July 4 agreement became possible when Seoul accepted the Three Principles of National Unification--independence, peaceful unification, and "great national unity"--which had been personally put forward by Kim Il-song, thus claiming the initiative and authorship for Kim. Pyongyang also describes the accord as a direct consequence of Kim's August 6, 1971, proposals and subsequent interviews with foreign newsmen. Seoul, on the other hand, describes the accord as attributable to a "bold initiative" by President Pak, deemphasizes the extent to which the communiqué contains North Korean formulations, and stresses that the second of the Three Principles amounts to the renunciation of force long advocated by President Pak.

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(U) Kim did not rise to his present position without bitter factional struggles, in some of which foreign (Soviet and to a lesser extent Chinese) support went to opposition cliques. Recent observers in Pyongyang feel that a challenge to Kim's position is not likely. Nevertheless, one can speculate that Kim took the new initiatives in part to strengthen his political position, which may have suffered from the failure of his regime to make any headway in the South despite the costly militant policy (and from his failure to gain the support of his allies for that policy).¹⁹ It seems clear that the unification slogan is as powerful in the North as it is in the South and therefore politically useful to the regime, even though Kim Il-song undoubtedly can handle dissenting factions much more expeditiously than can Pak Chong-hui.

(S) Economic factors are also involved in the new North Korean tactics toward the South. Pyongyang's militant posture was accompanied by a developmental strategy that emphasized heavy industry and defense-related investments, which provoked Soviet criticism, as mentioned above. In 1966, Kim announced the postponement of the target dates for the Seven-Year Plan (1961-67, extended to 1970) in order to cope with economic reverses and a major defense buildup. In accordance with this shift in priorities, official military expenditures rose from 19 percent of the national budget (1960-61) to 31.1 percent (1967-68).²⁰ At various times during this period, Kim frankly noted the heavy--but necessary--burden North Korea was bearing in its military budget. However, with its new tactic toward South Korea, Pyongyang in 1972 announced a scaling down of military expenditures to more nearly the original budget levels (from 31.1

19. (U) The role of Kim Il-song's younger brother, Kim Yong-chu, in the North-South contacts is an interesting but somewhat unclear one. Kim Yong-chu was designated the northern counterpart for the ROK's Yi Hu-rak, thereby underscoring the close connection between Kim Il-song and the North-South contacts. However, in the meetings that have taken place so far, Kim Yong-chu has usually been represented by another senior DPRK official, Pak Song-chol, vice premier of the Administrative Council. Kim Yong-chu may now be the second most powerful official in Pyongyang, having risen rapidly in the party since 1966, when he was ranked fortieth; his party rank is now in sixth position.

20. (U) Kim Il, "Concerning the Six-Year Plan 1971-76," cited in Kim Ilpyong J., "Changing Perspectives in North Korea--Approach to Economic Development," in Problems of Communism, January-February 1973, in. 36, p. 52. See also Joseph Sang-hoon Chung, "Recent Trends in the North Korean State Budget: With Special Reference to 1971 and 1972," in Korean Affairs, Vol. II, No. 3 (January 1973).

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percent in 1969 to 17 percent in 1972.²¹ This reduction has not been confirmed by order-of-battle evidence, and it is possible that the cited figures reflect the fact that some of the more expensive Soviet-aided phases of the North Korean military modernization program have been completed (see Appendix). In any event, savings are likely to be realized from the much less tense military situation that has prevailed along the DMZ since 1969.²²

(U) The new North Korean tactic includes placing much greater emphasis on broadening North Korea's trade contacts. During the early 1960s, when Pyongyang unburdened itself of complaints about relations with the Soviet Union, it was charged that the terms of Soviet-North Korean trade were very adverse to North Korea--low prices were paid for Korean exports and high prices were charged for Soviet equipment that was often of inferior quality. Pyongyang currently is emphasizing Japanese and West German sources of equipment and technology that are likely to provide high quality goods at favorable prices. It is possible that Kim Il-song has made a decision to sacrifice temporarily some autarky in order to gain access to the advanced technology and capital equipment needed for a period of rapid economic construction.²³ (The expansion of trade with Japan that has taken place is indicated in Table 1, p. 31. Rapid expansion of trade has also taken place with Western Europe, especially West Germany.)

(U) During the 1960s, North Korea claimed a growth rate in GNP of 12.8 percent, but actual growth may have averaged a still very respectable 8 to 9 percent due to the lagging of agricultural

21. (U) Kim Kyong-yong, "Report of the Finance Minister to the Supreme People's Assembly, April 29, 1972," cited in Kim Ilpyong J., "Changing Perspectives in North Korea," fr. 38, p. 53.

22. (U) Some South Korean officials place much greater emphasis on North Korea's economic motivation, stating that Kim Il-song entered into the North-South contacts to rationalize a sharp shift in economic priorities from military to consumer goods that was needed to avoid serious economic difficulties in the North.

23. (U) Understandably, Japanese observers have tended to emphasize the foreign trade aspect as an important motive in Pyongyang's less tense posture toward Japan. (Memorandums of conversation, Peter W. Colm, Tokyo, November 1972.)

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Pak's constitutional revision, has made a corresponding concession.²⁵

3. Terms and Tactics for Unification (U)

(U) The North Korean regime was formed at about the same time in 1948 as the Republic of Korea, but the latter has had the advantage of having been constituted, pursuant to UN General Assembly resolutions, through elections supervised by the United Nations. This diplomatic and legal handicap of the North was offset after the end of the Korean war by Pyongyang's proposal of more imaginative and flexible unification terms--even though these produced no visible response in the South or internationally. Seoul's terms were stated at the 1954 Geneva Conference, after considerable allied diplomatic pressure, to include nationwide UN-supervised elections to form a National Assembly--in which the South would have the preponderance of seats--that would either maintain in force or amend the existing ROK constitution. Despite the advantage that its greater population would give it in such a scheme, South Korea expressed a preference in 1954 and occasionally since then for a unification plan under which UN-supervised elections would be held only in the North to fill the seats reserved for the North in Seoul's existing National Assembly. Until President Pak's August 1970 statement on unification, there was virtually no change in this position, and ROK spokesmen normally avoided even the flexibility implied in the 1954 position and preferred vaguely to refer to unification on the basis of UN-supervised elections. Seoul's terms had UN endorsement, but otherwise were unnegotiable from the outset since they did not treat the two Korean regimes on an equal basis and since the UN role was so prominent--Pyongyang clearly would not accept the United Nations as an impartial arbiter since it had been a party to the Korean war.

25. (U) See Richard Halloran's dispatch from Tokyo, October 30, 1972, in the New York Times, October 31, 1972. For the text of the 1972 constitution, see Korean Affairs, Vol. II, No. 3 (January 1973), pp. 46-57. Article Four of the new constitution reads: "The Democratic People's Republic of Korea strives to achieve the complete victory of socialism in the northern half, drive out foreign forces on a nation-wide scale, reunify the country peacefully on a democratic basis, and attain complete national independence." The new South Korean constitution, adopted November 21, 1972, merely states that "The territory of the Republic of Korea shall consist of the Korean Peninsula and its adjacent islands." (Chapter I, Article 3. Text in the Journal of Korean Affairs, Vol. III, No. 1, April 1973.)

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growth.²⁴ For the 1971-76 planning period, Pyongyang hopes to increase the growth rate to 14 percent. Achievement of this ambitious target may depend upon North Korea's ability to keep military expenditures and manpower requirements within bounds and to expand further its trade contacts with those countries best able to satisfy its requirements for technology and capital equipment. Pyongyang's economic goals are added incentive for maintaining the détente with the South and with the major industrial countries, but this is probably not an absolute incentive, as is indicated by Kim Il-song's willingness (and ability) in the past to sacrifice economic targets to military requirements.

(U) If North Korea plans to focus its attention on the development of the North, rather than seizure of the South, it would be logical to see that emphasis reflected in Pyongyang's political institutions. Addressing the Fifth Supreme National Assembly in December 1972, Kim Il-song said that the North had accomplished its historic task of "socialist transformation" and that this accomplishment would be marked by the adoption of a new constitution (implying a parallel to Stalin's "socialist" constitution of 1936). The claimed achievement applies, of course, only to North Korea, and it is logical therefore that the new constitution also applies only to the North with its capital at Pyongyang--in contrast to the 1948 constitution, which specified that the capital of the "Democratic People's Republic of Korea" is in Seoul. The current task, Kim said, is to "consolidate" the socialist system that has been established in the North and to achieve the reunification of the country on a "democratic" basis. In other words, even after unification, the South's political institutions will lag behind the already socialist North. The significance of the new constitution and the distinction between "democratic" and "socialist" may be obscure, but it is interesting that it was North Korean spokesmen in Japan who alerted Western newsmen to the fact that the North no longer claims to rule all of Korea--and, with not much basis in fact, that the South, in President

24. See R. A. Scalapino and C. K. Lee, Communism in Korea, I:658-79. North Korea's per capita GNP (but not the standard of living) may be slightly higher even than that of South Korea; in any case, Japanese journalists have commented that North Korea's standard of living seems to be higher than that of China.

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(?) Pyongyang's unification terms, in retrospect, seem to have been more flexible, although it is clear that at no time was Pyongyang willing to discuss any unification steps that would have altered the nature of the Communist regime in the North or that would not have created conditions whereby Communist influence might be expanded to the South. However, Pyongyang did not revert to its prewar position of demanding that the South subordinate itself to the existing regime in the North. Rather, the Communist terms provided for a joint commission, on which the North and South would be equally represented, that would prepare national elections for an Assembly that in turn would form a united Korean government. In some versions, the Communists would permit neutral--but never United Nations--supervision of the elections. All of Pyongyang's proposals through the years provided for the withdrawal of foreign forces from Korea, either within a given period after agreement or, more typically during "hard-line" periods, as prerequisites to any negotiations. Some of the Communist proposals provided a formal role for the two existing regimes in the unification procedure, but again during "hard-line" periods Pyongyang stated it could negotiate with "patriotic" individuals or "democratic" groups in the South but not with the government there, until "despots like Pak Chong-hui" were deposed or ties with the United States and Japan were severed, or both.

(U) Pyongyang's recognition that unification was not a goal that could be easily achieved and that if achieved would give the South numerical preponderance was reflected in its negotiating terms. The North has always stressed "interim" measures that would include a wide range of economic and cultural contacts between North and South. One of the specific interim measures that Kim has proposed from time to time is the reduction of armed forces to a common-ceiling level of 100,000 "or less" on each side (200,000 was described as adequate jointly to defend Korea against outside threats). In addition, encouraged by the overthrow of Syngman Rhee and the subsequent turmoil, in 1960, Kim proposed that if no agreement on elections and unification could be reached at that time, an interim all-Korean "confederation" could be created. Confederation would take the form of an organization representing the North and South equally, which would coordinate economic, cultural, and other North-South projects and work to reduce tension while the two political systems remained unchanged in their respective regions.²⁶

26. (U) For the record on North and South Korean unification proposals, see Department of State, The Record on Korean Unification, 1943-1960, Publication 7084 (Washington, D.C.: Government Printing Office, 1960); and Han K. Kim, ed., Reunification of Korea: 50 Basic Documents (Washington, D.C.: Institute for Asian Studies, 1972).

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(U) It was when the post-Rhee situation in the South turned toward political stability and economic development, rather than continued turmoil and susceptibility to northern blandishments, that Kim Il-song shifted to the tactic of militant confrontation. The Communist movement in South Korea had not survived the Korean war, but after his inability to exploit the overthrow of Syngman Rhee, Kim urged that a "true Marxist-Leninist Party" be established in the South. Various North Korean infiltration efforts and guerrilla actions during this period were described by the Communists as involving South Korean revolutionary elements. The Marxist-Leninist party called for by Kim--the Revolutionary Party for Unification (RPU)--was organized in South Korea on a small scale in about 1964-65 and, according to its claims, established in turn a number of front organizations. The Communists were not able to organize any popular support in South Korea, however, and when the RPU was broken by ROK intelligence and its members brought to trial in 1968, only 168 persons were accused of involvement with the Communist political movement. Despite the failure of the RPU, North Korea maintained the myth of a Communist grass-roots movement in the South, and in fact the Communists succeeded in gaining a few converts among Korean students--but students living abroad and not students within South Korea. The previously mentioned North Korean guerrilla raids into the South, which reached a peak in 1968, were in part designed to lend substance to claims that a revolutionary upsurge comparable to that in South Vietnam was developing within South Korea. Direct military infiltration tapered off and eventually ceased altogether after 1971 (see Table 2). But the claims of a lively revolutionary movement in the South have continued nevertheless. Pyongyang has continued to operate a clandestine "Voice of the Revolutionary Party for Unification" broadcasting station and has increased the hours broadcast from fourteen to forty-two weekly. With little regard for consistency with other aspects of Pyongyang's unification policy, the RPU radio, in a typical broadcast earlier this year, called for establishment of a "democratic regime of the masses" that would join in the struggle for "peaceful reunification"; the broadcast proclaimed "let the roaring flames of the revolutionary struggle for the victory of the South Korean revolution ... sweep the country."²⁷

27. (U) See Scalapino and Lee, Communism in Korea, "The Faltering Liberation Campaign," I:646-53, and FBIS, Developments, March 8, 1973, p. 2c, FOUO. The RPU radio is similar to covert transmitters located in South China that purport to speak for revolutionary movements in Burma, Thailand, and Malaysia at a time when Peking on a more formal level is working for a détente with the governments of those countries, but in the case of Korea the policy contradiction is much sharper.

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Table 2 (U)
NORTH KOREAN SUBVERSIVE ACTIVITY (1965-1972) (U)

INCIDENTS/CASUALTIES	Y E A R							1973 (Jan-June)
	1965	1966	1967	1968	1969	1970	1972	
INCIDENTS:								
Significant incidents south of the DMZ	42	37	445	456	87	59	11	1
Significant incidents in the ROK	17	13	121	143	24	47	11	1
Exchanges of fire in the DMZ	23	19	122	236	55	42	11	1
Exchanges of fire in the ROK	5	11	96	120	22	26	11	1
Total	88	80	784	995	188	181	5-	1
CASUALTIES:								
North Koreans killed in the ROK	4	18	228	221	53	46	11	1
North Koreans captured in the ROK	51	21	57	11	6	1	1	1
ROK military personnel killed in the ROK	21	35	131	162	15	3	1	1
ROK military personnel killed in the DMZ	6	29	294	294	44	22	17	1
ROK National Police & civilians killed in the ROK	19	4	22	15	19	7	1	1
ROK National Police & other civilians wounded in the ROK	13	5	23	26	17	17	1	1
Total killed, wounded, & capture	114	112	795	941	156	104	11	1

3. (U) January-June. Data on 1971 are incomplete. Casualties not available.
Source: Report of the Inter-Parliamentary Commission for the Unification and Rehabilitation of Korea, General Assembly Official Records, 23rd Session, Supplement No. 16 (2/6/26), New York, 1970, p. 29, and Report of UNCTAD, General Assembly Records, 27th Session, Supplement No. 17 (2/9/77), New York, 1972, pp. 16-17. The latter source notes that "The most significant event as reported ... after the end of October 1971. The absence of incidents coincides with a public statement by the UNCTAD Secretariat on 10 October 1971. Cross talks and the secret negotiations leading to the announcement of the Joint Communiqué of 1971-1972 ... in Rim-sop Shin, 'Foreign and Reunification Policies of North Korea,' in Problems of Communism, January-February 1973, p. 61.

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Table 2 (U)
NORTH KOREAN SUBVERSIVE ACTIVITY (1965-1972) (U)

	Y. E. A. R.							1973 (Jan-June)
	1965	1966	1967	1968	1969	1970	1972	
INCIDENTS/CASUALTIES								
INCIDENTS:								
Significant incidents south of the DMZ	42	37	425	466	87	59		
Significant incidents in the DMZ	17	13	121	143	24	47		
Exchanges of fire in the DMZ	23	19	122	136	55	47		
Exchanges of fire in the ROK	6	11	96	122	22	12		
Total	88	80	784	965	188	181		
CASUALTIES:								
North Koreans killed in the DMZ	4	18	228	321	55	46		NA
North Koreans captured in the DMZ	51	21	37	117	6			NA
ROK military personnel killed in the ROK	21	15	131	162	13	1		NA
ROK military personnel wounded in the ROK	6	29	294	294	44	21		NA
ROK National Police & civilians killed in the ROK	19	4	42	35	19	7		NA
ROK National Police & other civilians wounded in the ROK	13	5	51	16	17	17		NA
Total killed, wounded, & captured	114	112	785	941	156	104		NA

1. (U) January-June. Data on 1971 are incomplete. Casualties not available.
 Source: Report of the United Nations Commission for the Unification and Rehabilitation of Korea, General Assembly Official Records, 25th Session, Supplement No. 46 (A/8026), New York, 1970, p. 29, and Report of UNCURK, General Assembly, 26th Session, 17th Session, Supplement No. 17 (A/3777), New York, 1972, pp. 16-17. The latter source notes that "the significant event as reported ... after the end of October 1971. The absence of incidents coincide with favorable exchange of fire in the DMZ. Cross talks and the secret negotiations leading to the announcement of the Joint Communiqué of July 1972." See in Rinn-sup Shinn, "Foreign and Reunification Policies of North Korea," in *Problems of Communism*, January-February 1973, p. 81.

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(U) Despite Pyongyang's claims, there has been no instance of any popular ROK support for North Korean activities. It was the record of almost total failure that presumably was a factor in Kim's development of the present Communist negotiating posture toward South Korea. The broadcasts of the clandestine RPU radio notwithstanding, the thrust of current North Korean unification efforts consists of direct approaches to the ROK leadership, and Communist operations in the South have been redirected to intelligence rather than propaganda objectives. Despite its different approach, Pyongyang has retained almost all substantive aspects of the unification terms developed since 1954, dropping only various preconditions to negotiations.

C. RECENT INITIATIVES--NORTH AND SOUTH (U)

(U) On August 15, 1970, President Pak Chong-hui made the ROK's first significant move on unification since 1954; Pak stated in a speech that if the North renounced the use of force, and if the United Nations verified observance of that renunciation, then some of the barriers between North and South might be eliminated step by step with a view toward eventual peaceful unification. Pak's speech contained some formulations that clearly the North could not accept (especially the reference to the United Nations), but it also for the first time accepted the approach long favored by the North for various interim measures to ease tension, and it did not demand that the North simply be integrated into the existing polity of the South. Pyongyang predictably denounced "traitor" Pak Chong-hui's call for unification as "nonsense," "falsehood," and "deception." Nevertheless, the North gradually reduced the number of its armed incursions into the South and adopted a less militant posture; a year after Pak's speech, on August 6, 1971, Kim Il-song himself offered a new packaging of Pyongyang's proposals. Kim's speech (welcoming Prince Sihanouk to Pyongyang) made a reasonably unconditional offer to negotiate with Seoul the "eight-point" unification proposal that had been put forward by Pyongyang in April 1971, then still in "hard-line" terms.²⁸

28. (U) The eight points are as follows: (1) withdrawal of US forces and solution of the Korean question by the Korean peoples themselves; (2) mutual reduction of armed forces to 100,000 men each at the most; (3) abolition of the US-ROK Mutual Security Treaty and the Japan-ROK treaty; (4) establishment of a "unified democratic central government" by free North-South general elections; (5) guarantees of political democracy throughout Korea; (continued)

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(In his August speech, Kim also noted approvingly Peking's invitation to President Nixon.) Over the next year, in a series of statements and interviews with US and Japanese newsmen, Kim further modified North Korea's negotiating position, putting forth a long list of suggestions, mostly drawn from various proposals dating from the 1950s and 1960s, but this time without any negotiating preconditions. Most significantly, a few days after Kim's August 6 speech, Pyongyang accepted Seoul's proposal for contacts between the Red Cross societies of the South and the North with a view toward reuniting families divided by the Korean war. It was, of course, the Red Cross talks that provided the cover for the negotiations that led to the July 4, 1972, communiqué in which the two Korean governments agreed not to undertake armed provocations against each other, to avoid mutual slander and defamation, to carry out various exchanges, to support the Red Cross talks, to establish a "hot line" between the two capitals and a North-South Coordinating Committee to carry out the aims of the communiqué. The two sides agreed that "as a homogeneous people, a great national unity shall be sought above all, transcending differences in ideas, ideologies, and systems."

(U) The present phase of North-South relations may owe much to President Pak's initiatives in his August 1970 speech and his August 1971 proposal for Red Cross talks. However, in regard to concrete proposals, the score still decisively favors Kim Il-song. After his August 1971 speech, Kim told foreign newsmen in a series of interviews that the North would be willing to negotiate directly with the Pak regime; that the ROK relationships with the United States and Japan need not be severed prior to such contacts (or, alternatively, that Pyongyang was willing to abrogate its own alliances with the Soviet Union and China if Seoul would abrogate its treaties with the United States and Japan); that Pyongyang was willing to sign a "peace pact" with Seoul; that there could be a mutual withdrawal from the DMZ and a mutual force reduction that could include--as Seoul had earlier demanded--limitations on the militia as well; and that there could be reductions by a flat

(6) establishment of a "confederation" of North and South Korea as a transitional measure leaving the "differing socio-political systems" intact, if need be, prior to complete unification; (7) promotion of economic, cultural, travel, and other contacts between North and South; and (8) convening of a political consultative meeting to "solve" the question of unification. (Points summarized from text broadcast by Pyongyang Radio, April 14, 1971, and reprinted in FBIS, Asia and Pacific, April 16, 1971, pp. D-1 to D-12.)

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150,000 or 200,000 men on each side, which would greatly favor the South with its much larger armed forces.²⁹ In the Red Cross talks themselves, Pyongyang also has sought various political understandings, in contrast to the simple emphasis on the original humanitarian aims of the talks by the ROK negotiators. Pyongyang has also shown itself much more imaginative in the conduct of the North-South Coordinating Committee meetings, in which the South has proceeded with caution.

(U) The substantive proposals put forward by Pyongyang in the North-South contacts, as noted earlier, generally resemble the positions taken by the North on various occasions since the Korean war--although of course the fact of ongoing talks greatly changes the context of the Communist proposals. The emphasis in the North's proposals shifts from time to time; at the present, Pyongyang appears to be demanding the ROK's prior agreement on a five-point package proposal--which includes some points (particularly the withdrawal of US forces) that Pyongyang must know are not at this time negotiable--as the price for agreement on lesser, "confidence-building" measures. In addition, Pyongyang is putting forward some largely procedural proposals with very obvious political motives. So far as Seoul is concerned, the North's approach is unacceptable. Seoul, far from agreeing to any comprehensive package plan, wants to move slowly, beginning with humanitarian and confidence-building measures. Seoul is also very suspicious of proposals that would have the effect of permitting large numbers of Pyongyang representatives to roam about the South for various purposes.

(U) The northern proposals referred to above include the following elements:

(U) The Five-point Package Proposal--

- (1) Stop the reinforcement of armed forces and the arms race.
- (2) Make all foreign troops, including US troops, withdraw from Korea.
- (3) Reduce the armies of the North and South, respectively, to 100,000 men or less and drastically cut armaments.

29. (U) These proposals are discussed in more detail in Chapter VII.

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(4) Discontinue the introduction of all weapons, combat equipment, and war supplies from foreign countries.

(5) Conclude a peace agreement which provides for solving the above-mentioned problems and making the North and South refrain from the use of arms against each other.

(U) Confidence Building Measures--

"... on the basis of mutual understanding and trust ... smoothly realize collaboration in all fields, military, political, economic, cultural, and diplomatic, and radically improve north-south relations as a whole."

(U) North-South Contacts--

"... all political parties and public organizations in the north and south representing the interests of the people of all strata should have broad contacts, exchange opinions, and fully express their views...." (Similar proposals in the Red Cross talks would give persons from one side ... virtually unrestricted access to the other side to search for lost relatives.)³⁰

(U) The North-South talks have been well received internationally and within both Koreas, despite lingering doubts among some sectors of the population in the South, and presumably the North as well, about dealings with the "enemy." The fact that most of the specific North Korean proposals have not been accepted by the South even as agenda items for negotiations--plus the fact that there has developed no agitation within South Korea and very little within the United States specifically for the withdrawal of US forces from South Korea--may lead (or perhaps already has led) to a reexamination

(C) (U) This summary of Pyongyang's position is based on recent North Korean propaganda broadcasts, including a speech by Premier Kim Il on April 5, 1973, and a speech by Vice Premier Pak Song-chol, chief DPRK delegate to the Coordinating Committee, immediately after a session of that Committee in Seoul, June 12, 1973. (In preparing this study we did not have access to records of the Coordinating Committee meetings, but presumably Pyongyang's public position broadly reflects its actual negotiating stance.)

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in Pyongyang of its North-South tactics. It appears to be an ambition of Kim Il-song to develop a situation in Korea somewhat analogous to that in Vietnam, where the northern regime had substantial assets in the South and a great deal of international sympathy and support even within the United States. The renewal since the early spring of 1973 in Pyongyang propaganda of agitation for the withdrawal of US forces, based on the thesis that it is only the US presence that maintains tension and prevents North-South agreement, may represent a new effort by the Pyongyang regime to achieve this ambition, exploiting now the generally more favorable international image and wider diplomatic acceptance that the regime has acquired, in part because of the North-South talks. Interestingly, appeals for a US withdrawal were addressed by the Pyongyang Supreme People's Assembly directly to the legislatures of the United States and other countries. The renewal of this propaganda emphasis does not augur well for the North-South talks, although it may simply reflect the fact that under the July 4, 1972, restrictions Pyongyang finds it more difficult to attack the Seoul government in its propaganda and that therefore the United States must serve as a surrogate target. At a time when the Hanoi regime has achieved the aim of a complete US military withdrawal from the southern half of Vietnam, it must be particularly galling to Kim Il-song that a substantial US military presence remains in South Korea despite all of Pyongyang's efforts.

(U) It is in this context that North Korea (in an April 5, 1973, speech by Premier Kim Il) has made possibly the most significant concession since the July 4 communiqué itself: the offer to reduce its armed forces to 200,000 men "of its own accord" (i.e., not pursuant to any formal agreement) if the United States withdraws its forces from South Korea. (The Kim Il force reduction proposal was conveyed also in Pyongyang's previously mentioned messages to the parliaments of various countries and was strangely omitted only from the message to the US Congress.)

(U) The initial reactions of Peking and Moscow to the proposal were interesting. Moscow used the occasion to break its near silence on Pyongyang's North-South moves; the Supreme Soviet endorsed the Pyongyang message at length and subsequent Soviet propaganda has commented further. Moscow has mentioned some of the details of Pyongyang's position, including the offer to reduce the North's armed forces, but Moscow still avoids crediting Kim Il-song personally with the major North-South initiatives and it specifically describes the process of North-South accommodation and unification as a very long-range one. Peking, in contrast, has continued to endorse all of Pyongyang's proposals, invariably giving personal credit to Kim Il-song. However, Peking's response

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to the Pyongyang message did not mention the fact that the North had offered substantially to cut its armed forces.

(U) Although verification presents real problems, a reduction of the magnitude proposed by Kim Il would be very significant for the military balance in Korea. It would still leave the North Korean air force far more powerful than that of the South, but it would substantially decrease the threat of a massive invasion of the South. The offer seems to represent a substantial escalation in Pyongyang's political pressure against the US military presence in Korea and indicates that Pyongyang may not be content to engage indefinitely in unproductive North-South negotiations and that it may be attempting to open additional channels of political pressure or even negotiation.³¹

(U) In summary, Pyongyang's approach to the South at this time appears to be multifaceted. There is the direct high-level negotiating effort in the North-South Coordinating Committee, supplemented by the Red Cross talks. At the moment, this effort is deadlocked over the North's insistence on prior agreement to its package proposal--a tactic possibly aimed at demonstrating the need for a UN General Assembly debate on the Korea problem this fall. Then there is the effort to bypass the high-level negotiations through direct contacts between a multitude of organizations (and even individuals) in the North and their counterparts in the South. This effort has little prospect of realization, due to the ROK's concern that such contacts would become a vehicle for subversive activities in the South, but the generally "liberal" stance of the North on this question may be designed to appeal to opposition elements in the South. There is also the continuing Communist covert and intelligence effort, supplemented by the propaganda effort of the clandestine Communist radio. This effort may be designed principally to conserve whatever limited covert assets the North has in the South and for ordinary intelligence purposes. Much of Pyongyang's effort is aimed at undermining the rationale for the US military presence,

31. (U) North Korea's offer also, whether by design or incidentally, meets the problem Pyongyang's allies may have with a rapid US withdrawal from South Korea: the danger that Kim Il-song might react with a reckless move against an "abandoned" South Korea, or that Japan might feel impelled to increase its armaments to cope with a less stable situation in Korea. With the magnitude of the demobilization Pyongyang has offered, the North would be in no position to take military advantage of a US withdrawal.

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and an effort may be beginning to exploit opposition within the United States to military deployments abroad. Finally, there are major efforts underway on the international scene, focusing upon the United Nations and upon gaining diplomatic acceptance for North Korea. In regard to the United Nations, the North has tried to demonstrate that there has been a lack of progress in the North-South contacts due to US obstructionism in which the United Nations itself is involved. This line is designed to counter the argument used last year to postpone a UN debate of the Korea problem on the grounds that the two Koreas were making progress independently. It is in this context that Seoul's dramatic announcement in late June 1973 that it would support the membership of both Koreas in the United Nations came as a very constructive move, since dual membership by the two Koreas would demonstrate that progress was still being achieved. Pyongyang's rejection of Seoul's suggestion and its counterproposal for a single Korean delegation representing both Korean regimes joined for the purpose in a "confederation" is obviously very premature and unacceptable to Seoul. The counterproposal may in fact be designed simply to demonstrate North Korea's adherence to the unification ideal, preparatory to an eventual compromise along the lines proposed by Seoul.

(U) As we noted earlier in this chapter, South Korea has so far not matched the broad scope of the North's negotiating and diplomatic offensive except on the one point of UN membership. Seoul emphasizes the humanitarian and confidence-building aspects of the negotiations and has indicated that it wishes to exchange lists of separated family members and to inaugurate subcommittees of the Coordinating Committee to discuss a broad range of social, cultural, and economic exchanges. Seoul continues to resist extending the negotiations to military or more basic political issues at this time.

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IV

IMPLICATIONS FOR ARMS CONTROL (U)

A. THE TWO KOREAS (U)

(U) There is a surprising degree of parallelism in the interests of the two Koreas that has implications for arms control. The easing of North-South tension, for example, could provide for both countries relief from the economic burden of armaments. It could lessen the manipulation of Korean developments by the great powers and reduce both Koreas' dependence on their allies. Each Korea is concerned that tension-reducing measures should not threaten the viability of its political system, and each hopes through such measures to increase its influence and leverage over the other. Neither Korea is willing to formalize the division of the country, and both seek some symbols of unification, although not necessarily the same ones. This mutuality of interests is what has made possible a considerable easing of tension already, but the remaining hostility and conflicts of interest, the implications of which are discussed below, have so far prevented significant institutionalizing of that progress, creating workable safeguards, or moving on to actual arms-control negotiations.

1. South Korea (U)

(U) Trends in the domestic political environment in South Korea are likely to reinforce the Pak government's very cautious approach to the North-South talks and its preference for minimal movement on arms-control issues. The still very strong fear of the Communist North that persists in the South and the political ascendancy of the ROK armed forces both work toward this end. The sweeping powers that Pak now enjoys and his firm control of the political system, however, should make it possible for him to enter into agreements on humanitarian and cultural exchanges and minor economic matters, without fear that he is exposing the country to a serious threat of subversion from the North. The Pak government will probably continue to find it to its advantage to maintain the contacts with the North that have been initiated in order to exploit the politically useful slogan of unification and in order to forestall if possible a return to the North-South confrontation of 1968-69. Accession to more fundamental economic,

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political, or military agreements, however, probably will be very difficult for the government for some time.

(S) Strictly military considerations also contribute to the ROK's cautious approach to arms-control proposals. Having twice experienced the fall of Seoul to Communist forces from the North, the South Koreans are understandably concerned about defending the capital, which is located only 30 miles from the DMZ along a natural invasion route. The South is consequently strongly committed to a forward defense strategy, which would conflict with any proposals that entailed widening or pulling back from the DMZ. Infiltration from the North, either by sea or across the DMZ, is also of concern to South Korea. Electronic sensors, lights, and various barriers have been installed along [redacted] the DMZ to deter infiltration, and routine military patrols are conducted within the DMZ, all of which must be taken into account in formulating proposals to demilitarize the DMZ or to reinstitute the original armistice provisions regarding it.

(U) As to the balance of military forces on the peninsula, the ROK ground forces substantially outnumber those of the North, while the DPRK's air force is much larger and more modern than that of the South. However, arms-control tradeoffs suggested by this situation are counterbalanced so far as the South is concerned by the vested interests that have grown out of the large and politically powerful ground forces and by general suspicions of the North within the ROK military establishment, the one group that President Pak must continue to placate. The US military presence in South Korea partially offsets North Korea's advantage in the air and contributes, by its "trip wire" effect, to the deterrent against aggression from the North. It is a military and political asset that Pak also would be extremely reluctant to sacrifice although he undoubtedly is aware that the United States is not likely to maintain its present level of deployment to Korea beyond the middle of the decade.

(U) The external environment and the resulting combination of stimuli that originally contributed to Seoul's agreement to open talks with Pyongyang will probably continue to operate through at least the mid-1970s. At a minimum, therefore, South Korea should continue to find it to its advantage to maintain contact with the North. Whether these stimuli will be strong enough to cause the South to compromise its stand on arms control is another question. Suspicion of the North will remain strong and hinder substantial progress in this area. Yet, if changes in the external political environment led the South to modify its policy toward the North once, further changes in that sector might again induce policy modifications. But the connection between external stimuli and policy decisions is a specifically complex one. The United States

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is able to exert substantial influence on Seoul but excessive US pressures could cause Seoul to assume a more rigid posture in the talks or to withdraw from them entirely, precisely because one of the primary motivations for entering into the dialogue with Pyongyang in the first place was to reduce foreign control over the destinies both of South Korea and of the Korean peninsula as a whole. Furthermore, any development that was seen by Seoul as undermining its security is much more likely to be countered by a further tightening of internal controls, an effort to strengthen the ROK armed forces, rigidity on arms-control measures, or even withdrawal from the dialogue with the North, than by an attempt to confirm the détente.

2. North Korea (U)

(U) The Pyongyang regime has reason to look upon the results of the North-South contacts to date with some satisfaction. North Korea's prestige and diplomatic status have improved substantially, and the burden on the economy of the past excessive militancy and international isolation has been eased. The North may feel optimistic also about the prospect of improving its political image and influence among some sectors of South Korean society. For these reasons, Pyongyang shares Seoul's interest in maintaining the talks but not Seoul's reluctance to propose and discuss a wide range of sensitive issues, including arms control. Pyongyang also probably believes that its improved image will work to increase the pressures upon the United States to withdraw its military forces from Korea. Whether Pyongyang's imaginative and far-from-timid approach to the North-South talks contributes to the prospects for arms-control agreements, however, is by no means clear. Pyongyang's proposals stem from fairly obvious ulterior motives, such as opening the South to Communist influences, undermining the rationale for the US military presence, and gaining various propaganda advantages. That achievement of stable, enforceable reduction of tension and arms control is among Pyongyang's aims has so far not been demonstrated.

(S) Military factors may contribute to Pyongyang's seeming receptivity to arms-control proposals, since many types of fairly obvious measures would add more to Pyongyang's security than to Seoul's. Common-ceiling ground force reductions, for example, would end Seoul's advantage in ground forces.¹ The withdrawal of US forces

1. (U) The North has consistently stated that the ultimate arms-control goal is to reduce the armed forces, North and South, to 100,000 men, with a proportionate reduction in armaments. However, as a step toward that goal, Kim Il-song has informally suggested a flat reduction, North and South, by 150,000 or, better, 200,000 men. Recently Pyongyang has also suggested that (continued)

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would have a far greater effect in undermining ROK confidence and in seeming to erode the deterrent against aggression than is suggested by the actual number of troops involved. Both the North and South would benefit economically by an easing of military burdens, but the North, with its smaller population and less-developed economic base, would benefit relatively more. The release of military manpower to the economy would relieve the North's manpower problem--and the North may make some unilateral military force reductions for their propaganda and economic effects. It has been argued in the South, on the other hand, that force reductions could lead to unemployment and political problems, but this is not likely to be a serious obstacle in view of the ROK's high rate of economic growth and force reductions in fact are being considered also by Seoul. PK

B. GREAT POWER INTERESTS (U)

(U) Because the great powers all have an interest in avoiding a direct confrontation with one another (or a sharp deterioration of their bilateral relations) as a consequence of a conflict in Korea, they all share a prominent interest in further reducing the already low probability of another war on the Korean peninsula. Opportunities to reduce tension in the area are greater than at any time since the end of the Second World War. If these opportunities are not exploited, they may diminish. The situation in Korea might then return to what it was in the late 1960s, or it might possibly deteriorate further and end by imposing greater costs on the powers than now seems probable. At the same time, the great powers have other interests that differ and often conflict, and those interests would not necessarily be served by specific arms-control or tension-reducing measures.

1. The United States (U)

(U) For the United States, it is most important that arms-control measures for Korea do not lead to a degradation of the US deterrent. It is in the US interest as tensions abate in Korea to achieve a lower level of commitment in South Korea and for that country to handle more of its own defense burden, preferably at a reduced level of armament. The US interest would not be served if arms-control measures in Korea undermined the confidence of South Korea or Japan in the effectiveness of the deterrent against

if US forces were withdrawn from South Korea, the North would "of its own accord" reduce its forces to 200,000 men. Pyongyang's dwelling on the theme of force reductions has suggested to some analysts that the North genuinely desires an easing of the military burden.

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Communist aggression in Korea--or if the DPRK's perception of the effectiveness of the deterrent was weakened.

(U) Arms-control measures in Korea could serve US interests by contributing to improved US relations with other countries in the region. Korea has historically contributed to tension and hostilities involving the major powers, most recently in the Korean war. At present, Korean problems do not appear to be a major issue between any of the powers involved in the region. Nevertheless, it would be greatly in the interests of the United States if arms-control measures pertaining to Korea not only eased tension on the peninsula and allowed the United States to reduce its involvement, but also contributed to improved relations between the United States and the other major powers. Arms-control measures are not likely of themselves to lead to tensions between the United States and China or the Soviet Union (although a scenario to that effect could no doubt be developed). Arms-control measures that seemed to leave South Korea vulnerable to Communist aggression, or that seemed either to place excessive strategic burdens upon Japan or to exclude it from Korean affairs, could contribute to strains between the United States and Japan, and would therefore be contrary to US interests. Conversely, a well-balanced arms-control program could provide the opportunity for constructive involvement by the major powers, contribute to the détente between the United States and Japan and the Communist countries, and thereby advance the broader US interest in international stability and relaxation of tension.

2. Japan (U)

(U) Japan's one vital interest related to Korea is that there should not be another war on the peninsula. A strong case can therefore be made for the proposition that the Japanese government should be willing to participate in, or give its support to, a tension-reducing program that had a reasonable chance of lowering further the probability of conflict in Korea. Involvement in such a venture could bring with it valuable benefits for Japan in addition to those connected with its primary goal of improving prospects for continued peace. Cooperating with the United States in developing a common approach to China, the Soviet Union, and the two Koreas, for example, would not only give Japan an opportunity to influence US plans but might also help Japan to increase its leverage and improve relations with China and the Soviet Union. There would also be some attractive secondary payoffs. Participation would help to satisfy Japan's aspiration to play a

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larger political, as well as economic, role in Asia and would help to burnish its image as a peaceful state.

(U) Japan's interests would further be served if the status quo was preserved in Korea. For this reason it would like the North-South talks to continue because the negotiating process involves the two Koreas in a nonviolent form of interaction and may eventually help to bring about the de facto legitimization of the division of the peninsula. The Japanese government, moreover, like that of the United States, wants to provide political and economic support to the Republic of Korea, both because this will result in direct political and economic benefits for Japan and because this should help to strengthen South Korea, deter North Korean aggression, and thereby stabilize the status quo.

(U) In participating in tension-reducing initiatives, however, the Japanese will probably be inhibited by the extreme caution with which they approach all foreign policy problems. The government and the people are very wary of becoming involved in any scheme that carries with it the risk of becoming militarily involved in Korea or of seriously provoking one or both of the great Communist powers. It follows that Japan will neither contribute men to a peace-keeping force nor participate in a four-power agreement guaranteeing continued peace on the peninsula if that agreement binds the signatories to the imposition of military sanctions on North or South Korea should one of them attack the other. Moreover, as much as Japan wants there to be a credible deterrent against an attack by North Korea, it will not enter into a treaty committing it to the defense of South Korea.

(U) As part of its policy of diversifying its contacts in Asia, improving relations with Communist governments, and deriving maximum benefits from the entire Korean peninsula, Japan has displayed increasing interest in expanding contacts with Pyongyang. Movement in this direction has been limited thus far by Japan's desire to maintain good relations with South Korea and to see the North-South talks continue. Any drastic change in Japan's policy toward Pyongyang would antagonize Seoul, place it in a weaker bargaining position with respect to survival, and incline it to downgrade or even withdraw from the It is probable, but by no means certain, that these considerations will cause Tokyo to stop short of extending recognition to North Korea for some time to come. Such a move would create an asymmetrical and therefore potentially destabilizing situation in the area of relations between the two Koreas and the four major powers.

(C) The most significant potential obstacle to Japanese support for tension-reducing or arms-control measures concerns

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the stationing of US forces in South Korea. Consistent with its interests in continued peace in Korea, in stabilizing the division of the peninsula, and in strengthening the position of the Republic of Korea, the maintenance of a strong deterrent against aggression from the North is important to Japan. Japan strongly hopes that the United States will maintain the credibility of its Mutual Defense Treaty with the Republic of Korea by continuing to station ground troops, or at least air units, in South Korea. These forces, the Japanese government seems to believe, play an important role in deterring North Korean aggression. Their withdrawal, whether gradual or precipitate, would arouse considerable anxiety in conservative circles, in part because of the perceived weakening of the deterrent in Korea, in part because of fear that this move might presage a diminished US interest in the defense of non-Communist Asia in general and Japan specifically. US actions would play a major role in determining whether these fears remained at a moderate level and eventually subsided or whether they increased and caused the US commitment to the defense of Japan to come into serious question. If the United States should decide that all or most of its forces should be withdrawn from South Korea, it would be highly desirable that this be carried out in an arms-control context, such as a reduction in the number of men under arms in the North to balance the US withdrawal.

3. The Soviet Union (U)

(U) On balance, there are compelling reasons for the Soviet Union to favor tension-reducing or arms-control efforts. As unsatisfactory as the Korean environment that obtained in the late 1960s was for the Soviets, the situation that might develop in the future if tension-reducing or arms-control measures are not enacted could be even less satisfactory. Kim's dependence on Moscow for military supplies, to be sure, will probably be sufficient to inhibit him from undertaking any full-scale military operations in the future. But it is unlikely that the Soviets would have sufficient influence to restrain Kim from taking the kinds of actions they were unable to prevent in the late 1960s. At the same time, the Soviets face the prospect of perhaps paying more for what influence they do have in material terms because of Peking's willingness to complement its ideological affinity with North Korea by increasing its military assistance. Most important, the consequences of a Soviet inability to influence Kim any more effectively than in the past could be more immediate and more significant with respect to the USSR's bilateral relations with the United States and Japan. To the extent that the Soviet Union seeks amicable and profitable relations with either country, any tensions on the Korean peninsula that complicate those relations--even if well below the level at

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which the prospect of a big-power confrontation becomes real-- become commensurately more costly.

(U) Nevertheless, the Soviets will have certain concerns about supporting tension-reducing and arms-control efforts, namely, their relationship with Kim Il-song and their competition with China. These concerns must be taken into account with respect to both the role the Soviets might play in tension-reducing efforts and the measures to which they might agree. The Soviets will have to be confident that lending more than passive support to tension-reducing and arms-control efforts will not be construed by Kim as great-power interference on their part, about which Kim is most sensitive. A blatant Soviet role would, of course, be counterproductive for Moscow if it impelled Kim to revert to a more militant--and hence more risky--stance or if it strengthened Peking's hand in Pyongyang. The China factor will particularly condition the Soviet reaction to measures that would affect Soviet military assistance to North Korea, since the arms lever is important to the USSR's competition with China for influence in Pyongyang. And Kim's capacity for risk-taking will condition Moscow's views of measures that would affect the US military presence in Korea. These views will be developed not merely with an eye to weakening the US role but also in terms of what a diminished US role could mean for stability in Korea. In other words, the Soviets can reasonably be expected to be wary of participating in efforts or agreeing to measures that could bring about the very conditions that they would expect tension-reducing and arms-control efforts to alleviate.

(U) While these considerations constitute obstacles to Soviet support of tension-reducing or arms-control efforts in Korea, on balance two positive elements are the ones that should be emphasized. First, the Soviets, as noted earlier, do have substantial reasons to desire a stabilization of the Korean environment. Second, the two factors that complicate the Soviet position--their relationship with Kim and the matter of Chinese influence--are not necessarily mutually reinforcing. If the Soviets propose or endorse measures that meet Kim's approval, for example, Soviet concern for China's influence might be substantially eased, since such influence depends so heavily and directly on Kim himself. The same of course would apply to Chinese measures that met with Kim's approval. In this respect, Kim's autonomy vis-à-vis each major Communist power has considerable positive potential in terms of an enactment of tension-reducing or arms-control measures in Korea. The Sino-Soviet dispute, in other words, need not represent an insuperable barrier to a significant and active role for most--if not all--

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the major powers in the effort to stabilize the Korean environment. What this signifies in the final analysis is that even if the Soviets might be reluctant to take an active role in tension-reducing and arms-control efforts, substantial progress at the major-power level still need not be excluded. For unless the measures agreed upon by the other powers are blatantly contrary to Soviet interests, the Soviets, even as nonparticipants, might be expected to acquiesce in them on the basis of their general interest in finding ways to stabilize the Korean situation.

4. China (U)

(U) The reduction of tension and arms control in Korea are likely to be seen by China as contributing to its interests. No conceivable arms-control agreement is likely to prejudice the security or political orientation of North Korea as a friendly buffer regime. While arms control could reduce Kim Il-song's dependence upon foreign assistance, his dependence on Soviet aid is likely to be reduced more than his dependence on Chinese aid, which will leave Peking with somewhat more leverage compared with Moscow than before. China probably sees the reduction of tension in Korea as an important part of the developing détente in East Asia generally and would be likely to want to join in an agreement reached in Korea, particularly if the United States and Japan did likewise. China is more concerned than the Soviet Union about the growth of Japanese influence in South Korea, but might come to view the reduction of tension in Korea as a means of balancing that influence through more Japanese contacts with Pyongyang. While the presence of US military forces in East Asia is not currently a major issue for Peking, China, pro forma, supports Pyongyang's goal of expelling the US military presence from Korea; however, China probably sees this as a long-range process and would not want to see it accomplished if it had destabilizing repercussions (such as accentuating a trend toward Japanese rearmament).

(U) The parallelism between China's interests as currently seen by Peking and the reduction of tension in Korea was reflected, of course, in the process whereby Pyongyang joined with Seoul in the North-South contacts, a process in which Chou En-lai's advice figured importantly. There is no question that China has seen Pyongyang's recent moves as complementary to its own efforts to establish a détente with the United States and Japan. It is possible in addition that Peking sees Korean arms-control negotiations as potentially supporting other Chinese diplomatic initiatives, such as those pertaining to nuclear weapons (no-first-use and nuclear-free-zone proposals).

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(U) In regard to China, it is always necessary to consider possible sharp alterations of course. Even Peking's present relationship toward Pyongyang was developed at first in a "hard-line" context while Peking was still apparently cautioning Hanoi against any accommodation with the United States. Peking could turn once more toward a militant line in international affairs. However, it should be remembered that Peking's militancy, except during the Korean war, was mostly verbal and coupled with a singular unwillingness to accept risks that were not related directly to Chinese goals (such as Tibet, the offshore islands, and Taiwan) or specific Chinese defensive interests. If Pyongyang were to abandon the present North-South tactics and revert to a "hard-line" toward Seoul, Peking might or might not support Pyongyang verbally, but Peking is not likely to take the initiative in turning Pyongyang in such a direction, nor is it any more likely than it was in the past to accept military risks in behalf of such a turn of policy.² If Peking--but not Pyongyang--were to abandon its détente diplomacy for whatever reason, it might still give quiet support to Korean tension-reducing efforts or at least not take active measures to block those efforts, in order to retain its influence with the Kim regime and minimize the risks and costs of its new militancy.

2. (U) If there has been a difference between Peking and Moscow in regard to risk-taking in Korea, it appears to have been only in regard to Moscow's greater distrust of Kim Il-song and Peking's greater confidence that even Kim's risky policies were not so dangerous to China's interest as to warrant openly opposing them.

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PART TWO

US POLICY ALTERNATIVES

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V

US OPTIONS IN KOREA (U)

A. COMPONENTS OF PRESENT POLICY (U)

(U) The North-South communiqué of July 4, 1972, and more generally the détente in East Asia have opened up a range of US policy options pertaining to arms control and general strategy in Korea that is much broader than it was, for example, during the critical period of the Blue House raid, the Pueblo seizure, and the downing of the EC-121. There are two aspects of US policy that are particularly relevant to the present discussion--policy regarding the continued division of Korea and policy regarding the continued deployment of US armed forces in Korea.

1. The Division of Korea (U)

(C) It was concluded in Part One that the unification of Korea could not be achieved in the foreseeable future without destabilizing effects, including large-scale violence and the likelihood of a very tense military situation in Northeast Asia, both of which are not in the US interest. The United States, then, is faced with the question of how to stabilize the division of Korea. Present policy designed to effect this end includes the US security relationship with the Republic of Korea, economic and military aid, support of South Korea in the United Nations, and an exclusive diplomatic relationship with South Korea. Given comparable relationships with North Korea by its allies, a kind of balance is maintained on the peninsula. In fact, China and the Soviet Union also now probably prefer that there be no attempt to unify Korea, even on the North's terms.

(C) In theory, the United States could aim at a more even-handed policy toward the two Koreas--not abandoning South Korea, but relaxing the exclusive nature of some components of present US policy. For example, US aid for the South could be balanced by commercial relations with the North; the United Nations could be encouraged to take a more neutral stance between the two Koreas (and to admit both Korean regimes to membership); and the United States could initiate some quasi-diplomatic contacts with the North, along the lines of its relationship with Peking. Of the powers aligned with South Korea, Japan has in fact taken some steps of this nature. But to lend substance to an even-handed policy, there should be a reciprocal establishment of contacts with Seoul.

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by the Communist countries that now deal only with Pyongyang; movement in this direction by Moscow has so far been limited, and by Peking minuscule.

2. The US Military Presence (U)

(S) Maintenance of the US military presence in Korea represents the most concrete action by the United States to stabilize the status quo in Korea. There are five components to the US military presence which could be retained, reduced, or withdrawn in various combinations: the UN Command, which is an important status symbol for the Republic of Korea, which is a part of the existing armistice machinery, and from which derives some of the potential leverage the United States has over tension-reducing and armistice control related issues; the US ground force deployment (the Eighth Army), which is held in theater reserve and does not figure importantly in the conventional military balance in Korea, but which acts as a "trip wire" for the deterrent and an earnest of the US security commitment to Korea; the US air force deployment (the 314th Air Division), which serves partially to offset North Korea's substantial military advantage in the air; and the US military advisory function (the MAAG and its service sections), which has quasi-diplomatic, nontactical status and is technically not part of US "forces." The final element in the US military presence in Korea consists of the US nuclear capability

[REDACTED]

(S) The most important aspect of the US presence is its psychological effect in confirming for South Korea (and also for Japan) the seriousness of the US commitment to the ROK's defense.

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2. (U) The UN Command has no operational control over any US forces. The Chinese People's "Volunteers" Command is represented in the Military Armistice Commission at Panmunjom even though "volunteer" forces were withdrawn from Korea fifteen years ago.

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(The latter, however, is the kind of aggression that would most likely lead to US combat assistance even if the United States was not brought in by its "trip wire" military presence.) Because of the restraints imposed upon US actions by public opinion in the aftermath of the Vietnam war, US combat assistance conceivably might not be forthcoming in the event of an attack by North Korea alone. But surely, if there were massive Chinese participation, the United States would, under the terms of the Nixon Doctrine, honor its treaty commitment to the Republic of Korea. The situation would have none of the ambiguities of the Vietnam war. The danger of renewed aggression in Korea involving Chinese forces has, however, been remote from the time that the Chinese "volunteers" withdrew from North Korea in 1958, and the concept of a Chinese-Korean threat from that time on has been one that was understood within the US Government to be mostly a "worst case" threat considered only for military planning purposes.

(S) It must be added that the deterrent against massive Chinese participation in renewed Korean aggression has three components, the least of which is the relatively small US tactical military presence in Korea. More important are the US strategic deterrent--the possibility of US strategic attacks, nuclear or otherwise, against military targets in China--and the general international deterrent, which in the 1950s was represented by the United Nations and which in the 1970s includes the crucial question of how the Soviet Union might take advantage of China's military embroilment. OK

(U) The foregoing suggests that the major issues involved in considering a thinning out or withdrawal of the US military presence in Korea are how to maintain Seoul's confidence in its own capability to deter and if necessary contain a North Korean military advance (military assistance and the Force Modernization Plan contribute to this end) and how to make clear to the Communist side, to South

3. (S) The most serious problem that would arise in the event of a North Korean attack is whether the South would require US tactical air support considering the imbalance between the ROK and DPRK air forces. This problem is receiving attention in current US reappraisals of the Force Modernization Plan. An added complication is that Seoul is located only 30 miles south of the DMZ, giving the ROK very little maneuver room for a defense in depth. OK

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Korea, and other countries--particularly Japan--that the United States will honor its military commitments.

B. OPTIONS (U)

(U) The various alternatives pertaining to the foregoing points can be grouped into a range of options of which we shall consider three.

1. "No change" (U)

(U) The United States could simply make no change in its current policy--that is, it could maintain its existing ground and air forces in South Korea, proceed with the Force Modernization Plan, resist alterations in the status of the United Nations in Korea (particularly the UN Command), maintain existing armistice provisions, and deal only with the Republic of Korea as the internationally accepted government of Korea. A strong case can be made for this option, which would give maximum support to the Pak government in its efforts to achieve a more nearly normal relationship with the North. The option would avoid the appearance of a weakened deterrent that might have destabilizing effects in Japan. Since the issue of US forces still stationed in Asia does not appear to be a major immediate concern in Peking or Moscow, the option need not interfere with progress toward détente. The option would permit continued low-keyed support for tension-reducing or arms-control efforts made independently by the two Koreas, but would avoid US interference in the process of North-South accommodation. A "no-change" policy would not be one of inaction, since successful US programs that have contributed to strengthening South Korea and deterring aggression could be continued. The option also would not rule out policy initiatives outside Korea, in US relations with Japan, China, and the Soviet Union, for example. But so far as Korea is concerned, tension-reducing and arms-control initiatives would continue to be left to the two Koreas.

(C) The chief problem in this approach is that the process of North-South negotiations might stagnate. It could be argued that enough has been achieved already, since the high tension of 1968-69 is no more, armed incidents have been reduced to a minor level, and the two regimes are engaged in a dialogue that could prevent major inadvertent incidents. However, the status quo leaves the United States still more involved in Korean security affairs than is consonant with the Nixon Doctrine. In the longer run, the option depends upon at least some tacit tension-reducing measures to maintain a balance between the two

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Koreas and to prevent competitive military buildups North and South or a reversion to military action by the North. A total lack of progress in this regard could lead to dangerous military aid competition and a breakdown of the North-South détente or to intensified pressure (domestic and international) for a reduction of security assistance and a reduction or withdrawal of the US military presence.

2. Military Withdrawal and "Two Koreas" (U)

(C) Either of the two components of US policy toward Korea, that pertaining to the division of Korea and to the US military presence, could be varied independently. The United States could move diplomatically toward a "two Koreas" position, and still maintain its military deployment in Korea. Alternatively, it could withdraw its forces and continue to give full and exclusive diplomatic support to Seoul. An extreme option would be for the United States simultaneously to withdraw its forces and move to a "two Koreas" diplomatic posture.

(C) If undertaken precipitously, a move toward the extreme option could be seriously destabilizing--by undermining morale in the South and possibly creating dangerous overconfidence in the North. It could also be very disruptive of the US-Japanese security relationship. The reactions of Peking and Moscow also might be mixed because of the disruptive potential of the US move.

(C) The adverse impact of this policy could be minimized in various ways. Contacts with the North could be made contingent upon reciprocal moves toward the South by the Communist powers. The decision to withdraw US forces could be related to completion of a ROK force modernization program that would create more symmetry in the military strength of the two Koreas (particularly in airpower, regarding which the US presence has the most significant additive effect). Appropriate comprehensive arms-control measures might, of course, most effectively avoid the more dangerous effects of the US withdrawal, but these would take considerable time to develop.

3. Intermediate--The Preferred Option (U)

(C) There are also various intermediate policies open to the United States. The United States, for example, could maintain its forces in South Korea, but abandon the UN cover for its military presence. This would create some administrative problems and would entail a sacrifice in international status for Seoul; at the same time it would free the United Nations to play a more neutral role in Korea. Alternatively, the United States could maintain the form of a UN Command, but reduce its actual military combat presence.

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On the diplomatic side, there are also intermediate policies, such as dealing with Pyongyang for specific limited but very practical purposes--trade, cultural exchanges, or arms-control discussions--short of a full "two Koreas" policy but going beyond the present exclusive relationship with Seoul. (The pragmatic approach to diplomacy may involve also greater readiness to discuss Korean matters with third parties--not only Tokyo, but also Peking and Moscow.)

(C) We consider the preferred option for the foreseeable future to lie somewhere in this intermediate range. With prior consultation with US allies, and proper phasing of the various actions involved, the intermediate option would minimize the disruptive impact of a shift in US policy and still allow the kind of flexibility the United States needs if it is to exert a positive influence on arms-control prospects in Korea. (The intermediate option does not foreclose a later shift to a two-Koreas position or to complete withdrawal of US combat forces if the achievement of tension-reducing and arms-control agreements creates an acceptable environment for such moves.)

(C) The intermediate option is more consistent with the Nixon Doctrine than what might be construed as the abandonment of South Korea in a premature military withdrawal or the indefinite support of the South at the present level of US involvement. A reduction of direct US involvement in Korea as part of a well-planned and phased program, in an arms-control context, would be much less destructive of the military and political balance in Korea and Northeast Asia than withdrawal due to international or US domestic pressures or as part of a North-South settlement that lacked adequate safeguards.

(C) The precise details of this option would, of course, have to be determined with a view to South Korea's capabilities, the desirability of maintaining US leverage, the willingness of the North to be forthcoming in compromises, and the general progress toward US-Chinese and US-Soviet détente. We shall return to these details in Chapter VIII after we examine the more specific tension-reducing and arms-control questions involved.

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VI

US LEVERAGE (U)

(U) In considering specific arms-control proposals and negotiating procedures, it is important to note the leverage the United States might have in regard to the measures and parties involved.

(U) The most important US leverage derives from the direct US involvement in many activities bearing on arms-control possibilities. In regard to the management of the armistice, the deployment of its own forces, the fate of the UN Command, the level of military aid to South Korea, and related matters, the United States can take virtually unilateral action, if required, to bring about particular arms-control results.

(C) In regard to the other parties involved, US leverage is more diffuse. The United States has considerable influence in Seoul due to its security-treaty relationship, military and economic assistance, investment and trade, and the US-ROK diplomatic relationship. Additional leverage accrues to the United States from South Korea's overall psychological dependence upon it; even so strong a political figure as President Pak probably cannot undertake repeated major actions that will call forth strong and persistent statements of US opposition.¹ Translation of these various types of influence into the achievement of specific arms control measures is not a simple matter. Positive inducements, such as the Force Modernization Plan or the assurance of a continued US military presence in the South, may have a certain weight in persuading Seoul to follow US suggestions regarding tension-reducing measures, but these inducements could of themselves run counter to arms-control objectives. The ROK leadership is not likely to adopt policies it considers adverse to its own interest in response to US pressures or threats, because of its nationalistic sensitivities and because of its belief that the United States probably will not carry out ultimate sanctions, such as the termination of aid or the rapid withdrawal of US forces. The ROK leadership probably

1. (U) In this connection, it was significant that Korean officials closely watched for the reactions of the State and Defense Departments, Congress, and the press to the "Revitalization Reforms" of 1972.

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feels that the US-ROK alliance is needed by the United States as part of its East Asian strategic position, almost as much as it is needed by South Korea itself. Somewhat paradoxically, the same leaders may also take the threat of US sanctions less than fully seriously because of their belief that US domestic pressures will in any event steadily erode the level of US assistance and that it is only a matter of a few years at best until US forces are withdrawn from Korea (a date often heard in Korea is 1975). Furthermore, the sanctions the United States could apply (or threaten to apply) against Seoul do not necessarily increase ROK incentives to participate in arms-control measures; on the contrary, loss of confidence in US support might lead the ROK government to terminate all efforts in that direction.

(U) With North Korea, US leverage is obviously more limited. On the positive side, Pyongyang desires wider diplomatic acceptance and access to Western and Japanese trade and technology. Even short of direct US-North Korean contacts, the United States is influential in these regards. Further leverage derives from the US military presence in South Korea, which Pyongyang would very much like to see removed--an aim for which it may be willing to pay a price. However, the asset of the US military presence may be a declining one if Pyongyang believes that the United States will in any event withdraw from Korea because of domestic American pressures (the North appears to be less sure of this than many officials in the South). On the negative side, the United States has few means for pressuring Pyongyang other than by maintaining a high level of military preparedness in South Korea and adjoining areas and at sea--actions that could prove counterproductive so far as arms control is concerned.

(U) With the other powers involved in Korea--China, the Soviet Union, and Japan--US leverage derives primarily from their common desire that Korean developments not lead to hostilities and not interfere with the trend toward détente. Leverage is also provided by the possible "linkage" of Korean measures the United States may desire with unrelated measures one or the other of these powers may desire. However, the three powers in many regards have conflicting interests, and a point that might provide some US leverage with one could be counterproductive with another. More generally, the United States derives leverage with all parties involved because of its influence over the international environment (as the repercussions in Korea over the announcement of President Nixon's China visit demonstrated). To the extent that all of the powers share an interest in stabilizing the status quo in Korea and in forestalling the outbreak of hostilities, their joint influence upon tension-reducing and arms-control

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developments in Korea may be considerable since each of the powers has its own forms of leverage and influence over one or the other Korean regime.

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VII

INVENTORY OF POSSIBLE TENSION-REDUCING MEASURES (U)

(U) A great many, very diverse tension-reducing measures have been proposed over the years for Korea; Pyongyang recently claimed that it alone has put forward 130 proposals bearing on unification.¹ In this chapter, we shall describe and appraise some of the specific measures for tension reduction, arms control, and unification that have been proposed. The measures are grouped for discussion into five categories, according to the parties that would or could be principally involved in promoting or implementing them, as follows:

- (U) The two Koreas
- (U) The United States
- (U) Parties to the 1953 armistice (the commanders of the UN Command and the Korean People's Army-Chinese People's Volunteers)
- (U) The four powers (United States, Soviet Union, China, Japan)
- (U) The United Nations or other international organizations

(U) The five categories are not mutually exclusive nor are they rigorously distinct from each other. For most types of measures, several or all of the parties involved would at least have to concur tacitly, but the focus in this chapter is on the most logical or likely initiator and implementer. Disproportionately, many of the measures will appear in the first category, the two Koreas, since it is clear that for many problems the simplest solution would be an agreement between the two. (Measures that might create a problem for one of the other parties involved will be so noted.) There are, however, other issues that may for reasons of leverage

1. (U) Report by Premier Kim Il, April 5, 1973, to the Supreme People's Assembly, Pyongyang, FBIS, Supplement, Asia and Pacific, April 24, 1973, p. 3.

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or interest be more susceptible to agreement among or action by the major powers involved. As will be noted, most of these cases would require consultation with and agreement by the two Koreas as well.

A. THE TWO KOREAS (U)

(U) Measures falling into this category will be considered in three subgroups: minor confidence-building measures; political measures aiming either at eventual unification or formalization of the status quo; and military measures.

(U) Confidence-building measures comprise various ways for the two Koreas to begin the tension-reducing process, such as:

1. (U) Communications and visits between members of divided families.
2. (U) Relaxation of other travel restrictions.
3. (U) Reestablishment of postal, telegraph, and telephone service.
4. (U) Cultural, athletic, and technical cooperation and exchange.
5. (U) Trade.
6. (U) Other joint economic projects, including tourism, fisheries, and so on.
7. (U) Elaboration of the secretariat and subcommittees of the North-South Coordinating Committee.

(U) The above would seem to include relatively simple and non-controversial measures. And yet there has been virtually no progress toward agreement on such measures, and in fact at this time (June 1973) the two parties are in a virtual deadlock. However, the two sides do have a common desire to maintain the North-South contacts, and it is to be expected that eventually (after Pyongyang's charges of US and ROK obstructionism have run their course and Pyongyang drops some of its demands) there will be agreement on some confidence-building measures similar to those listed above. The United States has little direct involvement and limited leverage in regard to these measures, but it could provide technical advice and assistance. The example of Sino-US exchanges in similar fields may be instructive for the two Koreas

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in demonstrating how neither side need necessarily compromise its basic principles in order to enter into simple exchanges.

(U) The subgroup of political measures the two Koreas could undertake includes some over which the United States and other powers do have considerable leverage. Some illustrative--not necessarily mutually consistent--political measures are listed below roughly in ascending order of difficulty:

8. (U) Recognition of dual diplomatic representatives in third countries and in the United Nations.
9. (U) Exchange between North and South of official liaison missions for trade and other purposes (i.e., a limited mutual recognition by the two regimes).
10. (U) A more formal North-South renunciation of force that of July 4, 1972.
11. (U) Creation of some organs to symbolize national unity.
12. (U) A political agreement to supersede the 1953 armistice.
13. (U) Diplomatic collaboration (including some form of joint UN representation--item 73 below).
14. (U) A "confederation" that would preserve two distinct regimes.
15. (U) A "federation" in which the two regimes would jointly exercise some aspects of their sovereignty.
16. (U) A unitary government.

(U) Foreign involvement in these political measures stems from the long-standing UN interest in Korean unification (which Pyongyang and other Communist countries firmly reject); the "recommendation" of Article IV of the 1953 Korean Armistice Agreement (inserted at Communist insistence) that the "governments concerned" should convene a political conference to deal with Korean questions, including the withdrawal of foreign forces; and from the precedent of the 19-member conference that met in Geneva in 1954 pursuant to the above recommendation in an abortive effort to resolve the

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Korean problem.² Most of these political measures would be particularly difficult for the South to accept because of the domestic political problems they could create and because of their likely negative impact on the rationale for maintaining a US military presence in the South.

(U) It is extremely unlikely that agreement can be reached in the foreseeable future on substantive measures that would actually bring unification closer, because of the irreconcilable domestic and international interests involved. But, since the two Koreas refuse to accept the formal, permanent division of the country, agreement on some symbol of unity may become possible. (This might, for example, take the architectural form of a jointly constructed, suitably impressive building at Panmunjom to house the secretariat of the North-South Coordinating Committee.) Measures involving more substance, such as a peace agreement or an agreement to collaborate diplomatically (e.g., through a single UN delegation representing both Koreas) are not likely until after a very long process of confidence-building has been completed.

(U) It was brought out in Part One that the present North-South relationship, while formulated in terms of striving for unification, in fact represents a concession by both sides to the reality that unification is not likely in the foreseeable future and is not supported by the allies of either Korea. Those measures tending toward the stabilization of the status quo may therefore be somewhat more realistic, although they also raise problems. The two Koreas could, for example, strengthen their renunciation of force agreement. They could also mutually recognize the dual diplomatic status that has developed, de facto, in many countries and extend it to the United Nations.³ Dual UN membership is acceptable to the South and may eventually be accepted by the North as an interim measure.

2. (U) The parties participating in the Korean phase of the 1954 Geneva Conference (which dealt also with Indochina) were the two Koreas and fifteen of the sixteen nations that contributed forces to the UN Command (South Africa did not participate)--Australia, Belgium, Canada, Colombia, Ethiopia, France, Greece, Luxembourg, the Netherlands, New Zealand, Philippines, Thailand, Turkey, the United Kingdom, and the United States--plus the Soviet Union and Communist China.

3. (U) The two Koreas have followed the informal principle of not maintaining the same level of representation in a country that has recognized both Koreas, e.g., one Korea might maintain (continued)

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(C) Unification of Korea is likely in the foreseeable future to be destabilizing in Northeast Asia and hence is not in the interests of the United States or the other major powers. To the extent that creation of a symbol of unity, without legal substance, would make the status quo more acceptable to the two Koreas, it would contribute to stability on the peninsula and should be acceptable to the major powers. Indeed, such a symbol would facilitate a somewhat more even-handed US policy toward the two Koreas. Such symbolism would lose its meaning if it were advocated too vigorously by outside powers, particularly the United States.

(U) The development of a dual diplomatic status for the two Koreas would also appear to be in the interests of the powers. China might balk at supporting what could be taken as a precedent for Taiwan's reattainment of accepted international status, but this concern is likely to be outweighed by the advantage of Pyongyang's gain in status. The South is at this time still substantially ahead of the North in diplomatic acceptability, except among Communist countries that have bowed to Pyongyang's protests against contacts with South Korea.

(U) The final subgroup to be discussed here is that of military measures--including many that involve US interests and leverage--to which the two Koreas might agree. The North has in fact long been pressing for such agreement, either as part of a political package-proposal or separately. The major measures put forward by the North include:

17. (U) Reduction of the armed forces, North and South, to 100,000 men each, with proportionate reductions in armaments.

an embassy and the other a consulate or trade mission. But even that principle has been breached in a few cases, usually with the two Koreas attempting not to have resident ambassadors in the same capital at the same time. The concept of dual representation was given a major boost by the recent (May 1973) admission of North Korea to the Interparliamentary Union and the World Health Organization, following which the ROK indicated formally that it would agree to dual UN representation. The DPRK rejection of the ROK position may be a tactical move looking toward UN General Assembly debate (see p. 82).

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- 18. (U) Or, as a step in that direction, reduction of the armed forces of each Korea by 150,000 to 200,000 men.
- 19. (U) "Expulsion" of foreign (i.e., US and UN) forces from Korea.
- 20. (U) Cessation of the introduction of weapons from abroad.

To these Communist-suggested steps might be added other military measures:

- 21. (U) Steps to prevent penetration of the territory of either Korea; provision to return aircraft or ships and crews that stray, are hijacked, make emergency landings, or otherwise penetrate into the other's territory; establishment of zones near the DMZ where maritime and air traffic would be prohibited or curtailed.
- 22. (U) Changes in the DMZ, such as widening, total demilitarization or opening for civilian uses.⁵

4. (U) The reduction of the armed forces to 100,000 "or less" on each side is a standard North Korean proposal. Reduction by a fixed amount was suggested by Kim Il-sung in an interview with Washington Post correspondent Selig S. Harrison in June 1972: "I think [North and South Korea] can reduce their armed forces by 150,000 men respectively under an agreement by the two sides. It would be still more gratifying to reduce by 200,000 men respectively. This would be followed by a 'no war' agreement ... and finally by mutual troop cutbacks to a common level of 100,000 men or fewer ... on condition that US forces are withdrawn." See Washington Post, June 26, 1972. The North has since then continued to emphasize the theme of mutual troop reductions, but invariably in the form of its more standard proposal for reduction to the common ceiling of 100,000.

M. S. index mentions demilitarization p. 110, PM,

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23. (U) Elimination of the DMZ and creation of a normal political frontier.
24. (U) Limitations on the movement or deployment of armed forces within Korea (e.g., restrictions on maneuvers; limitations on deployment or movement near the DMZ, etc.).
25. (U) Limitations on the size of the armed forces or their equipment, other than specified in points 17 and 18 above, including nonsymmetrical reductions (e.g., limitations on the DPRK air force in exchange for limitations on the ROK ground forces), or limitations on the size and type of foreign forces stationed in Korea other than the total expulsions specified in point 19 above.
26. (U) Exchange of observer teams to reduce the danger of surprise attack or armed incidents or to supervise other specific measures agreed upon.
27. (U) Mutual agreement not to permit nuclear weapons to be introduced or retained in Korea.
28. (U) Restrictions on arms production capabilities.
29. (U) Restrictions on airfield construction or demilitarization of specified airfields near the DMZ.
30. (U) Restrictions on arms imports other than the total cessation in point 20 above.

(U) It is clear that the two Koreas, as sovereign entities, could take steps such as those mentioned above--and the list is by no means exhaustive--either as interim measures or in the context of a peace settlement replacing the armistice. The measures mentioned would, of course, raise questions of supervision and sanctions against violations. Agreed upon only by the two Koreas, many of the measures would be difficult to enforce--particularly insofar as they imply dismantling of the armistice machinery--unless outside powers undertook some responsibilities for surveillance and verification. These problems reinforce the ROK's reluctance even to discuss military measures until after a long period of confidence-building through less sensitive projects. The ROK leaders believe that military

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measures are very likely to work to the advantage of the North or to create political problems for the military regime in the South.

(U) Some of these military measures--but by no means all--would in fact be disadvantageous for the South unless part of a balanced package. Common-ceiling manpower reductions of the armed forces, for example, could end the ROK's advantage in ground forces and could leave the North's air force still much stronger, but a ceiling on the size of the air force could benefit the South. Interestingly, the flat cuts in military manpower that Kim Il-song has suggested (point 18 above) would leave the South in a relatively much stronger ground force position.⁶ Such reductions would have economic advantages for both Koreas. Proposals involving the withdrawal of US forces raise the appropriateness of a substantial quid pro quo; once withdrawn, however, such forces are not likely to be reintroduced in the event of a relatively minor violation by the North of the agreement, which could leave the South at somewhat of a disadvantage. Restrictions on airfields, on the other hand, would generally handicap the North more than the South because of the latter's smaller air force and its dependence on US airpower with its access to carriers and Japanese bases.

(C) The impact of changes in the DMZ would be difficult to predict, but widening the DMZ or restricting military activities near the DMZ would in the ROK view create disproportionate problems for the defense of Seoul--a point of great sensitivity. Exchanges of observer teams and other supervisory provisions would not disadvantage the South, which has a far more open society--President Pak's efforts to the contrary notwithstanding--than the North. Measures to prevent violations of each other's territorial air or sea (item 21) would not unduly handicap either side, unless they were interpreted to interfere with national means of inspection of arms-control measures. Enforceable restrictions on in-country arms production facilities might benefit the South, with its less-developed military industries, while restrictions on arms imports, unless coupled with US or Japanese assistance to heavy industry in the South, would benefit the North. The fact that existing arms production facilities in the North and the South are dissimilar might be a problem; much of the North Korean defense production capability, for example, is dual purpose (e.g., truck or electronics factories).

6. (U) For example, it would take mutual ground force reductions of only 190,000 to give the South a two-to-one advantage in ground forces over the North. However, the flat-cut proposal has not been mentioned by Pyongyang since 1972.

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(U) In general, the South would be skeptical about proposals for neutral-nation supervision and prohibitions on the introduction of certain types of military equipment into Korea because of the failure of corresponding provisions in the 1953 armistice. The economies of both Koreas are much more complex compared with 1953, and it is difficult to imagine how small teams of neutral inspectors could ensure that prohibited imports of small arms were not coming into a busy port like Pusan; adequate supervision would require virtually a duplicate customs bureau. Thus, stringent military arms-control measures almost inevitably would have to be subject to national verification by a major-power ally of each Korea, with supervision by neutrals or the two Koreas themselves used at most as a backup or supplementary verification. The individual measures being considered would have to be formulated so as to make such verification feasible; for example, troop reductions would have to be in the form of the demobilization of entire units rather than a thinning out of various forces.

(S) The question of a Korean agreement to ban the introduction of nuclear weapons into Korea has particularly interesting ramifications. There are no nuclear weapons in North Korea, nor does it appear likely that either the Soviet Union or China has plans to introduce such weapons there.

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A denuclearization agreement between the two Koreas in a suitably balanced package could provide a format for great-power endorsement through appropriate protocols. (The Soviet Union might well take a negative view of a denuclearization agreement because it does not want to restrict its own flexibility vis-à-vis China. But it is possible that China would--if the United States did so--subscribe to a protocol agreeing to abide by the terms of a Korean nuclear ban. This might move China slightly closer to

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taking a positive position on nonproliferation--which even the Soviets would welcome.)⁷

(C) To sum up this discussion of measures that might be agreed to by the two Koreas, agreement on any of the simple confidence-building measures (1 through 7) would be desirable, from the US viewpoint, since the measures have intrinsic merit and would provide a concrete achievement for the North-South negotiating process. The chief risk would be that the North might try to utilize the measures to gain political advantages in the South or to pressure the South into disadvantageous comprehensive agreements, which seems to be the North's present negotiating tactic. The political measures (8 through 16) are less likely to be achieved; those that would tend to stabilize the status quo (the various forms of mutual recognition by the two Koreas-- 8 through 10, and possibly even 12, a political agreement) would be desirable, but not under conditions that would be excessively destabilizing politically within South Korea. Item 11, creation of some symbol of unity, as noted, could facilitate for both Koreas the acceptance of the status quo and would therefore be desirable. The items tending toward confederation or unification (13 through 16) are probably not only unrealistic but premature and undesirable at this time. The acceptability of the military measures listed (17 through 30) depends upon the combination of measures that might be included in a specific arms-control package; many of the measures--including some Communist-proposed ones--would not necessarily be adverse to the military stability of the Korean peninsula. However, at present, agreement by the

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7. (U) The precedent of the Treaty of Tlatelolco, which established a Latin American nuclear-free zone, is important. The Treaty provides for appropriate verification, including IAEA safeguards. It specifically excludes from the definition of nuclear weapons various forms of delivery systems, thereby conforming to the definitions used in the US Atomic Energy Act. China has recently indicated that it will accede to Additional Protocol II of the Treaty (to which the United States, but not the Soviet Union, has already acceded). This protocol provides the means for nuclear powers to undertake to honor the terms of the Treaty, which itself was signed only by the Latin American nonnuclear countries. For the text of the Treaty and Protocols, see Arms Control and Disarmament Agency, Documents on Disarmament, 1967 (Washington, D.C.). Peking's position is given in a statement by Foreign Minister Chi Peng-fei, November 14, 1972 (Peking Review, November 24, 1972), and in the Joint Communiqué issued by Acting Chairman Tung Pi-wu and Mexican President Echeverria in Shanghai, April 24, 1973 (Peking Review, April 27, 1973).

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two Koreas on these measures is not likely, and the most that can be hoped for initially is inauguration of a cautious dialogue regarding some of the proposals. (This of itself would have merit, as we shall discuss in Chapter VIII.)

B. THE UNITED STATES (U)

(U) This section considers some measures, military and otherwise, that the United States could implement directly or through the UN Command, either in consultation with the other parties concerned or, in some cases, unilaterally. Some of the measures listed here overlap those already mentioned under the heading of the two Koreas but would be susceptible also to direct US action. A further group of measures related to some of those to be mentioned here will be deferred for discussion in the section on the "Parties to the Armistice."

(S) There are, first of all, those measures related directly to the US military presence in and assistance to South Korea. As has already been noted, the major components of US forces--the UN Command, the Eighth Army, and the 314th Air Division--should be considered separately. The US nuclear capability in South Korea constitutes an additional separate element of the US military presence. Military assistance, including the MAAG and its service sections, is the final element of the US security relationship with Korea; this element in a sense is inversely related to the presence of US tactical forces, since it is military assistance that has made possible the replacement in many functions of US troops by Korean ones. The specific arms-control or tension-reducing measures that might apply to the foregoing would include the following:

31. (U) Reductions in US ground or air force units stationed in Korea.
32. (U) Complete withdrawal of US ground or air force units, or both, from Korea.
33. (U) Reduction in US military assistance and in the size of the MAAG.
34. (U) Complete cessation of US military assistance and withdrawal of the MAAG.
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6. (U) Termination of the UN Command.⁸

(U) The above steps would be very substantial concessions by the United States and if undertaken precipitously could leave South Korea exposed to external threats and to a loss of confidence and "great" instability.⁹ But Pyongyang's statement in April 1973 that if the US military presence was withdrawn it would "of its own accord" reduce its army to 200,000 men suggests that the North may now be willing if not to reach agreement at least to discuss paying a substantial price for concessions by the United States. Pyongyang's offer remains vague and contains no indication of willingness to permit any kind of verification, but it nonetheless suggests the kind of measure to which the North might be willing to commit itself in order to obtain what it wants from the United States. Measures that might appropriately be raised in connection with reductions or withdrawals of US forces include:

37. (U) North Korean force reductions (manpower or-- especially for the air force--equipment ceilings).
38. (U) Reciprocal restrictions on arms imports by the North.
39. (U) Agreement that ROK forces (particularly the ROK air force) or equipment might be built up to a specific level to balance specific US withdrawals.

(U) The US measures and reciprocal Communist steps could be negotiated in any one of several ways (as we shall discuss in Chapter VIII). They could also be part of a tacit understanding whereby the United States would simply initiate certain measures and announce that it expected the other side to reciprocate in a specific way, for example, by foregoing the import of certain categories of military equipment (e.g., advanced aircraft). If the reciprocal move was not confirmed within a specified time period, the US move could then be terminated or reversed.

8. (U) Possible UN action regarding the UN Command is discussed below. The UN Command was formed by the United States pursuant to a Security Council request and could be dissolved unilaterally by the United States with appropriate notice to the Security Council.

9. (U) See the discussion of South Korea's problems and policies in Chapter III.A.

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(S) Opening a dialogue on various aspects of the US military presence in Korea would have immediate payoffs, even if it is premature actually to withdraw specific components of the US military presence. A substantial reduction in the US military presence could detract from the ROK's confidence in its security relationship with the United States. It would take significant concessions by the other side to make such a move acceptable to the ROK leadership. It would, however, be helpful if the North developed a more precise understanding of the US-ROK rationale for the presence of specific US military components and weapons. The North might then progress from simply demanding the total "expulsion" of US forces to discussing a phased thinning out of various aspects of the US presence as other measures are implemented. It should be noted that, while items 31-36 would have to be initiated by the United States, the discussion of the rationale for the US presence and the probing of Pyongyang's intentions (also regarding items 37-39) could be handled through the mediation of the South which has the advantage of an ongoing dialogue with the North.

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(U) While the measures listed above would represent important changes in the existing US deployments in Korea, there are some lesser steps the United States could take simply by consultation with the ROK leadership that might significantly alter the image but not the substance of the armistice machinery. These include:

40. (U) Replacement by ROK forces of the last remaining company of US ground forces in the DMZ, which is stationed very visibly at the road to Panmunjom.¹⁰
41. (U) Substitution of ROK soldiers for US military police on duty at the joint security area in Panmunjom itself.

10. (U) It has been the practice for these US troops and their vehicles to be kept out of sight whenever North Korean delegations pass en route to or from Seoul.

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42. (U) Designation of a ROK flag-rank officer as the senior member of the Military Armistice Commission (MAC) on the UN side, with the US member acting as deputy (the reverse of present procedure).

(U) The above measures would not represent substantial concessions and might simply be undertaken unilaterally in the interest of giving the armistice machinery a more Korean image. However, there would be some loss of US control involved in designating a ROK national as the spokesman in the Military Armistice Commission. The MAC could still function in its present routine fashion or even as a public forum for transmitting tension-reducing initiatives to the Communist side. But more sensitive discussions, such as some of those considered in this paper, or such use as was made of the MAC channel in the Pueblo crisis might be impeded.¹¹ We shall discuss in more detail the use that might be made of the armistice machinery in the following section on "Parties to the Armistice" and in the next chapter.

(U) Finally, there are several measures the United States could undertake to counter stagnation in the North-South talks or otherwise to improve the environment for agreement. These moves would affect both Koreas. (Measures involving China and the Soviet Union will be considered later.)

43. (U) Notification privately to the ROK leadership of a timetable for a phased withdrawal of US forces from Korea.
44. (U) Establishment of limited contacts with Pyongyang--trade, cultural and press exchanges, and the like.
45. (U) Initiation of a tension-reducing dialogue with the North--at first, in a third-country capital.

11. (U) The suggestion that the senior member on the UN side be a Korean officer could also raise political problems within South Korea. The Korean MAC spokesman, as a senior officer of the ROK armed forces, would belong to the group that is most suspicious of the North-South negotiations. The ROK CIA might not easily accept the idea that the ROK military should be given a direct role in a dialogue with the Communist side.

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(U) The foregoing steps, important US concessions to the North, would be variously traumatic for the ROK leadership. (However, in regard to the timetable for US withdrawal, Seoul probably already believes that the present US force level will not be maintained for many more years.) The steps are illustrative of the kind of measures the United States might take to administer a shock treatment that might revive a stalled North-South dialogue. The ROK's problems with the US moves would be eased to the extent that there was some reciprocity from the North. Some such possible quid pro quo measures are listed below in ascending order of difficulty:

46. (U) A toning down of Pyongyang's propaganda charges against the United States and of the stridency of its spokesman in the MAC.
47. (U) Agreement by Pyongyang that it will not protest establishment by Moscow and Peking of some limited contacts with Seoul, corresponding to those of the United States with Pyongyang.
48. (U) Agreement by North Korea to force or armaments reductions as various elements of the US military presence are thinned out.

(U) Of the reciprocal steps listed, the toning down of Pyongyang's propaganda against the United States appears to be particularly practical and overdue. The similar agreement between the two Koreas has been breached from time to time (particularly by the North in the past few months), but nevertheless some restraints are observed by the two sides; however, the North tends now to use the United States as a surrogate propaganda target. The US propaganda pertaining to the North, including broadcasts of the formerly very hard-line "Voice of the UN Command" (VUNC), presumably already generally conforms to the détente atmosphere in East Asia; UN spokesmen in the MAC also have followed a very restrained line in recent months. Reciprocation by the North would do much to improve the atmosphere and to make the MAC a potentially useful vehicle for tension-reducing measures.

(C) The measures we have listed as susceptible to implementation by the United States are a mixed group. Those involving reductions or withdrawals of components of the US military presence (31 through 36) would to various degrees represent a shift in the direction of the US military withdrawal option that was rejected in Chapter IV. However, the opening of a dialogue regarding these measures that would include also discussion of

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appropriate Communist concessions (items 37 through 39) would be useful; we shall elaborate on this in the next chapter. The largely cosmetic measures (40 through 42) could be instituted on their own merit without a Communist quid pro quo; the only one that would require some care is the designation of an ROK member as the senior UN representative on the MAC, because of the political involvement and attitudes of the ROK military command. The measures that would administer a "shock treatment" to the ROK leadership (43 through 45) to get possibly deadlocked North-South consultations moving again cannot be appraised here in isolation, but will be considered in the next chapter in the context of a proposed plan for an arms-control dialogue. While many of the measures listed in this section are too drastic to be advisable at this time, their inclusion here illustrates the considerable leverage the United States has to take unilateral action if it became necessary.

C. PARTIES TO THE ARMISTICE (U)

(U) This section considers some of the measures that might be implemented by the armistice machinery. Again, some points to be listed may overlap those considered in other sections of this chapter.

(U) Two outside powers--China and the United States--as well as the United Nations are involved in the armistice. Both Koreas desire to reduce foreign involvement in Korean relationships, and we have therefore suggested in the foregoing section some measures (items 40 through 42) that might improve the Korean image of the armistice machinery without unduly compromising its usefulness. However, the armistice machinery cannot be completely "Koreanized," and the eventual aim of any tension-reducing or arms-control program will be to replace the armistice with a political agreement terminating foreign peace-keeping involvement in Korea.

(U) The armistice agreement was originally signed by the military commanders of the two sides; the agreement is not a government-to-government instrument.¹² The commanders retained

12. (U) The armistice agreement was signed by Gen. Nam Il, senior delegate of the delegation of the Korean People's Army and the Chinese People's Volunteers and Lt. Gen. William K. Harrison, Jr., senior delegate of the UN Command delegation. It was later counter-signed in a procedure requiring an elaborate exchange of numerous copies by Kim Il-song as supreme commander of the Korean People's Army, P'eng Te-huai, commander of the Chinese People's Volunteers, and Gen. Mark W. Clark, commander-in-chief of the UN Command.

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the right to amend the agreement and delegated to the Military Armistice Commission the duty to recommend changes that might be required. It would appear, therefore, that reinstatement or amendment of lapsed provisions of the agreement and introduction of new provisions could be agreed upon within the MAC, requiring at most the agreement of the military commanders on each side. (A government decision is of course required on each side, but not a government-to-government agreement.)

(U) Possible measures pertaining to the armistice fall into three groups: those that would improve the atmosphere in Panmunjom, those that would revitalize armistice provisions or mechanisms that have fallen into disuse, and those that would extend the armistice machinery to cover aspects not previously included.

(U) Pertaining to the first group, some measures have already been listed that would be suitable for unilateral action by the UN side (items 40-42) and informal reciprocation by the North (items 46 through 48). (The steps pertaining to "Koreanization" of the UN aspects of the armistice are not particularly suitable for formal agreements, since they call for no parallel Communist action.) The toning down of propaganda charges, suggested above as an appropriate Communist response to action already taken by the US-UN side, could be formalized and broadened to include some additional atmospheric measures:

49. (U) Agreement to terminate propaganda charges between the two sides of the armistice, paralleling the existing agreement between the two Koreas; this should include also an understanding concerning the tone of statements regarding either side by the other in the meetings of the MAC.
50. (U) Procedural revisions to institute a more relaxed atmosphere in MAC meetings, possibly including exchange of minor social functions before or after meetings.
51. (U) Understanding by the two sides that neither will seek petty procedural advantages and that minor incidents and charges will be avoided.¹³

13. (U) For example, the Communist side often attempts to introduce a few more military police into the Joint Security Area at Panmunjom than provided by agreement, presumably (continued)

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52. (U) Occasional meetings of the MAC not at Panmunjom but in Seoul and Pyongyang at the military headquarters of the two sides.

(U) None of the measures suggested above would involve substantive concessions, and all are in line with practices already established by the two Koreas in their mutual contacts. They would help, however, to shatter some long-standing precedents. In the protocol-encrusted atmosphere of Panmunjom, an opening move by the UN side, for example inviting the opposite delegation to tea after the meeting, would be a sensational development. It is difficult to see how either Korea could logically object to MAC meetings at the two capitals (although the North may in fact do so), given the precedent of the Seoul-Pyongyang Coordinating Committee and Red Cross meetings. Such meetings would, of course, bring US military officers to Pyongyang in an official capacity-- a gesture in the direction of a two Koreas policy that Seoul might not like--but at the same time acceptance by the North of US officers acting in their UN role would also constitute a useful degree of recognition by the North.

(U) The second group, measures to revitalize the armistice, get into a much more difficult substantive realm. The verificatic and enforcement difficulties the two Koreas would face in implementing some military measures have already been noted. As we shall see below in repeating the listing of some of those measures, the armistice provides for supervision of the terms of the agreement by teams either of the Neutral Nations Supervisory Commission (NNSC), which although inactive remains in being,¹⁴ or by joint teams of the Military Armistice Commission itself.

simply to test the alertness of the UN side. At the same time, the Communists repeatedly have called meetings at Panmunjom to deal with such matters as alleged disrespectful hand gestures toward Communist personnel by US soldiers. There is, in addition, the long history of attempts by the Communist side to use slightly higher chairs, slightly larger flags, and so on, in the meetings.

14. (U) The NNSC is maintained in small encampments near Panmunjom. The NNSC teams, which the armistice agreement stated should be stationed at specified ports of entry, are not functioning. The member countries of the NNSC are Switzerland, Sweden, Czechoslovakia, and Poland, the first two designated by the UN side and the latter two by the Communist side. The "neutrality" of Sweden has been prejudiced in ROK eyes by that country's recent recognition of Pyongyang.

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However, the difficulties experienced in implementing the armistice provisions after 1953 (and the record in Vietnam) suggest that putting lapsed armistice terms into effect once more will not be simple. The major items to be considered in this category are the following:

53. (U) Demilitarization of the DMZ and opening of the DMZ to civilian use (see item 22 above) as provided in paragraphs 1 through 13(a) of the armistice agreement.
54. (U) Reinstitution of paragraphs 13(c) and (d) of the armistice, whereby the introduction of reinforcing military personnel and reinforcing combat equipment is prohibited (with provision, however, for troop rotation and equipment replacement).
55. (U) Supervision of the foregoing terms by the Military Armistice Commission (and its Joint Observer Teams) and the Neutral Nations Supervisory Commission (and its Neutral Nations Inspection Teams), as provided in the armistice agreement. The agreement specified five ports of entry on each side where inspection teams were to be permanently stationed, along with additional mobile teams.

(S) The provisions regarding the DMZ would be the easiest to reinstitute, [REDACTED]

[REDACTED] whatever defensive handicap was involved for the South might be compensated by full utilization of armistice agreement provisions for Joint Observer Team supervision of the DMZ. (These teams, representing the two sides, would have access to both sides of the DMZ.) In addition, each side could have up to 1000 civil administrators and civil police within its part of the Zone. The Neutral Nations Inspection Teams have the authority to supervise armistice provisions pertaining to both halves of Korea outside the DMZ. If the two sides in good faith--contrary to past performance--permitted some of these inspection provisions to operate, demilitarization of the DMZ could be made to work, probably with a reduction of incidents and certainly without adding to the risk of surprise attack by either side.

(U) The difficulties involved in enforcing the armistice terms pertaining to the prohibition of the introduction of reinforcing troops and combat equipment have been mentioned. If these

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terms were to be reinstated, additional supervision by national means would be required, as well as some reliable mechanism for transmitting the findings thereof to the NNSC. Even so, problems would arise, which suggests that a much narrower list of prohibited combat equipment might be advisable, such as only major, easily detectable items (e.g., aircraft, tanks, and large artillery pieces).

(U) The ease of amending the armistice agreement would facilitate implementation of the third group, measures that might be newly introduced into the armistice agreement. Almost any of the military measures discussed in other sections of this chapter (see items 17 through 30) could be agreed upon by the two sides in an armistice context, with the advantages of US leverage--since one of the sides is the UN Command--and of simplicity--no specially convened conference is required.¹⁵ Some illustrative measures are listed below:

56. (U) Verification and supervision through the armistice machinery (MAC and NNSC) of military measures that the two Koreas might agree upon.
57. (U) Changes in the status of the DMZ (in addition to item 53)--widening, patrolling by NNSC rather than MAC teams, installation of electronic sensors under neutral or joint military control rather than separately by the two sides, and the like.
58. (U) Provisions against military incidents and surprise attacks, including limitations (or advance notification) of troop movements and maneuvers, neutral or joint military patrols in and near the DMZ, and neutral or joint military access to the results of inspection by national means.
59. (U) Agreement on any of the various force equipment reduction proposals mentioned in earlier parts of this chapter, with verification and supervision by the NNSC or the MAC and/or by national means reported to these groups.

15. (U) In regard to item 36--termination of the UN Command--if the UN Command was to be dissolved, prior discussion in the MAC might make an arrangement for US or ROK succession to UN Command armistice responsibilities feasible.

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(U) The impact of various military measures on the interests of the United States and the two Koreas has already been discussed. Those considerations would not be affected simply by implementing the measures under the provisions of the armistice, except for the important advantage gained from utilization of armistice supervisory capabilities, supplemented as required by national means of inspection. Measures pertaining to the DMZ would be the easiest to implement, since the DMZ is already under the nominal jurisdiction of the MAC. Extending armistice supervisory functions beyond the DMZ would create greater problems, since each side has special sensitivities--the vulnerable location of Seoul for the South and the general fear of espionage for the North, for example.

(U) Considered as a group, the measures that might be agreed upon by the parties to the armistice are attractive from a US viewpoint because they could be relatively easy to implement and supervise, given some Communist cooperation. The proposals for atmospheric improvements (49 through 52) are simple and overdue; they could be the subject of either formal agreement or tacit understanding. The measures to revive some of the lapsed provisions of the armistice (items 53 through 55) could, in an environment less tense than that of 1953, also be relatively simple to implement if the prohibition against the introduction of reinforcing military equipment was limited to major items. Utilizing the armistice machinery for measures that were not part of the 1953 agreement would be procedurally feasible; the measures listed here (items 56 through 59) have some merit although agreement by the two sides might be difficult to achieve.

D. THE FOUR POWERS (U)

(U) Many of the measures considered in the foregoing sections involve complex substantive problems and admittedly are not likely to be agreed upon in the foreseeable future. However, the forum for action or negotiation of itself presents no great difficulty: the two Koreas and the parties to the armistice are in regular contact. Turning to measures that involve the major powers with interests in Korea--the United States, Japan, China, and the Soviet Union--the procedural problems become almost as difficult as the substantive ones. Conflicting ideologies, Japan's psychological and constitutional block against foreign security entanglements, and the bitterness of the Sino-Soviet dispute raise barriers against constructive negotiations involving the four powers and their Korean clients. In listing these barriers a few years ago, one would have had to cite the additional problem created by the complex network of mutual diplomatic

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nonrecognition; that this is now a less serious barrier is an encouraging sign.

(U) There are several procedural ways in which the interests of the four powers could find expression. Simplest would be individual endorsements of or accessions to an agreement reached independently by the two Koreas. Higher on the scale of complexity would be bilateral agreements or communiqués whereby any two of the powers or one of the powers and one of the Korean regimes might undertake specific tension-reducing commitments; a network of such agreements would be required to cover fully any particular commitment. A more manageable form of this bilateral approach would be a series of bilateral consultations designed to further the arms-control dialogue generally and to bring to bear upon the two Koreas whatever leverage any of the powers might have, without necessarily constructing an elaborate system of interlocking agreements.

(U) A specially convened multilateral conference (similar to the seventeen-party 1954 Geneva conference) of the four powers, the two Koreas, and other regional countries would face problems of mutual antagonisms (particularly between Moscow and Peking) that would make development of a useful arms-control dialogue unlikely. However, such a conference could meet to endorse an understanding already reached elsewhere, on the precedent of the thirteen-party March 2, 1973, Paris Conference that endorsed the January 27 Vietnam peace agreements.

(U) Recognizing the procedural difficulties involved in attempting to reach formal understandings in the four-power context, measures that could be agreed upon by the powers include the following:

60. (U) Approval of agreements reached by the two Koreas.
61. (U) Joint security guarantees for Korea, e.g., sanctions against violation of the existing armistice or of a peace agreement agreed to by the two Koreas.
62. (U) Joint assistance to North-South economic projects.
63. (U) Establishment of economic or diplomatic contacts with both Koreas or agreement to support entry of both Koreas to the United Nations, in support of an agreement by the two Koreas.

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64. (U) Renunciation of force agreements.
65. (U) Restrictions on deployment of non-Korean forces to or near the Korean peninsula.
66. (U) Restrictions on military assistance or sales to the two Koreas.
67. (U) Restrictions on the deployment or utilization of nuclear weapons, i.e., nuclear-free zone (NFZ) or no-first-use (NFU) agreements.

(S) Appraising these measures, those that simply endorse or guarantee an agreement by the two Koreas (60 through 63) would present little substantive difficulty. However, agreements pertaining to military matters, ranging from the renunciation of force to NFZ or NFU agreements (64 through 67) and including also any of the other military measures discussed in various sections of this chapter, carry a certain risk. Military agreements in the four-power forum are likely to handicap the United States and South Korea more than the Communist side, because the only foreign combat forces in the region are those of the United States. Mutual and Balanced Force Reductions (MBFR) as conceived in Europe may not be applicable to Northeast Asia as a region, although the concept could be applied to Korea itself. There are no Communist troops deployed outside their own country in Northeast Asia, and internal force deployments suggest that the mission of nationally deployed forces relates principally to problems other than Korea, particularly the Sino-Soviet border dispute.¹⁶ It is therefore difficult to devise tradeoffs outside Korea for withdrawals of US forces from Korea. Various force-reduction proposals appear to be more suitable for negotiation between the two Koreas or in the armistice context than among the four powers. Since only US-ROK forces and those of the DPRK are involved. Various forms of restrictions on the deployment of non-Korean forces or the deployment and utilization of specific weapons systems [REDACTED] would also work chiefly to restrict US military plans and activities.

(U) Despite these risks, there are positive aspects to the four-power approach. First, it will probably be essential for any agreement by the two Koreas to have at least tacit endorsement

16. (U) See Appendix A, The Military Balance.

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from the major powers, who will also be required to provide the "national" means of inspection in support of each Korean party. Second, agreement among the powers could provide a way of involving Japan in the tension-reducing process in Korea without violating the Japanese inhibitions against security commitments and without raising fears and suspicions of Japan's intentions in either Korea or in Peking and Moscow. Third, four-power agreement on Korea, where important interests of each country are engaged, could play a major role in creating a more permanent and stable détente in East Asia. Finally and possibly most important, the process of negotiation between the two Koreas, even as it might be supplemented by talks in the armistice forum, is not likely to lead by itself to significant arms-control agreements, unless the leverage of the four powers is brought to bear as much as possible. This is so because of the domestic political inhibitions against genuine agreements within both Koreas.

E. THE UNITED NATIONS (U)

(U) The United Nations has been involved in Korea since 1950 in a role that has been strongly supportive of the South. It is now charged by the Communist side that UN involvement does not contribute to the easing of tension and in fact interferes with the process of détente initiated by the two Koreas. The actual role of the United Nations in regard to Korea is shifting. Pyongyang's admission to the World Health Organization has set a precedent for admitting both Koreas to world forums that other specialized agencies are likely to follow and creates the basis for dual observer status at UN headquarters in New York.¹⁷ There are some additional measures the United Nations might take:

68. (U) Debate of the Korean issue in the General Assembly.
69. (U) UN membership for both Koreas.
70. (U) Abolition of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK).
71. (U) Abolition of the UN Command.

17. (U) Pyongyang already has an observer in Geneva at the UN headquarters there.

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72. (U) Creation of a UN observer or fact-finding team that would be accredited to both Koreas.
73. (U) Admission of a single Korean delegation representing both Koreas.

(U) Debate of the Korean problem is likely in the Fall 1973 UN General Assembly, and for the first time the invitation for both Koreas to participate may be worded so as to be acceptable to the North as well as the South. However, the debate is not likely to be useful for tension-reducing purposes, and will probably lead both sides to assume rigid positions, at least for a time. (The present "hard-line" posture of Pyongyang in the North-South talks, for example, and even its rejection of dual UN membership for both Koreas are probably attributable in part to the likelihood that the Korean question will be debated in the General Assembly.)

(U) Participation of both Koreas in the General Assembly debate could be followed by formal proposals to seat both Koreas as UN members. Although rejected by Pyongyang for the present session, the proposal might become acceptable to the North for 1974 or 1975. Admission of both Koreas to the United Nations requires a Security Council recommendation, which could be vetoed, and a two-thirds vote in the General Assembly. Since the South as well as the North would be gaining UN membership, dual admission would tend to stabilize the division of Korea and has in fact been accepted by the United States. The North Korean proposal (item 73) that a single Korean delegation be admitted representing the two Koreas, joined for the purpose of UN representation in some type of confederation, might be workable in theory. The Korean delegation could be headed by coequal chief delegates who might take turns in heading the delegation. There would have to be an understanding that Korea would not vote on issues on which the joint delegation could not reach agreement. However, in the present stage of North-South accommodation, with confidence-building measures yet to be achieved, it is extremely premature to consider a joint UN representation. There is little chance that Seoul would accept such an arrangement for a long time to come.

(U) With Pyongyang invited on acceptable terms to a General Assembly debate, pressure will increase against UNCURK and the UN Command. The United States may not be able to muster the votes required to block a General Assembly resolution dissolving UNCURK, or UNCURK might either dissolve itself or be dissolved, as the Communist side has suggested, simply by the nonparticipation of various members,

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even without a vote.¹⁸ The usefulness of UNCURK is no longer very great, and its dissolution would not be a serious blow to the Republic of Korea; at the same time, its dissolution would not be so important to the Communists as to constitute a significant bargaining point.

(C) In fact, the dissolution of UNCURK would likely increase the pressure against the UN Command. The latter was formed by the United States pursuant to a resolution of the Security Council and could be dissolved only by the United States itself or by Security Council action, which could be vetoed. The General Assembly might, however, attempt to pass a resolution recommending to the Security Council that the UN Command be dissolved. The argument that the UN Command has responsibilities under the armistice agreement could carry weight with many countries. The continuing usefulness of the UN Command and the leverage that accrues to the United States by the UN Command role in the armistice have already been noted. Abolition of the UN Command at this time might handicap arms-control prospects in Korea, unless it was accompanied by other provisions for a continuing US role in the MAC or unless US agreement to dissolution of the UN Command were used to obtain DPRK agreement to other measures. If the Communist side does make an issue of the UN Command, it may be that the usefulness of the UN Command role in Panmunjom for an arms-control dialogue will in any case be diminished simply because of the sharpness of the Communist attack upon it. Optimism about the long-range usefulness of the UN Command may therefore not be warranted. If the United States is to accept dissolution of the UN Command, alternative arrangements will have to be made for managing the armistice; it may be that the Communist side will agree to continued US participation in the Military Armistice Commission just so long as it is not under the UN "flag." In that case, it may still be possible to utilize the armistice machinery in the arms-control dialogue as we have suggested. One minor incidental gain from removing the UN "flag" from the US military forces in Korea would be that thereafter the issue of the US military presence in Korea would be submerged in the less controversial general issue of the US military presence abroad.

(U) Formation of a UN fact-finding mission to both Koreas may be a more constructive use of the United Nations at an appropriate point in the development of the tension-reducing and arms-control dialogue. The Secretary General could form a

18. (U) Pakistan and Chile have already withdrawn from UNCURK, leaving Australia, the Netherlands, the Philippines, Thailand, and Turkey as members.

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mission on his own responsibility if invited to do so by both Koreas,¹⁹ but he would probably prefer to act under a resolution of either the General Assembly or the Security Council. An appropriately constituted mission might be a way for the United Nations to take a somewhat more even-handed position on the Korean problem without first dissolving the UN Command. The mission might prepare a report on North-South discussions and on the operation of the armistice and could thereby deflect some of the pressure against the UN Command or the US military presence in Korea. Even a fact-finding mission, however, runs the risk of simply dividing into the supporters of the North and the supporters of the South, without necessarily finding any common ground. Thus this measure is an expedient the United States might consider if other efforts fail, but not one on which the United States should take the initiative while there is still a possibility of useful discussions in other forums.

(U) Finally, if substantive arms-control agreements are reached in Korea, it would be desirable that they be endorsed by countries not party to the agreement, possibly through the General Assembly and Security Council. Depending upon how balanced and comprehensive the arms-control agreement is, it may at that time be feasible for the Security Council to act to dissolve the UN Command, its purpose having been achieved; and, in fact, such action could be stipulated in the agreement.

19. (U) It should be noted that for the North to invite a UN observer mission, even one constituted to be neutral between the North and the South, would require a reversal of Pyongyang's consistent position that the United Nations has no proper role in Korean affairs, except possibly to condemn US "interference" and to take action to terminate its own involvement in behalf of the Republic of Korea.

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VIII

A TENSION-REDUCING PLAN (U)

(U) This study has discussed the factors bearing on the reduction of tension in Korea and has appraised a wide range of specific measures that might contribute to easing tension and to arms control on the peninsula. Despite the initiatives of the two Koreas during the past year, relatively little has been accomplished other than the North-South dialogue itself. All of the parties involved seem to have something to gain from a reduction in tension and would have more to gain from arms-control measures proper. While the obstacles in the way of reaching agreement are not to be underestimated, arms-control prospects in Korea are sufficiently hopeful to warrant additional initiatives. At the same time, the motives of the parties involved are complex, and progress could be blocked if any party perceived the situation as posing undue risks to itself or offering undue gains to its opponent.

(U) The measures discussed in the preceding chapter differ in regard to their practicality and impact on US interests, but most of them would be acceptable to the United States in an appropriately balanced arms-control package. We suggest, therefore, the adoption of a carefully coordinated diplomatic plan in which major substantive concessions would not be made unilaterally by the US-ROK side and in which maximum procedural flexibility would be maintained. In the tension-reducing plan outlined below, arms-control dialogues and tension-reducing negotiations would proceed at several different levels at roughly the same time, and responsiveness by the other side in any of these forums would be followed up vigorously. It is our assumption that the United States would be willing to include in the arms-control dialogue any measure that the other side might be willing to discuss in a reasonably balanced context.

(U) Arms control in Korea will require adjustments in the way Korea is handled within the US Government. Proposals for handling Korean arms-control issues within the US bureaucracy are beyond the scope of this paper, but we offer two suggestions for consideration at the very outset insofar as they are not already being implemented.

- (U) Arms control as a means of achieving US objectives should be written into US policy for Korea.

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- (U) Specific monitoring responsibilities should be assigned to ensure that various US plans and programs pertaining to Korea are consistent with this arms-control policy objective insofar as is feasible. This applies particularly to military assistance programming and long-range plans for US force deployments to Korea.

Heretofore, arms control has been subsumed under various other US programs in Korea, such as those designed to increase the ROK's self-reliance, to reduce US military involvement, to reduce the risks of hostilities in Korea, and to contribute to the détente in East Asia. Specific, formal recognition should be accorded to the conclusion that a balanced arms-control agreement in Korea will contribute to US interests in Korea and to US relations with Japan, China, and the Soviet Union.

(U) The tension-reducing plan presented below is built upon the existing contacts between the two Koreas and the two sides in the armistice and offers suggestions as to how those contacts can be made more productive in reducing tensions. Basically the plan calls for coordinating existing contacts with an effort to engage the other major powers--Japan, China, and the Soviet Union--in the tension-reducing process, initially in a series of bilateral consultations. The resulting interlocking arms-control dialogues may generate stimuli that will encourage agreements between the two Koreas; they may lead also to direct agreement, formal or tacit, among the powers themselves. At a later stage, the United Nations might play a useful role in achieving Korean arms-control agreements.

A. US-ROK CONSULTATION AND PLANNING (U)

(U) If the United States, as suggested, is to make arms control a more central policy objective in Korea and if, in consequence, it is to take a more active role in the tension-reducing process, it is essential that it begin with a wide range of direct consultations with ROK officials to avoid raising suspicions of US intentions and to create a broader arms-control constituency and a more positive arms-control approach in South Korea.

(S) Tension reducing has in fact a limited constituency in South Korea, and arms control even less. There are, however, some officials in South Korea whose interest in these matters could be stimulated by consultations with US officials. Several Korean scholars--some of whom are also government

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consultants and part-time journalists--have taken an interest in arms control and have even touched upon the sensitive question of how arms control might be applied to Korea.

Some ROK foreign office officials also are interested in arms-control matters, but chiefly in their SALT, European, and UN, rather than Korean, aspects. The influential group that is most negative is the ROK military, which tends to see arms control as a threat to their interests and a potentially dangerous concession to Communist blandishments.

(U) Five areas of potential consultation on specific arms-control related matters are discussed below.

1. Military Assistance (U)

(C) Some US observers have recently commented that despite the hard-line position of the ROK military generally, some officers may be able to gain a more balanced understanding of the implications of arms control for ROK interests. US military officers, in their contacts with their ROK counterparts in the context of military assistance and otherwise, could attempt to convey a sophisticated understanding of how arms control could serve ROK security interests. The specific problems created for the South by various Communist proposals should also be faced, including technical problems of inspection and procedural problems, such as how to counter the Communist preference for far-reaching "package" proposals (for example, by treating these as mutually accepted principles rather than already worked out measures, much as was done in the July 4 communiqué). In discussing ROK concern about the implications of arms-control for the US military presence, it would be well to treat the US presence as divisible, with some components more susceptible to "Koreanization" than others.

(C) The US Military Assistance Program (MAP) has traditionally tended to emphasize the strengthening of Korean ground forces, although significant aid has also been provided the ROK air force and navy. Insofar as it is not already being done, the Force Modernization Plan should emphasize the elimination of (a) those deficiencies that prevent the South Koreans from assuming specific military missions that are now handled in part by US forces and that constitute serious shortcomings in the military defense capabilities of ROK forces, such as air defense; and (b) those deficiencies that reinforce the ROK feeling of vulnerability, such as the lack of

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a capability to deal effectively with coastal infiltration. In discussing military assistance with ROK officials, the latter should be made to understand that the United States will increasingly consider military assistance to be related to specific aspects of arms control and that US planning is intended to take into account some possibly inevitable trends, such as the likelihood that US forces will be further thinned out and that military assistance levels will continue to decline due to budgetary pressures.¹ By linking MAP to arms control, the United States might be able to create some constituencies within the ROK armed forces for specific types of arms-control proposals. It should be made clear to the ROK officials involved that such a linkage could also reduce the problem of maintaining US public support for a military assistance program. OK

2. Economic Assistance (U)

(C) The economic implications of arms-control proposals should be discussed with ROK economic officials, including manpower planning (against possible force reductions) and creation of import-substitution industries relevant to arms production (against possible limitations on military equipment imports). The former would be desirable from an arms-control standpoint. The latter might make US arms-transfer restraints more palatable to Seoul, but might of itself appear to be a circumvention of an agreement to limit arms transfers to the peninsula. OK

3. ROK Diplomacy (U)

(U) Foreign office officials concerned with South Korea's international and UN position should be encouraged to face the image problems caused by the North's seemingly more forthcoming position on tension-reducing and arms-control proposals. In addition, by drawing South Korean diplomats into relevant consultations, even when Korean issues are not directly involved, their professional interest in arms-control matters could be utilized

1. (U) For example, ROK assumption of air defense responsibilities would make it easier for the US-ROK side to consider an arms-control package that included provisions for thinning out the corresponding US units; remedying in part the asymmetry between North and South in fighter strength would in addition make more negotiable some types of force reduction proposals; improvements in ROK coastal patrol capabilities (e.g., the Coastal Patrol and Interdiction Craft [CPIC] program--see Appendix A) would raise ROK confidence in entering into various confidence-building measures, such as joint fishing agreements.

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to introduce more sophisticated arms-control thinking into ROK policy-planning processes.

4. Academic Research (U)

(S) Despite the limits imposed by President Pak's control over public expression of sensitive ideas, Korean academicians have engaged in imaginative research and discussion of issues related to tension reduction and unification and have reportedly been drawn into the ROK force-reduction planning process. South Korean academic and government scholars who are preparing position papers or contingency studies pertaining to the North-South talks and related issues could be provided with US technical studies on general arms-control matters and could exchange visits with US specialists to discuss such matters as force reductions (including MBFR) and the capabilities of national means of inspection. Travel grants, invitations to conferences, and direct contacts with US Embassy officials in Seoul would also contribute to this end.

5. Intelligence (U)

B. NORTH-SOUTH NEGOTIATIONS (U)

(U) The consultations recommended above should have as their first action result a more imaginative and less timorous ROK posture in the talks with the North. Specifically, the North-South negotiations should be aimed at (a) achieving some agreements on confidence-building measures, (b) initiating at least a dialogue on the more sensitive issues, and (c) maintaining all the while sufficient flexibility so that the dialogue or negotiations can be shifted into another forum if major roadblocks are encountered. These aims should be pursued in regard to three general types of measures.

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1. Confidence-building Measures (U)

(S) The Republic of Korea has prepared its position on some of the confidence-building proposals that were discussed in the preceding chapter (items 1 through 7). For the moment, negotiations on these measures have been deferred because of the North's insistence on prior acceptance of its "five-point" package proposal, but when this tactic has run its course (possibly after the Fall 1973 UN General Assembly session) agreement on some of these measures may become feasible. As was noted earlier, the United States has relatively little specific leverage regarding most of these measures, but it may be able to help minimize some of their adverse security implications, for example, by providing technical equipment or advice to ensure that joint projects do not become covers for Communist-agent operations.

2. Military Measures (Items 17 through 30) (U)

(S) South Korea reportedly has tentative plans for conditionally agreeing to the formation of a military subcommittee of the North-South Coordinating Committee and for discussing some troop reduction proposals. It may be desirable, as the South prefers, to limit the subcommittee's terms of reference initially to exclude the question of foreign forces in Korea. However, North Korean Premier Kim Il has put forward a superficially very favorable proposal relating to the withdrawal of US forces, and the South should be urged strongly to explore this offer also.² Since either aspect of the military discussion could easily become deadlocked, it is desirable to keep issues pertaining to overall force levels separate from the issue of US forces, possibly by forming an ad hoc working group to deal with the latter issue. In dealing with the question of US forces, the ROK negotiators should be encouraged to direct the talks into as specific a direction as possible and to examine individual aspects of the US military presence rather

2. (U) See page 116. Kim Il's offer was that North Korea "of its own accord" would reduce its armed forces to 200,000 men if the United States withdrew its forces from Korea.

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than simply dealing with its total "expulsion," as Pyongyang tends to put it.³ As we have indicated in the preceding chapter (item 35), the sensitive question of a nuclear-free zone in Korea is also suitable for direct negotiations between the two Koreas, although President Pak is likely to be reluctant to broach the problem. We shall return to this matter below.

(C) The Republic of Korea may be reluctant to enter even into exploratory negotiations on force levels and the presence of US forces. [REDACTED]

[REDACTED] It should be pointed out to the ROK government that the Kim Il offer could be a means of obtaining a North Korean quid pro quo for US troop reductions that may be inevitable in the longer run in any case. If--as is quite possible--it turns out that the offer is not negotiable (for example, if it is linked to prior acceptance of the five-point package proposal), then the exploration will still have been useful in uncovering the North Korean motivation.⁴

3. (U) This differentiation will have subsequent utility. Pyongyang, emphasizing the political aspects of the US military presence, may find all US military components equally objectionable at this stage. But ROK insistence on discussing the components separately would be useful if the question is later discussed with Peking and Moscow, who very likely do differentiate between air, ground, and advisory components of the US military presence.

4. (C) If the South should proceed with such explorations, it may be in the tactical expectation that the initiative will be rebuffed or that the North will attach unacceptable conditions to its force reduction proposal. A negative or even an inconclusive outcome to the exploratory contacts will likely be used by President Pak to argue against any early change in the US military deployment in Korea. In encouraging the explorations, the United States will risk some loss of flexibility in that changes in US deployments preferably should not be made while talks are in progress. However, if there is a lack of progress, the United States should urge that contacts on this issue could be terminated in order to regain at least the present degree of flexibility. (Continued)

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- One would have as he had his own NW program under way by time this report was written!

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5. Symbols of Unity (U)

(U) It may be advisable for the United States to raise with President Park the question of whether there are not some proposals concerning Korean unity or further formalizing the armistice in force (items 10 and 11) that the ROK government could advance in order to regain the initiative in regard to the unification theme, as distinct from measures that tend to emphasize the division of Korea. Expressions of interest in this area by the United States (to Seoul) and by Seoul (to Pyongyang) could help overcome suspicions that the ROK government (or the United States in its support of the ROK) is attempting to block North-South political agreements. Substantive North-South political agreements that go beyond the creation of some symbols of unification are not only extremely unlikely but also probably premature at this early stage of North-South contacts.

C. THE ARMISTICE MACHINERY (U)

(U) Concurrently with the foregoing steps to ensure maximum utilization of the ongoing North-South talks, the other major existing communications channel--the Military Armistice Commission--could be adapted to more productive use. The MAC channel has some major advantages for an arms-control dialogue. It is the only forum in which the United States and North Korea can meet directly without creating special diplomatic complications. It is also a forum in which China and the United States can meet without a Soviet presence and without seriously aggravating Sino-Soviet relations.

(C) There are some drawbacks to the MAC channel, too. In particular, the UN Command representation in the MAC inevitably carries for China and North Korea connotations of past periods of tension. As earlier noted, if the Communists were to mount a very intensive campaign against the UN Command structure, the usefulness of the UN Command for tension reduction could be

(U) So far as the North is concerned, it may initially be reticent in the explorations because of the belief that negotiations regarding US force withdrawals will seriously undermine ROK morale and create factional divisions within the Pak regime. This risk could be minimized through close US-ROK consultations during the exploratory phase and US assurances that no steps will be taken that do not adequately ensure the security of South Korea.

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virtually eliminated, even without formal abolition of the Command itself. In such an event, the best course might be to negotiate an agreement with Pyongyang and Peking that would dissolve the UN Command⁵ and that would designate a US military commander as successor to the UNC responsibilities and duties, insofar as the armistice is concerned. The most logical commander to assume these duties would be the senior US commander in Korea, i.e., the commanding general of the Eighth Army. However, consideration should be given to designating a military officer who is outside the command channel of US forces in Korea, so as to separate the MAC altogether from the US military presence in that country. The senior US representative in the MAC might be a representative of the Joint Chiefs of Staff detailed to Korea for no other purpose than to participate in the MAC (the logic in this suggestion lies in the fact that the commander of the UN Command as presently constituted also reports directly to the Joint Chiefs in his UNC function).

1. Arms-Control Dialogue (U)

(C) President Pak should be urged to institute much closer liaison between ROK planners for the North-South Coordinating Committee and Embassy-UN Command planners for MAC meetings. If Pak responds to US urgings to initiate a dialogue in the Coordinating Committee on some specific arms-control topics, and whenever some progress is registered in that dialogue or, alternatively, whenever a specific topic seems to have run into a serious deadlock, the discussion could be supplemented in the MAC. In particular, it is appropriate for the MAC to discuss inspection and supervision issues, since the MAC has at its disposal both the Neutral Nations and Joint Observer Team supervisory mechanisms.

5. (U) It should be noted that while the United Nations can dissolve the UN Command only by Security Council action, the United States can do so unilaterally simply by determining that the terms of the original Security Council resolution have been met.

(U) The UN Command also has functions other than simply representing one side in the MAC at Panmunjom, which must be taken into account in considering its dissolution. The most important of these are the operational control the UN Command has over ROK forces, and its consequent responsibility to ensure ROK adherence to the armistice, and the fact that Japan's support for the US military presence in Korea is couched in terms of a UN presence. These points will be discussed in section D below.

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(A serious handicap in this regard is the fishbowl nature of MAC meetings, wherein the proceedings are broadcast on loudspeakers throughout the Joint Security Area and newsmen watch through the windows of the meeting room. The previously mentioned suggestion that the UN Command propose occasional MAC meetings in Seoul and Pyongyang [item 52] could remedy this problem, since these meetings, for which no precedents exist, could be termed executive meetings closed to newsmen. Alternatively, the two sides could convene in an executive session outside the formal MAC system, e.g., using facilities of the NNSC, as was done during the Pueblo crisis.)

(C) Ideally, the MAC dialogue would follow the direct North-South discussion of any particular issue, but if promising topics are not introduced into the North-South talks for whatever reason, the United States could take the initiative in the MAC after consultation with the ROK government. We do not expect that the suggested dialogue will lead to agreements on major matters at any early time, but the dialogue will be useful of itself and may reveal what avenues of approach are the most promising (e.g., unilateral steps by the UN Command side, informally reciprocated by the North; direct North-South agreement subjected to armistice supervision; or formal agreement in the armistice context).

2. Revitalization of the Armistice (U)

(C) In Chapter VII, several measures were listed (items 53 through 55) for revitalizing provisions of the 1953 armistice that have fallen into disuse. These measures would clearly be very difficult to implement and would require an understanding between the military commands of the two sides. Nevertheless, it would be useful for the UN side to table some such proposals. One step, for example, might be to suggest that the importation of specific, easily identifiable items of military equipment, such as certain types of aircraft, should henceforth be reported to the NNSC by each side.⁶ The UN side could indicate that for a specific period it will unilaterally make such reports, hoping that the

6. (C) The assumption of significant functions by the NNSC or the expansion of the NNSC terms of reference should be proposed only after consultations in the capitals of the neutral countries involved (at a minimum, the two neutrals of the UN side--Switzerland and Sweden, but preferably also Poland and Czechoslovakia). The problem created for the ROK government by Sweden's recognition of Pyongyang must be kept in mind if the NNSC is to be used more widely. Ideally, the symmetry of the NNSC should be restored by recognition of the ROK by one of the Communist-side neutrals, but this may not be achievable at the outset.

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other side will do likewise, with a view toward eventually reaching agreement to curtail such imports and restore at least part of the NNSC supervisory function. If the Communist side responded positively to the UNC reporting initiative, the next step could be for the UN side to announce that it will unilaterally terminate imports of some specified types of equipment for ROK or US forces, expecting that the North would reciprocate by ending imports of some comparable items. (Tacit arms control by mutual example will be discussed further below.) The UN side should also continue to urge that the MAC resume its function of dispatching Joint Observer Teams to the scene of possible problems within the DMZ, with a view toward implementing more rigorously the armistice provisions regarding the DMZ [REDACTED]

3. Atmospheric Measures (U)

(C) In order to facilitate the foregoing dialogue, some of the measures listed in the preceding chapter to improve the tone of MAC meetings should be initiated (items 49 through 52), either in the form of an MAC agreement or in some cases by unilateral action by the UN side. For example, the UN side could simply issue an invitation to the MAC to meet in executive session in Seoul in the hope of eliciting a reciprocal invitation to Pyongyang, but without requiring prior agreement to that effect. Some of the steps to "Koreanize" (items 40 through 42) the armistice should also be considered, such as the withdrawal of the last company of US troops from the DMZ near Panmunjom.

(C) If the effort to develop a US-North Korean, US-Chinese dialogue in the MAC context should fail due to agitation by the Communist side against the UN and US roles in the armistice, consideration should be given to the suggestion (item 42) of appointing a Korean general officer as the senior UN member of the MAC, with the US member as his deputy. [REDACTED]

[REDACTED] Handled with finesse, the suggested appointment could be useful to the ROK's own North-South tactics; it might furthermore be helpful by giving the ROK military a sense of participation in those tactics. "Koreanizing" the MAC might restore the MAC to usefulness under circumstances in which the United States could not take direct advantage of that channel.

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D. FOUR-POWER DIPLOMACY (U)

(U) The foregoing steps may eventually lead to some confidence-building and "atmospheric" agreements between Seoul and Pyongyang or between the two sides in the armistice. They might also lead to a useful arms-control dialogue, but a prediction to that effect would require some optimistic assumptions about both North and South Korea. Substantive arms-control agreements will probably require not only a prior vigorous arms-control dialogue between the two Koreas but also some international stimuli comparable to the changes in environment of the two Koreas (e.g., the US-China détente and subsequent Japan-China rapprochement) that helped bring the Korean North-South contacts to their present stage. There are obvious problems in bringing the Soviet Union, China, and Japan, in addition to the United States, into the Korean tension-reducing and arms-control process (see Chapter IV). Nevertheless, the four powers have some assets that should be brought to bear on the negotiations: particularly the leverage they may have with each other and with either Korea; their joint interest in stabilizing the status quo; and their capability for individual or joint endorsement, inspection, and supervision of various aspects of arms-control agreements that may be reached by the two Koreas. Four-power involvement in the Korean tension-reducing process could not only accelerate that process but also contribute to improvement in US relations with the individual powers.

(U) Because of the absence of any accepted forum for four-power diplomacy comparable to the North-South Coordinating Committee or Military Armistice Commission, we suggest that the effort to involve the powers initially take the form of a series of coordinated bilateral diplomatic efforts, the form and substance of which are outlined below.

1. US-Japan (U)

(U) Despite Japan's interests in Korea, it is inhibited from direct involvement in security-related matters by its antimilitary constitutional and popular bias. At the same time, the exclusion of Japan from decisions and actions pertaining to Korea's future could jeopardize the US-Japanese relationship, particularly in regard to Japan's confidence in US security guarantees and the availability to US forces of Japanese military facilities if required for the defense of South Korea. It is important that the fullest possible consultations continue to be maintained between Washington and Tokyo regarding diplomatic tactics and long-range planning for arms control in Korea. When concurrent US and Japanese approaches to either Korea or to Moscow and Peking are feasible, these should be utilized to give Japan

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greater participation in the tension-reducing process and to strengthen the hand of the non-Communist side. Japan might not want to join in formal arms-control demarches, but it could logically make its diplomatic and economic contacts with North Korea partially contingent on the reduction of tension on the peninsula. (For example, Japanese government financing of plant imports by North Korea could be contingent upon progress in North-South negotiations and upon some degree of reciprocity in economic dealings by the Communist powers with Seoul.) If international endorsement of arms-control provisions pertaining to Korea becomes required, the instrument for endorsement should be formulated in such a way that Japan will be able to join without violating its inhibitions regarding foreign security commitments. It will also be important, if an international conference regarding Korea is to be convened, that Japan participate (it did not participate in the 1954 Geneva Conference on Korea since it was not a combatant).

(C) The UN role in Korea is particularly important to Japan, and it is in the UN context that diplomatic collaboration with Japan is likely to be particularly effective (as it has been in the past). Japan will be interested in preserving the UN Command, because Japanese domestic politics would make it more difficult for a Japanese government to continue to support the US military presence in Korea (particularly in the event of hostilities) if that presence did not have the UN label. (If the UN Command had to be abandoned, the problem of the Japanese government would be eased somewhat if the action was taken in an arms-control context that the United Nations had appropriately endorsed.)

(U) Active Japanese participation in the tension-reducing and arms-control process in Korea would also be facilitated if that participation could be carried out in a UN context. For example, it is likely that Japan would want to participate in any UN fact-finding mission that might be formed by invitation of both Koreas (see section 4 below).

2. US-China (U)

(C) The US-China channel also holds promise for advancing arms-control objectives pertaining to Korea. (China's potential for useful influence in Pyongyang was demonstrated, for example, by Chou En-lai's apparent role in stimulating Kim Il-song's receptiveness to the North-South contacts.) Korea could provide an opportunity for both the United States and China to add substance to their developing détente. There might be a reluctance on both sides to introduce difficult issues at so early a stage in US-China relations, but Korea in fact could

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provide a relatively auspicious opening for a US-China dialogue on some important questions, including nuclear weapons and the US military presence in Asia. Korea is not nearly so controversial an issue between the United States and China as is Taiwan, nor are Korean problems so complex as those of Southeast Asia.

(C) The timing of a US-China dialogue on Korea will be important. Prior US consultations should be conducted in Seoul and Tokyo to minimize the impression that the United States is "colluding" with its former enemy, China, regarding important interests of its allies. (A problem that will remain is Moscow's likely suspicion of any US-China contacts.) Once a channel for discussion is opened, it could be used to discuss matters on which there has been some progress in talks by the two Koreas or the two sides in the armistice, or it could be used to try to break deadlocks. While the US-China channel could be used to discuss almost any of the measures on which there is some international concern, there are four issues that are particularly appropriate for US-Chinese consideration.

a. (C) US Military Presence. China's present relaxed stand on the US military presence in Asia creates an opportunity for the United States to probe Peking's attitude more fully. If probes in the North-South or MAC forums regarding Kim Il's troop reduction offer have proven futile, an opening might be created by asking Peking to try to obtain clarification of the offer. In the discussions, the US side might present the Chinese with details about the US ground, air, and advisory functions in Korea. For example, the point should be made that US air units in Korea serve partially to offset North Korea's preponderant air strength, and that in the absence of mutual air force limitations this situation might be more stable than the alternative of turning over to South Korea the aircraft now under US control, which would unavoidably increase the ROK's offensive as well as defensive capabilities. It would be interesting to determine whether Peking would come to see the US air units in Korea as more stabilizing in the short run than the corresponding capability in ROK hands, or whether the Chinese would simply see the US presence as part of a "forward-based system" that should be withdrawn.

(C) Similarly, the usefulness of the US role--that is, the UN Command--in the armistice context should be stressed, as well as the historical role of the UN Command in checking possibly destabilizing ROK military actions through its operational command

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of ROK forces. The point could be made to the Chinese that the US Command entity is separate from US combat forces, such as the Eighth Army, and that in its armistice function the UN Command is analogous to the Chinese People's Volunteers Command that also continues to be represented at Panmunjom. Peking may very well see an advantage in an arrangement that gives both China and the United States (but not the Soviet Union) a historically based role in Korean arms-control matters. We do not suggest "overselling" the US military presence to Peking, and the US presentation should allow leeway for eventual further unilateral US ground force reductions even in the absence of a force-reduction agreement.⁸ But the principal thrust of the argument should be that in the absence of arms-control agreements the various components of the US military presence have specific stabilizing functions.

b. (U) Korea's Diplomatic Status. China may have less interest than the Soviet Union in establishing contacts with Seoul, but it also will want not to be left lagging if Moscow enters into more informal contacts with Seoul. The United States should stress in exploring this matter with China that US support for Pyongyang's improved diplomatic status and broadened economic contacts are contingent on a degree of reciprocity from Communist countries for Seoul. (The question of Korea's diplomatic status is one that would be suited also to parallel Japanese probes in Peking.)

(C) If Peking has been asked informally to probe Kim Il's offer of a North Korean troop reduction if US forces withdraw and if the probe has encouraging results, a confidential direct channel to Pyongyang could be established through Peking's good

7. (U) The Republic of Korea was not a signatory to the armistice agreement. Prior to the signing of the agreement, the UN Command assured the Communist side that it would do everything in its power to ensure ROK compliance with the armistice terms. The UN side in its statement expressed its assumption that the ROK armed forces would remain under the UN Command. See General Harrison's statement, July 10, 1953, quoted in Walter G. Hermes, U.S. Army in the Korean War, Office of the Chief of Military History, US Army (Washington, D.C., 1966), p. 480.

8. (U) This part of the dialogue should be put in such a way that the basis will also have been created for proposing a continued US role in armistice and related matters, even if for broader diplomatic considerations it becomes advisable for the United States not to oppose dissolution of the UN Command.

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offices. The Chinese would probably favor such contacts--which might however be disturbing to Moscow if established under Chinese auspices. It would be reasonable to keep the Seoul government informed and to urge Peking to parallel the US-North Korean contacts with similar informal contacts with South Korea (possibly using facilities in Washington or New York).

c. (C) Tacit Arms Control. In the preceding section, it was suggested that the UN side might unilaterally terminate the import into South Korea of some specific types of military equipment in the expectation that the North would reciprocate. Arms control by mutual example could also be accomplished outside armistice channels in direct contacts with Peking and Moscow. The United States could separately inform Peking and Moscow, after consulting with Seoul, that it would unilaterally cease specific military equipment exports to South Korea in the hope that the Communist side would exercise similar restraint. The United States could ask Peking and Moscow to obtain Pyongyang's concurrence, or the demarche could be followed up in the Military Armistice Commission along the lines previously suggested. Of course, if either Peking or Moscow preferred, what started as a tacit form of arms control could be formalized bilaterally. (Formalization need not be symmetrical; for example, the United States and Moscow could announce the arms import restriction in a joint communiqué, which Peking might honor tacitly without formal commitment, or vice versa.)

d. (S) Nuclear Weapons. [REDACTED]

[REDACTED] However it was suggested earlier that the format for an NFZ agreement might better be an agreement between North and South Korea, with an appropriate protocol for accession by the nuclear countries, since the agreements involve US concessions for which a Chinese (or Soviet) quid pro quo might be difficult to establish. Even so, the diplomatic groundwork for the agreements could be laid in bilateral US-Chinese talks, with each country undertaking to persuade its Korean ally. (The chief disadvantage of this US-Peking approach is that it would likely intensify Soviet suspicions; Moscow is likely to be cool to a Korean NFZ agreement that was concluded with Chinese initiative. We shall discuss a possible parallel approach to Moscow below.)

(S) North Korea should be asked to make significant military and political arms-control concessions for an NFZ agreement.

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It is quite possible that Peking would urge Pyongyang to enter into an appropriate agreement, which would represent a political as well as arms-control gain for both China and North Korea

[REDACTED]

(C) The United States should not exclude from consideration an NFZ agreement established simply in a bilateral US-Chinese document, without prior agreement between the two Koreas but presumably with appropriate prior consultation in Tokyo and Seoul, or a bilateral no first use (NFU) agreement that might be a prelude to a subsequent NFZ agreement. If such agreements, representing important US concessions, were not linked to a quid pro quo in Korea, they would have to be justified on other grounds.

3. US-USSR (U)

(C) The US-Soviet channel is likely to be somewhat less useful in the Korean arms-control process than the US-Chinese channel. Moscow is more skeptical than Peking about several of the specific issues involved in Korea: it approaches even the mere talk of unification with caution (complicated for the time being for Moscow by considerations of the German precedent); it is somewhat less likely to endorse a NFZ agreement; it gives less support to Pyongyang's concern over the US military presence in Korea; and it is likely to weigh carefully restrictions on military assistance to Pyongyang since it values the leverage it gains therefrom. One issue on which Moscow may be more receptive than Peking is that of establishing a more even-handed diplomatic stance toward the two Koreas.

(U) Moscow's reluctance to become actively involved in the Korean arms-control process is mitigated by two considerations, however. First, if the US-China channel is used to help induce the two Koreas to extend the scope of their tension-reducing agreements, Moscow will not want to be left out of the act. It may therefore acquiesce in agreements that it finds otherwise not particularly advantageous, especially if its general interest in stabilizing Korea would be served thereby. At a minimum, it will want to stay in the circle of consultations and negotiations, and it is

9. (U) See Ralph N. Clough, et al., The Implications of the Chinese Nuclear Force for US Strategic and Arms Control Policies, ACDA/IR-201, prepared for the US Arms Control and Disarmament Agency by the Brookings Institution (Washington, D.C., January 1973).

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particularly important that it be encouraged to do so to minimize Soviet suspicions of US-PRC collusion. Second, even without Moscow's formal participation, most of the measures being considered in this study would be viable so long as the two Koreas agree. In fact, if the Soviets find Kim Il-song inclined toward arms control--even if it is because of Chinese influence--they might want to reinforce that inclination rather than lose their residual influence in Pyongyang in pointless opposition to decisions already made. We are suggesting, therefore, that US-China consultations on Korean arms-control measures should be paralleled by US-Soviet consultations, even at the risk of introducing additional complications into the already complex US-Soviet arms-control relationship. An alternative course that amounted to leaving the Soviet Union out of the picture would be much more risky in this regard since it would heighten Soviet suspicions. The specific areas to be included in such consultations should be roughly those already outlined for US-PRC consultations.

a. (C) Korea's Diplomatic Status. As noted, Moscow may be quite receptive to steps to broaden Seoul's diplomatic status. (As in the case of China, Japanese approaches to Moscow regarding this matter would also be useful.) Moscow has had various minor contacts with Seoul and has drawn back from other overtures only when Pyongyang protested. Once the current wave of recognition of Pyongyang has run its course, the inducement of added US or Japanese contacts (or support for UN membership) may persuade Pyongyang to take a more flexible position toward unofficial trade and similar contacts by Communist countries with Seoul. If the United States establishes some contacts with Pyongyang, it may be advisable to do so under Soviet auspices in order to assuage suspicions of Sino-US collusion on other issues that may arise in Moscow. The development of a more even-handed Soviet position toward the two Koreas could be important in reassuring South Korea that the North is not benefiting unilaterally from the reduction of tension--and would thereby help improve the prospects for arms control generally.

b. (C) Pacific Arms Control. Arms control by mutual example, as we have suggested, would require Soviet as well as Chinese

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cooperation but might find the Soviets less enthusiastic.¹⁰ Nevertheless, the tacit arrangement should be offered to Moscow, which would be reluctant to block a promising avenue of arms reduction if Pyongyang accepts it. In fact, despite Moscow's possible coolness to the idea of limiting arms transfers to Korea, it may be willing--if such limitations are going to come about in any case--to join in them formally (unlike Peking, which might prefer a tacit agreement) as part of Brezhnev's general encouragement of US-Soviet agreements on a wide range of subjects.

c. (C) US Military Presence. The US military presence in Korea is probably not a major concern for the Soviet Union, although Moscow would back any reasonable effort by Pyongyang to obtain a US withdrawal, particularly if the resulting situation did not needlessly inflate Kim Il-song's independence and potential recklessness. The question of a North Korean quid pro quo for a US withdrawal could therefore be raised in Moscow when it is raised in Peking. The Soviet response is likely to be colored by considerations of European MBFR, even though the latter is not precisely parallel to the Korean issue.

d. (S) Nuclear Weapons. The approaches to Peking regarding nuclear weapons should also be paralleled in Moscow. The drawback of any nuclear agreement for Moscow is that it would detract from Soviet use of the nuclear threat against China. There may, as we have noted, be minor advantages for the Soviet Union however

10. (S) Arms transfers are Moscow's chief source of leverage in Pyongyang. While Soviet deliveries have been on a much larger scale than Peking's, they probably represent less of a strain on Soviet resources than on those of the latter. (Peking's military assistance includes some sophisticated equipment that is in short supply within China.) There are indications that the Soviet military assistance relationship with North Korea is not an amicable one. For all of Moscow's efforts, Pyongyang has since the end of China's cultural revolution "tilted" decisively toward Peking in its international relations, and all of Kim Il-song's recent tension-reducing and unification efforts have been carried out in a Chinese rather than Soviet context. Even the individual relations between Soviet aid officials and their North Korean counterparts are often strained. While Moscow might welcome a plausible rationalization for economizing on aid deliveries to Pyongyang, it may be reluctant to reduce the now very substantial gap between its deliveries and those of Peking or to limit its future flexibility in these matters.

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in that an agreement could edge China closer to a stand against proliferation [REDACTED]

[REDACTED] In these regards, Moscow would be likely to see precedent-setting advantages.

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e. (U) General Arms-Control Posture. It is undoubtedly necessary to draw Moscow into consultations on the foregoing arms-control measures, even though it may take a fairly negative position in regard to a specific measure. However, it may be useful to follow a more generalized approach than is advisable with Peking because of Moscow's general support for the arms-control process and since Moscow appears to favor measures that will reduce the risk of armed clashes in Korea, particularly when no major restraints are involved on the mechanisms whereby the Soviets exert leverage over the Pyongyang regime.

4. Multilateral and United Nations (U)

(U) If an arms-control agreement is concluded in Korea, a multilateral conference or the General Assembly of the United Nations could usefully pass a resolution endorsing the agreement. The General Assembly and Security Council could at that time also take whatever action is required to bring the UN relationship with the two Koreas into line with the agreement (e.g., to disband the UN Command if that is called for by the agreement and to admit the two Koreas to membership if that step has not already been taken).

(U) The usefulness of a multilateral international conference and of the United Nations in the Korean tension-reducing process prior to the agreement is likely to be very limited, however. Public debate is likely to harden the position of the various parties. (Pyongyang's current hard-line tactic may be due in part to the prospect of General Assembly debate on Korea this fall.) Sino-Soviet issues also are likely to interfere with progress in a forum where both countries are present at the same time. We do not propose, therefore, that UN debate be utilized as a major part of the arms-control dialogue. (Since General Assembly debate is probably inevitable, the occasion should of course be utilized to publicize ROK tension-reducing proposals and responses to Pyongyang's proposals.)

(C) The United Nations can, however, function usefully in another way--by moving toward a more even-handed approach to the two Koreas. As was suggested in the preceding chapter, the United States should not expend negotiating capital to preserve UNCURK. Nor should it any longer attempt to block participation of both Koreas in the General Assembly debate. However, the United States

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should make a defense of the UN Command as having responsibilities in the Korean armistice that cannot be abandoned. (The UN Command, of course, also has implications that cannot be gone into in a UN debate, particularly the relationship of the UN role to Japan's willingness to support the US military presence in Korea.)

(C) If it becomes necessary to abandon the UN Command, alternatives for its various functions will have to be devised. For purposes of the arms-control dialogue, a continuing US role in the armistice and the MAC would be useful; this could be accomplished possibly through direct agreement with China and North Korea, as previously suggested. *PC*

(U) Admission of both Koreas to the United Nations can also be useful to the aim of stabilizing the status quo in Korea. Since the South would gain membership along with the North, the move might facilitate the establishment of some contacts between Seoul and various Communist countries, which would balance the improved diplomatic status of the North. *PC*

(U) Another potential contribution of the United Nations, formation of a fact-finding or observer mission at the initiation of both North and South Korea, could be useful after the arms-control dialogue has developed between the Koreas or within the MAC, if it does not arouse Pyongyang's conventional response that any UN action in Korea is improper. A finding of arms-control progress in Korea could reduce pressures by the General Assembly for Security Council dissolution of the UN Command. Also, as we have noted, a UN mission would provide a useful device for engaging Japan in the tension-reducing process, without creating domestic political problems.

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RECAPITULATION¹ (U)

(U) The major interests of the four powers and of the two Korean regimes are compatible with a general reduction of tension in Korea. Other divergent objectives, mutual suspicions, and efforts by various parties to gain political or security advantages from the arms-control process create obstacles to progress, but the interests that would be served by the reduction of tension and by a lower level of armament in Korea are more important in the long run than the largely tactical interests that would be served by the obstruction of arms control. At a minimum, then, the two Koreas and their respective allies will want the North-South negotiations to continue. Furthermore, if the international environment continues to provide stimuli to the arms-control process in Korea, there is hope that some agreements may be worked out that will help to stabilize the military and political balance between the two Koreas.

(U) A wide range of specific tension-reducing or arms-control proposals (from simple confidence-building measures to major force-reduction proposals) are susceptible to direct agreement in one of the two existing channels of negotiation: the North-South Coordinating Committee, which represents the two Koreas, and the Military Armistice Commission, in which US, ROK, DPRK, and Chinese officers represent the opposing military commanders in Korea. While the two Koreas lack, for the most part, the capability to inspect and supervise agreements they may reach, the armistice machinery does provide control mechanisms that could be revived and the two Koreas have allies that would be capable of providing sophisticated national means of inspection.

(U) It is not difficult in the Korean context to devise balanced packages of arms-control measures that would not jeopardize the security of either Korean regime. In fact, some of the North's proposals on the surface would be relatively advantageous to the South (although there likely are underlying political motives and unstated reservations that could nullify the seeming advantage). In this relatively auspicious situation, the major difficulty is

(U) Volume I provides a detailed summary of the study.

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not how to devise suitable arms-control packages, but how to initiate a constructive arms-control dialogue that will move the negotiations beyond the present confidence-building stage--which of itself has so far been largely ineffective.

(C) The first stage of the negotiating plan developed in the study calls for close consultations between the United States and the Republic of Korea in an effort to make the current North-South talks more productive. The achievement of some confidence-building agreements in this forum would help to move the talks to a discussion of arms-control measures, including even the subject on which Seoul may be the most sensitive: the question of a US withdrawal. The opening for so broad an arms-control dialogue was created last April by Pycngyang's Premier Kim Il, who stated that the North would reduce its armed forces almost by half to 200,000 men if the United States withdrew its forces (numbering about 40,000) from Korea.

(c) The negotiating plan also calls for a revitalization of the existing armistice machinery in order to supplement the North-South dialogue with a parallel dialogue in the Military Armistice Commission. The latter should focus particularly on inspection and supervision aspects of measures being discussed by the two Koreas, but it could also move into more sensitive subjects.

(C) There are a number of measures the United States could institute unilaterally, simply by so notifying the Military Armistice Commission. In regard to some measures--such as restrictions on specific major arms imports--the United States should indicate to the other side that it expects reciprocation, failing which it will cancel the measures taken.

(C) The foregoing steps might lead to some confidence-building agreements and could also lead to limited arms-control understandings, tacit or otherwise. However, for more comprehensive achievements it will be necessary to engage the other major powers with interests in Korea, that is, Japan, China, and the Soviet Union. Because of the difficulty of establishing a multilateral forum and avoiding in such a forum divisive issues such as the Sino-Soviet dispute, the plan calls for a series of bilateral dialogues among the four major powers. Most of the specific arms-control measures pertaining to Korea are more susceptible to agreement between the Koreas than among the powers because, for the most part, any quid pro quo for concessions by either side must be sought in Korea. There are, however, several arms-control measures that the Koreas could agree to that should subsequently receive great power endorsement, such as various measures pertaining to arms transfers

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and nuclear weapons. What may be just as important as such endorsement is the stimulating effect that can be exerted upon the two Koreas by the arms-control dialogue among the powers. Both Koreas wish to minimize great power manipulation of Korean issues, and they probably would prefer to reach agreements themselves rather than be subject to an arrangement by outside powers. UAC

(U) An important aspect of the four-power consultations, in addition to the matters directly related to arms control, would be the encouragement of a more balanced diplomatic approach to the two Koreas, that is, the Communist countries should reciprocate to some extent the diplomatic recognition that has been accorded to Pyongyang by various countries that previously recognized only Seoul. This could help make Seoul more forthcoming in regard to tension-reducing measures by making it clear that Pyongyang will not be the only beneficiary.

(C) The present relaxed attitude of Peking and Moscow about the US military presence in Asia could be utilized in consultations among the powers to persuade Pyongyang to be more receptive to proposals involving a phased reduction of the US military presence. If the United States attempts tacit arms control by mutual example (i.e., a self-imposed termination of the introduction of specific types of military equipment--for example, advanced aircraft--to Korea), it will be important to obtain the agreement of Peking and Moscow as well as Pyongyang, so that the required reciprocity can be developed. PK

(U) As the complex arms-control dialogue develops between the two Koreas and among the powers, it will be more important than ever to continue US-Japanese consultations on matters pertaining to Korea. Despite its inhibitions in security matters, Japan can play a useful role in the dialogue, particularly in regard to establishing a more balanced diplomatic approach to the two Koreas and by participating in any UN action, such as a UN fact-finding mission or UN endorsement of agreements reached by the two Koreas.

(C) Korean arms control can be an important means of advancing US interests in Korea, in Northeast Asia generally (particularly pertaining to Japan), and in relations with the Soviet Union and China. A US policy of exclusive support to and reliance upon the Republic of Korea probably would not generate the stimuli needed to maintain a productive North-South dialogue, nor would it enable the United States to achieve the aim of maintaining the deterrent against Communist aggression in Korea at the reduced level of direct US involvement called for by the Nixon Doctrine. At the same time, it would be premature for the United States to withdraw PK

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its forces from Korea. An intermediate course would be one in which the United States would (a) support the Republic of Korea; (b) feel more free to open discussions on Korean issues informally with China, the Soviet Union, and even North Korea; and (c) reduce, at appropriate times, some elements of the US military presence, or at least discuss such reductions. This intermediate, flexible approach would be particularly suitable in an arms-control context. In fact, the three elements of this approach can be effected sequentially: the present exclusive support of the Republic of Korea could give way to a much more flexible diplomatic approach, a part of which would be the development of a multifaceted arms-control dialogue. If that leads to balanced arms-control agreements, it could in turn make possible the reduction and ultimate withdrawal of US forces from Korea that seems desirable under the Nixon Doctrine.

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APPENDIX A

THE MILITARY BALANCE (U)

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APPENDIX A

THE MILITARY BALANCE (U)

A. NORTH AND SOUTH KOREAN FORCES (U)

(S) For purposes of sustained combat operations and in terms of overall conventional combat capabilities, neither of the two Korean armed forces has a decisive advantage over the other. Each side is capable of launching a significant attack, but neither could sustain combat operations without considerable outside assistance. Both sides suffer a serious logistic problem in that they are dependent on imports for most of their POL, as well as for most of their heavy and technical equipment.

1. Armies (U)

1. (S) Defense Intelligence Agency, Military Intelligence Summary, Section X, Eastern Asia, "The Republic of Korea," July 1972, DI-210, XEA-72, p. 7, SECRET/NOFORN. It is expected that ROK forces could hold the invading forces to the area north of Seoul.

2. (U) Ibid.

3. (U) ACDA, Weapons Evaluation and Control Bureau, draft study, "Arms Control Study for Korea"; and information provided by US Embassy, Seoul, SECRET.

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likely use the 400 assault guns in an antitank role, further reducing the ROK's margin in armor superiority. In a defensive posture, the North Koreans would certainly use the assault guns as antitank weapons.⁴

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4. (U) Embassy, Seoul, SECRET.
5. (U) Defense Intelligence Agency, DIA Intelligence Appraisal, "Comparison of North Korean-FOK Forces," January 10, 1973, SECRET/NOFORN.
6. (S) Total strength is expected to rise to 373,000 by 1981. Defense Intelligence Agency, Defense Intelligence Estimate for Joint Planning (DIEJP), The Communist World, v. 1, "Communist Asia (NK)," DE-606-6-72, Revised November 15, 1972, pp. II-283 and II-285, TOP SECRET.

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as reserve combat units. Rather it is a ready source of manpower for logistical and other types of support functions.⁷

2. Navies (U)

(U) As can be seen from the table below, the naval forces of both North and South Korea are small. Their primary mission is that of coastal defense.

7. (S) Contrary to the ROK charge that this militia is essentially a regular reserve force, the Defense Intelligence Agency has found no evidence that the militia is at the level of regular forces or that it has been equipped with heavy weapons. Defense Intelligence Agency, The Military Outlook for the Two Koreas, August 8, 1972, DIE F88-72, p. 26, SECRET.

8. (S) Two additional infantry divisions were deployed in Vietnam up until 1973. One of these divisions has been returned to active duty and the other is in the process of being deactivated.

9. (U) Defense Intelligence Agency, Military Intelligence Summary, "Republic of Korea," p. 10, SECRET/NOFORN.

10. (U) Embassy, Seoul, SECRET.

11. (U) Defense Intelligence Agency, Military Intelligence Summary, "Republic of Korea," p. 11, and "North Korea," p. 10, SECRET/NOFORN.

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(S) With their submarine force (6), the North Koreans could conduct some patrolling operations in an attempt to limit freedom of the seas, particularly in the Sea of Japan. They could, for example, pose a limited threat to US surface resupply and movement of forces. With its sizable missile patrol fleet (16), which is equipped with highly effective cruise-missiles, and with its motor gunboat fleet (65), the North has very potent naval firepower. In fact, the North's naval forces would have the tactical advantage in operations against the South.

12. (U) Embassy, Seoul, SECRET.

13. (U) Information supplied by the Defense Intelligence Agency SECRET.

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(S) The North's ground-attack capability has been recently upgraded with the addition of the SU-7 fighter-bombers from the Soviet Union and Mig-19s from China. With the SU-7, North Korea is capable of attacking any target in the South.¹⁷

14. (U) DIA, Military Intelligence Summary, "Republic of Korea," p. 12, SECRET/NOFORN.

15. (U) Ibid.

16. (U) Ibid.

17. (S) The IL-28s could also strike any target in the South; however, they are slow and vulnerable to ROK interceptors.

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- 18. (U) DIA, "The Military Outlook for the Two Koreas," p. 46.

 - 20. (U) Ibid.

 - 21. (U) DIA, Military Intelligence Summary, "North Korea,"
p. 16, SECRET/NOFORN.

 - 22. (U) I.A., DIEJP, pp. II-288 and II-289, TOP SECRET.

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24. (U) Report on NSDM 48 Interagency Steering Groups, "ROK Force Structure and Five-Year Modernization Program," April 30, 1971, SECRET/NOFORN; and Embassy, Seoul, SECRET.

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B. THE ROLE OF NON-KOREAN FORCES (U)

1. Soviet Union (U)

a. (S) In Korea. Although no Soviet forces are stationed in Korea, a Soviet military "presence" has been established there through the large-scale aid program that has been underway in varying degrees since the early 1950s. Through its military assistance program, the Soviet Union has been by far North Korea's largest military supplier. The defense industries in North Korea are not capable of producing large or sophisticated equipment, such as aircraft, missiles, radar, or armed vehicles.²⁵ Thus, North Korea is almost totally dependent upon the Soviet Union, and it is through this dependence that Moscow has been able to exert some influence in North Korea in support of its policies²⁶ and to counterbalance China's ideological influence and aid. North Korea's continuing requirement for Soviet aid has almost certainly contributed to its superficial neutrality in the Sino-Soviet split.

(U) By ensuring that North Korean forces are roughly in balance with those of the South, Moscow contributes to the stability of the military balance on the peninsula and can, to a considerable extent, reduce the risk of independent military action on the part of North Korea, since any sustained military campaign would be impossible without the support of the Soviet Union.²⁷ (However, North Korea's dependence on the Soviet Union by no means gives the Soviets the ability to restrain Kim from all types of risk-taking and provocative action.)

25. (S) Defense industries in North Korea produce infantry weapons, rocket launchers, ammunition, and trucks in quantities sufficient for the army's peacetime needs. As mentioned earlier, naval ships through D/E size can be constructed.

26. (U) See Chapter II.C. for a discussion of Soviet interests and policies in the two Koreas.

27. (S) It would be possible for China to supply North Korea with most of the sorts of equipment now supplied by Moscow, but this would require readjustments in China's own maintenance and replacement program.

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With their military assistance, the Soviets are also able to maintain North Korea's military preparedness, which appears to be a continuing Soviet policy goal.

b. (U) In Surrounding Areas. The Soviet Union has an impressive array of military power in the Northeast Asian area. Soviet forces there have been built up steadily, and in some cases dramatically, since the onset of the Sino-Soviet split.

(S) In their Far Eastern regions, the Soviets have deployed twenty-one divisions of ground forces, all of which are stationed along the border with China, are defensive in posture, and lack a logistic system to support sustained operations. 87c

(S) Soviet air power in the Far East has been expanded to include 556 tactical fighter aircraft, 114 long-range bombers, and 572 fighter aircraft for air defense. Some ICBM launchers are located in the area east of Lake Baikal. 87c

(U) With these forces in its Far Eastern regions, it is obvious that the Soviet Union has units that are within striking range of the Korean peninsula and that could, in terms of capabilities, be brought into play in the event of hostilities.

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However, as was discussed in Chapter II.C., it does not seem likely that Moscow would intervene directly in an armed conflict on the peninsula, although it would probably continue and under certain circumstances increase its military assistance.

2. China (U)

D. (S) In Surrounding Areas. Since the Korean war, China has been consistently and in some cases rapidly improving the quality and capabilities of its armed forces. Although all the military services have been improved, particular emphasis has been placed upon the development of nuclear weapons systems. It is reported that 20 to 30 MRBMs have been deployed, mainly in North-East China, and that an IRBM with a range of 1500 to 2500 miles has been developed and may also have been deployed.³⁰

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29. (U) Embassy, Seoul, SECRET.

30. (U) International Institute for Strategic Studies, The Military Balance, 1972-1973 (London, 1972), p. 44.

31. (U) Defense Intelligence Agency, Military Intelligence Summary, Section IX, "People's Republic of China," January 1973, DI-210-118-72, p. 20, SECRET.

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seriously exposed. It appears, then, that operations in areas outside China's borders would be undertaken only if the threat from the Soviets subsided.

3. The United States³⁴ (U)

a. (C) In Korea. The United States has had forces stationed in South Korea since the onset, in 1950, of the Korean war. Presently, US forces, [REDACTED] serve primarily to deter attack from the North. Between 1955 and 1971, 2 army divisions (24,000 men) were deployed in the South, 1 along the DMZ and the other in reserve. In June 1971, the reserve division was withdrawn from Korea and the other was withdrawn from the DMZ and placed in theater reserve. The United States has assigned 4500 army personnel to some of the Nike-Hercules and Hawk air defense units in the ROK; the Fourth US Missile Command, which provides the ROK First Army with long-range artillery and missile support, is stationed 25 miles south of the DMZ in the ROK's eastern sector. The US Air Force has some 7000 personnel and 90 aircraft stationed at 4 bases throughout South Korea.³⁵

(U) A 604-man US Military Assistance Advisory Group provides advisory assistance to the ROK forces. The US security assistance

34. (U) Based in part on Roland A. Paul, American Military Commitments Abroad (New Brunswick, N.J.: Rutgers University Press, 1972), pp. 93-104, and in part on information supplied by Embassy, Seoul, SECRET.

35. [REDACTED]
Before the Pueblo incident of January 1968, there were only 11 US combat aircraft in Korea. This number was quickly raised to more than 100 as a result of the seizure of the American vessel. To build up South Korean forces following the incident, the United States agreed to a supplemental military assistance package totaling \$100 million, which included the 18 F-4s that are now part of the ROK air force. Paul, American Military Commitments Abroad, p. 97.

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program³⁶ (grant aid and South Korean purchases of US equipment)

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b. (S) In Surrounding Areas. The United States has forces in Japan, on Okinawa, and in the Western Pacific that could be rapidly deployed to Korea in the event of an emergency. In Japan, the United States has support forces of about 40,000 military personnel at over 100 military installations. Thirty-seven vessels of the Seventh Fleet, including 1 cruiser, 10 minesweepers, and a total of 8 destroyers and frigates are home-ported in Japan. On Okinawa, the United States has two-thirds of a marine division and tactical air wing. In addition, three carrier air wings of the Seventh Fleet patrol in the East and Southeast Asian areas.

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(S) The US forces are stationed in Japan under the US-Japanese Security Treaty and are there for the purpose of supporting US security commitments both to Japan and to other countries in the area.³⁸ In the event of a crisis in Korea, Taiwan, or elsewhere in the Far East, US forces could be deployed from Japan to the

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36. (U) The dollar amounts of the US Military Assistance Program for South Korea are as follows (in thousand dollars):

FY1950-1963 - 1,925,654	FY1969 - 138,180
FY1964 - 122,380	FY1970 - 135,770
FY1965 - 111,679	FY1971 - 292,047
FY1966 - 162,456	FY1972 - 152,476
FY1967 - 169,613	FY1950-1972 - 3,465,073
FY1968 - 254,818	

Fiscal Year Series January 1973, prepared by Comptroller, Defense Security Assistance Agency, October 16, 1972.

37.

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38. (U) Article VI of the Treaty of Mutual Cooperation and Security Between the United States and Japan, January 1960: For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

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threatened country. Or, subject to Japanese concurrence, they could conduct combat operations from bases in Japan. The main combat-related functions of these forces would be to support US operations in Korea. In addition, US facilities, especially the air and naval bases, serve as logistic support facilities for US operations in Asia. They are thus extremely important in assuring South Korea of the continuing US presence in the area and of the US commitment to the ROK's defense.

C. THE STABILITY OF THE MILITARY BALANCE (U)

1. The Threat from the North³⁹ (U)

(S) (1) The North Koreans must calculate that the United States would honor its security commitment to South Korea. The nature of the American response cannot be predicted, but it would probably be of a magnitude sufficient to turn back the North's offensive and possibly to wreak devastating damage on the North.

(S) (2) A North Korean attack would be very costly. North and South Korean forces are presently in rough balance, and--if neither side received external support--the South could probably contain the North.

(S) (3) North Korea would probably have difficulty obtaining backing from either the Soviet Union or China. Neither country considers it in its national interest

39. (S) Only a unilateral attack by the North is discussed in this section since the possibility of a combined North Korean-Chinese and/or Soviet attack is considered to be very remote.

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to furnish North Korea the support necessary for a large-scale, sustained conflict.⁴¹ Without assurances of such support, North Korea could not count on sustaining offensive operations for longer than one or two months.⁴²

(U) Of lesser concern to North Korea would be the following:

(S) (4) Such an attack would greatly alarm the Japanese, possibly provoking them to rearm.

(S) (5) An attack would not be consistent with the present North Korean policy vis-à-vis the South.⁴³

(S) Although there appears to be no danger of a war erupting from a unilateral North Korean attack, hostilities could erupt from a miscalculation on either side or from an armed incident that escalated into a military confrontation. There is also the possibility of a commencement of a North Korean campaign of infiltration and subversion. However, with the readjustment of political relations currently in progress in East Asia, the prospect of small incidents erupting into a large-scale confrontation appears to be remote.

41. (U) See Chapter II.C. and D.

42. (S) Similarly, without US support, the ROK forces could not sustain offensive or defensive operations for more than a short period of time.

43. (U) See Chapter III for a discussion of North-South interests and policies.

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2. Asymmetries and Special Problems (U)

a. (S) Manpower--Reserves, Mobilization, and Labor Supply.
The South has twice the population of the North and thus a far greater pool of available manpower from which reserve forces can be drawn. The difference in their labor base is illustrated by the fact that one-eighth of the available manpower is under arms in the South, compared with one-fourth in the North.

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c. (S) Industrial Base. In comparison with the South, the North is mineral rich and has a better industrial base. The North has industries that can produce ammunition, rifles, rocket launchers, mortars, machine guns, trucks, and naval ships as large as destroyer escorts. The South is mineral poor and largely agricultural and has little heavy industry that could serve as a basis for an arms industry. However, the South has taken some steps toward creating a limited indigenous military industrial capability. Most notable are ROK plans for steel and shipbuilding industries.

OK

d. (S) Strategic Location of Seoul. The Seoul-Inchon complex is South Korea's principal political, commercial, industrial, transportation, and telecommunications center, and, hence, its major strategic area. It is located within thirty miles of the DMZ, along a main invasion route into the South from the North. In contrast, the North Korean counterpart, the Pyongyang complex, is located eighty miles from the DMZ. Because of the proximity of Seoul to the DMZ, the South Koreans may be strongly committed to a forward defense strategy and may be unwilling to draw down their forces in that area.

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44. (U) Defense Intelligence Agency, Military Intelligence Summary, "The Republic of Korea," p. 5, and "North Korea," p. 5, SECRET.

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APPENDIX B

JAPAN'S INTERESTS IN KOREA (U)

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APPENDIX B

JAPAN'S INTERESTS IN KOREA¹ (U)

(U) An analysis of Japan's interests in Korea is important for this study for two reasons. First, Japan is so deeply involved in the peninsula that its actions will inevitably affect the policies of the two Koreas. Second, the policies of the other three major powers are influenced in varying degrees by their estimation of how their actions in Korea will impinge upon the interests of Japan.

(U) Japan's national interests, as they relate to Korea, can be stated as follows:

- (U) That there not be an outbreak of war on the Korean peninsula.
- (U) That Japan's policies toward Korea not invite the serious hostility of Peking or Moscow.
- (U) That South Korea not be controlled by a hostile government.
- (U) That Japan derive the maximum possible economic and political benefits from the Korean peninsula as a whole.

These four interests should properly be viewed in hierarchical terms. The first is a vital interest, the second and third are of great consequence, and the fourth is significant, but less so than the three that precede it.

1. (U) This appendix treats in more detail the subject of Japan's interests in Korea that was discussed in Chapter II.B.

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(U) These four interests, as will be explored in detail in the course of this section, are clearly in tension with one another. For present purposes, it is only necessary to note that it may not always be possible for Japan to maximize its benefits from the peninsula and obstruct the efforts of the North to bring all of Korea under its control and, at the same time, avoid a serious deterioration of its relations--or even war--with China or the Soviet Union.

1. The First Interest: That there Be No War in Korea (U)

a. (U) The Problem of Mutually Conflicting Interests. This first of Japan's interests related to Korea is of overriding importance compared with the other three because it incorporates two constituent interests, each of which is itself vital to Japan:

- (U) Japan must not be drawn into war with China or the Soviet Union as a result of a conflict on the Korea peninsula.
- (U) A conflict in Korea must not be allowed to damage seriously Japan's relations with the United States.

It will be seen that one of the first consequences of another Korean war would be that the Japanese government would be confronted with some painfully difficult choices, for in such a crisis it would be impossible to devise policies that did not entail grave risks of damaging one of these two interests.

(C) The first of the above two constituent interests is a particular manifestation of a more general Japanese interest in not being drawn into any war; especially one which involves China or the Soviet Union. The intense fear and abhorrence of war in Japan are well known. A crisis or a war on the Korean peninsula would engage these generalized sentiments more readily and more fully than would similar events elsewhere. In part, this is a natural consequence of geography: South Korea is the nation located closest to the home islands. But the Japanese have more specific reasons for their anxiety about the possible impact on Japan of another war in Korea. Through its alliance with the United States, Japan is directly linked to the defense of South Korea against an attack from the North. More important than the existence of formal obligations is the existence of a strong expectation on the part of the United States and South Korea that, in the event of a second Korean war, Tokyo would permit US forces both to conduct combat operations from bases in Japan and to have access to Japan's ports, airfields, and industrial plant for logistical purposes. The latter

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particularly would be very important, indeed probably essential, to a successful defense of South Korea. JK

(C) These obligations and expectations would create a serious dilemma for the Japanese government if the DPRK's armed forces attacked the South. If Tokyo decided, as it almost certainly would, that Japan would honor its obligations, there would be a danger of Communist retaliation against US bases in Japan, this time including those on Okinawa. Most painful of all for the Japanese government to contemplate would be the possibility that the United States might respond with nuclear weapons to a successful North Korean offensive against the South. If China or the Soviet Union replied in kind, the potential for a spreading of the conflict to Japan would be frightening in the extreme. BT

(U) An additional reason for the dread with which the Japanese government regards the prospect of a war in Korea is the repercussions that such a crisis would have within Japan. Most important, from the standpoint of the ruling Liberal Democratic Party (LDP), would be the polarization of domestic Japanese politics. If the government chose to support US efforts to defend the Republic of Korea, the opposition parties would paralyze the Diet, attempt to mobilize an antigovernment mass movement, and might well succeed in bringing down the Cabinet and in forcing the government to call a general election under conditions unfavorable to continued conservative domination.

(C) If, on the other hand, Tokyo decided to renege on its obligations and attempted to dissociate Japan entirely from the conflict, the second of the two constituent interests would be affected. The United States would find it much more difficult to honor its defense commitment to South Korea. To the extent the United States disengaged from the conflict, the probability of a North Korean victory would increase. Whether or not the South was overrun (but particularly if it was), the United States would feel that it had been betrayed by its ally, and there would be a very serious crisis in US-Japanese relations. OK

(C) The eventual repercussion of these events in Japan might be far-reaching. Depending on the outcome of the war in Korea, the amount of support the United States decided to extend to South Korea, and the intensity of American antipathy toward Japan, Japanese nationalists might be able to make a persuasive case that the country should no longer assume that the US-Japan Security Treaty could be relied upon. If the credibility of the Treaty was seriously questioned, conservative elements might then begin to press for a rapid expansion in Japan's military capabilities. This, in turn, would create an issue that would generate tremendous OK

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political controversy and turmoil, which the Left might succeed in exploiting to its advantage.

b. (U) The Problem of Conflicting Policy Options. Most Japanese approve the government's current policy of encouraging peace and stability in and around the Korean peninsula by improving relations with China, the Soviet Union, and to a lesser extent, North Korea. Most would also like to foster the improved prospects for détente that have emerged as a result of the North-South talks. Beyond this, however, the consensus on policy breaks down. Japanese of a "progressive" persuasion tend to emphasize policies that serve to keep Japan from becoming involved in potential Korean conflicts and to minimize the possible effects of such an approach on the alliance with the United States. Other more conservative Japanese believe that policies serving the second constituent interest should be given a higher priority even if this entails some risk of future entanglement in war. Each group maintains that the set of policies it advocates serves Japan's larger interest in continued peace on the peninsula. Neither group has managed to devise a strategy that would serve both constituent interests if a war did occur.

(U) The conservative bureaucratic-business-political establishment favors a policy of consolidating the status quo by contributing to the political, social, and economic stability of South Korea and by cooperating discreetly with South Korean and American efforts to deter aggression from the North. The LDP argues that steps such as these enhance stability on the peninsula without incurring an unacceptable risk of Japan's becoming involved in a Korean war if one does break out. Furthermore, it stresses that the government will maintain, and apply to Korea, its standing policy of not entering into treaties that would oblige Japan to come to the defense of another country, of not dispatching units of the Self Defense Forces (SDF) overseas, and of not exporting armaments. These measures, the conservatives apparently hope, will be sufficient to insulate Japan from any conflict likely to occur on the peninsula.

(U) The opposition forces are in total disagreement with this approach. They maintain that Japan's close ties with the reactionary regime in Seoul contribute to tensions on the peninsula. They further argue that, in the event of war, these ties would all but ensure that Japan could not escape becoming deeply involved in the defense of South Korea and, consequently, exposed to a possibly devastating counterattack by one or both of North Korea's allies. Accordingly, the Left advocates policy measures that would completely dissociate Japan from the fate of South Korea.

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(U) The Japanese Left would attempt to resolve the dilemmas inherent in the task of promoting stability while avoiding potentially dangerous involvements by opting for maximum disengagement, even if that proved to be destabilizing. The conservatives, meanwhile, continue to pursue both objectives, in the hope that the status quo will in time be stabilized and that the deterrent to a North Korean attack will continue to be effective, thereby obviating the need to meet obligations that even the LDP would find extremely difficult to honor. Since the conservatives currently control a majority in the Diet, it is their view on what mix of measures best serves Japan's first interest in Korea that is reflected in government policy. If the North launched another attack on the South, the LDP would give the second constituent interest priority over the first and would support US and South Korean efforts to repel the invasion. If, however, China or the Soviet Union entered the conflict and made the highly unlikely decision to strike at US bases in Japan, even a conservative Japanese government might very well reverse priorities and drastically reduce, or terminate altogether, support for the Republic of Korea.

2. The Second Interest: That Japan's Policies Not Invite the Serious Hostility of Peking or Moscow (U)

(U) The discussion of the first interest focused on the debate within Japan on the proper response to an undesirable series of events set in motion by non-Japanese principals. This section addresses the question of how Japan, as the principal actor, might itself set in motion an undesirable series of events in Korea and what the Japanese believe they should do to avoid such a process.

(U) This second interest tends to circumscribe, rather than determine the content of, policy toward Korea. Examination of this interest exposes the very limited nature of Japan's aspirations in Korea and reveals the great importance of the international context within which Japan's Korea policy is made.

(C) Perhaps the most effective way to highlight the extent to which Japan's Korea policy is dependent upon its policies toward the Soviet Union and China is to imagine the kind of Korea the Japanese establishment might find most congenial were it not constrained to consider the attitudes of Peking and Moscow in its foreign policy calculations. Such a Korea would probably be unified, non-Communist, politically and socially stable, economically dynamic, friendly to Japan, and open to Japanese trade and investment. If this or something very similar to it is in fact the image of the "ideal Korea" secretly harbored by conservative

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Japanese, these same conservatives regard it as an unattainable, unrealistic objective not worthy of serious policy efforts for two reasons, both of which relate to the inescapable fact that China and the Soviet Union are deeply involved and interested in what happens on the peninsula. The first reason concerns the process by which Korea would come to be unified under a non-Communist government. The current progress in North-South talks notwithstanding, the Japanese government believes that a non-Communist government could only establish control over the entire peninsula by physically obliterating the North Korean regime. Aside from the very low probability that Seoul would be so foolish as to attempt such a venture, the attack would be certain to bring in the Soviet Union or China (or both) on the side of Pyongyang and would probably precipitate a more general conflict that might spread to Japan. Tokyo obviously would never, under any conceivable circumstances, encourage in any way an attack on the North by the South. What is conceivable, indeed likely, is a low-key effort by Tokyo to encourage and support North-South reconciliation.

(C) The second reason why conservative visions of a non-Communist unified Korea have a negligible impact on Japan's Korea policy concerns the result of unification under a non-Communist government. Analysis of this issue requires that we suspend judgment on the question of how such a situation could come to exist and address ourselves to the problem of how the Japanese believe the Soviets and the Chinese would respond to the new circumstances on the peninsula. Basically, the Japanese establishment knows that its "ideal Korea" would be highly undesirable from the point of view of China and the Soviet Union. Both powers would regard the disappearance of a member of the Socialist community as a serious political and ideological setback. A buffer state perceived by the Soviets as important to the security of the USSR and by the Chinese as vital to their security would have vanished, bringing them into direct contact with a non-Communist and potentially hostile Korean regime. Hostile or not (indeed, Communist or non-Communist), a unified Korea would be far stronger, more independent, and less amenable to guidance and manipulation than the smaller and more vulnerable state that now exists on their borders. Even if a non-Communist Korea adopted a neutral foreign policy, the two Communist states would probably see it as "objectively" aligned with the West and, therefore, as a clear gain for Japan and the United States.

(C) The more friendly this Korea became to Japan and the more it permitted extensive Japanese penetration of its economy, the more objectionable the Communists would find the new state of affairs. And active Japanese efforts to support the new regime and to draw Korea more firmly into a Japanese economic or political sphere of influence would further heighten Chinese and Soviet

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displeasure, not simply with Korea but also with its Japanese sponsor. The heightening of tension in Northeast Asia that would almost certainly ensue might lead to a very serious deterioration in Soviet-Japanese relations and the beginning of that permanent rivalry with the People's Republic of China that some observers see as inevitable and that the Japanese are so anxious to avoid. In any case, there would be a definite net reduction in Japan's security.

(C) This extreme example of the incompatibility of Japanese desires and Communist interests in Korea brings into sharp relief the impact of China and the Soviet Union on Japan's Korea policy. Tokyo is aware of this incompatibility. It views as understandable and legitimate the Soviet and Chinese interests in the continued existence of a Communist North Korea. Tokyo is also convinced that a basic element in Japan's long-range security policy must be a sustained effort to improve relations with the two great Communist powers, to reassure them as to Japan's ambitions and intentions, and to work to widen the area of common concerns and shared interests. Japanese policymakers consequently have been, and will continue to be, most cautious in their approach to Korean problems. Above all, Tokyo will not lend its support to attempts to change the status quo on the peninsula in ways that might work to the advantage of Japan but that would at the same time provoke strong and probably violent opposition from China and the Soviet Union.

3. The Third Interest: That South Korea Not Be Controlled by a Hostile Government (U)

(U) The overall effect of the two interests discussed thus far is to circumscribe policy, inhibit action, and push the Japanese in the direction of minimizing their involvement in Korea. The third interest is of an entirely different nature. It invites, and in some respects necessitates, active participation in the shaping of events on the peninsula.

(U) Between the last years of the nineteenth century and the end of the Second World War, Tokyo perceived the goal of preventing the installation of a hostile, or potentially hostile, government in Korea as a vital national interest. Avoiding war with China and Russia and abstaining from actions in Korea that might antagonize those two states were accorded a much lower priority. The whole Korean peninsula was seen as part of Japan's natural sphere of influence and an area that could not be allowed to fall into unfriendly hands. Today, priorities are reversed and Moscow's and Peking's interest in preserving a Communist North Korea is seen as tolerable and legitimate. At the same

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time, most Japanese believe that their country also has a legitimate interest in not having the entire peninsula fall under the control of a Communist government. They believe that their country, too, needs a buffer between it and its most powerful potential enemies and that the Chinese and Soviets should be willing to recognize this need and tolerate the perpetuation of the status quo in Korea.

(U) There is a good deal of confusion and uncertainty as to whether a unified Communist Korea would necessarily be a hostile Korea. The Japanese Left maintains that it would not. Right-wing conservatives believe, and many moderate conservatives suspect, that it would. What this suggests is that the third interest is in reality composed of two overlapping but not completely congruent interests, i.e., that the government of South Korea should be, first, nonhostile and, second, preferably non-Communist. All that can be said with any certainty is that the interest in a nonhostile South Korea is one that is satisfied at present by the existence of a non-Communist government in the South and that might not be satisfied if Pyongyang succeeded in extending its control over the entire peninsula. Because of the confusion surrounding the third interest, we will examine what it would mean for Japan to be confronted with a Korea unified under a Communist government.

a. (U) Japan's Security Interests in South Korea. Perhaps the most important issues that would be raised by the creation of a unified Communist Korea are related to security.

(1) (U) Process and Preconditions. Unification would entail a drastic change in Japan's security environment, not so much because of the heightened threat that a Communist Korea itself would represent, but more because of the nature of the process by which unification would have to be accomplished and the conditions that would have to exist before Pyongyang would decide to set the process in motion and be able to carry it through successfully.

(U) The Japanese believe that the only way in which the entire peninsula will ever be brought under the control of a Communist government is through violence. (An attack by the North on the South would, of course, immediately raise the issues discussed in connection with Japan's primary interest of avoiding war in Korea.) The Japanese also believe that Pyongyang would only attack the South if conditions in Northeast Asia were much different from what they are now. As long as the US security relationship with both Korea and Japan remains intact, all-out political, military, and economic support from at least one of the two great Communist powers would be necessary for a successful invasion. In fact, so

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long as the US security relationship persists, the North would be unlikely to attack the South, even if it had obtained the backing of one or both of its allies.

(C) Either a withdrawal on the part of the United States or the assumption of a threatening posture by China or the Soviet Union (or both) would presage a period of great uncertainty and tension in Northeast Asia and increased danger to the security of Japan. It is primarily for these reasons, rather than because of the threat intrinsic in a new Communist regime, that most Japanese would feel that their national security had been seriously affected by the annexation of South Korea by the North. This immediately raises the question of whether a Communist Korea created by peaceful means and without disturbing upheavals in the configuration of power in Northeast Asia would endanger Japanese security.

(2) (U) A Communist Korea as a Security Threat. In part, Japanese anxieties over a possible unified Communist Korea date back to the late nineteenth and early twentieth centuries, when Japan struggled against what it believed to be an imminent threat to its independence posed by the expanding western empires. In addition, there is a deeper layer of memories associated with Korea's role as the historic invasion route between Japan and the great continental powers.

(C) It is unclear just how powerful this emotional component of the Japanese attitude toward Korea is. For the present, it appears to be quiescent. Even if North Korea succeeded in annexing the South, it might be outweighed by other factors, such as fear of war, or an effort by Pyongyang to cultivate good relations with Tokyo, or the Japanese propensity for adjusting to unpleasant but apparently irreversible alterations in circumstances. There is, however, a distinct possibility that these anxieties might suddenly come to the surface, particularly in the kind of crisis situation outlined above, and occasion a discontinuous change in Japan's foreign and security policies.

(C) There are also a number of concrete, identifiable problems that the advent of a united Communist Korea would pose for Japanese military planners. These problems fall into three groups: first, problems following from the loss of certain positive security "assets"; second, problems related to the enhanced capabilities and possible intentions of the Communist Korean government; and third, problems associated with the contributions this government might make to the capabilities of China or the Soviet Union. Of these, the third is the most important.

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(B) In order to focus the analysis on security problems related to the existence of the new state, it will be assumed that the North has absorbed the South peacefully and that the situation in Northeast Asia remains otherwise unchanged. In order to present the strongest possible case for the proposition that a Communist Korea would pose a threat to Japan, it will also be assumed that the United States would not help Tokyo to cope with security problems created by Pyongyang.

(C) The security assets that Japan would lose with the disappearance of the Republic of Korea would be primarily military and geographic in nature. The buffer against potential Communist attacks from the continent represented by the 635,000 men in the South Korean armed services and the Republic's 32 million citizens would be negated.² Moreover, the shorter distance between Japan and Communist Korea would reduce the warning time available to the Japanese in the event of a Communist air attack and would lengthen the period of time enemy fighters would be able to stay on station over Japan.³ How great these losses would appear to ordinary Japanese would depend on several variables; but it is clear that, at least from the point of view of professional Japanese military planners whose calculations must be heavily influenced by worst-case scenarios, the loss would be serious indeed.

(C) The second problem is that Pyongyang's military capabilities would be greatly enhanced. It is clear that a united Communist Korea would have at its disposal a much larger percentage of its total armed forces for deployment outside Korea than the DPRK does now, simply because it would no longer have to defend itself against a possible attack from the South. Let us assume generously that all of its forces are available for use against Japan. Let us also assume--again generously--that the size of the armed forces of Communist Korea is equal to the sum of the armed forces now supported by the rival Korean governments, that is, roughly one million men.

2. (U) Data from the International Institute for Strategic Studies, The Military Balance, 1972-1973 (London, 1972), p. 51.

(U) Fukuoka and the Straits of Shimonoseki are about 420 statute miles from Wonsan, the southernmost port on the east coast of the DPRK, but only 130 miles from Pusan.

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(C) Even if we hypothesize a combined Korean military establishment almost four times as large as that of Japan, it is still necessary to ask exactly how the new regime could threaten Japan. The army, probably the most powerful branch of the Korean military, would be of little use unless Pyongyang succeeded in landing it in Japan. An attempted invasion of the home islands, however, may be dismissed as beyond the bounds of probability. It is not inconceivable, however, that Pyongyang might choose to provoke a form of low-level hostility below the threshold of open war yet serious enough to pose a significant security problem for the Japanese military. The only military instruments that Korea could use for this purpose would be its navy and air force. A comparison of the combined Korean and Japanese air and naval orders of battle shows that Japan, with six destroyers and destroyer-escorts for every one possessed by Communist Korea, would probably have the advantage on the sea, but that Korea, with a four-to-three superiority in combat aircraft, would be somewhat stronger in the air.⁴ There is, therefore, no doubt that Pyongyang, if it chose to do so, could mount a very irritating offensive against, for example, Japanese shipping in waters near the peninsula. There is also no doubt, however, that Tokyo, if it chose to unleash its air and naval forces, could impose very heavy costs on the Koreans. Over the short run, the outcome of a violent clash might be in question and, quite conceivably, could even favor the Koreans. But while Japan would be at a disadvantage in any conflict that erupted immediately after unification, it would have little difficulty in quickly redressing the military imbalance and then suppressing the Korean navy and air force. Manifestly, there is no physical limitation on Tokyo's ability to counter any conceivable threat from the Korean armed forces.

(C) If it is necessary to ask how a united Communist Korea could threaten Japan, it is even more necessary to question why such a Korea would want to provoke its more powerful neighbor. It is quite possible that a post-unification Communist Korea might experience a resurgence of virulent, anti-Japanese nationalism. It is also possible that Pyongyang might decide to manufacture a Japanese threat in order to consolidate its legitimacy within, and control over, the peninsula. But there is no rational reason why it should want to go beyond verbal expressions of antagonism and actually begin military operations

4. (U) This, of course, requires that we make the patently absurd assumption that Communist Korea is able to maintain all of the ROK's American-made military equipment in working condition.

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against Japan. On the other hand, there do exist a number of very persuasive arguments why it would be contrary to the Korean national interest to stimulate the Japanese fear of, and antagonism toward, Korea: economic intercourse with Japan would be restricted or terminated; Japanese opposition to rearmament would be eroded; and to the extent that Japan's rearmament progressed, Korea might be forced to seek assistance from China or the Soviet Union. The impact on Korea's economy, security, and independence would be negative. Knowing this, Pyongyang presumably would have little interest in attempting to threaten Japan.

(C) The third kind of problem that the loss of the Republic of Korea would pose for Japan's security concerns the contributions that a united Communist Korea might make to the capabilities of Japan's two potential enemies: China and the Soviet Union. The contributions that Korea could make to one or both of the two powers fall into two general categories: those related to the land, air, and sea forces at the disposal of Pyongyang; and those related to Korea's location. As for the Korean armed forces, while the army would be all but useless, the navy and, particularly, the air force would be perceived by the Japanese as rather sizable accretions to the Chinese or Soviet armed forces. More important, however, would be access to Korean territory. Although the construction of a Chinese or Soviet naval base on the south coast of Korea would further complicate the already insoluble problems confronting Japan's Maritime Self Defense Force (MSDF), of more significance would be the creation of a network of Chinese or Soviet air bases in the southeast corner of the peninsula. Kyushu, Shikoku, and western Honshu would then be even more vulnerable than Hokkaido now is to Communist fighters and bombers. The Japanese reaction to these developments would almost certainly be very strong, particularly because of the radical change in the entire East Asian strategic-political configuration that would have to precede the advent of a Chinese or Soviet military presence in Korea.

(C) Clearly, the assumptions one must make in order to rationalize either a joint military effort by Communist Korea and one or both of its allies or a Sino-Soviet military presence in Korea are implausible. It follows that whatever problems may arise for Japan in the area of security as a result of the unification of Korea under a Communist government are almost certain to follow from the loss of existing assets and the threat from Korea itself rather than from the contributions that Korea might make to China or the Soviet Union. If this last problem did materialize, by far the greatest sources of danger to Japan would be China or the Soviet Union (or both), not their Korean ally.

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b. (U) Japan's Political Interests in South Korea. For most Japanese, being confronted with the annexation of South Korea by the North would be to experience a serious constriction of psychological-political horizons. South Korea is now one of Japan's most valued Asian friends and seems to be drawing even closer to Japan. Relations between the two are cordial and cooperative to a degree that is surprising in view of their long history of hostility and strained relations.

(U) At the very least, a unified Communist Korea would be less susceptible to Japanese influence and more difficult to deal with than the existing government in Seoul. Even if Pyongyang abstained from aggressive behavior, the potential for mutual suspicion and misperception would be very high. Although Tokyo would probably feel that it had no other choice than to adjust to the new realities, the environment in Northeast Asia would have become much less congenial than it is now and Japan would feel more politically isolated.

(U) It should also be noted that most Japanese see Japan as an Asian nation with regional as well as global interests and whose energies will and properly should be displayed in both arenas. Many of these Japanese--usually ones who are well to the right of center on the political spectrum, preoccupied in a professional capacity with strategic problems, or of a more-than-usually nationalistic bent--would like to see their country strengthen its position in Asia, acquire influence and prestige, and be recognized for what they are convinced it already is or soon will be: the preeminent state in Asia. For these Japanese, the disappearance of South Korea would be a setback. Because Communist states have been comparatively immune to Japanese influence and have generally not been on friendly terms with Japan, their ambitions for their country have focused on the non-Communist countries of Asia, South Korea being one of the states to which they are most attracted.

(U) At the same time, the context within which the Japanese see the Republic of Korea, and consequently the value which they place on its continued existence, may be changing. With the progress toward improved relations between the United States and China, the opening of diplomatic relations between Tokyo and Peking, the beginning of talks between North and South Korea, and the negotiation of a cease-fire in Vietnam, relations between the Communist and non-Communist states of Asia seem to be relaxing. Add to this Japan's interest in pursuing a more activist, independent foreign policy, an important strand of which is an effort to regularize or at least improve relations with Asian Communist states, and it will be seen that Japan's field of action in Asia has expanded

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greatly since the late 1960s. As a consequence of these trends, South Korea may not figure as prominently in Tokyo's foreign policy calculations as it once did. And Tokyo might be able to "adjust" to a nonviolent absorption of the South by the North more readily than we now think probable.

c. (U) Japan's Economic Interests in South Korea. The statistics on Japan's trade with, and investment in, the Republic of Korea can be used to support varying estimates of the economic importance of South Korea to Japan.

(U) In 1971, Japanese exports to South Korea were valued at \$856 million, more than 8 times what they had been in 1960.⁵ In Asia, South Korea was second only to Taiwan as a market for Japan. Imports for the same year were \$274 million, 17 times as large as they had been in 1960. The balance of trade was \$581 million in Japan's favor. As for Japanese investments in South Korea, the cumulative total through March 31, 1971 was \$32,475,000.⁶

(U) In absolute terms, the figures for trade and investment in 1971 are impressive, the more so when they are compared with what they were in earlier years. From the perspective of Japan's total foreign trade and investment, however, the data appear in a somewhat different light. In 1971, exports to South Korea accounted for 3.6 percent of total Japanese exports, while only 1.4 percent of total Japanese imports originated in South Korea. Although the \$581 million earned in trade with South Korea was certainly a substantial portion of the overall \$4.3 billion trade surplus for 1971, Japan's balance-of-payments position was by this time so strong that the

5. (U) Detailed trade statistics will be found in Table 1.

6. (U) This represents investments in the form of acquisitions of securities, loans, and the opening of branch offices and approved by the Japanese government. Because investments are usually not made until some time after they are approved, the actual flow of the kind of investment reflected in these official figures is undoubtedly substantially lower. Thus, the Korean Economic Planning Board reported a cumulative total of only \$21.3 million in investment arrivals from Japan through calendar year 1970, i.e., three months before the date at which the \$32.5 million mentioned in the text was registered in Tokyo. (The Japanese data are drawn from the White Paper on Japanese Economic Cooperation [Keizai Kyoyoku no Genjo to Mondai Ten], 1971, published by the Ministry of International Trade and Industry. The Korean data will be found in Department of State, A-288, Seoul, "Korea's Economic Relations with the United States and Japan: A Comparison," August 14, 1972, Enclosure, Table B-4, UNCLASSIFIED.)

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contribution was not nearly as valuable as it once might have been. As for the \$32.5 million invested in the Republic of Korea, this sum represented a small fraction--0.9 percent--of the \$3,596 million invested worldwide through the end of FY1970.⁷ What these figures suggest is that Japan's economic stake in South Korea is valuable but by no means vital.

(U) It seems probable that much of Japan's economic involvement in South Korea, particularly the economic assistance that it has made available to the South (some \$630 million in approved grants and loans), is a product of a decision made on political and strategic grounds that Japan should contribute to economic growth and political stability in South Korea. Japan's economic interests in South Korea, in other words, seem to be more a product than a cause of Japan's political-strategic interests in that country.

d. (C) Conclusion. Two interesting conclusions emerge from this discussion of Japan's strategic, political, and economic interests in the Republic of Korea. First, although the interests that cause Tokyo to desire the continued existence of a non-Communist South Korea are of no small importance, they are not sufficiently important that Japan would go to war to protect them. Second, the damage to those interests that would follow from the absorption of the South by the North would be of less consequence to the Japanese than the way in which the damage was inflicted and the conditions in the international environment that prevailed during and after the ROK's disappearance. If unification was accomplished peacefully and was not precipitated or paralleled by a shift to a hostile policy toward Japan on the part of China or the Soviet Union, the Japanese might be disturbed but would probably write off their losses, adjust to the new situation, and remain satisfied with relatively modest changes in their defense, foreign, and economic policies. If, however, unification was accomplished through violence and was accompanied by evidence that the intentions of the Soviet Union or China were threatening, the impact on Japan's defense and foreign policies would be much greater--but still not so great as to override Japan's prime interest in avoiding entanglement in a war with China or the Soviet Union.

7. (U) Data published by the South Korean Economic Planning Board, as quoted in The Japan Times, May 19, 1973.

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4. The Fourth Interest: That Japan Derive Maximum Economic and Political Benefits from the Entire Korean Peninsula (U)

(U) For purposes of analysis, the discussion of Japan's interest in the preservation of a non-Communist South Korea was cast in terms of what the annexation of the South by the North would mean to Japan. Such an eventuality is understandably regarded by the Japanese as highly improbable. Thus, conservative Japanese governments are likely to continue to take low-risk steps to protect Japan's considerable stake in the continued existence of the Republic of Korea, to remain on the best possible terms with the government in Seoul, and to work to expand trade with, and investment in, the South.

(U) Tokyo would prefer to see the existing balance of power on the peninsula stabilized. To this end, it has extended support to South Korea in a number of forms: diplomatically, economically, and in the area of security, through its pledge to permit the United States to use bases in Japan in the event of an attack by the North on the South.

(U) As late as early 1971, with the exception of visits to Pyongyang by representatives of various elements of the Japanese Left, contacts with the North were all but nonexistent. Official relations were frozen in a pattern of mutual antipathy and mistrust. Just two years later, however, Korea policy was being formulated in an environment characterized by a perceived general reduction in tension throughout East Asia and by signs of a more relaxed atmosphere on the Korean peninsula. Furthermore, spurred first by the Nixon initiatives toward China in mid-1971 and later by the resignation of Prime Minister Sato and the advent of the Tanaka cabinet, the Japanese government began to display an increased interest in diversifying its contacts in Asia and in demonstrating its independence of the United States. This was evident in Tokyo's efforts to normalize or improve relations with the Communist states of Asia: the Soviet Union, China, Outer Mongolia, North Vietnam--and North Korea. With Pyongyang signaling its desire for better relations with Japan, with Seoul attempting to establish contact with Peking and Moscow, and with each of the two Koreas apparently trying to work toward less hostile relations with the other, Tokyo had both greater latitude and more of an incentive to change its policy toward the North and it began to modify its policy on peripheral issues. This naturally displeased the Republic of Korea, which let it be known that it was concerned about these indications of a budding rapprochement with Pyongyang. After some time, a consensus was evidently reached in Tokyo that Japan would broaden its unofficial cultural and economic contacts with the North but would not move toward diplomatic recognition of

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North Korea.⁸ This is tolerable for the Republic of Korea and-- at least for the moment--acceptable to Japan.

(U) As a result, Japan now appears to be pursuing a strategy of maximizing its economic and political benefits from the peninsula as a whole or, to use an economic metaphor, of equalizing marginal returns from North and South. This does not mean that Tokyo will pursue an even-handed policy toward the two Koreas. First, equal efforts directed at the two Koreas are likely to return unequal dividends. For obvious reasons, it will be easier for Japan to build cooperative political relations and to expand trade and investment with the South than with the North. Seoul, therefore, will continue to be favored over Pyongyang. Nevertheless, Japan will attempt to improve its relations with North Korea--as long as this does not endanger relations with South Korea. Second, Japan's political and economic assets in South Korea are already substantial, certainly far larger than those it has in North Korea. Any effort to acquire comparable assets in the North must go forward under the constraint of not endangering the existing stake in the South. Marginal gains in the less important sector are unlikely to be pursued at the cost of large losses in the more important sector.

(U) On the economic front, while the release of Japan's Export-Import Bank credits for exports to the North is a distinct possibility, Japanese economic assistance will continue to be overwhelmingly concentrated in the South. Investments, of course, will be entirely concentrated in the South, which will probably become one of the locations most preferred by Japanese manufacturers seeking to relocate labor-intensive or polluting industries overseas. Table 1 shows that Japan's trade with South Korea has consistently been much larger and exhibited greater dynamism than has its trade with North Korea. In 1971, the value of Japanese imports from the South was nine times greater than that of imports from the North; exports were almost thirty times larger. South Korea is clearly much more important to Japan than North Korea, both as a market and as a source of supply.

(U) The leverage that this situation would appear to give Seoul in Tokyo, as earlier mentioned, is limited by the fact that trade with South Korea does not bulk large in Japan's total foreign trade, while trade with Japan constitutes a very large fraction of South Korea's trade with the world. This suggests that South

8. (U) The first unofficial trade agreement, for example, was concluded by Japan and North Korea in January 1972.

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Table 1 (U)

JAPAN'S TRADE WITH NORTH AND SOUTH KOREA, 1960-1971 (U)
(in thousands of US\$)

Year	North Korea		South Korea	
	Exports	Imports	Exports	Imports
1960	1,138	8	100,089	18,575
1961	4,456	3,460	125,875	22,445
1962	4,781	4,553	138,140	28,504
1963	5,347	9,430	159,661	26,980
1964	11,284	20,231	108,841	41,667
1965	16,505	14,723	180,304	41,315
1966	5,016	22,692	335,170	71,688
1967	6,370	29,606	406,959	92,382
1968	20,748	34,302	602,653	101,630
1969	24,159	32,186	767,191	133,927
1970	23,344	34,414	818,175	228,970
1971	28,907	30,059	855,687	274,421

Source: (U) Japan External Trade Organization, Foreign Trade of Japan, yearbooks from 1960 to 1971 (for 1960-1970) and White Paper on International Trade: Japan, 1972 (for 1971).

Korea will not be able, and therefore probably will not attempt, to prevent Japan from exploiting what appears to be the opportunity for a considerable expansion in its trade with North Korea. Assuming that political factors do not intrude, trade with the North should for some time increase more rapidly in percentage terms than trade with the South, but it will still remain much smaller than trade between South Korea and Japan for the indefinite future. Japan's strategy with respect to economic issues is likely to be one of increasing trade with Pyongyang to the fullest extent possible without endangering or slowing the growth of trade and investment in South Korea.

(U) Strategy on political issues will probably be based on an analogous approach, with the one important qualification that moves toward the North are not likely to culminate soon in the normalization of diplomatic relations. Tokyo can be expected to take steps to open channels of communications and improve relations with Pyongyang, for example, by removing obstacles to a freer flow of

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individuals between Japan and North Korea, discreetly encouraging "private" contacts between members of the business community and the Liberal Democratic Party, extending high-level indications of goodwill toward the government and people of North Korea, perhaps even permitting the opening of "non-official" trade offices in Tokyo and Pyongyang. Tokyo, however, is not likely to recognize Pyongyang, in the near future, primarily because this would precipitate a crisis in relations with the Republic of Korea, but also in part because it might cause Seoul to withdraw from the North-South talks, talks which Japan would like to see continue.

5. Conclusion: Japan and the Issue of Unification (U)

(U) On the face of it, unification would seem to be highly desirable from the Japanese point of view. By removing the most significant potential cause of war--the rivalry between the two hostile Korean governments--unification seemingly would work to promote stability on the peninsula and the reduction of tension in Northeast Asia. Unification by any method, however, is extremely unlikely. The least unlikely means would be violent, but violent unification would, of course, clash with Japan's vital interest in peace.

(U) As for peaceful unification, the most promising approach seems to be the North-South talks. For the present, Tokyo supports the talks in the expectation that the very process of negotiation will contribute to the reduction of tension on the peninsula. If, however, contrary to the expectations of the Japanese, the talks actually led to substantive progress toward their ostensible goal of unification, Tokyo would probably alter its posture toward the dialogue. The further Pyongyang seemed to be moving toward the acquisition of a measure of influence over the South, the more concerned the Japanese government would become about the possible impact on Japan's interest in the preservation of a nonhostile South Korea.

(U) If the talks appeared to be leading to the opposite result--the acquisition by Seoul of a measure of influence over the North, Tokyo's attitude probably would depend upon the attitudes and actions of Moscow and Peking. Knowing that the Soviet Union and, especially, China would regard as highly provocative any attempt to promote movement toward unification on Seoul's terms, Tokyo's attitude toward the talks would probably be cool, and the Japanese government might try to persuade Seoul to moderate its objectives and proceed more cautiously.

(U) There is the additional question of how the creation of a united Korea, whether Communist or non-Communist, would affect

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Japan's interest in deriving the maximum possible political and economic benefits from the peninsula as a whole. There is no way to predict exactly what the impact on this interest would be, but it seems probable that the Japanese would experience increased difficulty in influencing and manipulating what would be a rather large, strong, and more self-confident and nationalistic neighbor.

(C) It would appear, therefore, that the North-South talks, as talks--as process--will be supported by Japan but that any substantial progress toward the objective of the talks would be disturbing, irrespective of whether the unified peninsula was apparently going to be ruled by a Communist or non-Communist government. DK

(C) The conclusion to be drawn from this analysis is obvious: the Japanese government and most of the Japanese people would prefer that Korea remain divided. Tokyo's objective appears to be to consolidate and stabilize the existing situation. All other alternatives would or might have a negative effect on one or more of Japan's interests in Korea. Stabilization, on the other hand, if successful, would serve all four of Japan's interests. DK

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