# LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

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Doc#	DocType	Doc Info	Classification	Pages	Date	Restriction
-02a	draft	Draft deptel to Seoul, 3:00 pm Dp. #142a, Papers of Korrer.	Box 4, Ch	3 ron, J	11/4/64 lely-be	.69
19a	memcon	Open 3/14/14 Robert W. Barnett, et al and Yoshihiro Nakayama, et al	С	6	9/15/64	Α
21a	report	Debriefing of Robert W. Barnett	С	19	9/17/64	A
23	memo	Benjamin H. Read to McGeorge Bundy	S	1	9/12/64	Α
23a	memo (lug	re ROK-Japan Talks  # 128a, NSF, County Lile, "Kon	S ea, Vol. 2, "	2 Box 2	9/5/64	Α
-32b	memcon	Japan-Korea Normalization Agreement [Sanitized NLJ 91-12]  OPEN 1/10/14 Per NLJ/RAC 12-1	7	3	2/29/64	A
34c	memcon	Japan's Interest in China: GRC and Peiping [Sanitized NLJ 94-309]	g S	6	1/26/64	Α
34d	memcon	Korean Settlement: US-USSR Relations [Sanitized NLJ 94-309]	С	3	1/26/64	A
35b	memo	Marshall Green to Mr. Hilsman	С	3	12/20/63	Α

Collection Title National Security File, Files of Robert W. Komer Folder Title "Japan-Korea December 1963-March 1966"

Box Number

34

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7/10/2007

Initials

November 12, 1964

Mac -

As attached will show, old bird dog Komer keeps after his prey. A word from you to Rusk or at least WPB that our leader continues to be interested in a success here would be most helpful. Are NSAMs in fashion any longer? They're great for the history books too!

Ph At

RWK

Att. Deptel 407 to Seoul 11/11/64

DECLASSIFIED E.O. 13292, Sec. 3.4 NSC Memo, 1/30/95, State Guidelines By.g/cbn., NARA, Date 7-9-07 Bob -

Here's my idea as to the sort of cable which would stir up the animals. I've tossed in all my recent brainstorms, some of which may prove to be silly. But we're not asking people to sign off on these gambits, merely to get Embassy Tokyo and Seoul reactions. Neither FE, ISA, nor AID should mind this.

R. W. Komer

DECLASSIFIED
E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines
Byag cha., NARA, Date 1-8-02

SEGRET/DRAFT

Authority LT 032R024.005/1
Byc NARA, Date VIO/14

November 4, 1964/3:00 pm

TO AMEMBASSY SEOUL

INFO AMEMBASSY TOKYO

The New Administration attaches high priority to an early ROK/Jap settlement and is actively considering whether or not the US should take a more positive role, even extending to mediation, in achieving one. Moreover, Japan's growing interest in normalization of relations with the Chicoms increases the pressure on us to get a ROK/Jap settlement first.

So Department and other agencies are considering various ways of increasing pressure for an ROK/Jap settlement. Naturally, these focus more on Seoul than on Tokyo, because our leverage is so much greater on the former.

- 1. One action being considered is to suspend any further MAP support of the ROK Mavy until ROKs undertake to stop harassing Japanese fishing boats. Alternative would be to suspend all force improvement items, but continue maintenance. We would not make this action public, but quietly tell the ROK that this was what we were doing. We would explain our action by saying that we are supporting ROK navy against the Communist threat, not providing ROK with means for pursuing controversy with another US ally—at very time when US and ROK should both be trying to engage this other ally in providing support to ROK development.
- 2. Another possibility is to hinge a substantial portion of further DL to an ROK/Jap settlement in some credible manner. We could say



to the ROKs that US development aid likely to be available over next several years will fall so far short of ROK needs that we see no point in providing such assistance until it can be augmented by similar aid from other countries, particularly Japan. It is up to the ROKs themselves to prove to us that they are serious by insuring availability of Japanese aid.

- 3. As we understand the situation, basic ROK fear is that US is seeking to disengage and turn ROK over to Jap mercies. Would there be any mileage in turning this argument around, by pointing out that ROK/Jap settlement is in fact best way of sustaining US interest in ROK. ROKs must be brought to understand that US can no longer, in light of its other urgent commitments, devote such a large portion of its military and economic aid to the ROK as in the past. Therefore, unless the ROK government can find new sources of supplementary help, the US (which cannot carry burden alone) may be forced to cut back to a sustaining level. Thus, far from signalling US disengagement from ROK, a ROK/Jap settlement would provide the added input of resources which would give the US an incentive to continue major military and economic programs. Looking ahead, ROKs would be far wiser to normalize now, when major US presence still available as counterweight to any Japanese ambitions, than to risk loss of US interest which would leave ROK eventually much more dependent on Japanese.
- 4. General feeling here is that we must achieve normalization of ROK/Jap relations before prospective normalization of Jap/Chicom relations introduces a major new uncertainty. Would there be any mileage in delicately



intimating to the GOJ that the US, which is in effect carrying the whole burden of maintaining Korean buffer-zone for Japan, would find it most difficult to be confronted with steps toward normalization of relations with Chicoms prior to normalization with ROK. This would simply not be understood by US Government and public, which see Japan as failing to live up to its strategic responsibilities in Northeast Asia. We would naturally wish to avoid implying to the Japanese that, once ROK/Jap settlement achieved, we would have no further objection to any Japanese moves toward Peiping. However, we estimate that some such moves are in the offing anyway, and that inserting a ROK/Jap settlement as a condition precedent might actually serve to delay rather than accelerate them.

Similarly, would it be useful to impress on the ROKs the wisdom of normalizing relations with Japan before Japan moves closer to Communist China (and by inference to North Korea)?

Above are at present merely ideas on which we invite Embassy comment. We would also be grateful for Embassy suggestions as to other ways in which ROK/Jap settlement could be brought closer.

SECRET

Bill: (Bundy)

September 14, 1964

Since we've mounted quite an operation to stir up Win Brown and Reischauer (and through them the ROK and GOJ) to move toward an ROK/JAP settlement, I hope you'll keep the heat on during your trip. We over here are well aware of the abstacles, but a degree of hortatory overbidding from Washington seems indicated to counterbalance the natural caution of our reluctant dragons in the field.

The chief problem seems to be to get the ROKs to move. I'm coming around to view that we should increasingly tie any new aid, etc. (beyond normal carrying charges) to ROK self-help via a settlement. Only if ROKG comes to realize that we will no longer fill any gaps they can fill otherwise are we going to get them to bite the bullet.

RWK

cc: McGB

SECRET

DECLASSIFIED
E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines
By Lecom, NARA, Date 7-8-07

Roll Joh

Dear Ed:

We asked Win Brown to tell you of the President's own interest in bringing about at long last a ROK-Japanese settlement and normalization of relations. This note is simply to follow up and make sure you were told that it's "top pri ority", to use the President's words.

Of course, all here are conscious of the many complexities and possible pitfalls in this exercise. We also realize that in the last analysis it is the Koreans rather than the Japanese who will have to walk the final mile. This is precisely why the President talked with Brown.

We know this is easier said than done, and that the mean job of turning words to acts falls on you and Win, and your respective embassies. But you can count on any support you need from here.

Cordially,

McGeorge Bundy

The Honorable
Edwin O. Reischauer
U. S. Ambassador
American Embassy
Tokyo, Japan

SECRET

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By April NARA, Date 4-9-07

Roh Jap

SECRET

Mac -

August 12, 1964

Marshall Green and Sam Berger join me in feeling that, while the hardest job of getting a ROK/Jap settlement lies in Seoul, Embassy Tokyo has been a bit passive. So as a corollary to the operation we did on Win Brown, Marshall agrees that a needle for Ed Reischauer is needed too. Here's our effort--it's quite legit, and Marshall thought it would have more impact coming from you than Bill or Averell. Ah, if only exhortation would solve all our problems!

RWK

SEGRER

DECLASSIFIED E.O. 13292, Sec. 3.4 NSC Memo, 1/30/95, State Guidelines By 4 MRA, Date 7-8-17

5a jile

#### Dear Ed:

We asked Win Brown to tell you of the President's own interest in bringing about at long last a ROK-Japanese settlement and normalization of relations. This note is simply to follow up and make sure you were told that it's "top priority", to use the President's words.

Of course, all here are conscious of the many complexities and possible pitfalls in this exercise. We also realize that in the last analysis it is the Koreans rather than the Japanese who will have to walk the final mile. This is precisely why the President talked with Brown.

As you know, the President is a "can do" man, He looks for results; the mean job of how to get them is up to you and win, and your respective embassies. I'm sure that you can count on any and all support you need from here.

Cordially,

Revised By mog B.

Revised By \$13164. McGeorge Bundy

The Honorable Edwin O. Reischauer U.S. Ambassador American Embassy Tokyo, Japan

#### SECRET

August 3, 1964

Mac -

I think I've got rolling another effort at ROK/Jap settlement, utilizing arrival of new ambassador and LBJ's willingness to weigh in personally.

Regrettably LBJ/Brown encounter Friday night was quite hurried (Dirksen was waiting). Also LBJ clearly hadn't digested his brief; in fact, I had to rescue it from his desk so I could get his approval of Rusk memo proposing oral message to Pak.

So I can't throw much light on your earlier comment that you didn't know how much LBJ is signed on to (a) troop cuts; (b) ROK/Jap exercise. However, he did say we seemed to have a lot of troops there, and when Brown explained our ROK/Jap scenario he warmly endorsed, said he regarded settlement had "top priority" (thank God), and told Win "I'll pray for you."

At any rate, we now have State brought around to point where it agrees US should take a direct hand in pushing settlement through. We've got LBJ saying so orally to Pak through Brown, and we've got Brown ginned up and willing to fire up Reischauer. Attached give the play; I'll keep the fires lit.

RWK

SECRET

Attach. Deptels 99 to Seoul and 97

Ambarity FRUS VOLXXIX, #346
by 12 NAKA, Date 8-205

Rok Jop

## SECRET

MEMORANDUM FOR THE PRESIDENT

Purpose of seeing Winthrop Brown, our new Ambassador to Korea, is so you can tell him personally why you want movement on our Korean policy, especially a Korean/Japanese settlement. Five minutes should suffice.

We've poured into South Korea more than \$6.6 billion in aid (\$3.8 billion economic, \$2.8 billion military) since World War II. Despite all our aid, this nation is still an unstable U.S. stepchild. Part of the problem is the absence of leadership after years of Japanese occupation, but part stems from bad planning and neglect by the US.

Brown is a top man (he did a great job as our man in Laos 1960-62); he'll follow through on what you tell him. Suggested talking points are:

- 1. You are concerned over the long and frustrating record of U.S. involvement in Korea--with so little to show for it. We simply can't keep paying with so few results (we're planning \$350-400 million in aid for FY 1965).
- 2. So you give top priority to the long-delayed Korea-Japan settlement. Let's get Japan to start sharing the burden. Aside from \$600 million in Jap aid which a settlement would bring, we want to redevelop the natural economic ties between Korea and Japan. Brown should tell Reischauer in Tokyo your views when he goes through en route.
- 3. You'll put your personal weight behind getting a settlement in any way necessary.
- 4. To start off, Rusk suggests attached oral message for Brown to deliver to President Park. We have word that Park has told his new foreign minister to give priority to a settlement, so these words will come at a good time.
- 5. You are personally inclined to cut our 50,000 US troops in Korea; our needs are more in Southeast Asia. Defense of Korea is vital; but can't we do it with fewer men? Such big ROK armed forces (550,000) are also a terrible drag on the economy of such a poer country. You've held off on these cuts because they might give the wrong signal to the Chicoms just now, but Brown should keep a close eye on when it might be feasible.

FRUS, VULXXIX, #345

R. W. Komer

#### MEMORANDUM FOR BILL BUNDY

Here's a strong plug for Marshall Green's idea that we shoot for a limited ROK/Jap normalization, so long as prospects for early agreement on the full package seem limited. I still wonder why the ROKs would settle for so much less, but if Marshall, Embassy Seoul, and Chong-II-Kwon are all interested why not try.

Marshall mentioned separately to me his idea that as part of the exercise the US would depart from its backstage role to make strong direct approaches, especially to the ROKs. I note that Chong Il-Kwon also wants the US to associate itself publicly with the enterprise. To me, the potential gain is well worth the risk.

Wouldn't Win Brown's arrival be a good time to spring this one? We could even arm him with some words from the President; we could use a few foreign policy plusses before November, and ROK/Jap normalization might just be made into one.

R. W. Komer

cc: McG. Bundy Marshall Green Bob Barnett

CONFIDENTIAL

Anthony FRUS. VolxxIX, #344

by by WARA, Date 8-2-05

7/18/64

Mr. Komer

Bob -

a quick reaction:

() We should certainly

push for a broken

package soonest.

(2) We should play a

tough and acture role

behind the scenes

but not sensetuate

Korean adolescence by

direct participation in

the negotiations. (We

can do much in public

statements and in

to the Korean oppo (. noitie 3) a loosening Jagonese imports restrictions would be reasonable, and Reischhard on this However there is all a relatively New subject to one.)

Rope Jof 9

Mac -

Top priority in NE Asia today is ROK/Jap settlement. This could mean so much more in the way of long-term US dollar saving than a troop cut that there's no comparison. We're still spending over \$300 million a year on 20 million ROKs, with no end really in sight. So we've got to find someone to share the long-term burden, and it's logically the Japs. Settlement would pump \$.6 to 1 billion of public and private funds into ROK, with more later.

But many of us fear that if talks (now on brink of success after <u>ll years</u>) break down once more, Japs will lose interest. They don't need ROKs that much. Also, Jap Diet will adjourn soon.

We badly need that extra push which might put us over the top. State/AID have a scheme for packaging \$100 million in DL (which we'd spend anyway) to promise ROKs a bait if they'll sign with Japs (see attached). But this should be given comph by sending a high-level salesman. It would even be worth it to send WPB (though doubtless too busy) or at least Bob Barnett to Seoul and Tokyo. Or how about cranking up Wilson Wyatt?

RWK

SEGRET MegB

Attach. Deptel 1029 to Seoul

Authority PRUS VILXXX, #342 Dy Jy WANA Day 8-205

#### MEMORANDUM FOR THE PRESIDENT

When you see Dean Rusk before he leaves for Japan/Korea, you might remind him we want to push hard to get a ROK/Japanese settlement.

This has been hanging fire for ten years. It would mean a flow of over a half billion dollars into the Korean economy, which would greatly reduce the burden on us over time.

At long last we're close to the wire on this. A word to Rusk that you're personally interested would put him on his mettle, and help get State to push harder. A ROK/Jap settlement would be a nice foreign policy plus in 1964.

R. W. KOMER

SECRET -

Anthony FRUS. Valxx/x, #334

Dy J NAMA, Date 8-2 05

SECRET

March 26, 1964

DOK OF 11

Mac -

Korean student riots, ostensibly against ROK-Jap settlement but actually against ROKG, are getting worrisome. No one expected they'd reach such intensity (students are normally feisty this time each year).

Marshall Green, who knows his ROKs, sees better than even chance that ROK/Jap settlement is scuttled for 1964. Too bad if so, since gradual Jap cooling toward bailing out ROK has made us look on 1964 as year of decision. Also Pak government be in danger and nothing as good in sight.

All in all, instead of urging Pak and his Rasputin, Kim Chong-pil to be more democratic, maybe we ought to tolerate a little more dictatorship in this messy fief. Korea is still a mess (one of our great failures despite billions in pump priming). So I'd settle for a bit more stability, which would permit us to cut our bill some more (still around \$300 million per annum, all told). I'll sing this song to PEPB and Green. Perhaps you could too.

RWK

SECRET

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Pox-Jupan Cables
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# CROSS REFERENCE SHEET

TYPE OF DOCUMENT	_ Cable
	Letter
	Memo
	Other
DATE 6/22/65	
FROM	
TO Takyo	NUMBER 3457
-	
	e to Prime Minister Sato forces agreement

OUTGOING TELEGRAM Department of State NOYSMITH INDICATE: COLLECT BOWDLER CHARGE TO SECRET 84 Origin ACTION: Amembassy SEOUL PRIORITY 3 05 PH '65 S Amembassy TOKYO PRIORITY INFO : CINCPAC 041 GINCPAC FOR POLAD MOODY REEDY LIMDIS

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Despite relative optimism both Japanese and Koreans that Korea-Japan agreement can be reached in substance, but not signed, before SHINA's June 22 departure for Algiers, we fear delays may arise, whether continuing difficulties in last stages negotiations or procedural hurdles. If agreement not reached before June 22, we fear schedule up-coming political events involving GOJ (Algiers Conference, Upper House elections, Washington session Joint Economic Committee) could then delay final settlement indefinite period. At same time we believe high level political decisions in Seoul and Tokyo to reach settlement now entirely feasible at present stage negotiations and probably only way to cut Gordian knot and bring long-protracted negotiations to their end.

In view above Ambassadors Brown and Reischauer should request early appointment with President Park and Premier Sato to make representation in President's name urging that political decisions necessary wind up negotiations

FE: EA: DAO Done hue: 1gn 6/10/65
Clearances:

FORM DS-322

Telegraphic transmission and classification approved by:

FE - Robert W. Barnett

EA - GANorredir CLM

S/S - Mrs. Davis

DECLASSIFIED E.O. 13292, Sec. 3.4

By 19/20m, NARA, Date 2-8-07

FE - Mr. Bundy

White House Mr. Kompeproduction from this copy is PROHIBITED UNLESS "UNCLASSIFIED"

SECRET

now be made and that, if at all possible, agreement be signed before both governments become involved in Afro-Asian Conference activities. In making representations Ambassadors should stress President's great personal interest in achievement normalization, so much to benefit of two countries as well as to g free world position in Asia, as well as point out lengths to which USG. and President personally, have gone to with help create political climate in Korea favorable to Korea-Japan settlement. Should also express President's concern that protracted delay in negotiations over what appear to be technical matters would run serious risk of dissipating beneficial effect Park Visit and statesmanlike actions of GOJ and ROKG leaders over past months in bring negotiations to edge of success.

If Lee-Shiina meeting not set. Ambassadors should also urge such meeting be held as soon as can be are arranged and that two Foreign Ministers be given latitude necessary achieve agreement.

FOR AMBASSADOR BROWN: In meeting with President Park you should express President's personal hope that present opportunity/long-sought normalization would not be lost after our mutual efforts in connection with State Visit predicated on the desire strengthen ROKG's ability achieve early normalization.

concurrence FOR AMBASSADOR REISCHAUER: Subject Seoul/ SAMERICE, you might stress to Sato in strong a terms US belief that formal association TAKESHIMA (Tokto) issue with Korea-Japan agreement would create major domestic problem Page three f telegram to Amembassies SEOUL, TOKYO: info CINCPAC

SECRET

for ROKG, seriously endangering prospects Korean public acceptance any agreement. You skin should suggest that this basically trival but politically sensitive issue be considered outside framework normalization negotiations.

GP-1.

END

RUSK

# INCOMING TELEGRAM Department of State

6 UNCLASSIFIED Action 7988 PP RUEHC DE RUAMKK 016 20/0618Z 5 22 Info ZNR P 200600Z IORIT SS FM AMEMBASSY (SEOUL) TO RUEHC/SECSTATE WASHDC INFO RUAPFD/AMEMBASSY TOKYO SP RUHL HQ/CINCPAC L STATE GRNC H IO UNCLAS PRIORITY ACTION DEPT (778) INFO PRIORITY TOKYO 287 CINCPAC 49 FROM SEOUL TWENTIETH USIA CINCPAC FOR POLAD NSC INR FOLLOWING IS OFFICIAL ENGLISH LANGUAGE TEXT JOINT COMMINIQUE CIA ISSUED FEBRUARY 20 BY FOREIGN MINISTERS KOREA AND JAPAN: "1. AT THE INVITATION OF DR. TONG WON LEE, FOREIGN MINISTER OF DOD THE REPUBLIC OF KOREA, MR. ETSUSABURO SHIINA, FOREIGN MINISTER OF JAPAN VISITED THE REPUBLIC OF KOREA FROM FEBRUARY 17 THROUGH 20, 1965. DURING THE VISIT, THE TWO FOREIGN MINISTERS HAD THREE UFW CFN 778 287 49 20 17 20 1965 E COM INT PAGE TWO RUAMKK 016 UNCLAS CONSECUTIVE TALKS IN AN AMICABLE ATMOSPHERE. FOREIGN MINISTER SHIINA RMR IN THE MEANTIME, PAID COURTESY CALLS ON PRESIDENT CHUNG HEE PARK, SPEAKER OF THE NATIONAL ASSEMBLY HYO SANG LEE, PRIME MINISTER IL KWON CHUNG AND DEPUTY PRIME MINSTER KEY YOUNG CHANG. "2. THE TWO FOREIGN MINISTERS EXCHANGED THEIR VIEWS ON THE CURRENT INTERNATIONAL SITUATION AND MATTERS OF MUTUAL INTERESTS INCLUDING THE KOREA-JAPAN OVERALL TALKS NOW UNDER WAY. THEY REAFFIRMED THAT THE TWO COUNTRIES SHARED THE COMMON OBJECTIVE OF A LASTING PEACE BASED ON JUSTICE, FREEDOM AND PROSPERITY FOR ALL PEOPLES IN ASIA AND OTHER PARTS OF THE WORLD, AND THAT SUCCESSFUL CONCLUSION OF THE KOREA-JAPAN OVERALL TALKS WOULD BE OF SIGNIFICANT BENEFIT TO THEIR TWO COUNTRIES AND WOULD SERVE THE INTERESTS OF THE WHOLE FREE WORLD AS WELL. "3. FOREIGN MINISTER LEE EXPLAINED THE SENTIMENTS OF KOREAN PEOPLE TOWARD JAPAN ARISING FROM THE UNFORTUNATE RELATIONS BETWEEN THE TWO NATIONS DURING A CERTAIN PERIOD IN THE PAST. FOREIGN MINISTER SHIINA TOOK NOTE OF THE REMARKS MADE BY FOREIGN MINISTER LEE AND EXPRESSED HIS DEEP REGRET AND REFLECTION OVER SUCH RELATIONS IN THE PAST. HE EMPHASIZI

HIS LONG CHERISHED BELIEF THAT THE ESTABLISHMENT OF NEW AMICABLE

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#### UNCLASSIFIED

-2- 778, FEBRUARY 20 FROM SEOUL
RELATIONS BETWEEN THE TWO COUNTRIES BY PROCEEDING THE KOREA-JAPAN OVERALL
TALKS WITH UTMOST SINCERITY WOULD CONDUCE GREATLY TO MUTUAL
CFN 2 3

PAGE THREE RUAMKK DIG UNCLAS PROSPERITY OF THE TWO FREE NATIONS BASED ON JUSTICE, EQUALITY AND MUTUAL RESPECT. "4. THE TWO FOREIGN MINISTERS REVIEWED THE RECENT PROCEEDINGS OF THE KOREA-JAPAN OVERALL TALKS. THEY EXPRESSED FIRM DETERMINATION TO EXERT THEIR UTMOST AND RESOLUTE EFFORTS TO ATTAIN AN EARLY AND SUCCESSFUL CONCLUSION OF THE TALKS ON A FAIR AND EQUITABLE BASIS. "5. THE TWO FOREIGN MINISTERS EXPRESSED THEIR SATISFACTION OVER THE INITIALLING TODAY OF THE TEST OF THE TREATY ON BASIC RELATIONS BETWEEN THE REPUBLIC OF KOREA AND JAPAN. THEY AGREED THAT THE INITIALLING OF THE TEXT WAS AN IMPORTANT STEP TOWARD THE OVERALL SOLUTION OF OTHER OUTSTANDING PROBLEMS BETWEEN THE TWO COUNTRIES. "6. THE TWO FOREIGN MINISTERS EXPRESSED THEIR DESIRE THAT THE PRESENT DISCUSSIONS ON THE LEGAL STATUS AND TREATMENT OF THE KOREAN RESIDENTS IN JAPAN WOULD BRING ABOUT A FRUITFUL RESULT AND THAT THEREBY THEY WOULD LEAD A PEACEFUL, HAPPY AND SECURE LIFE. THEY FURTHER NOTED THAT THE SATISFACTORY SOLUTION OF THIS PROBLEM WOULD BECOME AN IMPORTANT BRIDGE IN PROMOTING THE FRIENDLY RELATIONSHIP BETWEEN THE PEOPLES OF THE REPUBLIC OF KOREA AND JAPAN. "7. THE TWO FOREIGN MINISTERS EXPRESSED THE DESIRABILITY OF ACKIEVING A REASONABLE SETTLEMENT OF THE FISHERY PROBLEM BETWEEN THE TWO COUNTRIES. THEY FURTHER STATED THAT SUCH AGREEMENT SHOULD PROVE TO BE CONSISTENT WITH THE INTERESTS OF THE FISHERMEN OF BOTH COUNTRIES. THE TWO FOREIGN · CFN 4 5 6 7

PAGE FOUR RUAMKK 016 UNCLAS
MINISTERS EXPRESSED THEIR HOPE THAT A MEETING BETWEEN THE MINISTERS
OF AGRICULTURAL AFFAIRS OF THE TWO COUNTRIES WOULD BE HELD AT AN
EARLIEST POSSIBLE DATE FOR THE PURPOSE OF EXPLORING AN APPROPRIATE
SOLUTION OF THIS PROBLEM.
"8. THE TWO FOREIGN MINISTERS, REAFFIRMING THE VITAL IMPORTANCE TO BOTH
COUNTRIES OF MAINTAINING A HEALTHY AND MUTUALLY BENEFICIAL TRADE RELAT-

CLOSELY COOPERATE TOWARD EXPANDING MUTUAL TRADE ON A MORE BALANCED BASIS. "WITH THIS IN MIND, THEY AGREED TO CONVENE A CONFERENCE AT THE EARLIEST OPPORTUNITY TO DISCUSS THE TRADE RELATIONS BETWEENT THE TWO COUNTRIES INCLUDING THE POSSIBILITIES TO DEVELOP THEIR EXPORT CAPACITIES.

IONS BETWEEN THE TWO COUNTRIES, AGREED THAT BOTH GOVERNMENTS SHOULD

#### UNCLASSIFIED

- -3- 778, FEBRUARY 20 FROM SEOUL
- "9. FOREIGN MINISTER SHIINA EXTENDED HIS CORDIAL INVITATION TO FOREIGN MINISTER LEE TO VISIT JAPAN. FOREIGN MINISTER LEE ACCEPTED THE INVITATION

WITH GRATITUDE AND EXPRESSED HIS DESIRE THAT HE WOULD MAKE HIS TRIP AS SOON AS POSSIBLE.

"10. THE TWO FOREIGN MINISTERS AGREED THAT THEIR TALKS WERE VERY FRUITFUL

AND DEEPENED MUTUAL UNDERSTANDING ON VARIOUS OUTSTANDING PROBLEMS BETWEEN

THE TWO COUNTRIES AND OTHER MATTERS OF COMMON INTEREST. THEY FURTHER AGREED TO CONTINUE THEIR DISCUSSIONS AT THE NEXT MEETING WHEN FOREIGN MINISTER LEE VISITS JAPAN." BROWN BT CFN 8 9 10

Rok-Japan 13

# CROSS REFERENCE SHEET

TYPE OF DOCUMENT	_ Cable
	Letter
	Merno
	Other
DATE 6/22/65	
FROM	
TO Takyo	NUMBER 3457
SUBJECT LBJ messag	Korean agreement.
SEE Japan	

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FAR EAST

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#### MAJOR ACHIEVEMENTS IN THE KOREA-JAPAN NEGOTIATIONS

The March 23-April 3 negotiations between Korean Foreign Minister Tong Won Lee and Japanese Foreign Minister Etsusaburo Shiina concluded with the initialling of the outlines of agreements on the last major issues (Claims and Economic Cooperation, Fisheries, and the Status of Korean Residents in Japan). With this major step forward, the 13-year old negotiations toward nonalization of relations between the two countries moved close to conclusion. Basic agreements have now been reached on all principal problems. Drafting of texts of the package of settlement agreements and some technical problems remain.

In a joint communique issued at the time of the initialling of the agreement, Lee and Shiina reaffirmed their belief that successful conclusion of the talks and normalization of relations at the earliest practicable date is not only in the best interest of both countries, but also of significant benefit to the rest of the Free World. The two Foreign Ministers expressed deep satisfaction over the results of their meetings and their earnest desire for settlement of all pending problems in the very near future. Under the present timetable, formal signature of the Korea-Japan settlement agreements will be in late April or May, after completion of the drafting of the agreements and before President Park's May 16-26 state visit to the United States.

Reactions - On April 3 the Department issued a statement on the initialling of the agreements, calling it a highly important and favorable development. The statement noted that we are impressed with the success of the two governments in resolving the range of difficult problems which have separated them and that a Korea-Japan settlement will be of great benefit to the Free World as a whole.

As the Foreign Ministers' negotiations came to a successful conclusion in Tokyo, the Korean opposition's campaign to block the Korea-Japan normalization negotiations picked up. Student demonstrations took place in provincial cities and a series of opposition speech rallies against the negotiations were held throughout the nation. Despite the intensified opposition activities, there has been as yet no significant increase in public tensions. However, the student demonstrations and other indications of increasing student activity are worrisome reminders of the potential for turmoil which Korean university students possess.

-- Current Foreign Relations, Issue No. 14, 4/7/65

DECLASSIFIED E.O. 13292, Sec. 3.4 By April Date 1-8-07

SECRET

Outlook - Colonel Peralta is believed to be sincere in his stated intention of returning Guatemala to a duly elected, constitutional regime. At the same time, he and his associates consider their primary task to be that of keeping the country from falling under the sway of extremist groups, be they Communists, members of the far right, or merely power hungry young military officers.

The temptation to remain in power will grow. In its concern to keep troublesome elements out of power, the government may, when elections are finally held, so manipulate them that the results will not be respected as the will of the people. Should this happen, the Peralta Government will have achieved a successor regime of its own choosing, but one of such doubtful legitimacy as to imperil its existence. The ideal regime, in view of Guatemala's exigent need of political development, would be one that is tolerable to the military but not subservient to them. Today Guatemala faces one of its rare opportunities to install such a regime.

US Position - We are encouraged by the formation of the Quat government and we hope that political stability is in sight. Khanh's removal from Saigon may be viewed as a favorable development. In our comments, however, we plan to emphasize that his ouster was the work of the Vietnamese themselves. The fact that the coup was at no stage directed at the Quat government is a good omen. Only one of Quat's ministers is believed to have supported the rebels.

The long-term implications of Khanh's ouster are unclear. The Buddhist Institute has been particularly active in past weeks, and alone among major political elements in Saigon has indicated a degree of sympathy for Khanh. A leading Buddhist, Tri Quang, has called for a negotiated solution to the war in a press interview, the first time a leading Buddhist has stated such a position in public.

### KOREA-JAPAN NEGOTIATIONS

The initialling of a Basic Relations Treaty between the Republic of Korea and Japan during Foreign Minister Shiina's February 17-20 visit to Korea marks the first conclusive step toward a Korea-Japan settlement. It is not yet clear whether the two Governments plan to sign and present the treaty for ratification during the next few weeks or to hold it for signature and ratification along with the other elements of a settlement package.

Shiina appears to have handled himself extremely well in Korea. His arrival statement that the "unfortunate period" in the long history of relations between Japan and Korea "is much to be regretted and we deeply reflect upon it" seems to have largely met the requirement in Korea for a Japanese "apology" while arousing no particular criticism in Japan. Important substantive issues nevertheless remain to be negotiated, and the opposition in Korea appears determined to use every possible means to thwart a settlement and bring down the Pak Government.

Remaining Issues - The most important remaining issue is the dispute over fisheries. The differences, narrower than some months ago, focus on the drawing of base lines for exclusive Korean fishing around the Korean coast, delineation and regulation of joint restricted-fishing zones to replace the Peace Line, and the amount and terms of a Japanese fisheries loan to assist in the modernization of the Korean fishing industry. The second principal issue is the status of Korean residents in Japan. The Japanese have offered to give the special status of permanent resident aliens to all Koreans resident in Japan before the end of World War II, and to all children born within five years after a normalization treaty goes into effect. Both sides appear confident of agreement on this question. The third major issue is the financial settlement, whose basic terms were set in

DECLASSIFIED E.O. 13292, Sec. 3.4 By apldon., NARA, Date 1-8-07

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#### FAR EAST

#### SOUTH VIET-NAM

The new Vietnamese cabinet, headed by Phan Huy Quat, was invested on February 16. By comparison with its predecessors, the Quat government held out some promise. It was acceptable to the military; indeed, an earlier announcement by the Armed Forces Council characterized the Quat government as having been "entrusted" by the military with the task of forming a new government. It encompassed a wide strata of religious, political and geographic factions. Individual cabinet members appeared of sufficient competence to hold the prospect of effective administration.

The Military Coup - Installation of the new government was quickly overshadowed by an attempted coup against Armed Forces Commander-in-Chief General Nguyen Khanh. The coup was launched on February 19 by a military group whose leadership closely paralled that of an abortive coup in September, 1964. The leader of the plotters appeared to be Colonel Phan Ngoc Thao, whose clandestine activities had been a source of speculation in Saigon since his return in December from the United States where he was press attache at the Vietnamese Embassy. His cohorts included General Lam Van Phat and Colonel Ton.

The coup forces succeeded in occupying the Saigon radio station and airport. Although the ostensible goal of the coup was Khanh's removal, rebel broadcasts--which criticized the anti-Diem coup of November, 1963 and advocated separation of religion from politics--gave the attempted coup anti-Buddhist overtones.

Although several military leaders, notably Armed Forces Chief of Staff Ky, vacillated in their attitude towards the rebels, it was apparent by the evening of February 19 that no additional support was forthcoming. By the morning of the 20th counter-coup forces had reached the outskirts of Saigon, and a major objective of the US Mission and other intermediaries became the avoidance of bloodshed between the confronting forces. In the end, there was no violence.

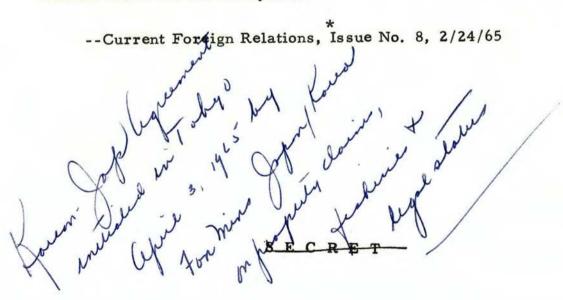
Khanh is Deposed - Although a coup had been avoided, Khanh's position remained precarious. With Khanh on the ropes, long-smoldering sentiment in favor of his removal found expression within the AFC, and on February 21 Khanh was ousted as Commander-in-Chief in favor of General "Little" Minh. On the following day Khanh-who was out of Saigon throughout this period--indicated reluctantly that he was prepared to step down if the terms were honorable. On February 23, Chief of State Suu and Quat named him Ambassador-at-Large. He plans visits to Paris and London and possibly the UN. As of February 24, Khanh had still not returned to Saigon and his plans were not firm.

the 1962 Kim-Ohira Agreement but which the Koreans seek to modify to afford a basis for disassociating it from the unpopular Kim Chong-p'il. Shiina told Foreign Minister Yi in Seoul that he "fully understood" this Korean desire and would give the matter his closest consideration. Both sides believe that such lesser questions as the return of Korean art objects and ships can be easily handled in the context of a settlement of the above larger issues.

Both sides hope for agreement on a full settlement by the end of March. To this end, the two agreculture ministers are expected to meet on the fisheries issue at the end of February. Yi anticipates Korean ratification of a completed settlement before President Pak's May 17-18 visit to Washington. The Japanese presumably would endeavor to complete ratification before the Diet is dissolved in late May prior to the June Upper House elections.

Dangers to an Early Settlement - Experience precludes more than reasonable optimism that events will follow the course outlined above. Significant issues remain to be negotiated, and the opposition parties in Korea have launched a major campaign to arouse public emotions against a settlement and if possible to unseat the Pak Government. Asked by Ambassador Brown how he foresaw the course of events over the next month or six weeks, Pak commented on February 22 that there would be some trouble but he was confident it could be kept under control. He said that he was prepared to use martial law if necessary to accomplish this and intended to press on unremittingly with the negotiations.

US Role - US actions or inactions could significantly affect prospects of a settlement. The invitation extended President and Mrs. Pak for a State Visit to the U.S. should strengthen him against the Opposition in the weeks ahead, and a successful visit would significantly enhance his ability to secure public acceptance of a settlement. To counter Korean fears of a US economic disengagement from Korea we are considering a public commitment at the time of the Pak visit to maintain US economic and military assistance at a stated minimum level for several years.



#### AMERICAN REPUBLICS

#### CUBAN TRADE AGREEMENTS

Cuba, in recent weeks, signed three major agreements with Free World nations for sales of her 1965 sugar crop and, in one instance, for deliveries extending through 1968. These agreements were reached despite US efforts to reduce the sale of Cuban sugar in free world markets.

Morocco - Morocco on February 20 signed an agreement with Cuba calling for the delivery of 565,000 metric tons of sugar during 1966 and 1967. Payment will be largely in barter goods which will comprise 65 percent of the 1966 payment and 75 percent of the 1967 payment. The Moroccan goods will consist of "phosphates, dry vegetables and raw materials." The Cubans had originally pressed for a five year agreement. The Moroccans, however, after a number of approaches from the United States, finally settled on the two year term. The contract price of 3.15 cents per pound is not considered especially favorable to Cuba.

Japan - Japan, Cuba's leading trade partner in the free world, recently agreed to purchase an estimated 200,000 - 280,000 tons of Cuban sugar during the last half of 1965 and the first half of 1966. In addition, Japan will receive 215,000 tons during the first half of 1965 under a 1963 contract. The Japanese sale is believed to be at or below the present world price. Payment will be made in hard currency. In answer to US inquiries, the Japanese Government stated that the primary reason for the sale was the low price and the fact that Cuba was the only major sugar producer to offer a dependable sale and delivery program. The Japanese Government, in response to US requests, is discouraging the sale of critical commodities to Cuba.

Spain - The Spanish agreement, signed early in February, appears to be the most advantageous of Cuba's non-bloc sugar contracts. The arrangement, supplementing a 1963 contract for 100,000 tons in each of the years 1964, 1965 and 1966, calls for a minimum delivery of 130,000 tons in 1965 and a 10,000 ton increase in the minimum delivery amount each year through 1968 when Spain will purchase at least 160,000 tons of Cuban sugar. While Spanish authorities have refused to comment on the price, reliable estimates place it at 6.7 cents per pound. Speculation concerning the Spanish motives for the arrangement includes Spain's obligation to comply with a previous commitment, a desire to sell ships to Cuba, GOS efforts to obtain compensation for Spanish property confiscated by the Castro regime and perhaps the possibility of obtaining the release of certain political prisoners now held in Cuba.

SECRET

DEPARTMENT OF STATE
Executive Secretariat
GONFIDENTIAL (Attachments)

Thomson

December 9, 1964

Devolueon

TO:

Mr. McGeorge Bundy

The White House

FROM:

Benjamin H. Read

Executive Secretary

Attached for the information and files of MR. KOMER are two memoranda of conversation between William P. Bundy and Hyun Chul KIM dated December 2 regarding:

- 1. Korea-Japan Settlement, and
- Possibility of State Visit by Korean President to the U.S. in the Spring of 1965.

Let's tell Park he can come after a settlement, not before.

Attachments:

RWK

As stated.

CONFIDENTIAL (Attachments)

DEC 1 0 1964

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#### DEPARTMENT OF STATE

DECLASSIFIED

# Memorandum of Conversation

DATE: December 2, 1964

SUBJECT:

Korea-Japan Settlement

PARTICIPANTS: Hyun Chul KTM, Korean Ambassador

Kun PAK, Counselor, Korean Embassy

William P. Bundy, Assistant Secretary, FE Marshall Green, Deputy Assistant Secretary, FE

Christopher A. Norred, Jr., Officer in Charge, EA/K

COPIES TO:

FE -(3cc)EA - 4(3cc) - 8 INR AA/FE AA/FE/EA - 1

Defense (OSD/ISA) White House (Mr. Komer) Amembassy Seoul ~. Amembassy Tokyo

Ambassador KIN said that the Korean Government was determined to conclude a settlement with Japan, before the end of February if possible. There was no question that the Government will do everything it can to reach an agreement. Establishment of normal relations with Japan is a cornerstone of the Korean Government's foreign policy. The success of the negotiations depended upon new Japanese Prime Minister Sato.

Ambassador Kim urged that the U.S. be generous in support of the Korean Government during this period, to strengthen its ability to carry through an agreement with Japan. The Opposition, elements of the intelligentsia, and the students would raise difficulties, and the spring hunger season would be troublesome. He urged in particular early and generous action on a PL 480 agreement for Korea (see separate memcon).

Ambassador Kim said that the Republic of Korea was contributing to the defense of Japan. Mr. Bundy agreed, and pointed out that in his recent speach in Japan he had stressed that the defense of Korea was inseparable from the defense of Japan. Ambassador Kim said he had advised President PAK that Korca should develop military cooperation and consultation with Japan. He had pointed out that the times had changed, and suggested that basic attitudes be reexamined. Mr. Bundy said this was an interesting suggestion and should be studied. He said this looked beyond a settlement. Ambassador Kim said it could not be brought up until after a settlement between Korea and Japan. Mr. Bundy agreed, saying that the settlement should first be completed and the Korean and Japanese public Satisfied with it.

John Padel

Memorandum of Conversation

DECLASSIFIED

ANGUAN NLJ 92-166 (#157

December 2, 1964 DATE:

Possibility of State Visit by Korean President to the U.S. in

the Spring of 1965

PARTICIPANTS:

Hyun Chul KTM, Korean Ambassador

Kun PAK, Counselor, Korean Embassy

William P. Bundy, Assistant Secretary, FE

Marshall Green, Deputy Assistant Secretary, FE

Christopher A. Norred, Jr., Officer in Charge, EA/K

COMES TO:

-(3cc)FE

EA - 4 (3cc)

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White House (Mr. Komer) - 1

Amembassy Seoul

Amembassy Tokyo

Ambassador KIM said that before his departure from Seoul President Chung Hee PARK and Prime Minister Il Kwon CHUNG had asked him to approach the U.S. Government regarding a possible visit to the U.S. by the President in the spring of 1965, perhaps in April. He said that Ambassador Brown had indicated he would do his best to secure favorable consideration of this suggestion. He explained that the timing was tied in with the Korea-Japan talks. The Korean Government was determined to conclude a settlement with Japan, before the end of February if possible. It expected trouble from the Opposition, elements of the intelligentsia, and students when the agreement was concluded. Mr. Bundy commented that he understood the students would be on vacation until March 1, and the Ambassador confirmed that the students are on vacation from the end of December to the beginning of March. The Ambassador continued that a state visit by President Park to the United States after the Korea-Japan settlement would help soothe the internal situation in Korea.

Mr. Bundy said that the U.S. had had the possibility of such a visit in mind. The President's schedule probably would be decided upon in the near future, and we would endeavor to place this proposal very high on it. He recalled that President Park had visited the U.S. in 1961, and had made a brief but muchappreciated visit to attend the funeral of the late President Kennedy in 1963.

CONFIDENTIAL

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Demogradel at 16 year

#### THE WHITE HOUSE WASHINGTON

November 24, 1964

Mr. Komer

Bob:

Here is Macdonald's courteous and lengthy "yes...but" rejoinder to

Somehow - The Donald Arean's really gets the point - that invited to Jap participation we're mix gains to get and that the book way a really tours and that the book way for Rote to keep us in Toria is to do what's necessary to limit sur harden.

NOV 2 4 1934

#### DEPARTMENT OF STATE

POLICY PLANNING COUNCIL
WASHINGTON THIS GLID AND TO SEE

5 pages

SHINGTON

.....copies, Series.....

November 17, 1964

SECRET

Dear Jim:

Your memorandum of November 9 usefully underlines the importance attached to a Japan-ROK settlement, and of the U.S. desire to reduce the cost of sustaining Korea as an aspect of current policy. In this connection, you may be interested in looking at the attached preliminary thoughts on our Korea policy which I drafted as a frame of reference for my own approach to the NPP.

For what they may be worth, I should like to offer seven policy propositions in connection with the Korea-Japan problem, based on my study of the matter thus far in connection with the NPP draft. Some of these follow your points; all are designed to achieve the objectives you describe.

1. A Korea-Japan settlement is highly important to U.S. interests. Without it, petty harassments between the two countries will continue as an unnecessary irritant to the security of the area. Without it, Korean economic development will be unnecessarily costly, difficult, and slow (since both trade and investment would be retarded).

Without it,

Mr. James C. Thomson, Jr.
National Security Council
Executive Office of the President
Washington, D. C.

SECRET

DECLASSIFIED E.O. 13292, Sec. 3.4 By Without it, Communist influence is likely to increase through growth of North Korean-Japanese trade and cultural contacts, as well as the resultant increase in North Korean prestige elsewhere in the world. The ROK would suffer from all these things, and so would we, since our goal should be the economic and political strengthening of the ROK as rapidly as possible, and at minimum expense to the U.S.

- 2. Our policy toward a Japan-Korea settlement should be geared to our over-all objective of establishing Korea as an independent and self-supporting buffer state. It begins to appear (although we are still checking this) that Korea, with sufficient foreign assistance, can be made selfsupporting within 10 years except for certain development capital needs and a portion (say 30 percent) of her military costs. To achieve this degree of Korean self-sufficiency should be one primary U.S. goal, if indeed it turns out to be possible. To achieve it with maximum total contributions from Japan (and other Free World nations) and minimum total contributions from ourselves over the ten-year period should be another primary U.S. goal but not an exclusive goal. To assure continued Korean security and increasing internal stability is, of course, a third primary goal, and the most important of the three.
- 3. Our leverage on Japan in respect to Korea policy is limited because of the variety and magnitude of our mutual interests. If we show too much interest in this subject to the Japanese, they may try to exact a price for going along, whereas in fact they should see that a settlement is required from the standpoint of their own interests. Too much U.S. pressure arouses suspicion of U.S. motives and hopes of Japan's being able to take advantage of our interest in unilateral, bilateral and multilateral issues.

4.	Our

4. Our leverage on Korea is very great, but it none-theless has two major limitations. The primary one is that if we push too hard for a settlement with Japan, the Koreans will decide that we are turning them over to Japanese economic domination.\* Back-pressures will accordingly build up which may lead to another collapse of negotiations. (The Koreans individually are often responsive to pressure, but collectively they are suspicious and stubborn.)

The second limitation is that Korean trust in the U.S. as their only true friend without imperialist ambitions is a strong element in building Korean internal stability. Koreans very genuinely feel - not wholly without reason that in relative terms they are making equal sacrifices with us as partners in a common anti-Communist cause. If the Koreans lose confidence in us as friend and partner because we show signs of letting the Japanese take over our contribution, political and social confusion are likely to result, leading very possibly to reunification with the Communists under terms which would be most disadvantageous to our interests. though the Japanese pick up a large part of the economic load, they cannot assume any significant part of our very important role of political and psychological stabilization for many years to come, for historical reasons. If, because our ability to coerce Korea is greater than to coerce Japan, we put disproportionate pressure on Korea, we risk loss of Korean confidence and collapse of the negotiations.

5. It now begins to look as if our policies both on a Korea-Japan settlement and on Korean development are beginning to pay off. Our policy of persistent and firm pressure on both countries to reach a meeting of the minds, based on considerations of their own national interest, has

been

<sup>\*</sup>Such a turnover has occasionally been thought of as one way of solving the Korean problem, but I do not believe that it would be in our own interest, Even aside from questions of U.S. good faith, Korea as an independent buffer state between the three surrounding powers is probably more likely in the long run to preserve peace in the area provided that the buffer state is viable and internationally protected.

been sustained over a period of several years. It nearly succeeded last spring. It may succeed this winter. At the same time, Korean economic development is showing a promising upturn in most indicators; the stabilization program has had some results, and the domestic scene has been fairly tranquil for several months. Thus maintaining our policy at about its present level of pressures may produce the desired result without excessive U.S. involvement.

- 6. More pressure on the Koreans at this time would be risky. To use our economic development program as a club over the heads of the Koreans at this delicate point of promising beginnings could have most unfortunate consequences. Even if it forced the Koreans to accept a settlement, the political results would be costly for us in the long run, since our image would undoubtedly suffer, our influence in Korea would be weakened, and it is possible, once again, that the still rather weakly-supported Korean government would fall. A push of the right degree and pressure at the right time could be critically helpful, but too much pushing will do more harm than good.
- 7. We must be patient. National economic and social development takes a generation or more, and Korea is in a more hazardous condition than most. All things considered, the Koreans have made remarkable progress against very difficult odds, and there is reason to hope that they have reached an upward turning point after the enormous damage of the war. We have already spent over six billion dollars in Korea on economic and military aid, not to speak of lives lost and material expended in the Korean War. To protect this investment, we should be willing to spend what it takes to finish the job. Secretary McNamara in his recent Saturday Evening Post article pointed out the two approaches to defense budgeting allocate within a fixed ceiling, or spend what is necessary to get the job done. The latter approach, accepted as applicable to

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military security, is surely applicable to some extent in economic development, which (particularly in Korea) is also an aspect of national security.

My principal impression of the Korean scene, viewing it after a lapse of two years, is that some of the former hopelessness seems dispelled, and there are real stirrings of hope and forward movement. At such a critical time, we should not take unnecessary chances with our Korean investment and vital interests. A settlement with Japan is badly needed - critically needed - but so is our continued presence and influence. We should not seek either one at the expense of the other, but work for a complementary role for both in achieving the ten-year goal already suggested.

Sincerely,

D. S. Macdonald

cc: S/P - Mr. Yager

FE: EA - Mr. Fearey, Mr. Norred

AID: FE: EA - Mr. Brown

#### SEARCE

## Korea Working Group

## Some Preliminary Thoughts on U.S. Korean Policy

T

Korea has been since mid-19th century a focus of power struggle among China, Russia, and Japan - not because of its resources, which are few, but because of its geographical position - because it is there. The future of Korea as an independent nation depends upon the evaluation of these three countries, individually or collectively, that it is more in their interest to have it so then to take it over, and upon the capacity and will of the Koreans to sustain an independent existence.

At present the political independence of Korea's southern balf, with almost three-quarters of the Korean people, is assured by over two divisions of United States troope, by US support and assistance to a Korean armed force of 600,000 men, by the Armistice Agreement and its associated agencies (MAC and NNSC), by the umbrella of the United Nations - both military and political (UNC and UNCURK).

Russia, baving tried and failed to errange a military take-over of all Korea, has apparently lost to Communist China much of her former control of the Communist regime she established in the northern half. The current Russian objective probably is, at minimum, to ensure that the North Korean regime does not threaten Soviet prestige; at maximum, to regain control of the North Korean regime and extend its power to all Korean territory; but not at military or great other cost, so long as Korea does not actually fell to China. Apparently Russian assistance to North Korea continues, although at reduced levels.

China in the short rum seeks at minimum to consolidate control of the North Korean regime, and unification of Korea under this regime; at maximum, in the long run, China possibly desires the consolidation of Korea into the Chinese state like Tibet and Inner Mongolia.

Japan

SECRET

DECLASSIFIED E.O. 13292, Sec. 3.4 By A John, NARA, Date 1-8-07

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Japan does not now have serious ambitions to reestablish how pro-World War II jurisdiction over Korea, but undoubtedly does desire a special economic relationship which would give ber a weighty voice in Korean affairs. Although without great military power, Japan does have great economic power and the potential leverage of her former Korean business associations.

II.

The United States involvement in Korca, although it dates from early attempts to open the country to the West in post-Civil War days, now stems from the promise in the Cairo Declaration of 1943 that "in due course Korea simili be free and independent," and from the actions taken since then to carry out this promise, both unilatorally and through the UN. In purely strategic terms, Korea is of interest to the United States as a physical and psychological buffer between Japan and Communist Asia. It is not of interest as a major base of military operations. It is unlikely that we would fight a large-scale conventional ground war against China or Russia in that area. Nor does Korea have any major economic attraction for us. On the other hand, it is in our interest to prevent conflict among the three surrounding countries over Korea. Nore urgently, it is very much in the United States interest to keep any segment of the present. line between Communist and free worlds from being pushed back. The particular segment which runs through the middle of Korea is one of the most celebrated, as the only part to have been defended since World War II in full-scale, overt military nation. A loss in this area would be taken as a major indication of American weakness and would have repercussions all around the world, especially in the non-Communist states of Asia. In addition, we are on trial in Kores more than in many other countries as to whether the non-Communist approach can fulfill national aspirations for rapid economic and social development.

Perhaps we cannot say without qualification that the United States is irreverably committed to Korea, because as a sovereign nation we can and should change our policies as

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the national interest requires. However, to change our. policy of all-out support for Korez would require extremely Strong justification, because national leaders of both parties for over twenty years have pledged this support both publicly and privately on many occasions. Any sign of doubt or wavering in this policy would have the most serious consequences in Korea, not to speak of its effect on American influence generally. The Eureans are heavily dependent upon the United States in moral as well as material terms - probably too dependent. They have nowhere else to turn; they profoundly distrust and dislike their neighbors, with what appears to them an ample reason, and have no illusions as to their own connecty to survive unsided. if they become convinced that the United States is seeking to off-load its burdens in Korea , while investing large sums in uncommitted countries like India and Nigeria, they will feel obliged to choose some alternative, such as unification on terms acceptable to the Communists. In this sense, there is no middle ground for us. Either we support Korea to the limit of our national ability, with all that implies, or clee we make a decision to take our losses (50,000 men and \$6 billion) and get out, with all that implies. An in-between course would simply make eventual failure to achieve our objectives far more likely and far more expensive.

Assuring a decision to stick by the Romans, we should, of course, plan to work for reducing the burden on the Waited States. The variables to work with are three: Roman strength and self-reliance; the attitudes and policies of Korea's neighbors; and the feasibility of international peacekeeping and economic arrangements for the area. None of these variables can be expected to change much in the short term, no matter how hard or fast we work. Hence if we decide that our policy of all-out support for Korea is the right one, we must accept the massive price-tag and the long time-scale which go with that decision.

III.

The most urgent requirement is to build Korea's own political, economic, social, and military strength and self-

reliance



reliance, and to do so in ways which preserve American influence as much as possible. They will not be cosy. The continuation of supporting assistance at current levels, while pleasing to Korea and demanded by her political leaders, deprives the Koreans of needed incentive to provide for themselves. Yet reductions reinforce suspicions that the United States is tired of the burden and wants out, and these suspicions are doubtless assiduously fed by the Communists. Development loans, because of delays and uncertainties, are not a substitute in this sense. No cover, as our aid input diminishes our influence over the direction of Korean government and society also diminishes.

To resolve the conflict between mendicant tendencies and suspicion, we need agreed reasons and programs which make reduction of aid reasonable and universtandable in Rorean tenns. Arguments merely in terms of the great expense to the United States are, for obvious reasons, unconvincing to people who are highly literate, have a per-capita GUP of less than \$100 a year, and have endured great suffering in their fight against Communism. Now are comparisons with policies in other countries, convincing, since the Roreans not wholly without reason - consider themselves a special case. To provide such a rationale for Amarican aid is one of several compelling reasons why a long-term economic development program is essential.

As for the conflict between program scale and degree of influence, we must accept the facts, first, that our influence will inevitably decline, and second, that our ultimate influence will have to be exercised in new and more subtle ways, for which we need long-term plans.

#### .VI

Turning to the attitudes and policies of Korea's neighbors, we must recognize that for many years to come our only influence on Communist China will be military force. Thus it is not only the Koreans whom we must convince of our continuing interest in Korea. A Chinese miscalculation of United States intent would have disastrous results in terms either of our prestige in Asia and the world, if we acquiesced

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in a lightning takeover, or of a probable nuclear war if we did not. As for the Soviet Union, its present national policies and the present attitude of the North Korean regime make renewal of overt hostilities at its initiative unlikely. On the contrary, if we succeed in making the Republic of Korea Strong and self-sufficient within, say, ten years, it is not inconceivable that the Soviets might acquiesce in some kind of neutralized unification with international guarantees, as the best way of insuring against Chinese or Japanese takeover.

As for Japan, we are already exenting our influence to the utmost, consistent with our other interests there, to promote the most broadminded policy toward Korea, and in fact much has been accomplished. The Koreans are still not satisfied nor reassured; they will never be completely satisfied or reassured; but this side of the Korean triangular perimeter is by far the easiest to manage. On the other hand, the Japanese will not be able to add much strength to international guarantees for Korea for a long time to come.

North Karea is not a neighbor but an outeast brother of the Republic, over which our direct influence is, also, solely military. The South Kareans have more influence, potentially, then we do, because of family ties and common aspirations for unification albeit or different political terms. The completely closed North karean society, a Tigid and stable Communist government, and close ties with the Russian and/or Chinese regimes, make it impossible at present to exert this influence. Net the achievement of maximum Karean strength and self-reliance on the international scene requires unification, both because of the greater power of

a unified

<sup>&</sup>quot;which now seems possible except for continued development assistance, assuming a sufficiently large program in the meantime and continued political stability.

a unified peninsula and people and because a unified nation would eventually be less proy to dividive forces. Although any contact between the two halves of Korea raises dangers of subversion, yet limited contact offers the only means (other than military) for influence on North Korea to be exerted by the South, and a means (other than repeating the old refrain in the UNGA) whereby the government of the Republic can respond to mising popular sentiment for reuniting the "three thousand li of morntains and rivers" and some forty million people.

V.

Turning to the dimension of international involvement in Korea, one must acknowledge that the UN umbrollo is a waning asset. The current UN presence (UNC and UNCURK) is generally recognized as hardly more than a faint overlay on the United States precence. It is still of some use as such, but it is associated with the old UN order, the Gold War, and continued failure to unify Kores. It could nover onlystitute for the United States in any degree. On the other hand, present arrangements carry the reassurance of ever a decade of existence; and any attempt to modify the form of UN involvement in Korea would be sure to provoke interference by such "neutrals" as Indonesia, possibly resulting in arrangements acutely unsettling for the Republic and unmanageable for the U.S. Nevertheless, continuing search should be made for alternative intermetional means of assuring the security of Kores, including arms control and peacekeeping arrangements, and for promoting unification under a stable non-Communist government.

There are other forms of international involvement than the UN. The Consultative Group now being studied in connection with a Korea-Japan settlement is one of these. Nowever, any such arrangement to be effective must be more than nominally involved in Korean affairs: there must be an operating organ, with viable activities and serious interests. Otherwise it will quickly degenerate into a sham, and will have no value as a permenently viable means of sharing the Korean burden with the United States. Rising

Korean



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Horean international trade, increasingly financed by ito own commercial exports, is in isself a valuable form of international involvement, which would be reinforced by foreign investment.

VI.

In conclusion: the United States should give continuing, adequate support to the Republic of Mores until it is self-sufficient, self-reliant, and internationally secure against Communist or other takeover from outside or within. While this support must be tempered by "carrotand-stick" technique to urge the Koreans on, it must not be subordinated to domestic budgetery considerations to the point where Roman doubles U.S. intentions, or to the point where our own policies cannot be implemented.

Accordingly, changes in our economic and military assistance to Korea must be made for reasons which pure objectively defensible in turns of needs, threats, and alternative sources of support. We must accept a long-term role in Korea, in which a posture of finances, standings and stability is a major ingredient; but we must stay ahead of the trends toward change both within Korea and around it; and we must be prepared for a long-term diminution in our influence.

Among these trends toward change, probably the most significant within Kores will be rising sentiment for unification, diminishing enthusiasm for American-style democracy for its own sake, increasing nationalism, and (hopefully) greater Korean self-reliance on sophistication in conducting domestic and international affairs. Internationally, there will probably be a rise in Chinese Communist influence and eventually a little more flexibility on the part of the Soviet Union.

Therefore, our policies should be aimed at the longterm hope of bringing into being a strong, stable, neutralized Korea, protected by international guarantees and a "trip-wire"

military

SECKET.

military force, whose continued existence as an independent state is accepted by her neighbors as in their individual and collective interest, and whose government and society do not reflect discredit on her American sponsorship. Under these conditions, we might hope, at best, for a situation roughly parallel to Austria, and at worst, for a situation roughly parallel to Finland, with the obvious differences that geography and other considerations require. However, this long-range goal is highly dependent upon an evolution of the international situation beyond what it is now, as well as upon the material strengthening of the Korsan body politic which must be a primary United States objective.

5/P:D.S.Macdonald October 27, 1964

ONFIDENTIA

November 5

TO

: FE - Mr. Bundy

FROM

: FE - Marshall Green

DECLASSIFIED E.O. 13292, Sec. 3.4

By sakban, NARA, Date 7-8-07

SUBJECT: Korea: Reunification and Normalization of ROK-Japanese

Relations

A luncheon conversation two days ago with the Korean Charge d'Affaires, Yun Suk Heun, went over familiar ground on ROK-Japanese relations. Yun is a typical unreconstructed Korean when it comes to this tired subject. Yun continues to argue that ROK-Japanese normalization is premature, that the Japanese would gain hegemony over Korea, that Koreans don't exactly trust their own negotiators, etc. Meanwhile, Yun warned about mounting Korean frustrations over reurification. He trotted out a number of ideas about how reunification could be achieved and he and I both shot them down in flames. He finally agreed that the only thing that can be done now is to improve Korea's economy so that when reunification becomes possible it will be on ROK, not DPRK, terms. On that point, we firmly agreed. I then suggested to Yun that if he really wanted to advance his country's reunification prospects, he would normalize relations with Japan. Obviously, that is the only way to move the economy forward at the required pace. He seemed susceptible to that line of argument.

I think the conclusion to be drawn from this conversation is that, in order to overcome Korea's inferiority complex and fears re normalization, we and they should make clear that normalization would greatly improve Korea's economic position and would thereby hasten the day when the ROK could press for unification of Korea on terms acceptable to the ROK. For our part, we should always convey the idea that our policies are aimed at promoting Korea's long-term interests, including unification and that unification lies within the realm of possibility, especially if its economy moves forward with sufficient speed.

It would also assist in overcoming Korea's inferiority and fear of Japan if the Republic of Korea were drawn into closer association with other allied Far Eastern countries. Along the lines of my memo of November 2 in which I suggested establishing a FE military consultative mechanism and improving interchangeability of force, we might give more active encouragement than we have to date in helping to promote the success of ROK's proposed Foreign Ministers' meeting next April.

I shall be writing a letter to Ambassador Brown spelling out these thoughts as well as Don Macdonald's thoughts on the reunification question. cc: WH - Mr. Komer; FE - Mr. Barnett; FE: EA - Mr. Fearey

# DEPARTMENT OF STATE ASSISTANT SECRETARY

10/6/64

Mr. Komer -

Enclosed for your information.

Tough enough?

Robert W. Barnett

"B"

OCT 7 1964

# 20

#### FAR EAST

#### JAPAN - REPUBLIC OF KOREA RELATIONS

Negotiations to bring about the normalization of ROK-Japan relations -- discussions which date back to the presidency of Syngman Rhee -were approaching completion last spring when student protests in Korea brought about suspension of the talks. Although both sides desire a resumption of negotiations, the Pak Government -- conscious of its limited popular support -- is reluctant to take any initiative which would permit the opposition to capitalize on residual antipathy towards Japan among the populace. Meanwhile, ROK seizures of Japanese fishing vessels off the Korean coast have added a new irritant to resumption of the talks.

The most serious obstacle to a resumption of negotiations is the emergence of ROK - Japan relations as a domestic political issue in South Korea. The situation has resulted in part from a traditional hostility towards Japan among Koreans, and in part from the prominent role played in earlier negotiations by Pak's unscrupulous former CIA chief, Kim Chong-pil. Opposition parties and anti-regime student groups in Korea have cited Kim's involvement as evidence that the Pak Government has a financial interest in bringing about a settlement, and is prepared to sell out Korea's interests to this end.

Substantive Issues - Even under optimum conditions, settlement of outstanding issues between the two nations would be a major achievement. In 1962, however, agreement in principle was reached concerning Korean claims against Japan, under which Japan would provide Korea with \$300 million in grants and an additional \$300 million in loans, both over a ten year period. This understanding left as the most serious unresolved problem the negotiation of a fisheries agreement covering the waters adjacent to both countries. Japan insists that Korea limit its claim to exclusive fisheries jurisdiction to the waters within 12 miles of the Korean coast. Seoul has indicated privately that this would be acceptable provided the Japanese would agree, inter alia, to certain limitations on their fishing in waters outside but near the 12-mile limit. Here as in the claims matter, some agreement appears possible.

US Policy - While we are aware of the difficulties involved, we are disappointed in the lack of progress towards a settlement. A prerequisite for an agreement would appear to be a campaign by the Korean Government to convince the opposition and public that a settlement with Japan should be a nonpartisan national objective. Although we are not in a position to arbitrate or mediate a settlement, we are willing to assist in bringing about a resumption of negotiations. In this connection we are concerned over the impact in Japan of the ROK fishing boat seizures, not only for the feeling that they arouse in Japan but because they suggest a willingness on the part of the Pak Government to cater to

DECLASSIFIED E.O. 13292, Sec. 3.4 By 46 NARA, Date 7-8-07

from Cotonou, the Federal Republic intends to give a "warning" designed to impress Dahomey and other African states with the position of the Federal Republic on recognition of the East German regime. The German Foreign Office believes that it must make a strong response to discourage other African states from following the Dahomean lead. An East German trade mission in Cotonou would be the fourth in sub-Sahara Africa. The others are in Accra, Bamako, and Conakry.

#### South Tyrol

The Italian Foreign Office has requested that we tell the Austrian Government that the US hopes that Austria will do its best to reach an understanding with Italy on the problem of the South Tyrol. The Italian Foreign Office says that Italy is prepared to go "very far" to try to satisfy Austria on the issue, and that the Austrians should meet the Italians half way in disposing of this issue now (see CFR No. 38, September 16). The Italians fear that if the question is not settled now, it could cause serious Italian Austrian German differences. They claim that most of the money supporting the terrorists in the South Tyrol comes from Bavaria. We believe and are informing the Italians that any direct US intervention with Austria at this time is not only unnecessary but might be counterproductive. We have a definite impression that the Austrians -- as well as the Italians -- are making sincere attempts to resolve the question.

#### Election in British Guiana

Elections are now scheduled to take place in British Guiana on December 7. The Governor of the colony last week proclaimed a new constitution for the colony which embodies an electoral system based on proportional representation and creates a 53-member Assembly in place of the present Senate and Legislative Assembly, which have now been dissolved. The Governor apparently plans to keep the political situation in British Guiana as normal as possible during the election campaign in order to minimize charges or criticism both in British Guiana and abroad that fair elections under the new system are not possible. The Government headed by Premier Jagan will continue in office until election day (see CFR No. 45, November 6, 1963).

#### Reduction in Yugoslav Armed Forces

The Yugoslav State Secretary for Defense is reported to have stated recently that Yugoslavia plans to reduce the size of its armed forces by one-quarter because of the increased stability of the international situation and the high costs of modern armaments. The reduction will be accomplished by a reduction in the terms of service of most air and ground force personnel from 24 to 18 months. The savings will be used for modernization of armed forces. The extent of the reduction in personnel is estimated at about 50,000, and it is expected that after completion of the reduction, Yugoslav military forces will number approximately 200,000 personnel.

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anti-Japanese dements.

Although the Koreans have thus far resisted the establishment of a Japanese mission in Seoul, we feel that inauguration of a trade mission might be a step in the direction of full normalization. We are hopeful that continued expansion of trade between Japan and Korea will eventually yield dividends in the political arena.

--Current Foreign Relations, Issue No. 40, 980/64 FE NOTE

Article on Laos

Correction to paragraph 2, page 9, CFR 39, September 23, 1964:

Souvanna Phouma has firmly insisted on fulfillment of two preconditions for the convening of a 14-nation conference on Laos: 1) an effective cease-fire; 2) the withdrawal of Pathet Lao troops to positions held on May 16 before their attack against the Neutralist army on the Plain of Jars. In addition, he has maintained a basic assumption that he is to head the Lao delegation to such a conference, should it eventuate, in his capacity as Prime Minister.

#### AFRICA

#### OAU COMMISSION SENDS DELEGATION TO U.S.

After agreement had been reached on the text of a joint communique, members of the special delegation to Washington of the OAU's ad hoc Commission (CFR No. 39, September 23) were guests of the Secretary at a working luncheon September 30. Kenya's Minister of State Murumbi headed the group, which also included Foreign Minister Botsio of Ghana, Foreign Minister Beavogui of Guinea, UAR Ambassador Kamel, and OAU Assistant Secretary General Pognon, as well as the Ambassadors in Washington of Kenya, Guinea, and Ghana. Nigeria did not send a representative, and the Nigerian Charge in Washington was under instructions not to attend as, in the view of the Nigerian Government, the sending of the delegation to Washington was beyond the Commission's authority.

The agreed joint statement was issued to the press at the close of the luncheon. It said the Secretary and the delegates had discussed the OAU Commission's plans to support and encourage the Congo Government's (GOC) plans to restore national reconciliation. It described the delegation's trip to Washington as a "goodwill mission," and made clear it was not the Commission's intent to raise with the U.S. Government matters affecting the Congo's sovereignty. The Secretary welcomed these assurances, and, through the delegation, conveyed to Commission Chairman Kenyatta assurances of our desire to cooperate with the Commission in every appropriate way.

The delegation was unwilling to include in the communique a specific reference to the right of the GOC to receive US military assistance. However, read in conjunction with our press statement of September 23 explaining our unwillingness to discuss U.S. military assistance to the Congo, which was at the request of the sovereign Government of the Congo, the sense of the communique is clear.

In preliminary talks with Assistant Secretary Williams and other Department officers, Murumbi, although insisting the OAU fully respected the GOC's sovereignty and the legitimacy of Tshombe's government, clearly tended to equate the GOC and the rebels. We pointed out the potential danger for all African governments if any group that obtains weapons and gains control of some piece of territory is accorded international acceptance placing it on a footing resembling that of the legitimate government of the country. We also questioned Murumbi's assumption that the rebels have achieved unity in a single nationalist movement, the Committee of National Liberation. We indicated our information leading to believe that, despite some surface unity, there remain serious divisions among the rebels. For example, the impression of moderation made by Thomas Kanza, "Foreign Minister" of the so-called Stanleyville "government" of Christophe Gbenye, upon

# **CONFICENTIAL**

9/25/64

M 3Mr. Jorden

BILL:

Re: ROK-Japanese Settlement

I became a monomaniac for almost two weeks in Secul and Tokyo—talking with our Embassy people, the Japanese and the Koreans only about normalization. It is surprising how you see more of the general situation, often, by focussing upon some limited part than if you are equally interested in everything.

The attached is what it seems to bean account of what I did based upon turning the pages of my diary. I hope that the shortcomings of some disorderlyness is outweighed by absence of bureaucratic stiffness.

The substance of my story begins at the top of page 3.

If the Governor would be interested in seeing it, show it to him. He would probably appreciate your red pencilling points of particular interest.

Robert W. Barnett

Robert W. Barnett

DECLASSIFIED E.O. 13292, Sec. 3.4 By g cbm, NARA, Date 1-1-07

GROUP 3
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#### SECRET

DCS/59 September 23, 1964

#### FAR EAST

- 1. Itinerary for RAND Team Visit to Thailand, Laos, Possibly Vietnam -- USAIDs Bangkok, Vientiane and Saigon have been informed that the RAND Team (Zwick, Cooper, Heymann, Moorstein) will arrive in Bangkok September 25 and start work the 28th. The team plans to spend September 28-October 2 in Thailand, the following week in Laos. The team may return to Thailand if a visit to Saigon does not materialize. The team has been furnished basic program materials. We suggest that September 28-30 in Bangkok be devoted to meetings with Country Team on US objectives and strategy in Thalland, and in that context the role of the economic aid program. October 1-2 should be spent outside Bangkok with particular attention to the Northeast. The visit in Laos should be arranged with the same considerations in mind, e.g., familiarization with US objectives and strategy, role of aid program, and visit to typical rural development projects. The team can remain in Laos until October 10 but may have to depart as early as October 6 if Saigon so requests. (Confidential)
- 2. Japanese Cabinet Approves \$20 Million Loan to Korea -- Embassy Tokyo reports that Japanese Cabinet on September 22 approved \$20 million of commodity credits to Korea at 5-3/4 percent interest, 5-year repayment, including 1-year grace period. A Government spokesman said GOJ is not linking the loan with recent ROKG seizures of Japanese fishing vessels. The next step is a meeting of a delegation from Seoul with GOJ within a week or so to draft an agreement which will be formalized by an exchange of notes setting forth categories of goods to be financed by the loan. Both sides foresee no particular problems. According to the press GOJ on September 21 approved the payment by Japanese business firms of a Korean business tax amounting to approximately 70 million yen (\$200,000). GOJ says this report is premature; Ministries concerned are still conferring. The Korean Mission expects Japanese firms will be authorized to pay under protest and request establishment of branch offices in Korea. Embassy comments that the loan decision is indicative of the Japanese desire to improve the atmosphere for ROK-Japan normalization talks. (Limited Official Use)

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DECLASSIFIED E.O. 13292, Sec. 3.4 Byas John, NARA, Date 7.8.07

DCS/59

3. Malaysia Asked Increased Financial/Military Assistance at Tokyo -Embassy Kuala Lumpur reports that the Straits Times on September 21 quoted Malaysian Finance Minister Tan Siew Sin as saying that the UK, Australia, New Zealand and Canada have agreed to establish "coordinating machinery" to study further steps for granting increased financial and military aid to Malaysia. Tan said the agreement was reached after talks with Finance Ministers of those countries during the IMF/IBRD Meetings in Tokyo. Further discussion will take place in Kuala Lumpur later. Tan said he also had discussions with Secretary Dillion who (according to Tan) agreed to carry the request for increased assistance to USG and President Johnson. Tan asserted that during all his talks he emphasized the seriousness of the present situation in Malaysia and stressed that unless the governments grant immediate substantial assistance, "then it will be a question of too late assistance, or too little assistance". (Unclassified)

# LATIN AMERICA

4. Bank Official Sees Chile Eligible for November IMF Drawing-Embassy Santiago obtained the following information yesterday from Jorge Marshall, Research Director, Central Bank: (1) The next IMF Mission is expected about October 20. Marshall is fairly confident that the end of third quarter data on B/P, current account surplus, and credit expansion will be satisfactory and that the IMF will find Chile eligible to make a November drawing. He anticipates a difficult problem on the credit ceiling during the last quarter with pressure coming primarily from the private sector. (2) Marshall expects small, occasional, moves of both spot and futures rate in the bankers exchange market but no major change prior to installation of the new administration in November. (3) He estimates the increase in cost of living index for CY 64 at between 40-45 percent, somewhat lower than previous estimates. (4) The rumor around the Bank is that Budget Director Sergio Molina is slated by Frei for the key position of President. (Confidential)

Ambassador Cole in his farewell visit to President Allessandri seized the opportunity to talk of the exchange rate. Allessandri said he

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SECRET

Tokyo, August 21, 1964

Dear Mac:

In reply to your note of August 13, let me say that the message on Korean normalization brought by Win Brown from the White House got through to us loud and clear.

Actually this problem has always stood at the top of my list of priorities. During a visit to Korea in the autumn of 1960, I became convinced that, without the economic boost that Korean-Japanese normalization would bring to Korea, we would never be able to build a solid economic foundation on which a viable political regime could develop there. I promised certain Korean leaders that I would try to convince people in Washington of this when I got back. I was in Washington for this purpose in January 1961 when the Department asked me to take my present job. So you see I have appreciated the vital importance of this problem for a long time.

A major difficulty is that, to get normalization over the very great hurdles of party conflict and public opposition in Korea, we will probably have to push more openly for it in Korea than we have in the past, but any seeming intervention on our part makes the problem more difficult in Japan. This situation requires a careful balancing act between needs in Korea and risks in Japan. However, we do have a considerable margin of safety on the issue here, so I believe it may be possible to put on the needed pressure in Korea

Mr. McGeorge Bundy,
Special Assistant to the President,
The White House.

Amburity FRUS, VOLXXIV, # 348

MAKA, Date 8.205

SECRET

cc: Amb. Brown, Amembassy, Secul.

AUG 2 6 1964

#### SECRET

-2-

without building up unacceptable reactions here. Still it remains a delicate political operation to determine just what is the maximum degree of pressure we can safely exert. The present exchange of telegrams (see our 641, for example) is directed toward this end.

In any case, please rest assured that we here in Tokyo regard the whole normalization problem as being of the greatest importance and are prepared to do everything we can and run considerable risks to get it satisfactorily solved.

Cordially,

Edwin O. Reischauer

#### CONFIDENTIAL

TO:

FE - Mr. Green

FROM:

FE - Robert W. Barnett

SUBJECT:

ROK-Japanese Settlement: U.S. Participation

Prime Minister Chong, leaning towards partial settlement with Japan. suggests that the time has now come for direct involvement of the U.S. in ROK-Japanese negotiations. He would like Secretary Rusk to perform this role. Embassy Tokyo fears that an open and explicit U.S. participation in negotiations could seriously increase the Government's difficulties in obtaining agreement, not to mention Parliamentary ratification.

In making a choice between involvement or non-involvement, FE is currently steering a middle course. Projected is a strategy for Ambassador Brown to talk with the Japanese and the Koreans, and carry with him a report of President Johnson's earnest hope that outstanding differences can be removed in toto, preferably, or sufficiently to commence resumption of normal relations on a more limited basis.

I doubt that this strategy will be productive unless Ambassador Brown holds in reserve some kind of trump card.

My view is that prior to Ambassador Brown's departure, he should be given solid basis for expecting that the Department would respond favorably if, having gone through the scenario now envisaged, he recommended the following:

- (1) Under Secretary George Ball or Under Secretary Harriman to proceed to a place agreed to for a meeting with Prime Minister Chong and Prime Minister Ikeda.
- (2) Purpose of this meeting: to conclude agreement normalizing Japanese-Korean relations, in a form ready for ratification.
  - (3) Representative of the United States would use occasion for:
    - (a) Announcement of \$100 million development loan resources;

(b) Activation of DAC Coordinating Group;

(c) Declaration of expanded security guarantees.

DECLASSIFIED E.O. 13292, Sec. 3.4 By La com, NARA, Date 7-8-07

Carl GROTP 3 CONFIDENTIAL Downgraded at 12 year intervals; not automatically declassified

JUL 2 9 1964

## CONFIDENTIAL

-2-

Carl Salans is currently studying our present treaty ties with Korea and Japan. He will prepare a draft of language taken from these two treaties—approved by the United States Senate—which could be combined in such a way as to suggest to Tokyo the fact that its land frontier lies, in effect, at the 38th Parallel, that Korea's stability and growth is an essential condition for Japan's safety, and that the United States commitment at the 38th Parallel and throughout the air and naval environment of north Asia is strategically vital for the United States. The language could reassure the Koreans that bilateral ROK-Japanese normalization does not entrap the Koreans in a revived Japanese colonial system but rather is the essential pre-condition for Korea's effective participation in world affairs, economic and otherwise. In the aid field alone, normalization could trigger vastly expanded U.S. lending plus all the relationships which the DAC Coordinating Group would doubtless wish to establish.

My forecast is that Ambassador Brown will discover that Korean readiness to enter into settlement would be enhanced by some Japanese initiatives (1) to offer some interim aid, (2) to expand Korean imports, and (3) to make some public acknowledgement of their historic guilt as a colonial power. Japanese willingness to do these things and to go to the Diet for ratification of the settlement in toto would be enhanced, I believe, by clear-cut Korean concession on the fishing area issue—for which Tokyo should be able to make adequate financial payment—and appeal to Japanese vanity by our Under Secretary's treatment of Japan's potential role in the security and economic development spheres.

The Japanese side of the matter will, of course, require very delicate treatment. On the one hand, Japan's willingness to collaborate in our South Asia strategy is real. On the other hand, Japan's assessment of the problem of China differs from ours, and Tokyo might be rejuctant to move as envisaged above if it threw up significant roadblocks to continuing improvement of relations with Peking. In short, Tokyo must be persuaded that a contribution to the power of the Free World is compatible with continued opportunities on the mainland.

I believe the foregoing is worth discussing at our meeting on Thursday.

cc: Amb. Brown; FE-Mr. Bundy; WH-Mr. Komer FE/EA - Mr. Norred; L/FE - Mr. Salans

FE: RWBarnett: aws

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THE SECRETARY OF STATE
WASHINGTON

CONFIDENTIAL

July 28, 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Oral Message on Korean-

Japanese Negotiations to Be Delivered

to the Korean President from you by

Ambassador Brown

Recommendation:

That you approve the enclosed oral message from you to President Park.

		0	A.	
Approve _	Disapprove		N	1

## Discussion:

I ask your approval of the enclosed draft oral statement on the Korean-Japanese negotiations which Ambassador Brown would deliver in your name to President PARK Chung Hee.

The negotiations for normal relations between Korea and Japan, which are of great importance to us as well as to the Koreans and Japanese, have been at a standstill for several months because of internal opposition in Korea. We believe a message from you to President Park would be a good means of pressing the Koreans to go ahead. Ambassador Brown could also draw upon the message to good effect in his conversations with Korean Opposition leaders and with Japanese Government officials.

Dean Rusk

Enclosure:

Draft oral message.

DECLASSIFIED E.O. 13292, Sec. 3.4 By46/cbm, NARA, Date 1-8-07 Group 3

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7/24/64

#### CONFIDENTIAL

#### Proposed Oral Message from the President

President Johnson asked me to give you his warm personal regards. He also asked me to speak to you for him about the negotiations for normal relations between Korea and Japan, which he discussed with you last November. He hopes that you will move forward shortly to establish normal relations and reach a settlement with Japan. It is not healthy for Korea to continue long to be so exclusively dependent upon a single outside friend as it is at present. Korea needs greater trade and a wider circle of strong supporters from abroad. A settlement would be of great benefit to Korea, both economically and politically, and would have good effects for Korea far beyond the direct arrangements established between Korea and Japan. It would also benefit the Free World position in the Far East.

The President hopes that delays will not continue, fearing that Korea's diplomatic and economic prospects and the Free World position in Asia will deteriorate unless this normalization is soon achieved. The United States Government is prepared publicly to support such a settlement, and to make clear that it will not affect the basic United States policies of economic assistance to Korea. In fact, such a settlement would make United States assistance more fruitful, for it would be working in a stronger and more broadly based economy.

It is because the President holds these views strongly that he authorized me to stress United States support of a Korea-Japan rapprochement in my public statement on arrival.

DECLASSIFIED
E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines
Byzelcha, NARA, Date 4-8-07

mrKomer

23



THE FOREIGN SERVICE OF THE

UNITED STATES OF AMERICA

American Embassy, Tokyo, Japan, July 23, 1964

CONFIDENTIAL OFFICIAL-INFORMAL

Dear Bob:

Thank you for your letter of July I providing some of the questions being considered by the Department in connection with 'partial normalization" of Japanese-Korean relations.

Our basic assessment of this problem was contained in Embtel 3987 of June 29 which apparently crossed your letter. In short, we believe that the Japanese Government considers overall normalization to be a rather distant goal at this time and is inclined toward a step-bystep approach to achieve friendly relations. Such a step-by-step approach has been demonstrated by the Japanese willingness to provide "emergency aid" to Korea and a gradual increase in imports from Korea. The Japanese hope that in return for these steps the Koreans will reciprocate by permitting the establishment in Seoul of a Japanese Mission similar to that which the Koreans have in Japan. (They would like a full-fledged Embassy but believe that is out of the question before full normalization.) If the Koreans feel that they can not take this great a step, the Japanese would settle for a smaller step in the same direction, such as permission for the present group of Japanese Foreign Office officials in Seoul to stay longer than the three months now permitted and to have the Foreign Office group headed by a man of ambassadorial or ministerial rank.

Since the Japanese are already committed to the financial settlement and because it is highly unlikely that the Koreans would settle the fisheries question, including the Rhee line problem, outside of a full-fledged normalization package, we consider it unlikely that the Japanese would renege on the provisions of the financial settlement. They have made it clear that the current gestures to Korea, gestures which will probably cost at least \$20 million, are completely outside the framework of the financial settlement.

Robert W. Barnett, Esquire,
Deputy Assistant Secretary
for Far Eastern Affairs,
Department of State,
Washington, D.C.

The Japanese

DECLASSIFIED E.O. 13292, Sec. 3.4 By ag | char. NARA, Date 7-8-07-

#### CONFIDENTIAL

The Japanese would like to achieve an overall agreement as soon as possible. They think that the difficulty lies with the Koreans. We think there is little danger of Japanese official enthusiasm for an overall settlement waning as a result of any success which might come from their "emergency" efforts. On the contrary, their efforts are designed to facilitate an overall settlement. We believe that we should be prepared to support and encourage Japanese efforts along these lines.

Sincerely yours,

John K. Emmerson

Minister

COMPTDENTIAL

MEMORANDUM

July 16, 1964

TO

: FE - Mr. Bundy

FROM

FE - Marshall Green

SUBJECT

Another Effort to Normalize ROK-Japanese Relations

I deem it impossible to bring about an early normalization of ROK-Japanese relations as long as we cling to the "package formula". On June 17 I wrote Ambassador Berger suggesting that the Japanese and Koreans break up the package, postpone settling the compensation and fisheries issue at this time, but proceed as speedily as possible towards normalization (see Tab A).

A reply has just been received from the Charge commenting favorably on the idea, but pointing out certain difficulties and ways those difficulties might be surmounted (see Tab B).

Since Win Brown will be here on Consultation next week, I suggest the matter be discussed with him (as well as with Sam Berger who will be in the Department the following week) to map out a strategy for carrying forward with this limited normalization approach.

Meanwhile, I am sending copies of Tabs A and B to Ambassador Reischauer for we will want to consult him closely with regard to any ideas on implementation. My impression is that the Japanese would favor this approach and that our problems will be largely with the Koreans.

Attachments:

Tab A - My letter to Ambassador Berger of 6/17/64
Tab B - Mr. Doherty's reply of July 13, 1964

Tab B - Mr. Doherty's reply of July 13, 190

CC: S/P - Mr. Rostow
WH - Mr. Komer
FE - Mr. Barnett
FE/EA - Mr. Fearey

DECLASSIFIED E.O. 13292, Sec. 3.4 By a ban NARA, Date 7-9-07

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PRESERVATION COPY

MGreen:ej

=261-200 /c June 17, 1964 ICIAL-INFORMAL DECLASSIFIED E.O. 13292, Sec. 3.4 By La Com, NARA, Date 7-8-07 Dear Som: I would like to sound out your thinking on the possibility of breaking up the package that has been under long negotiation and proceeding with normalization as coon as possible. A loading consideration behind this suggestion is my long-standing concern that otherwise Japan would come over the years to have ever closer relations with north Lorea and eventually to equate north and south Korea. The Current Intelligence Digest for June 9, 1964 states. "Now that normalisation talks with South Kerea have Ispsed; the Japanese Government may be ready to review its position. Foreign Minister Chira recently announced that the government was studying measures to allow limited movement between Japan and North Korca." I recognize that this is not the moment to puch normalization in any chape or form but I would hope that nome real progress could be registered within the next three months. Hence, it is not too early to plan strategy. Among the advantages of proceeding as soon as possible with normalization of relations without necessarily agreeing on the compensation and fisheries issues are the following considerations: Meeting current fears in Korea that the ROW is using normalization to line its own packets financially; b) Mitigating current ROK fears that Japan will take Korea over economically and feurs regarding Japanese exploitation of Korean fishing areas: The Honorable Samuel D. Berger, GROUP 3 American Ambassador Downgraded at 12 year Seoul, Korea. intervals; not automatically declassified

- c) Providing ordered diplomatic facilities for further discussions and regardistions on "ecompensation" and fisheries issues;
- d) Enhancing south Korea's diplocatic position at this critical junctures
- e) Folging provent Japan from increasing its ties with north Koroas
- f) Hornalization of relations between two of our ellies would be a much needed shot-in-the-arm to the Free Borld position in embattled East Agis today.

There is no reason why, once relations were normalized, Japaness Government or private groups might not be keenly interested in some forms of essictance or investment in Korea. The Koreans and Japanese might work out some provisional errangements on fisheries pending a more permanent sottlement of the type that would require careful advance political preparation in Korea.

I shall not attempt to shotch out these thoughts any further because I know you that have milled then ever. That is really needed new is a reading as to how such a proposition would wash in Korea. I repeat my concern that, it seem such approach is not make, there will be long delays - bonk pe permanent delays - in remembrg a Fun-Japanese ascerd, including mercalization, with a resulting strang deterioration of the Kot international position, Japanese equating of morth and touch towar, and cause for a left and drift in student-intelligence thinking on the basic unification question.

Could I have your views as soon as possible?

Sincerely yours,

Marghall Breon



# THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

CONFIDENTIAL

American Embassy, Seoul, Korea, July 13, 1964.

OFFICIAL-INFORMAL

Dear Marshall:

As you know from the cable traffic, the question posed in your letter of June 17 has been under active consideration here, and has in part been answered by Embtel 1729 reporting Chong II-kwon's personal thoughts along the same lines. We have also received clear intimation that Chong's proposals have President Pak's approval. As indicated in that cable we here are in agreement with an approach aiming for an early "limited normalization" of diplomatic and trade relations, putting off a final settlement until a later date. Ambassador Berger got away before the drafting of this letter was finished but I think I can assure you that what follows reflects his views as well as current Embassy thinking.

We too are concerned about the **effect in Japan** of a continued impasse in the normalization negotiations. As you pointed out, further delay may well lead the Japanese to closer relations with North Korea and eventually to equate the ROKG with the North Korean regime in some kind of "two Koreas" policy. Such a development would not only affect ROK-Japan relations, it would have a profound effect on Korean sentiment for unification, stimulating demands **for** north-south economic and political contacts. The establishment of **diplomatic** relations between the ROK and Japan would do much to reduce this risk.

Early diplomatic normalization, in addition to being a first step in committing Japan to the ROK internationally, could help in laying the foundation for a final settlement when the political situation permits. The prospect for full normalization in the immediate future is so obscure that the risk of a "limited normalization" adversely affecting settlement of the outstanding Peace Line and Fisheries Problems is worth taking.

Marshall Green, Esquire,

Deputy Assistant Secretary of State,

Department of State,

Washington, D. C.

DECLASSIFIED E.O. 13292, Sec. 3.4 By up film, NARA, Date 1-8-07

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In other words, we can hope that diplomatic normalization would facilitate an eventual general settlement and in the meantime it would ensure closer political and economic relations between the two nations, with very considerable benefits in terms of increased trade and diminished prejudice.

Yet we must recognize that even a "limited normalization" would present difficult problems although of lesser magnitude than those entailed in a full-scale settlement. The interest of some opposition figures in an approach similar to that described by Chong II-kwon (establishment of diplomatic relations and a trade agreement) does not necessarily assure opposition cooperation or acquiescence in such a move by the government. The Civil Rule Party has endorsed the concept of reaching a trade agreement in advance of the RCK-Japan normalization. However opposition extremists may play on public fears to agitate against establishment of a Japanese diplomatic mission in Seoul. We cannot ignore the possibility that even a limited, clearly defined diplomatic rapprochement with Japan might set off another round of demonstrations and public turmoil similar to the March 24 demonstration and its aftermath.

In order to lessen any adverse domestic reaction to the establishment of a Japanese mission here, Chorg II-kwon has pointed out that the ROKG will probably need some quid pro quo e.g., Japanese liberalization of Korean imports and possibly a comprehensive trade agreement.

I think the Koreans are justified in warting some loosening of Japanese import restrictions. Embtel 1726 contains a detailed list of Korean proposals to the Japanese. These proposals are probably what Chong has in mind when he talks of "liberalizing" import restrictions.

Chong also stressed that the US must be publicly associated in the negotiations for "limited" normalization of diplomatic relations to ensure opposition cooperation and the widest acceptance in Korea. Chong wants us to go beyond public endorsement, Which he knows is assured. He wants the US involved in the negotiations. Speaker Yi Hyo-sang and Vice-Speaker Na have echoed this desire and have intimated that Koreans would expect more liberal financial terms under such an arrangement. I am not convinced that such involvement as Suggested by Chong is either

necessary or desirable given the present Korean political situation and our experience earlier this year. We are also uncertain about Japanese reactions. Certainly we would not want to give support to re-opening the terms of the financial settlement.

Still I do not rule out some public US role in achieving an early ROK-Japan diplomatic normalization. If a commitment on our part to participate openly in the final stages of the negotiations is necessary to ensure success it may be worth the risk of an adverse reaction in either Korea or Japan.

You will be talking to Ambassador Berger soon about these matters and I wanted you to have this analysis as background for those discussions.

Sincerely

Edward W. Doherty Charge of Affaires ad interim

DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH

Intelligence Note

No.30

APR

8 1964

JESSIJA JOHNSON

CHASE DUNGAN

BENDY SMOTH

KOMER SAUNDERS COL W.Y. SMITTE

To

The Secretary

Through:

From

S/S

INR - Thomas L. Hughes 114

Subject: The Japanese View Of Negotiations With South Korea

While opposition in South Korea is the main cause of the current impasse in negotiations, Japanese reaction to these developments can also affect the prospects for an early settlement.

Factors Which Might Deter Japan. The student demonstrations in Korea prompted Japanese Prime Minister Ikeda to wonder whether further talks might intensify political instability in Seoul; the South Korean Government's disclosure of a confidential memorandum concerning earlier negotiations also caused him concern. Further developments of this nature, and especially any prospect that such actions might induce really effective protests in Japan against normalization, could raise serious doubts in his mind about the desirability of seeking an early settlement.

Tkeda's Stake In Negotiations. The Japanese still proclaim their willingness to continue, and talks at the technical level have been maintained despite the suspension of high level political negotiations following President Pak's call for a cooling off period. Japanese expressions of pessimism appear to reflect doubts about Korean, rather than Japanese willingness and ability to make firm commitments. Ikeda has long been committed to seek a settlement with Korea and some such achievement may well be essential for his reelection when the government party chooses a leader next July. He need not, and will not, make major concessions, but for domestic and party reasons he must make every reasonable effort GROUP 1 DECLASSIFIED Excluded from automatio to achieve a settlement. E.O. 13292, Sec. 3.4

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SUPPLEMENT

NEGOTIATIONS BETWEEN JAPAN AND THE REPUBLIC OF KOREA

Pok.

The negotiations in Tokyo between the Republic of Korea and Japan have reached a crucial stage, and demonstrations in Seoul by students opposing a settlement point up the difficulties of solving long-standing differences. The unrest in Seoul may lead enemies of Kim Chong-pil -- Chairman of the progovernment Democratic Republican Party and said to be the number two Korean leader -- to try again to get himout of governmental affairs. Kim has strongly advocated a settlement with Tokyo.

The talks, in which cabinet ministers are involved on both sides, had shown considerable promise but are apparently now foundering because of recent recalcitrance on the part of the Koreans. Deepseated prejudices and the readiness of the political opposition in both countries to attack the government in power has for a long time held up a settlement and may again put one off. Another good opportunity to normalize relations may not recur for many years.

The central issue in the Tokyo talks is Japanese access to fisheries in the Sea of Japan and the Yellow Sea. The powerful Japanese fishing interests have been exerting pressure on the government to prevent Korea from interfering with Japanese fishingactivities in these waters. Since 1952, Korea has tried to enforce a unilateral sea frontier proclaimed by former President Rhee and known as the "Rhee Line" or "Peace Line," and its coast guard has seized Japanese fishing craft and imprisoned their crews. The Rhee Line at points extends more than 100 miles into the high seas, and its establishment was an affront to the Japanese who count fishing as a primary source of revenue.

The claims to a barren islet, Takeshima or Tokto, in the Sea of Japan has also been for some years a point of contention. Another disputed matter has been the status of about 600,000 Koreans still remaining in Japan, a remnant of the two million Korean laborers brought there during World War II. Tokyo and Seoul have engaged in a tug of war over control of these people and their loyalties, and the situation has been made worse by the depressed circumstances of this minority which has to depend on Japanese government relief.

DECLASSIFIED E.O. 13292, Sec. 3.5 NLJ/RAC 05-24 By id., NARA, Date 7-20-05

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North Korean influence among this element and South Korean efforts to counteract it have caused complications, but some 81,000 have been voluntarily repatriated to North Korea.

A perplexing issue has apparently been solved through a compromise indemnity formula under which Japan will pay as much as \$300 million to Korea as nonrepayable grants and \$300 million as long-term, low-interest loans. Another \$100 million is probably available through commercial loans.

The Korean political opposition which is aware of the apathetic public support for President Pak Chong-hui's regime is trying to undermine him by arousing latent fears that Japan may try to regain control of Korea. In Japan, Socialists and other leftists see an opportunity to embarrass and perhaps overturn the conservative Japanese Government by alleging that Prime Minister Ikeda has sold out Japanese interests.

DIA Intelligence Summary (25 Mar 64)

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DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCE

To : The Secretary

Through: S/S

From : INR - Thomas L. Hughes 100

Subject: Serious South Korean Opposition To Settlement With Japan

STATE
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Intelligence Note
MAR 2 4 1964

Settlement With Japan

A campaign against the projected ROK-Japan settlement, initiated by a loose coalition of opposition politicians on March 15, has developed unexpected and substantial student support during the past three days. In Seoul 5,000 students and 2,000 sympathizers clashed yesterday with police in disturbances which led to injuries on both sides and the arrest of 250 students. Many of the demonstrators were drawn from the three leading universities of South Korea, with high school students joining in during the later stages. This is a significant development in a country where a long-entrenched government was overthrown by students four years ago.

South Korean Government Could Shelve Plan For Settlement. While no clear government position has emerged, some elements of the regime may be at the point of giving up hopes for an early normalization of relations. The Prime Minister yesterday commented that "although some are talking as if settlement could be reached in the immediate future, there are many matters on which agreement is yet to be reached." Reportedly, the authorities also gave assurances that the arrested students would be released, that the maximum Korean fisheries claims would be defended "absolutely," and that Kim Chong-p'il, who has been the most active proponent of normalization, would be recalled from Tokyo. In contrast,

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however, the Home Minister threatened strong measures and said that the arrested students would be dealt with according to law.

Implications For United States Interests. The opposition has carried its attack to the government despite widespread knowledge that the United States has urged closer ties between Japan and the Republic of Korea. The South Korean Government will be shaken, whether it attempts to override opposition on this scale or gives ground to an opposition which has tasted success. Moreover, unless the Japanese Government is willing to make major concessions, which seems unlikely, a settlement is likely to be deferred and the economic stimulus of Japanese investment in South Korea will be reduced.

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#### DEPARTMENT OF STATE EXECUTIVE SECRETARIAT

CONFIDENTIAL (Attachments)

TO:

Mr. McGeorge Bundy

The White House

FROM: Mr. Benjamin H. Read

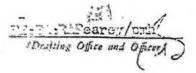
Executive Secretary

Attached for your information and files are copies of memoranda of conversation between The Secretary and the Japanese Ambassador dated February 29, 1964 regarding:

- 1) China Policy
- and 2) Japan-Korea Normalization Agreement

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DEPARTMENT OF STATE

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Memorandum of Conversation

DATE: February 29, 1964

EUILIET: Chine Policy

PARTICIPANTS: Ryuji TAKEUCHI, Ambassador of Japan Masao KANAZAWA, Political Counselor

The Secretary

Robert W. Barnett, Deputy Assistant Secretary for Far Eastern Affairs

Robert A. Fesrsy, Acting Deputy Director for East Asian Affairs

CCF:35 TO:

S/S IO-3 CIA

O E-3 White House
S/P E/OA ARENDOSSY TOXYO
FE-3 P-2 " TATPET
FE/P-2 E-2
FE/EA-3 INR

Following discussion of a Japan-Korea settlement, Ambassador Takeuchi said that he would like to bring up three matters relating to China.

### Yoshida Visit to Taipei

The first, he said, concerned Prime Minister Yoshida's recent visit to Taipei. Foreign Minister Ohira had not yet talked personally with Ar. Yoshida since his trip but the Foreign Office had authorized the Ambassador to give the Secretary a report in general terms. Foreign Minister Ohira considered that the visit had been opportune and had had some good results. There were no concrete negotiations but Mr. Yoshida had pointed out that the Japanese Government's attitude toward Communist China had been reported rather sensationally by the press. Japan was not taking a pro-Communist attitude; it appreciated the threat of Communism and was dealing with the problem secondingly. President Chiang Kai-shek understood and appreciated this. Foreign Minister Ohira believed that Mr. Yoshida's trip had promoted prospects for normalization and improvement of Japan-ROC relations. A stage had been reached when the appointment of a new Chinese Ambassador to Japan would be examined.

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Secretary Rusk expressed appreciation for this information. He said that the U.S. had considered the irritations between Tokyo and Taipei unnecessary. We folt that they could be worked out and had considered Mr. Yoshida's visit a constructive move. Ambassador Takeuchi said that although there had been no announcement yet, he personally believed that the next step would be a visit by Mr. Ohira to Taipei.

The Secretary said that he would appreciate it if Ambassador Takeuchi would transmit a very private and personal message to Mr. Ohira. Although there had been no final decision, it was possible that when he went to Manila for the SEATO meeting in mid-April he would go over to Taipei for a visit. He would appreciate this being kept very confidential.

#### Clarification of Remarks on China Policy

Ambassador Takeuchi said that he had been instructed to provide the Department with a clarification of certain remarks by Foreign Minister Chira in the Diet on the China question. Mr. Chira's comments had been interpreted by some to mean that Japan would recognize the Peiping regime when it was admitted to the United Nations. The Ambassador had been instructed to say that Mr. Ohira's remarks had not been intended to indicate that Japan would recognize Peiping, and substitute it for the GRC, if Communist China were admitted to the UN as the result of the adoption by a simple majority of a resolution on the lines of the Albanian resolution last year. Mr. Ohira considered that this would not force Japan to consider recognition of Peiping, although it would be a very important development calling for careful consideration by the Japanese Government. Rather Mr. Chira had intended to inform the Diet that when the China representation question has been fully and fairly considered in the UN, and as a result a great majority of the member nations decide that Communist China should. be admitted as a member, Japan will then have to consider normalization of relations with Peiping.

The Secretary said that he would like to make two comments. The first was that the overriding consideration now was not what measures France might take but rather the course of action on which Peiping has or might embark. Peiping offers the most immediate threat of war in the world today. Communist China's policies are a real threat to the peace. He wished he could tell the Ambassador that there would be peace in Asia for the next six months, but he could not. It was therefore very important that we not take any steps which might encourage Peiping to believe that its aggressive policies could pay dividends. The second point, which he had mentioned to Mr. Ohira in Tokyo, was that Japan's China policies should not be viewed as a problem of U.S.-Japan relations. Rather Communist China should be

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viewed as a key factor in the determination of Japan's own Asian policies. The basic issue was the impact of Communist China on Japan's own interests in Korea, Viet Nam, Indonesia and elsewhere. How does Pelping fit into the confrontation of interests in Asia today? It was highly important that the U.S. and Japan keep in close touch on this problem.

Ambassador Takeuchi said that somehow Peiping had succeeded in giving the Japanese public the impression that the Chinese Communists are not a dangerous people. Peiping had been very tactful, carefully avoiding steps which might "stimulate" the Japanese people. Perhaps it was up to the Japanese Government to educate the Japanese public better on the subject; the public did not see clearly what Communist China is doing in other areas.

#### Proposals for Improvement of Sino-Japanese Relations

Ambassador Takeuchi said that Mr. Katsushi FUJII, an LDP Diet member, recently visited Peiping primarily to arrange for visits of Japanese families to relatives' graves. In the course of the visit LIAO Cheng-chih had presented four Chinese Communist proposals for improving Sino-Japanese relations, which the Japanese Government has been considering. The four proposals related to (1) exchanges of newsmen, (2) enlargement of Sinc-Japanese trade, (3) aviation arrangements, and (4) the establishment of unofficial trade offices. The Foreign Office had authorized the Ambassador to state that some progress appeared possible on (1). The Chinese Communists had proposed an exchange of about eight newsmen on each side. The Japanese Government's main concern was that the Japanese reporters should be afforded the same freedom in China as the Chinese reporters were allowed in Japan. Regarding (2), the Government saw nothing to talk about; it planned simply to allow Japanese concerns to continue to trade with mainland China, with approximately the same level of credit as at present. As to (3), the Government considered it impossible to arrive at a commercial air agreement with a country which it did not yet recognize, though pressures for an agreement were strong. Proposal (4) raised delicate problems on which the Government was not now taking a position.

The Secretary asked that his appreciation for the above information be conveyed to Foreign Minister Chira. He noted that the United States has been attempting for many years without success to exchange newsmen with Communist China. In response to his question, Ambassador Takeuchi said that the Sino-Japanese arrangement would be signed by a private Japanese newspaper association, and it was anticipated that the reporters would remain about one year. Mr. Barnett confirmed the Secretary's impression that there had been no change in Peiping's attitude on exchange of newsmen with the United States, at least no change in Peiping's official position. Chen Yi had contended that the difficulty arose from inability of American correspondents to secure passports for travel to China. This, however, was absolutely untrue.

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(Drafting Office and Officer)





Approved in S 3/8/64

## Memorandum of Canversation

DEPARTMENT OF STATE

DATE: February 29, 1964

BUDULCT: Japan-Korea Normalization Agreement

PARTICIPANTS: Ryuji TAKEUCHI, Ambassador of Japan Masao KANAZAWA, Political Counselor

The Secretary

Robert W. Barnett, Deputy Assistant Secretary for Far Eastern Affairs Robert A. Fearey, Acting Deputy Director for East Asian Affairs

COFIES TO:

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The Secretary said that he had invited Ambassador Takeuchi in to express again our very great interest in a Japan-Korea normalization agreement. He had left his conversations with Prime Minister Ikeda and President Pak with the strong impression that both really wanted agreement and believed that recent developments were conducive to finalization of an agreement in time to permit ratification during the present Diet session. Both capitals might think we were pressing hard but the advantages of a settlement for all of us are so great that as agreement appeared in sight "one could almost taste it". The Secretary said that he would appreciate the Ambassador's passing on to Foreign. Minister Ohira; the importance we attach to conclusion of the agreement this Spring if at all possible. Noting that he had made the same points to Ambassador Kim, the Secretary asked if Ambassador Takeuchi had any late information on the progress of the negotiations.

Ambassador Takeuchi said that he had received a cable the previous day responding to his request for such information. Claims were considered the main issue on the Korean side, and the GOJ felt strongly it had done its best. The next most important problem was fisheries. The GOJ is ready to negotiate but wants more progress at the working level on the technical problems

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DECLASSIFIED E.O. 13526, Sec. 3.5 NLJ/RAC 12-17 NARA, Date 13-27-2013

involved before raising the matter to the political level as the Koreans appear to desire. Progress had appeared possible until about a month ago when the Korean side began to show itself untilling to move ahead in the technical negotiations, and instead to push for a political settlement. The GOJ considered political-level discussions unsuitable now due to the highly technical nature of the problem, centering in three issues:

- 1. Twelve-mile Base Line The ROKG is making unreasonable demands. Their proposed line would embrace areas which, if the GOJ were to agree, would set a bad precedent for Japanese fishing arrangements with other countries.
- 2. Has or of Boats The Koreans are proposing a very limited number based on arbitrary, totally unacceptable calculations. Both Governments agreed to respect present practices but the Korean proposal violates this understanding. The GOJ will not agree to any proposal which would result in a reduction of the present Japanese catch in the affected areas.
- 3. Fisheries' Cooperation This issue is less troublesome, but the Koreans requested \$176,000,000. Although the GOJ is unable to increase the previously agreed grant and long-term, low-interest loan figures, it is prepared to agree to normal commercial loans, provided the over-all fisheries issue is solved in a satisfactory way.

Ambassador Takeuchi reiterated that the GOJ considers further negotiation at the expert level necessary. Political level discussions could not resolve the technical issues involved, at least until the outlines of an agreement have been reached.

The Secretary asked whether it might be feasible to schedule both technical and political discussions in relation to each other, so each side could enter into the kind of discussions it wants. Ambassador Takeuchi replied that the GOJ fears that if political level discussions were entered into, the Koreans would be encouraged to neglect the working level negotiations. The GOJ is concerned by the Korean attitude of almost boycotting the technical negotiations and insisting instead on political negotiations. The GOJ, having gone far to meet Korean desires in a political settlement of the claims issue, considers sincere negotiations at the technical level essential on fisheries.

Ambassador Takeuchi said that Japanese fishing interests are exerting strong pressures. They are afraid that the Foreign Office will compromise their interests. The Agriculture Minister had called on Mr. Ohira formally to call his attention to this aspect, making it difficult for the Foreign Office to show flexibility.



Mr. Barnett said that it was our understanding from recent reports that all relevant fisheries considerations are now on the table, with little or no further "research" necessary. Technicians tend to become obsessed with technical aspects. The will to agree seems strong on both sides and the gap relatively manageable if dealt with concurrently at the technical and political levels as the Secretary has suggested. Ambassador Takeuchi said that there had been prospects of working level agreement but recently the atmosphere had changed, possibly due to internal difficulties on the Korean side. The Koreans are proposing that the exclusive Korean fisheries zone be extended far out into the open see, almost to the Rhee line.

The Secretary said that it had been his experience that when experts differed, the solution sometimes was for ministers to tell them to resume their discussions and come up with a solution. This was well illustrated by the experience of technicians and ministers in the GATT negotiations. Ambassador Takeuchi said that he believed Foreign Minister Ohira's role to be one of key importance, particularly with the Agriculture Minister subject to fishing industry pressures. Perhaps it would be a very good thing to meet at a higher level, but this was not the present position of his Government. The Secretary asked whether it might be useful to set a data now for a meeting at the Foreign Ministers level and to establish a preparatory committee to prepare for that meeting. Ambassador Takeuchi sau advantages to such a procedure but feared that if the preparatory committee failed to make progress and an abortive meeting of Foreign Ministers took place it could make a bad impression.

The Secretary expressed appreciation for the information Ambassador Takeuchi had provided and asked him to convey to Foreign Minister Ohira the U.S. Covernment's hopes for an early Japan-ROK settlement.





meeting. Meanwhile, several new incursions have been reported since the Bangkok talks, and Thai observers still have not taken up observer positions in the area.

Lopez Trip - Lopez will visit Djakarta and Bangkok in the near future in what may be an opportunity to get the stalled negotiations moving again. In particular, we hope that he may be able to work out an acceptable method of handling Sukarno's demand for written confirmation of the Malaysian position on withdrawals. On the other hand, we believe that prospects are likely to be set back rather than improved if Lopez proceeds to peddle some new "compromise" formula to the Indonesians instead of pushing the three-point formula already accepted by the Malaysians.

--Current Foreign Relations, Issue No. 11, March 11, 1964

#### KOREA-JAPAN NEGOTIATIONS REACH CLIMAX

The settlement of a number of complex issues has been under negotiation between Korea and Japan since 1951. Because of the intransigence of Syngman Rhee, little progress was made. Negotiations were broken off five times before the current series of talks was started in October 1961 by the Military Government of Korea which came to power in May of that year. Since that time much progress has been made, albeit slowly, and a settlement is now in sight. Differences have been narrowed and the Ministers of Agriculture of the two countries commenced meetings at Tokyo on March 10 on the fisheries issue in the negotiations. Assuming they further narrow the gap, the Foreign Ministers of Korea and Japan hope to apply the finishing touches to a settlement in meetings beginning at an unspecified date later this month.

If an agreement is reached, it would be a historic milestone inasmuch as it would mean normalization of relations between Japan and Korea as equal sovereign nations for the first time since 1905. A settlement is expected to contribute significantly to the economic development of Korea and to the stability of this important area of the free World. As a friend to both sides and with heavy commitments in the area, the United States warmly welcomes the prospect of a final settlement. Although the United States has carefully avoided involvement in the issues themselves, over the years it has urged both sides to be as forthcoming as possible.

Principal Issues - The Korean claims for compensation arising out of the Japanese rule of Korea from 1905 to 1945 have been the main issue since the talks began. In October 1962, settlement of this issue was reached in principle when Japan agreed to pay in equal installments over a ten-year period \$300 million in grants, \$200 million in longterm, low-interest loans and \$100 million in commercial loans guaranteed by the Export-Import Bank of Japan. Of almost equal importance to the claims issue has been the dispute over the fisheries in the waters

By 14/200, NARA, Date 7-8-07

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adjacent to both countries. The so-called "Peace Line" or Rhee Line, proclaimed by President Rhee in 1952, purported to extend Korean sovereignty over international waters from 30 to 180 miles from the Korean coast. During the intervening years Japanese boats have fished these waters at their peril. The United States and other countries strongly protested the Rhee Line as not based on any accepted principle of international law. The current high level negotiations are expected to result in its abandonment. Instead, the settlement appears likely to give Korea the exclusive right to fish within a zone of 12 miles from the Korean coast, while the Japanese will limit their fishing outside the line to approximately current levels pending conclusion of a bilateral conservation agreement based on scientific research. In addition, the Japanese are expected to extend technical and economic assistance to the Korean fishing industry, probably in the amount of about \$70 million.

Minor Issues - Other issues, which have presented less difficulty than the claims and fisheries questions, involve the status of approximately 650,000 Korean residents in Japan, the return of Korean art treasures and the ownership of certain ships. Work has been progressing on these issues concurrently with the negotiation of the more complex problems. Many of the Korean residents of Japan may transfer their allegiance from Communist North Korea to the ROK Government when a settlement finally is reached.

Role of Kim Chong-p'il - As the then Director of the ROK Central Intelligence Agency and the number two man in the Korean Military Government, Kim Chong-p'il apparently played a key role in breaking the log-jam on the claims issue by holding parallel talks in October 1962 with Japanese leaders outside negotiating channels. Japanese Government leaders have deplored more recent parallel talks. even though they were successful on that occasion, and we have urged the Koreans to avoid them. In his current capacity of National Assemblyman and Chairman of the Majority Democratic Republican Party, however, Kim still wields considerable power independently of the Korean Foreign Ministry and there is a possibility that he will again play a major role in bridging the final gap in unofficial and informal talks. He is expected to arrive at Tokyo about March 18 on his way back to Seoul from visits to Tiapei and Saigon and to remain indefinitely (although without official status) in the Korean delegation to be headed by Foreign Minister Chong Il-kwon.

Opposition to Settlement - Opposition parties both in Korea and Japan have adopted a negative posture toward a Korea-Japan settlement for partisan political purposes. In Japan, the Socialists are threatening to mount demonstrations comparable to those of June 1960 opposing the visit of President Eisenhower. In Korea, the opposition is expected to criticize the terms of settlement sharply. In both countries it is believed that sentiment in favor of a settlement is sufficiently strong to overcome the opposition.

--Current Foreign Relations, Issue No. 11, March 11, 1964

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Drafted by: DCM: JKEmmerson/sn

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Approved by:
Ambassador Reischauer
Approved by - 2/13/64

KEALJ-MC/4 - Part I Q. Of III

January 28, 1964

Place: Hotel Okura

Japan-Korea Relations; Secretary's Press Conference

(See page 3)

Secretary Rusk Foreign Minister Chira

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The Foreign Minister opened the discussion by referring to the talks between the Governments of Japan and Korea. He said he hoped the Secretary would transmit the word to Korea that the Japanese Government was ready to go ahead with the settlement and did not wish to stick on procedures. The Foreign Minister saw no internal or international reason to delay the consummation of the negotiations and hoped that without insisting on procedural matters the two governments could come to an early decision. To the Secretary's question about domestic opinion in Korea, the Foreign Minister replied that General PAK's government was probably restrained because he did not win the majority of votes in the last election. The Secretary thanked Foreign Minister Chira for his remarks on the Korean negotiations and said he would explore the situation during his visit to Seoul.

The Foreign Minister, in response to the Secretary's previous request for advice on his press conference, made two points: first, regarding the visits of nuclear submarines, he hoped the Secretary would not make too much of this problem, but would treat it as a "businesslike" routine matter. He might say that the problem, including safety aspects, is being clarified at the working level and not on a ministerial level; that the purposes of the visits are rest and recreation for the crew and the taking on of supplies. To queries about submarines armed with nuclear weapons, he hoped the Secretary would emphasize that this is a matter requiring prior consultation. Secretary Rusk replied that he was fully aware of the sensitivity of this subject.

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On Japan-Korean negotiations, Mr. Chira hoped that the Secretary would describe these as purely bi-lateral between Japan and the Republic of Korea in which the United States does not wish to interfere. Secretary Ruck might of course express a hope for settlement but he hoped he would emphasize that the United States is not involving itself in the negotiations. The Secretary replied that this statement had the advantage of being true.

The Secretary referred to the fact that he saw Mr. Ohira as often as he sees any Foreign Minister, and he wondered whether this point was worth making at the press conference. The Foreign Minister agreed that it was.

#### PARTICIPANTS:

Secretary of State Dean Rusk
Deputy Assistant Secretary of State for Economic Affairs
Philip H. Trezise
Deputy Assistant Secretary of State for Far Eastern Affairs
Robert W. Barnett
Ambassador Edwin O. Reischauer
Minister John K. Emmerson
Minister Arthur Z. Gardiner

Minister for Foreign Affairs Mascycshi ONIRA
Deputy Vice Minister for Foreign Affairs Takio ODA
Mr. Harumi TAKEUCHI, Director, American Affairs Bureau
Mr. Yoshihiro NAKAYAMA, Director, Economic Affairs Bureau
Ambassador Ryuji TAKEUCHI
Mr. Toshiro SHIMANCUCHI, Counselor, Public Information and
Cultural Affairs Bureau

KEA/J-MC-4 - Part II of

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roved by: 2/13/64

January 28, 1964

Communist China; Joint Economic Committee

Place: Hotel Okura

(See page 5)

Secretary Rusk Foreign Minister Chira

S/S EA-3 Amembassy TOKYO
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Mr. Ohira said he would next like to speak further about the problem of Communist China. The American attitude as reflected by the Secretary, is naturally rather "stiff". At the same time, Japanese public opinion, as expressed in the press and other media, as somewhat different from the American. The Foreign Minister would expect the Secretary to express the American position, but if he suggests in his press conference that the United States is trying to get Japan to follow the same course, the reaction in Japan will frankly be undesirable at this time.

The Secretary commented that this is one of the matters which as him a little nervous about the joint press conference with Foreign Minister. The press will naturally try to exploit and out differences between the two of them which may or may not east. He thought it therefore very important to insure that at the joint press conference only matters concerning the joint economic committee meetings be discussed. Rather than highlighting differences the second Japan and the United States on economic matters, such as trade in lemons or tangerines, it would also be much better to stress the public that there is a great deal more going smoothly in U.S.—Japan trade relations. Emphasis should be placed on the increasing economic relations and expanding trade between the two countries and, for example, on the fact that the United States now purchases from

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Japan 500 million dollars more than two years ago. At the same time we did not have to deny that we semetimes have a divergence of opinion. The Foreign Minister expressed full agreement with these views.

The Secretary said that when President Kennedy and Prime Minister Ikeda first envisaged these meetings, it was agreed that the ministers concerned would talk over problems from a broad policy point of view and that the meetings would not be negotiating sessions for the solution of detailed problems. The Foreign Minister replied that he had always taken this point of view.

The Foreign Minister turned to the problem of Communist China. He said the Japanese understand the attitudes and feelings of the American Government and people toward Communist China. The causes of these feelings -- the bitter experience of the Korean War, and the subsequent troubles in Southeast Asia -are quite comprehensible. However, Japan's feeling is quite different. A sense of guilt still remains from the Sino-Japanese hostilities preceding World War II, and the Japanese public does not yet feel directly involved in the conflicts in Southeast Asia and on the border of Communist China and India. There is a deeper feeling of enmity against Soviet Russia than against any other country while hostility toward Communist China is not great. Thus feelings in Japan are very different from popular feeling in the United States. The attitude now being taken toward French recognition of Communist China by Japanese political parties and newspapers is quite different from that being expressed in the United States. In contrast to the belief in the United States that free world solidarity has been damaged, there is a feeling in Japan that France has provided an opportunity for more contacts with the China mainland. As the Socretary must know, this is the most difficult foreign policy problem which Japan has faced since the end of the War. The Government must give the greatest attention to it and must exercise the greatest care and caution in dealing with it.

policy was 4 by-product of Japan's relations with the United States; this is no longer the case and it would be unfortance if the Japanese people think that the problem of Rainland Chince only in terms of a) their relations with the United States, and b) a historical nostalgia for sustered relations with Mainland Chine. The Japan-American Mytendrhip chould not be subject to such strains. Rather, Japan should consider how her interests interests for example, in Roman, Torman, Vietnam, Cambodia, Thailand, and Indonesia. Japan should consider how her interests are affected by Poking's policies and actions toward these areas. The Secretary found that the question was not being sufficiently considered in torms of Japanese interests. He described the enormous unbrella of power so wast that it is unuscable to the full limit of its capacity. Some popple, such as the Germana, sit under this unbrella and make fires at the Soviet Union, knowing they can do this because the United States is there, while others make eyes at the Communists. The Secretary urged Japan to think of its com are helpful or harmful to the development of the Paking's actions are helpful or harmful to the development of the kind of world Japan vents. Secretary husk replied that wen years ago Japan's foreign

the people to come to an understanding with Mainland China Without regard to the minuses and plusses in the situation. We agreed responsibilities in Asia. Ecuever, he was describing general public sentiment in Japan; there was in fact a sentiment emong give the fullest interests and for this reason the problem was the most difficult one facing Japan, The Poreign Minister agreed that this was right; Japan should actention to its individual interests and

conditions. The Secretary had asked "Thy not conditions?" It would have been natural to exact from Communist China the condition in peace and trade with everybody else is inconceivable. that it would agree to live up to the Gracys Accords on Southeast Asia. On the other hand, to give Foking the impression that it can attack India and Southeast Asia and at the same time live Secretary Rusk referred to a recent conversation in Washing the which the French Ambassador had said with pride that French **Hashington** 

The Foreign Minister pointed out that there was a problem of political leadership in Japan. He referred to the abnormal postwar feeling in the country and said that patience and time were necessary. He said to try to force the public to accept an American-type policy would produce a sharp and unfavorable reaction. He said the matter must be handled carefully and that time is required. He admitted that this might be bothersome to the United States and it certainly highlighted the great importance of frequent, high-level, and close contacts and consultations between the two countries. He said that during this time every effort must be made to lead public opinion.

The Secretary questioned whether emphasis should be placed on the limitation on Japan's freedom of action by relations with the United States; he thought it was more important that Japan should think in Asian terms and should consider Asian relations with Peking. He pointed out that while Japan-American relations are not an issue of war or peace, what Peking is doing in Asia is a matter of war or peace, which can indeed become the number one possible cause of a nuclear war. If the United States pulled out of Southeast Asia today it could take care of itself, but could Asia? He added, "If we pull out, we will survive, but Asian countries will not survive." Mr. Ohira commented that this fact only emphasized the need for consultation. The Secretary replied that there is a problem in getting the discussions on the right basis; perhaps his talks with Foreign Minister Chira were less important than talks between the Foreign Minister and Macapagal, Sukarno, or General Pak. The Foreign Minister said that this was very valuable advice. He noted that very serious thought was being given to the problem of consultation with the Philippines, Indonesia, Taiwan, and Japan's other Asian neighbors.

#### SPORET

- 5 -

#### TICIPANTS

Secretary of State Dean Rusk
Deputy Assistant Secretary of State for Economic Affairs
Philip H. Trezise
Deputy Assistant Secretary of State for Far Eastern Affairs
Robert W. Barnett
Ambassador Edwin O. Reischauer
Minister John K. Emmerson
Minister Arthur Z. Gardiner

Minister for Foreign Affairs Masayoshi CHIRA
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Mr. Harumi TAKEUCHI, Director, American Affairs Bureau
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Ambassador Ryuji TAKEUCHI
Mr. Toshiro SHIMANOUCHI, Counselor, Public Information and
Cultural Affairs Bureau

THORAGE.

Drafted by: DCM: JKEmmerson: sn

Approved by:
Ambassador Reischauer

Approved by: 2/13/64
Defense Problems

KEA/J-MC/4 - Part III of III

January 28, 1964

Place: Hotel Okura

Secretary Rusk
Foreign Minister Chira
(See page 3)

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The Secretary said he would like to discuss later in the day with the Prime Minister the problem of defense, particularly the offset by Japan of U.S. military expenditures. He said that in NATO the United States takes the position that turbual defense arrangements should not themselves pose burdensome foreign exchange problems for any of the allies. He said he wanted to talk about the level of Japan's defense efforts and offset arrangements, such as Defense Secretary Gilpatric discussed last year. Mr. Ohira commented that Japan is now buying American military equipment at the rate of 100 million dollars per year at a time when United States military aid is being cut down. The Secretary said he would like to talk about 1965 figures.

The Secretary concluded the discussion by saying he wanted to make two points on the problems of balance-of-payments and defense. First, the United States would not station troops in other countries nor withdraw them from other countries for balance-of-payments reasons. The readjustment of forces isbeing undertaken because of the literally fantastic increase in American power during the last three years. Decembed, twenty years after World War II the United States did not believe it should be called upon to provide manpower for the defense

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#### STORES

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of other countries which themsleves have ample manpower. For example, it is not easy to draft a boy from a Kenses farm or a Pittsburgh factory in order to send him to Japan as a rifleman when Japan has a population of 95 million people.

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- 3 -

#### FARTICIPANTS

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SHORET

Approved by: Ambassador Reischauer

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MEMORANDUM OF CONVERSATION

SANITIZED — E.O. 12356, Sec. 3.4

KEA/J - MC/2-Part II

NARA, Date 12

PARTICIPANTS:

The Secretary

Ambassador Reischauer

Robert W. Barnett, Deputy Assistant Secretary for Far Eastern

Affairs

Foreign Minister Masayoshi OHIRA

Shigenobu SHIMA, Vice Minister for Foreign Affairs Ryuji TAKEUCHI, Ambassador to the United States

Harumi TAKEUCHI, Director, American Affairs Bureau, Ministry

of Foreign Affairs

Toshiro SHIMANOUCHI, Counsellor, Public Information and Cultural

Affairs Bureau, Ministry of Foreign Affairs

DATE & TIME:

January 26, 1964, 3:00 P.M.

PLACE:

Foreign Minister's Residence

SUBJECT:

Japan's Interest in China: GRC and Peiping

DISTRIBUTION: Se

See last page.

Foreign Minister Ohira said that he was delighted to receive and talk with the Secretary. He wished to thank the Secretary for coming to Tokyo. He continued to feel a sense of sorrow over the death of the late President Kennedy.

Secretary Rusk thanked Foreign Minister Chira for welcoming him in this way to Tokyo and said that he was delighted to have come. The American people, he said, deeply appreciated the sympathy of the Japanese people curing their period of mourning last November. He said that he considered it significant that President Johnson had told Prime Minister IKEDA that the Joint Cabinet Meeting should, of course, be rescheduled to take place as soon as possible.

Chira said that as host he would suggest a procedure for this meeting. He wished, above all, to discuss the problem of China. If there was time remaining, there would be other subjects. The Secretary responded that he was happy to accept this procedure, regarded China and the series of questions prompted by the Chinese situation today most important, and suggested that Ohira present his views.

Ohira referred to the unhappy relations between the Government of Japan and the Government of the Republic of China which had developed in the recent period. The case of the defector (CHOU) had created unfortunate

e an improvement i	They hoped that so in relations. He hoped, as a matter of f	
OJ and the GRC cou	ald begin to normalize their relations.	1.3(a)C
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	The GOJ earnestly desires, ne sa op as prosperous an economy and as democ	
RC on Talwan devel ystem as is possib	op as prosperous an economy and as democ	

Ohira said that he had several questions which he wished to put to the Secretary. The first of these revolved around the change of status of Chen Cheng in the Chinese Government and the possibility that Chiang Ching-kuo may now find his position strengthened. The Japanese do not know Chiang Ching-kuo very well and would welcome the views of the United States as to his personaltiy, his views and his intentions. Second, Ohira said that he did not believe that there was likelihood that the GRC and Peking would collaborate. It was widely thought that this might occur, were Chiang Ching-kuo to assume greater power in Taiwan - or at least this was the sentiment of many of his people. In a situation where coalition had occurred between Peking and Taipei, how would the United States, he said, interpret its present position of opposing "liberation by force of arms"? Third, Ohira observed that about eight million native Taiwanese today had superimposed upon them two million China mainlanders who coexisted. If, however, Taiwan were to become independent how, he asked, could the Taiwanese be expected to behave?

Ohira said that he hoped that these questions would not be construed as a suggestion that Peking should be recognized or be made a member of the United Nations. Japan had an established policy on these matters which it was not now intending to alter. Were there to be a change in the situation, Japan would deal with it at that time in the light of world conditions.

The Secretary observed that Chira's questions were interesting and important. The United States shared with Japan concern over recent incidents which had produced strains between Taiwan and the GOJ. Washington

had strongly advised Taiwan to act with moderation on such matters as the defector, Chou. It had said that Japan is a friend of Taiwan and Taiwan needs friends. The relationship between the GRC and Tokyo should be on a friendly basis.

The Secretary welcomed Japan's

efforts to restore irlendly relations with Taiwan.

As to Chiang Ching-kuo, the Secretary said that we had been acquainted with him and his activities for many years but did not know his personality well. When he was in Washington last year nothing he said or did came as a surprise to us. He reflected the views of his government on all matters and we obtained from him no new insights into the situation on Taiwan. The Secretary went on to say that he would be greatly surprised if there should ever be a coalition between Taiwan and the mainland.

At this juncture

Washington considers the difficulties of this problem to be of somewhat hypothetical interest.

The Secretary went on to say that we had been hoping that the GRC would give the people of Taiwan more and more participation in government and were gratified to see some improvement in the political position of these people over the past five or ten years.

The basic elements underlying the United States attitude towards Peiping were simple to summarize. We did not reject the possibility of more friendly relations between the United States and the Chinese mainland. Were this to occur, however, it had to be a two-way street. At present we see no evidence in our conversations at Warsaw that Peiping desires an improvement in relations. For this improvement Peiping says that our departure from an involvement in Taiwan is essential. Peiping will not renounce use of force in the Taiwan Straits. Peiping has violated its commitments in the 1954 and 1962 accords on Vietnam and Laos — (recently seven tons of Chinese equipment have been captured in Vietnam.) Communist China has attacked India and is engaged in conspiratorial and subversive activities in South America and Africa.

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Chinese militancy, both in doctrine and in action, the Secretary said, stand in the way of an improved relationship between the United States and Peiping. Our concern with Chinese militancy is far from sentimental. The US has one million men under arms abroad. It suffers casualties every week in the Far East.

The United States believes that French recognition of Peiping encourages Peiping in its aggressive intentions against its neighbors. Peiping has given no assurances to France regarding its devotion to peace. The United States believes that this is not the time to give Peiping help. US blood and resources are invested in programs intended to relieve Asian countries from the danger of the Chinese Communist threat.

The Secretary said that Washington deeply appreciated the Japanese representations to Paris in connection with their expected recognition of Peiping. He went on to say that both Italy and Germany had also made such representations. In their cases there was a concern about the future of NATO. They understood that US public opinion had become sensitive to France's recognition of China and Western Europe's apparent intention to enlarge greatly trade with the Soviet bloc as developments justifying some diminution of US involvement in NATO.

The Secretary observed that President de Gaulle is not a man easy to persuade, had made up his mind to recognize Communist China, and will undoubtedly go ahead unless somehow the GRC can be persuaded to remain steady and by its steadiness compel Peiping to reconsider reciprocal recognition. We understand, the Secretary said, that both Paris and Peiping are gambling on the fact that Taipei will take the initiative in breaking relations with Paris. France does not now intend to take this initiative. If Taipei does not solve its problem for it, there is a possibility that France's recognition of Peiping will have to be reconsidered.

The Secretary referred to the matter of U.S. relations with Communist China. If, he said, Peiping were disposed to improve relations with the US there were simple things that could be done: release of four US prisoners or, more important, compliance with international Accords in Southeast Asia. Since Peiping seemed not disposed to take acceptable action on such matters, the Secretary was not optimistic about Peiping's intentions on others.

The Secretary said that the US believed that there should be agreement established before holding the conference which Prince Sihanouk hoped for to insure his neutrality. If there was such prior agreement, it would be one thing. Otherwise, a conference for this purpose was likely to be extremely acrimonious, and worsen rather than improve relations in Southeast Asia. Peiping's role in such a conference could affect the outlook throughout Southeast Asia.

Turning to the USSR, the Secretary expressed the view that Moscow's concern with Peiping lay not so much in ideological differences but rather in anxiety over the prospect of a country of 800 million armed with nuclear weapons. The Test Ban Treaty, the Secretary believed, had been concluded because Moscow was heavily influenced by anxieties about Communist China, and by Moscow's hope that this Treaty could be but the first of several pressures on Peiping in the nuclear field.

As to Africa, the Secretary said that Paris had advised the African countries against recognizing Communist China on grounds that France's action had been motivated by worldwide considerations of no relevance to the interests of Africa itself. Paris does not expect African countries to follow its lead. It now appears that Canada, Belgium, Germany and Italy will also refuse. De Gaulle's recognition of Peiping does not necessarily mean the beginning of a parade, but even so it is quite a serious move.

In response to a question asked by Chira, the Secretary said there had been no final word from Taiwan as to what it would do in response to the French move. As of this moment it appears, he said, that President Chiang is convinced that France will not continue its present relations with Taiwan. President de Gaulle's recent letter said nothing on this matter. As a matter of honor, therefore, President Chiang believes that he must kneek relations with Paris immediately but the final decision has not been made. De Gaulle's letter suggests that he may well want to compell Taiwan to take an action which he, himself, is reluctant to take.

Ohira said that the Secretary's observations had been most interesting but had not dealt with some important consequences of French recognition. For instance, he was concerned about implications for the United Nations. He proposed that groups be set up in Tokyo and Washington to exchange information and consult on joint policy needed to cope with the China problem in the United Nations.

The Secretary observed that already 42 countries recognize Peiping. However, 60 recognize the GRC. This ratio may change but it is possible that many of the 42 would, in the UN contest, regard the China seat as "an important question". Were this to be the case, a two-thirds vote would be required to change the status quo. Under present circumstances there was a real possibility that the handling of the China question could be accomplished along lines previously used. Circumstances, however, might change. Washington, therefore, relcomed the proposal to consult and accepted Chira's suggestion of consultative groups in Tokyo and Washington.

The Secretary said that he believed that in UN terms member obligations under Article 19 might be a more important issue than China. The United States appreciated Tokyo's position. It hoped that the USSR might find, as had Czechoslovakia, a means to meet obligations to the UN without

creating necessity for confrontation over the question of contributions for UN peacekeeping activities.

Ohira said that he hopes to go to Taiwan one day but did not believe the present atmosphere was conducive for useful conversations. He and Prime Minister Tkeda had been "wracking their brains" for some way to ease present tensions. Former Prime Minister Yoshida had told them that the sunshine in Taiwan was pleasant at this season. The Government was now thinking of asking Yoshida to go down and enjoy it and engage in conversations with Chiang Kai-shek to increase the warmth of Tokyo-Taipei relations. When this occurred Ohira, himself, might go.

The Secretary said that Japan's activities in Paris had vastly improved Taipei's feelings about Tokyo. In the shadow of de Gaulle's intentions, Taipei was feverish. Great patience was required to help it to meet its problems. Perhaps, he went on, Washington and Tokyo can help each other in improving the atmosphere of relations between Tokyo and Taiwan.

Chira mentioned in passing that Tokyo had ordered its Ambassador to the United Nations to travel through Africa and visit a number of its countries. This would offer an opportunity to talk about China.

Ohira observed that discussion of China in terms of international trends was one thing. There was for Japan a domestic problem as well. France's expected recognition had provoked considerable discussion among the Japanese which, he said, the Government must now try to guide. At the same time the Government would have to take into account public opinion. He hoped that there could be continued consultation in depth between the United States and Japan on this subject.

The Secretary expressed the view that the Japanese people could surely understand that all Japan wants is to have a good neighbor on the mainland. The test of a good neighbor, however, must be one which is on good terms with its own neighbors in Asia. This was the heart of the problem. If Communist China could only live in peace with Southeast Asia, India and abandon its aggressive intentions in the Formosa Straits, the entire situation would change. Restoring good relations is a problem resting squarely on Peiping. Surely, the Secretary added, Japanese people could understand the policy which reflected caution and did not accord Peiping rewards for militancy.

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in O. Reischauer

#### MEMORANDUM OF CONVERSATION

SANITIZED

PARTICIPANTS:

The Secretary

Ambassador Edwin O Reischauer

Mr. Robert W. Bornett, Deputy Assistant Secretary for

Far Eastern Affairs

SANITIZED

E.O. 12356, Sec. 3.4

NIJ 94-309

\_, NARA, Date 11-21-91

Foreign Minister Masayoshi OHIRA

Shigenobu SHIMA, Vice Minister for Foreign Affairs

Ryuji TAKEUCHI, imbassador to the U.S.

Harumi TAKEUCHI, Director American Affairs Burray,

Ministry of Foreign Affairs

Toshio SHIMANOUCHI, Counsellor, Public Information and Cultural Affairs Bureau, Ministry of Poseign Affairs

PLACE:

Foreign Minister's Residence

DATE:

January 26, 1984

SUBJECT:

Korean Settlement: US-USSR Relations

Copies to:

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Emb Tokyo Emb Seoul . Emb Moscow

The Secretary invited OHIRA to assess prospects for a Japanese-Korean settlement. He said that Washington had not entered into discussion of details of the settlement but was greatly interested in the outcome of negotiations. In effect, Washington wanted an agreement and did not much care on what basis.

Ohire said that the Japanese and Koreans had gone over the hump when they had achieved agreement on claims. The focus of negotiations now was on the fisheries issue: width of the exclusive zons, regulation of the "outside" zone, and fisheries cooperation. Japan had made certain proposals to Korea and, as of this moment difficulties were on the Korean and not the Japanese side.

1.3(a)(5)

Ohira went on to explain that Japan's proposals on the lisheries issue were subject to flexible negotiations. If this matter could be wound up others could easily be disposed of. The Secretary orged flexibility on both sides, expressed conviction there was room for moneuvering and hoped for an early ... of the settlement. Third said if there was some way he believed the Secretary could be helped in advising Seoul he would pass along his suggestions.

The Secretar

The Secretary turned to the motter of US-USSR relations. Bilaterally we were working towards a consular convention, a cultural and scientific exchange agreement and a civil air agreement which had been initialed two years ago. If completed the civil air agreement would envisage one or two flights a week between New York and Moscow. Maltilaterally the Geneva Disarmament negotiations are the basis for our talks with the Russians. There are no private discussions with them on the subject. The Secretary went on to say, however, that on certain subjects formal agreement is difficult but it is useful mevertheless to achieve recognition of identity of interest. Non-dissemination of nuclear weapons is a good example. We would be quite unlikely to get agreement on this follow because of the problems of the MLF and Petping. Even without an agreement Moscow, London, Paris and Washington can, however, pursue the policy of non-dissemination. Our common problem revolves 95 percent around Peiping. In the end, four-fifths of the problem, the Secretary said, is what you actually do rather than what you can accept in a written-agreement. Another example of this is the US-USSR attitude toward defense budgets. An agreement on this matter would be hard to achieve because the USSR does not accept the principle of inspection. Moreover, no one really knows in what part of the budget defense expenditures fit: only 50 percent of expenditures are explicitly identified for defense. Our talks on this problem have undoubtedly imfluenced the US and the USSR to level-off and even turn down military spending--without explicit agreement. Here we have some de facto progress in controlling the arms race. Khrushchev stole an American phrase when he said "mutual example", a concept which we had developed in connection with budget cutting, which each of us could observe and take account of -- without "agreements". The Secretary expressed the hope that Washington and Tokyo could keep in touch on all of these matters over the coming months: we had no secrets which we wished to conceal from them.

Ohira asked whether the U.S. disamment proposals reflected sole U.S. views or had been worked out in consultation with its NATO partners. The Secretary replied that four NATO partners had been consulted in part, because their participation was essential for any future performance on the plan we advanced; while admitting consultation the Secretary did not, he said, wish to suggest that Paris had agreed. Ohira asserted he saw no reason why Paris should have done so. The Secretary, by way of afterthought, said that Washington had proposed to the USSR destruction of an equivalent number of B-47s and Badgers. These were aircraft becoming obsolescent by our standards yet so highly sophisticated that it would be unfortunate if they were to be put in the hands, through sale or otherwise, of the Indonesians,

the Iraqis

-3- 300

the Iraqis, the Egyptians or others. The USSR had not accepted this proposal but Gromyko recently had asked if these were the only weapons we had in mind destroying this way or merely a sample of a wider range. We replied that it was the only one now but if Moscow had other proposals we would study them. For instance, we would not turn down a proposal to destroy on the basis of equivalents, impiter and Thor missiles. The Secretary believed that there was progress that still could be made along these lines.

Ohira observed, with China obviously still on his mind, that so far as East-West relations with the Soviets was concerned there seemed to be possibilities for adjustment. The Secretary stressed that we were still explaring and probing possibilities, more hopeful because of a new Soviet caution induced by the crisis of August 1962 when the horror of nuclear exchange was deeply impressed on all of us. Peiping, unfortunately did not share in that experience.

The Secretary Invited Ohira to give him what advice he could on pitfalls he should avoid in his press conference scheduled for the evening of January 28. It was agreed between the Secretary and Ohira that in answering possible questions from the press about their just completed bilateral conversation they should speak in generalities and only mention the fact that the world situation, Southeast Asia, China neinland and disarragment had been discussed. There would be no mention of the ROK-Japanese settlement or the GRG.

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December 27, 1963

Care Care

#### Personal and Gonfidential

#### Roger:

Subject: Marshall Green's memo to you of December 20, 1963

This sort of thing stinks of State bureaucracy and is less than I would expect from Marshall Green.

The questions the President is interested in are: Where does the thing stand now and what are we doing to push it along? The answers seem to be: at dead center and nothing. Is this right, or do we have a definite plan for action against which we can measure progress?

Michael V. Forrestal



# DEPARTMENT OF STATE Assistant Secretary

December 26, 1963

#### MEMORANDUM FOR:

Mr. Michael Forrestal

Roger thought you would be interested in seeing Marshall Green's comments on your memorandum of December 17 on ROK-Japanese relations.

Joseph W. Neubert

Attachment

Genfidential Memorandum

DECLASSIFIED. E.O. 13292, Sec. 3.4 Byurban, NARA, Date 7-8-12

Mr. Womer <

CONFIDENTIAL

December 17, 1963

Rot. Jos

#### MEMORANDUM FOR:

The Honorable Roger Hilsman Assistant Secretary of State for Far Eastern Affairs Department of State Washington, D. C.

SUBJECT: ROK-Japanese Relations

I have seen Marshall Green's memorandum to you of December 13th recommending a delay in sending any Presidential messages to Ikeda and Pak on the ROK-Japanese Treaty.

Frankly, I don't understand the arguments for further delay on this matter, although I agree that Presidential messages are not the only tool we have in our diplomatic arsenal. The fact is, however, that the ROK-Japanese Treaty has been fussed about inconclusively ever since I have been in Washington -- and probably for some time before that. Time and again we have had one side or the other on the verge of concluding an agreement only to see events force further postponement.

I am impressed with the argument that time is fast running out on us. We have known for years that the South Korean economy is sick and getting sicker. We have also known that the pressures for decreasing U.S. assistance to that country would become irresistible, and now these worries have become real. DoD has about decided to pull out at least one of our divisions; yesterday's vote on the Aid Bill is obviously going to do more harm to Korea than it will, say, to Vietnam. The reduction in external resources available to Korea which will result from these two imminent actions makes it essential, it seems to me, that the Koreans and the Japanese get together.

The last excuse for postponing action on the Treaty was the elections in both countries; but this is an old song which was played almost exactly a year ago when we were told that Japanese action

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on the Treaty would have to await the results of the Japanese municipal elections. Then subsequently the ROK Government got into trouble, and the issues again were postponed.

I am sure that unless we take a very strong initiative right now, history will repeat itself in a form worse than ever. We will probably see an American troop withdrawal, which will decrease Korea's foreign exchange earnings. Unless we move fast, we will probably also see no reduction in the Korean army, which will maintain that strain on the economy. Finally, there will be a cut in supporting assistance and grants which may turn Korea's present economic stagnation into a depression.

It seems to me you have got to press for the Treaty and a sensible troop reduction right now. If we don't want to send Presidential letters, at least we ought to devise a program for other types of actions.

Michael V. Forrestal

cc: Gov. Harriman Mr. K. Hansen

CONFIDENTIAL

ALEXANDER TELEGRAM Department of State BELK INDICATE: COLLECT BRUBECK CHASE DINGEMAN DUNGAN 43 EC.EL 493 Origin ACTION: Amembassy SHOUL FOR MESTAL FE DEC MOLLAGON II 1430 INFO: Amembassy TOKYO KILDUFF KLEIN SS KOMER G SAUNDERS Deptel 470 to Seoul and Deptel 1375 to Tokyo. SP \_SCHLESINGER In light late Movember talks of President, Secretary and other high L H TO officials with Pak, Ikeda and Ohira re normalization of GOJ-RCK relations, AIDA P we desire you take early opportunity to remind Pak of Washington conversa-IOP INR tions on normalization question, to reiterate our hope and expectation that RMR two Governments will now move forward decisively toward settlement, and to foster concept that Pak now has unique opportunity, over and above other accomplishments we anticipate from his administration, to establish his name in Korean history as leader who established Korean-Japanese relations on friendly and constructive basis to great advantage of Korean nation. GP-3

End.

RUSK

BUNDY-SMITH

Drafted by: EA:I(AFearey: aws 12/4/63

Telegraphic transmission and classification approved by:

FE - Robert W. Earnett

Clearancesi

EA -- Mr. Bacon

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