
Japan

Aid to South Korea is a gift to Washington

by Richard Katz

It has now become almost mandatory that a Japanese prime minister visiting the United States bring some "gift," perhaps the announcement of a new trade concession, perhaps an extra little increase in the defense budget. In return, the Japanese prime minister gets a statement of "appreciation" from his senior partner for the "gift," a statement he can use to his domestic political advantage.

Yasuhiro Nakasone is no exception. Indeed, perhaps more than other recent prime ministers, Nakasone needs a successful U.S. trip to quiet political turbulence at home. No one was surprised therefore when, in advance of his Jan. 17 arrival in Washington, Nakasone presented a rapid-fire series of concessions to longstanding U.S. demands. He announced an 85-product package of import liberalization measures; a 6.5 percent increase in the Japanese defense budget compared to zero growth in almost every other item; and Japanese agreement to sell the United States military-related technology, e.g. in the electronics field, as an exception to its general ban on export of military items. In this last concession, Nakasone overruled the Ministry of International Trade and Industry (MITI), which had held up the U.S. request for the past couple of years, fearing that technology issued for military purposes could be used by U.S. commercial firms.

The furthest-reaching of Nakasone's "gifts" was his move toward a new kind of relationship with South Korea, one which could be the prelude to Japanese acceptance of regional security responsibilities for East Asia, as Washington has long urged. On Jan. 10-11, Nakasone visited Seoul, the first such visit by any post-war Japanese prime minister to Japan's former colony. The ostensible purpose of the hurriedly arranged trip was to sign a long-disputed economic aid agreement with South Korea. Over the next five years Japan will provide \$4 billion in low-interest loans; this is less than the \$6 billion Korea had asked for 18 months ago, but far larger than any other foreign-aid package provided by Japan. According to Washington sources, former National Security Adviser Richard Allen played an important intermediary role in the deal.

The military dimension

On purely economic grounds, the aid package is in the interest of Seoul and Tokyo as well as Washington. South

Korea deserves its reputation as one of the most successful developing countries.

The export-dependent economy, however, has been hit by the world trade collapse; only a 3 percent increase in exports was garnered in 1982, far less than what was needed to propel further economic growth. South Korea's foreign debt of \$38 billion is regarded as manageable. However, Seoul cannot afford to borrow substantial new funds at astronomical interest rates. The stake in keeping South Korea stable and developing is obvious.

However, another game is reportedly being played by means of the new aid package. Seoul's original request for the aid made the claim that Japan "owed" the funds since South Korea spent 6 percent of its GNP on defense and thus contributed to Japan's own security. According to Tokyo sources, this Korean argument was developed not in Seoul, but in Washington, which wants Tokyo to accept responsibility for directly helping to defend South Korea, if only through economic means, initially, as a foot in the door for Japanese acquiescence to wider regional military commitments—e.g., naval and air defense roles in Southeast Asia.

Japan has played a large role in boosting South Korea's economic development since the early 1970s, but has always shied away from a security tie, because they share with the rest of the region bitter recollections of the results of their 1930s-1940s militarism. Thus the Japanese are leery of any proposal that they go beyond the present structure of bilateral U.S.-Japan security cooperation within Japan's immediate perimeter for Japan's self-defense. But George Shultz's and Caspar Weinberger's plan is that, as the United States diminishes its military presence in the Western Pacific, in favor of Rapid Deployment Force buildups in the Indian Ocean, Japan should fill the vacuum.

According to the Japanese magazine *Insider*, when former Japanese Prime Minister Takeo Fukuda visited Korean President Chun Doo Hwan in the summer of 1981, Chun suggested extensive security cooperation between the two countries, including standardized military equipment and a joint security role in the region. The Japanese did not respond enthusiastically. However, some Tokyo sources suggest that Nakasone's current trip continued exploration of Japanese-Korean security cooperation. In the joint communiqué issued on Jan. 12, Japan for the first time signed an official document stating that Korea's security is vital for its own. However, Nakasone repeatedly denied press reports that Korean-Japanese or Korean-Japanese-U.S. security cooperation was discussed.

As the victims of brutal Japanese colonial rule, the Koreans have been extremely wary of U.S. demands that Japan play a regional military role. Such Southeast Asian nations as Indonesian and the Philippines have told Washington that they fear the consequences of a rearmed Japan. If Chun indeed suggested broader military cooperation with Tokyo, one suspects it was done at Washington's behest.