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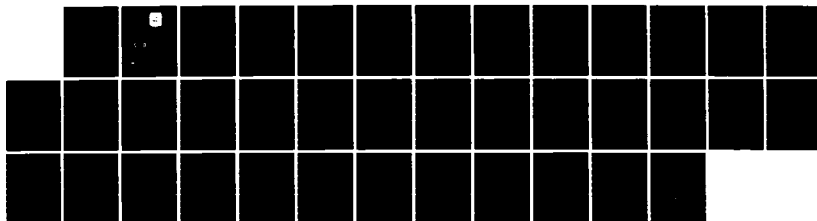
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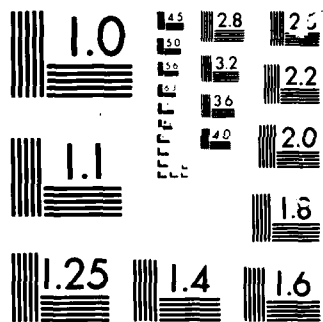
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REUNIFICATION OF KOREA: A FORTY YEAR STALEMATE

BY

LIEUTENANT COLONEL ROBERT P. PLIMPTON

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research institutes, DOD, and Korean governmental agencies. Four areas are most often referred to when discussing current avenues towards reunification: Sports/Olympics, Humanitarian Aid, Parliamentary Talks, and Economics/Trade. In addition, there exist political concerns, military threat and economic diversity between the Koreas which impact significantly on the reunification process. The conclusion is that while reunification is a stated goal, the ability to settle sharp differences between the governments is not one to be gained in the near future and perhaps not at all.

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USAWC MILITARY STUDIES PROGRAM PAPER

REUNIFICATION OF KOREA: A FORTY YEAR STALEMATE
AN INDIVIDUAL STUDY PROJECT

by

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7 April 1986

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ABSTRACT

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Since 1948 when formal separate governments were established by North and South Korea the goal of reunification has been one stated consistently by both countries. That goal was attempted by violent means when North Korea attacked south in 1950. Following the armistice in 1953 until today, the governments continue to state reunification as a goal. This project examines historical and current events influencing that possibility. Data was gathered using literature search and personal interviews with analysts at public policy research institutes, DOD, and Korean governmental agencies. Four areas are most often referred to when discussing current avenues towards reunification: Sports/Olympics, Humanitarian Aid, Parliamentary Talks, and Economics/Trade. In addition, there exist political concerns, military threat, and economic diversity between the Koreas which impact significantly on the reunification process. The conclusion is that while reunification is a stated goal, the ability to settle sharp differences between the governments is not one to be gained in the near future and perhaps not at all.

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CHAPTER I

INTRODUCTION

Although some discussions on the future of Korea were held at the Cairo Conference in 1943 and at subsequent wartime conferences, the division of Korea was undertaken with no preparation by the United States, and probably none by the USSR. Russian troops were already in Korea by the middle of August 1945 when the United States, still away from Korea, proposed to draw a line of demarcation on the 38th parallel. This line was chosen simply because it had served as the boundary between divisions of the Japanese Army. The postwar partition of Korea was originally intended to be a provisional arrangement. Neither the US nor the USSR had any preconceived long-term policy toward Korea. 1

The above statement may well be true but what has followed over the past 41 years has been a collage of military, economic, and political events ranging from violent conflicts, explosive economic success, political transfers of power, striking differences of ideologies, and influences by the world super powers. All of these have contributed to the permanent division of Korea even though the reunification of the fatherland is the stated goal of both North and South Korea.

It is the intent of this study to analyze the factors which have contributed to the failure to attain reunification and to examine current action which have been initiated by both North and South Korea to discuss further the unification process.

The approach to this problem was a literary search which included review of books, papers, newspaper articles, and

periodicals which were on file at the Army War College Library, Military History Institute, and The New York Public Library. Most valuable were the personal interviews conducted at the Heritage Foundation (Asian Studies Center) in Washington, the Office of the Secretary of Defense (Asian Affairs) at the Pentagon, and the Permanent Observer Mission of the Republic of Korea to the United Nations in New York. These interviews provided the most current status of reunification talks and initiatives of both the north and the south.

The talks have focused on four major primary areas; Sports, Humanitarian, Economic (Trade), and Unification. These, following a brief historical chapter, will constitute the basic chapters of the paper, and the final chapter will draw some conclusions regarding the reunification process.

CHAPTER II

HISTORY OF THE DIVISION OF KOREA

When the Japanese surrendered in 1945, there followed a series of events which were to shape the future of the people of Korea. Agreeing that one of the first territories to be stripped from defeated Japan was Korea,...The United States, China, and Britain had agreed at Cairo that Korea would be allowed to become free and independent in due course after the Allied victory. The Soviet Union agreed on the same principle in its declaration of war against Japan. However, the landing of Soviet forces compelled the United States government to improvise a formula for Korea. Unless an agreement was reached, the Soviets could very well occupy the entire peninsula and place Korea under their control. Thus on August 15, President Harry S. Truman proposed to Stalin the division of Korea at the thirty-eighth parallel. The next day Stalin agreed.¹ Some have criticized this decision to allow the Soviet Union to occupy the northern half of the peninsula. As a matter of fact, however, because there were no American troops in Korea, nor any international agreement on the occupation of Korea, the Russians could have come much further south without difficulty at the time of Japan's surrender. The fact that they stopped at the 38th parallel represents both Soviet restraint and American luck. In the words of President Truman, "The Army authorities, however, were faced with the

insurmountable obstacles of both distance and lack of manpower. Even the 38th parallel was too far for any American troops to reach if the Russians had chosen to disagree. If we had been guided solely by how far north we could get our troops if there was opposition, the line would have had to be drawn considerably further south on the peninsula...Of course there was not thought at the time other than to provide a convenient allocation of responsibility for the acceptance of the Japanese surrender." ²

So the line was established and two occupation zones were set up; the Soviets in the industrialized north and the Americans in the agrarian south. The country was to be unified after free elections. In September 1947 the United States submitted the Korean question to the General Assembly of the United Nations, which adopted, over Soviet objection, a resolution stipulating that elected representatives of the Korean people should ³ establish their own form of government. United Nations observers arrived in Korea to oversee elections and were not allowed by the Soviets to come into the northern zone of occupation. The result was an election in the south where Dr. Syngman Rhee became president of the Republic of Korea and this was quickly followed by Kim Il Sung becoming head of the Democratic People's Republic of Korea.

In June 1950 the communist regime attempted to reunite Korea by force but the fighting--in which Chinese forces intervened to oppose US-led United Nations divisions--left the border largely unchanged and mutual distrust deeply ingrained. An armistice was signed at Panmunjom in July 1953 and remains in force to this ⁴ day. The war left indelible marks on the Korean peninsula and

the world surrounding it. The entire peninsula was reduced to rubble; casualties on both sides were enormous. The chances for peaceful unification had been remote even before 1950, but the war dashed even the remotest of hopes. Sizable number of South Koreans who had been either sympathetic or indifferent to communism before the war became avowed anti-communists⁵ afterward.

With this backdrop, there are several areas which have come up for discussion in recent talks between the North and South Korea. The areas alone clearly would not result in unification but they do represent the continued effort to chip away at a problem that has been the source of 40 years of tension and the hope that such dialogue would break down barrier of distrust.

CHAPTER III

SPORTS AND ATHLETICS

Some have recognized the 1988 Olympic Games being held in South Korea as an exceptional opportunity for North and South Korea to move towards reunification. However, the opportunity is often misunderstood and overstated. To begin, it is not a new idea as the South Koreans proposed an all Korea team to participate in the 1984 Olympic Games in Los Angeles. This was rejected by North Korea who subsequently boycotted those games. Now that the Olympics are being held in South Korea, the north have proposed that they co-host these games. This cannot work as South Korea is not the host of the 1988 Olympic Games--the city of Seoul is the host.

The International Olympic Committee awards the games to a city, i.e. Montreal, Los Angeles, etc, and it is not possible for North Korea to "co-host" without violation of the International Olympic Committee charter. Seoul has countered with an offer to hold preliminary games and events in North and South Korea (similar to the U.S. holding pre-Olympic trials in various cities throughout the United States). The purpose would be to draw the north and south closer and some proposed events would also be symbolic in nature, such as a marathon and bicycle races where the route crosses the DMZ. To date these proposals have been¹ rejected by North Korea.

The political nature of athletic events is enormous. The President of the International Olympic Committee must work very closely with all countries in an attempt to gain maximum participation in the games. One concern is that North Korea would engineer an Eastern Bloc boycott of the Seoul Olympics. So far, only Cuba (who has ties with North Korea throughout the world) has announced they will not participate. Of a more immediate concern is the Asian Games being hosted in Seoul in 1986 and what countries will participate. For example, the People's Republic of China (PRC) has indicated they will participate while North Korea will not. This reflects in part the improving economic interests in South Korea by the PRC as well as the fact the the PRC wants to host the next Asian Games.

These athletic activities put an international spotlight on Seoul and are the cause for great national pride by the South Koreans as well as some concern. General William Livsey notes the factors which cause Korea to be one of the most critical places in the world today:

"The Asian Games will be held this year in the September-October time frame. That's really something big. The Olympics come in 1988, and that's really, really big. But know also that there is a presidential election coming in 1988 in the Republic of Korea.

So Kim Il Sung sits up there and watches and sees there are some very important international events taking place. And I don't think he likes that very much. So now I hope...we can do those kind of things...that will bring harmony and continue the north-south dialogue.

But I would say there is a chance those dialogues might fail, and there won't be some agreement worked out to everybody's satisfaction regarding the Olympics. Then there is the possibility of somebody trying to disrupt those Olympic Games in one form or another.

The options go all the way from some kind of terrorist activity, to some kind of overt military action." 2

Seoul is expected to benefit greatly from hosting the 1988 Olympics, primarily in the economic, diplomatic, and cultural arena, through improved contacts with nonhostile socialist and nonaligned nations. South Korea is anxious to prevent North Korea from building up a front of states which would refuse to come to Seoul for the Asian Games and the Olympic Games.

The discussions have focused on inter-Korean teams and the south has been instrumental in proposing to form a single inter-Korean team to participate in international games. This initiative was proposed by the Korean Amateur Sports Association as an extension of actions which demonstrate genuine desire to resume suspended dialogue. This dialogue is not only to enhance reunification efforts but, for the near term, to create a restraining effect in order that North Korea would not attempt to disrupt the games or create a situation where countries would not attend the games for security reasons.

The sports talks have been suspended since 20 January 1986 when North Korea suspended all talks in protest of Exercise "Team Spirit" which they claim is a provocative act.

CHAPTER IV

HUMANITARIAN TALKS

Humanitarian effort represents one of the few areas that progress has been realized in north-south relations but these too have been marked by controversy and conducted under very strict and strained conditions.

Following the August 1984 floods which caused considerable damage in and around Seoul, the Republic of Korea National Red Cross (ROKNRC) received an offer of aid from the North Korean Red Cross (NKRC). This was not unusual as offers of aid have routinely been extended by both north and south in order to ease the "difficult conditions" of their brothers on the other side; and just as routinely they have been rejected by each side. This time, the south accepted. The aid was to consist of 225,950 bushels of rice, 50,000 meters of fabric, 100,000 tons of cement, and medicine. Along with this offer was a request for assistance and cooperation for special delivery of materials for the south's flood victims.

In its response, the ROKNRC quickly pointed out the symbolic nature of its acceptance versus the actual need by stating, "Some people were left homeless or suffered property damage in the flood in Seoul and some provincial areas. But we have been able to rehabilitate them completely in a short span of time thanks to a concerted effort by the public. We have thus

completed the work of repairing the flood damage. Yet we appreciate the concern of the North Korean Red Cross for our suffering caused by the flood. In line with the spirit of the humanitarian proposal made by President Chun (an offer of food and technical assistance to the people of North Korea--rejected by that government) the Republic of Korea National Red Cross hereby accepts the offer of the North Korean Red Cross. We hope that the materials specified by North Korea will be delivered to us within this month. It would be good if the North Korean Red Cross were to carry the goods to either Inchon or Pusan harbor by ship.¹"

With this, the chess game started and the issue was how and to where the delivery was to be made. Pyongyang wanted the deliveries to be made in Seoul, which the South Korean government would not accept going on further to say that any land delivery would be to a site near Panmunjom. (Under the regulations of the League of Red Cross, relief goods are usually delivered to the place designated by the recipient). North Korea insisted that materials be delivered by land and sea to Seoul, Inchon, and Pusan. Additionally, they began to attach other strings to the offer. They insisted that materials be delivered and received in ceremonies attended by North Korean officials and pressmen, who, they argued, should be allowed to visit flood scenes to "console" flood victims.

Clearly they wanted to make a public relations spectacular of this and it is easy to understand. The reputation and image of North Korea was badly tarnished by the Rangoon bombing and it needed a positive event which would receive international

recognition. But the South Koreans were not about to become party to this spectacle. As stated, they were not actually in need of the materials but had accepted the NKRC offer in a bid to put an end to the trend of blindly rejecting each other's proposals and to obtain some inroad to improving relations. The negotiations were terminated when the delegation from North Korea walked out without resolving the delivery issue. South Korea claimed that such action demonstrated "the insincerity of the North Korean delegation." Within days the public opinion at home and abroad turned unfavorable and North Korea quickly agreed to deliver the goods to Inchon, Pukpyong, and Panmunjom. This was accomplished following discussions on delivery techniques and safety provisions for participating personnel. It is interesting to note that, while no other humanitarian aid has been exchanged since that time, another achievement incidental to that September 1984 aid still exists. During that humanitarian operation there was a reopening of a direct inter-Korean telephone line on which there is daily contact made today.

One source referred to the talks and contacts between the north and south being mostly atmospheric rather than substantive. This is probably true and except for reciprocal visits of separated relatives to respective capitals in September of 1985, no substantial progress has been observed. This exchange of visits under the humanitarian talks demonstrates the difficulties in getting both parties to agree on a subject. At about the same time that the relief aid discussions were ongoing, the Red Cross agencies of both north and south met to

discuss the question of locating the whereabouts of separated family members. There are an estimated 10 million in this category and this separation is an emotionally charged issue. Throughout Korean history family and lineage groups occupy tremendous importance. In the past, one's social and political status in the society was largely determined by birth and lineage. Thus it was natural that a great deal of emphasis was placed on the family. Additionally, the grave sites of family are sacred places to Koreans and great unhappiness exists with the inability of family members to reciprocally visit family sites in the north and south.

Three working-level negotiators from the south and north met three times during Red Cross meetings in Seoul in May 1985 and finally agreed on simultaneous exchanges of 151-member contingents of "hometown-visiting groups and folk art troupes" between the period 20-23 September 1985. This exchange of visits by separated families and art troupes was the first of its kind since the Korean peninsula was divided in 1945.² Each side presented comprehensive proposals aimed at identifying separated relatives, establishing channels of family communication, and arranging for exchange visits. These groups would be allowed to travel to their places of birth regardless of whether or not a separated relative resided there. However, in July, the north changed its earlier position and insisted that the exchange groups be allowed to visit only Seoul and Pyongyang. ROK officials feel that the north had second thoughts about opening its isolated society to South Korean visitors.³ After considering proposals by each side, the rules of the

exchange were established. The size of the delegations was limited to 151 persons; place of visit limited to the two capital cities; method of exchange visits were to be simultaneous; number of performances by art troupes were limited to two; there was to be no publicity on performances; no live TV broadcast of performances; and the contents of the performance was to be limited to traditional folk songs and dances with politics excluded.

General Livsey stated that it was very disappointing to observe the visitors and see how strongly they supported Kim Il Sung, almost as if to deify him. Additionally, the press in the north was extremely critical following the exchange of visits citing, that even the folk dances and songs performed by the south's art troupe were not traditional and represented a sad break with the Korean culture.

It seems clear that North Korea stands to lose by agreeing to expanding visitor exchange and embarking on a plan to search for dispersed families. But it is an issue that has the potential to unite the people of the divided country. I arrived in Korea in 1983 at the time an extensive campaign was launched to search for dispersed families both home and abroad. This campaign truly captured the spirit and emotion of the South Korean citizens. Television shows, newspapers, and radio were totally dedicated to this effort and the campaign was carried on for several weeks longer than planned due to the intense interest by the public.

The Red Cross continues to push for another campaign that

combines the efforts of both the north and the south to unite families. These talks are currently suspended due to North Korea's protest of the "Team Spirit" exercise.

CHAPTER V

POLITICAL/PARLIAMENTARY TALKS

South Korea has never had a peaceful transfer of power. In each case, transition from Presidents Rhee to Park to Chun has been accompanied by demonstrations and violence. While the issues sparking these events may appear internal to South Korea, they present very real concerns as to their impact on unification for several reasons.

First, the leaders have had varying policies. President Rhee took over a war ravaged nation and from 1953 until his exile in 1960, he ruled with a philosophy of a strong military and defense posture. This military buildup was at the expense of nation building and thus a reduced standard of living for the general public. Rhee also set up a "democratic" system whereby he was assured to be elected. President Park, 1960-1979, was much more concerned with economic growth and the need to transfer technology to Korea as the impetus for that growth. He was instrumental in establishing reforms in many areas to include agriculture as well as industry. The rise in the standard of living and economic growth (via external capitalization) was evident but his "yushin" (revitalization) constitution proved his downfall, for it allowed Park to succeed himself indefinitely, appoint one-third of the National Assembly members, and exercise emergency power at will. Discontent and demonstrations were

the result. When his opponent, Kim Dae Jung, was narrowly defeated in a presidential election, there was an immediate crackdown on opposition party activities thus spurring more demonstrations. Amidst this unrest and turmoil, President Park was assassinated and Choi Kyu Hah became president. He released political detainees and promised a series of political reforms. Student demonstrations turned to violence and there was a major insurrection in Kwangju. Choi resigned in August 1980, clearing the way to power for General Chun Doo Hwan, who was elected¹ president on 27 August 1980.

President Chun promised to draft a new constitution, restrict the term of presidency to 8 years, and to develop procedures for popular election. All this to take place by the end of his term in 1988.

Currently there is considerable unrest in South Korea focusing on democracy under President Chun and many recent articles attempt to draw parallels between recent events in the Philippines and the demonstrations in Korea. President Chun is a strong leader and has strong ties with the military; but unlike Marcos, he is moving by stages to change the government to a more democratic process. His is a policy of steady, sustained growth while the opposition is pushing for immediate reform.

How do these apparent internal conflicts influence reunification? A concern of the South Korean government is that turmoil and conflict presents a real threat to security. Kim Il Sung has expounded for years the concept of a favorable time to liberate the south, a "decisive moment," and stated that the moment would be preceded by unrest and demonstrations by the

population. Thus, if President Chun is not able to control demonstrations, it may be perceived by the North Koreans that the decisive moment has arrived. Additionally, time is on the side of South Korea with regard to improving continual economic growth, military might, and international stature. The North Koreans may not want to wait longer if in fact they intend to unify by force.

Further, the North Koreans are aware of political events and have even listed current activists as an issue in reunification talks. In 1981, President Chun made an overture to the north inviting Kim Il Sung to visit Seoul and offered to visit the north himself. It was turned down by North Korea which contended that any effort toward unification that glossed over certain "problems" would be futile. The solution of these basic issues was said to require President Chun to "apologize to the whole nation" for the civil disturbance of Kwangju in May 1980; to release Kim Dae Jung and all other political prisoners along with the restoration of all dissolved "democratic political parties and organizations."² Clearly the north intends to make political gains at the expense of unrest in the south and this directly influences the success of parliamentary talks in the future.

Kim Il Sung said in the late 1950's, "comrades, to carry on the anti-imperialist, anti-feudal struggle successfully and to emerge victorious, the south Korean people must have a revolutionary party which takes Marxism-Leninism as its guideline and represents the interests of the workers, peasants and other

broad sections of the popular masses. Without such a political party, it is impossible to set forth a clear-cut fighting program for the people, to solidly unite the revolutionary masses, and to carry on the popular struggle in an organized way."³ However, President Chun has stated clearly his position on dealing with unrest as he outlined his approach to change in the constitution and the government. He said, "the Constitution of the Fifth Republic reflects the wish of the entire people to discard the "yushin" Constitution that enabled a prolonged rule by a single person and to institutionalize peaceful changes of government in order to make genuine democracy blossom. As the phrase itself indicates, a peaceful change of government needs to be effected under peaceful conditions...chaos and anxiety are not only detrimental to peaceful changes of government but also undermine national development and public well being. We cannot overemphasize the importance of solid political and social stability...In order to leave a new tradition in Korea's political history and to lay a solid foundation for national development, I am determined to faithfully observe the Constitution and defend the nation. To this end, I make it clear that resolute action will be taken against violence and other unlawful conduct that can destroy national stability and create extreme chaos."⁴

In discussing recent student and political demonstrations in South Korea with one area analyst, he insisted that there is no reason for concern. He claimed this activity is not new; but a continuing tradition of a perceived legitimate right of the student to demonstrate. He further said that the youth have had no

experience with war and are more susceptible to the illusions of leftist dialogue and cited an analogy with U.S. students in the 1960's. In his opinion there is a very strong anti-communist feeling throughout the country and on the campuses. Regarding the political demonstrations, he feels that the key is patience with the system; for Korea is unique in that its government has worked through several transfers of power the likes of which have⁵ caused the leadership of other countries to topple. Still, there are many pressures being brought to bear on the current government, to include internal pressure from religious groups and external pressure from the United States.

The United States speaks out publicly when the Chun government becomes, in its view, too heavy handed with the opposition and a recent statement from the State Department demonstrates this: "We believe that it is inconsistent with the basic democratic principles to deny citizens the right to petition their government...we will continue to do all we can to⁶ emphasize our support for democratization in South Korea." In a recent speech by Cardinal Stephan Kim, leader of the Catholic Church in Korea, he said, "...there are no reasons⁷ why the revisions (to the constitution) should be delayed." The impact of such a statement from the church is that it has been apolitical heretofore and this political activism lends some credibility to the opposition.

How does this impact on reunification efforts? These demonstrations were the subject of a long report entitled "Kwangju, Symbol of Struggle," which detailed how much Moscow

counts on students to overthrow the Chun Doo Hwan government. 8
The close relationship between North Korea and the USSR could mean that North Korea would be encouraged to hold back from positive reunification talks as it perceives the south to be developing unilaterally towards that "decisive moment."

One columnist hit upon the crux of the current unrest when she wrote, "A society as strong, prosperous and self-confident as the South Korean one has become cannot and will not forever live with a government that does not reflect its own strengths and sophistication. The question now in that country is one of schedule and pace and this, in turn, will dictate the way in which a liberated society will govern itself and connect with the outside world."⁹

During an interview in Pyongyang, Yong Nam Kim, Vice-Premier and Foreign Minister of the Democratic People's Republic of Korea, discussed his country's proposal to advance reunification. "...we propose the establishment of a confederate state...to describe our proposal briefly, it envisages the establishment of one confederate state within which the different ideologies and systems would remain intact in the two parts of Korea. This confederate state would be completely independent, democratic,¹⁰ neutral and nonaligned." One only has to refer back to Kim Il Sung's comment regarding reunification to question the sincerity of such a "neutral" state in the eyes of the north. He said, "In Korea national reunification precluding the Communists is even inconceivable. To do so means negating stern reality and, in effect, is tantamount to perpetuating the division of the country."¹¹

CHAPTER VI

ECONOMICS AND TRADE

The explosive growth of the South Korean economy and the much slower growth of the north present very real opportunity for closer trade ties between the two Koreas. While South Korea has been the major proponent of inter-Korea trade, such talks and actual trade have been hampered by the North Korean attitude of "chajusong" (independence) and "juche" (self reliance). This has been the cornerstone of Kim Il Sung's philosophy which has resisted external influences of capital or technology. In the late 1950's he said, "Certain persons in South Korea blare that foreign capital should be introduced for the development of its economy and even advocate inviting Japanese capital which has long controlled the economy of our country...the Korean people know too well what the inroads of foreign capital means."¹

The result has been a much lower standard of living for the general population in the north compounded by the great percentage of GNP (24-25%) being directed to their military buildup. Over the years, however, as the north has observed the south's gigantic growth, they have softened their hard line on external assistance and recognized that they are falling further and further behind economically. Also, as the GNP of the south grows greater and a larger percentage of the GNP goes toward improving defense, the military gap between the north and the south

is rapidly closing. This too poses an incentive for North Korea to consider improving trade relations both with South Korea and other Asian countries.

There is an opinion that the South Korean success creates the potential for unrest in the south which could effect reunification talks. The South Korean economy is certainly subject to the international market and the influences of trade restrictions, fluctuating prices of energy, protectionism, and currency rates. South Korea is a debtor nation and favorable export markets are its key to success. It is cause for concern that the illusion of economic failure, i.e. excessive debt or a GNP below that projected by the government, would pose a problem the current leadership as it creates the illusion of failure to the people. However, it is a fact that Korea needs foreign debt--external capital--to sustain the level of growth they have realized over the past 20 years.

It was noted in the Asia 1986 Yearbook that the government of South Korea has a total foreign debt of over \$45 billion; is Asia's most heavily indebted country; and the fourth largest debtor in the world (after Brazil, Mexico, and Argentina). But it was also pointed out that its debt servicing ratio currently runs at around 20%--far below that of the problem debtors of Latin America and elsewhere. But again, this potential appearance of failure could cause internal unrest creating demonstrations and strikes which could discourage foreign investors from investing capital. Even more serious, unwarranted unrest due to perceived economic "problems" could cause North

Korea to judge that the decisive moment for action has arrived.

Another influence of the south economy on North Korea is its ties with Japan and the fact that much of their total foreign debt is owed to Japan. While North Korea has for years warned against external sources of capital, the south created a favorable investment climate for external investors which drew a large participation from Japan. This involvement by the Japanese and a large debt causes some South Koreans to be concerned that Korea may become another economic colony for Japan. History records the occupation of Korea by the Japanese and some say that the country is experiencing an invasion of the yen which, while more subtle, could be as dangerous as an invasion by military force. In this regard, the North Koreans have continually denounced the south's policy of turning to outside forces and close ties with Japan could adversely affect reunification initiatives.

South Korea's export-oriented economic growth is constantly faced with foreign competition and protectionism, and its search for new markets finds North Korea's ally, the People's Republic of China, extremely attractive. Therefore, continued tension in inter-Korean relations may constrain the PRC in its favorable dealings with South Korea.

Both Koreas are suffering from economic difficulties in the wake of worldwide economic recession, high inflation, worldwide oil shocks, and uncertain supplies of raw materials, all adversely affect South Korean economic growth; however, Pyongyang's economic situation appears to be even more serious as a result of large defense expenditures, foreign debt, and lagging technological innovation. Soviet and Chinese aid is not sufficient to enable

North Korea to match South Korea's economic and industrial advances. Under such circumstances, the question is "how long, and to what extent, can Pyongyang sustain the level of massive defense spending that enables it to retain its military advantage over the south?" The follow on question is "What might the north² do if it sees the window of opportunity closing?"

The current status of trade talks is that they are suspended and have been since January 1986. The North Koreans have boycotted further talks in protest of Exercise "Team Spirit" which they claim is a provocative action.

CHAPTER VII

CONCLUSIONS

Both North and South Korea have maintained as a primary goal the reunification of the fatherland. This is a genuine desire evolving from a strong cultural heritage and ethnic identity which encompasses over 5,000 years of historical cohesion. But the artificial division has now been in effect for 41 years and the prospects of unifying the north and the south do not appear anymore optimistic despite current reconciliation efforts.

The talks have involved sports, humanitarian aid, parliamentary, and trade negotiations. The general consensus of analysts is that they have produced little in the way of substance but that it is important to maintain and encourage these talks in an attempt to defuse the volatile situation that exists on the peninsula. The basic problem is the conflicting policies of the two Koreas. South Korean policy is based upon a "step-by-step" approach toward gradual integration by promoting cultural and economic exchanges during the initial stage and political negotiation at later stages. The position outlined by the south emphasizes greater security and the guarantee of stability as preconditions in the unification process. North Korea, on the other hand, demands dramatic steps aimed at achieving immediate unification. The North Koreans declare that the prerequisites for unification include the withdrawal of U.S. forces from South

Korea, the scrapping of South and North Korean defense treaties with third countries, and the replacement of the armistice treaty of 1953 with a peace treaty.¹ The policy position of each side look irreconcilable and thus the prospects for reunification in the foreseeable future are not favorable. Perhaps when Kim Il Sung is replaced, most probably by his son, Kim Jong Il, there will be a break in the impasse. President Chun, however, noted in a recent interview, "Kim Il Sung's son has said that south-north talks are tactical steps to a new goal, a strategy for revolution in South Korea and union with the north. They (North Korea) feel these talks can help (achieve) this goal."²

ENDNOTES

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