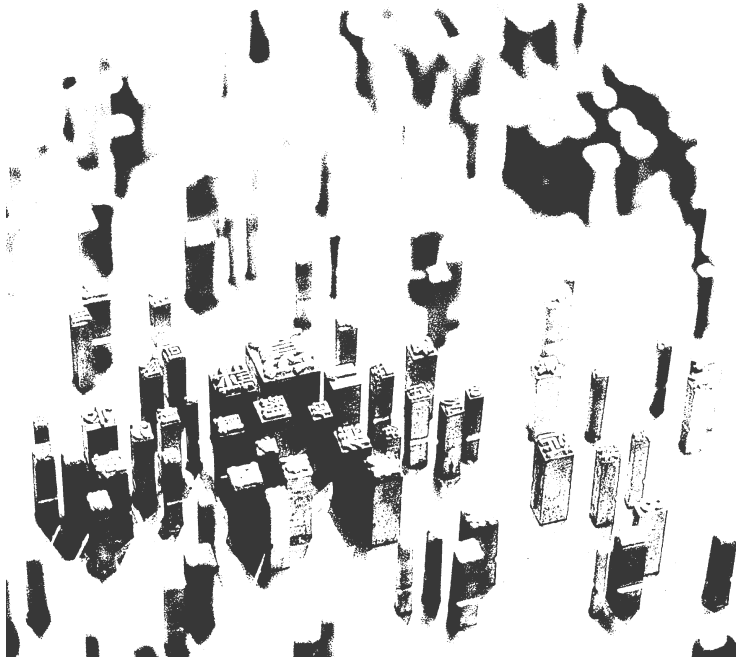


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A word from the co-editors in chief

The Journal of Northeast Asian History will be published under new management from this issue. In particular, the publication of the Journal is now entrusted to the Institute of International Affairs at the Graduate School of International Studies, Seoul National University. Professors Tae Gyun Park, JeongHun Han, and Erik Mobernd of Seoul National University are working together as co-editors in chief of the Journal.

The Journal has published academic articles dealing with a diverse array of vibrant debates and controversies covering topics and issues related to Northeast Asian History. Such works have spanned the ancient to the modern period and covered myriad topics, encompassing the controversies over the perception or interpretation of history and territorial disputes. The Journal has thus facilitated academic discussion regarding various Northeast Asian historical issues.

Therein, the Northeast Asian History Foundation has played a critical role. The foundation has endeavored to raise awareness of Northeast Asian historical and territorial issues in publishing a scholarly journal in English. As a consequence, readers outside the Northeast Asian region have come to be interested in those topics important in Northeast Asia. Readers inside the region have improved their understanding of those issues.

Along with the foundation, we the co-editors in chief are committed to continuing and enhancing such efforts. If such an endeavor can be said to have been in its initial stages up until now, then the time has come to elevate the discussion of such issues and topics to a higher level. Moving beyond the task of merely fostering interest in topics and issues related to Northeast Asian history, we aim at invigorating relevant scholarly debate.

With this task in mind and sponsored by the Northeast Asian History Foundation, we commit to renewing publication of the Journal. Accordingly, in addition to increasing the ample supply of scholarly articles and book reviews, we intend to seek out the greater participation of those who are specialists in their fields. This means including not only more articles and book reviews, but also introducing the newest documents, unfolding debates and most recent currents in academia. Furthermore, we plan to expand the scope of research comparing issues in Northeast Asia with those of other regions. We shall also strive to convey the latest information in this regard, introducing, attending and organizing various academic conferences and events in other regions.

While the journal's revitalization begins with this issue, having been planned, edited and completed on a tight schedule, it does not completely reflect the changes described thus far. We pledge to the readers that the following issue will demonstrate a format and content commensurate with the aforementioned objectives. Finally, we sincerely hope that readers continue to view the Journal of Northeast Asian History with interest and anticipation.

Tae Gyun Park, JeongHun Han, and Erik Mobernd
Co-editors in chief, The Journal of Northeast Asian History

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Articles

Divergent Memories Versus Collective Cooperation: Ambivalent Relations in Northeast Asia

T. J. Pempel

University of California, Berkeley

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Divergent Memories Versus Collective Cooperation: Ambivalent Relations in Northeast Asia

On November 15, 2015, the three leaders of China, Japan and South Korea met in a Trilateral Summit for the first time in three and a half years. Positive promises of future cooperation tumbled forth suggesting a sanguine future. But the meeting took place with a backdrop of fissures among the three over issues of history and memory. Japan was at the center of these as both China and South Korea have been critical of Japanese leaders in recent years for their allegedly inadequate repentance over their country's prewar actions.

This paper analyzes both the prewar and postwar historical narratives about Japan in the Asia-Pacific. It differentiates between the imperial actions of prewar Japan with its postwar focus on economic development. Postwar Japan's behavior had positive repercussions for the region as a whole, including particularly for China and South Korea. The last eight to ten years however saw far more criticism of what Chinese and South Korean leaders have portrayed as a reemergence of right-wing tendencies in Japanese politics and policies. While acknowledging the accuracy of many of these charges the paper notes ways in which both China and South Korea also contributed to today's march of competitive nationalism across Northeast Asia.

Keywords: Northeast Asia, history, conflict, World War II, Abe

Divergent Memories Versus Collective Cooperation: Ambivalent Relations in Northeast Asia

T. J. Pempel
University of California, Berkeley

I. Introduction

On November 1, 2015 Japanese Prime Minister Abe Shinzo, Chinese Premier Li Keqiang and Korean President Park Geun-hye wrapped up the Sixth Trilateral Summit meeting. The leaders from the three countries emerged radiating handshakes and warm cordiality. Their official statement celebrated the fact that “...steady progress has been made in trilateral cooperation in various areas.” The statement went on to detail a list of fifty-six areas where the three had agreed on plans for future cooperation. Among other things they agreed to “...encourage a more active promotion of over 50 intergovernmental consultative mechanisms, including about 20 ministerial-level mechanisms, as well as numerous cooperative projects, and promote the creation of new intergovernmental consultative mechanisms, including ministerial-level mechanisms.” As well, the three leaders further “...decided to make joint efforts to achieve the common goal of building regional trust and cooperation.” And they went on: “we will make full use of the high complementarities and great potential of the three economies and bring to higher levels our cooperation in various economic and social fields.” Moreover, they

declared: “We will further strengthen economic and trade relations and deepen the convergence of interests.” Reflecting such multifaceted agreements the three concluded that “we shared the view that trilateral cooperation has been completely restored on the occasion of this Summit.”¹ President Park, in a joint news conference with the other two leaders, captured the cooperative symbolism of their meeting: “This summit meeting carries a historic significance because it restores a system of cooperation among the three countries, which in turn is an important frame of peace and prosperity in Northeast Asia.”²

The upbeat promises sought to project a renewed spirit of collegiality implying that all three leaders would move forward in a spirit of cooperation, pursuing the advancement of trilateral ties, unbinding the recently bound roots inhibiting trilateral cooperation. Admittedly, relations among the three remained ambiguous. It was by no means clear, for example, beyond the photo-op and the final communiqué, how much substantive cooperation will result from the Summit. Certainly no painful commitments, no explicit rules, and no promises of reversals of past practices were agreed to, nor were any officially anticipated.

The broadly cooperative messages of the Trilateral Summit resonated with the increasingly expanding economic interdependence among their three countries. Cross-border trade and foreign direct investment, a cooperative investment agreement, regional production networks, export free zones, along with enhanced communication and transportation links have woven China, Korea and Japan into an ever richer tapestry of trilateral interdependence. Enhanced economic ties have worked to offset the legacy of brittle fragmentation that often divide

¹ <http://english.yonhapnews.co.kr/national/2015/11/01/0301000000AEN20151101003900315.html>. Accessed March 17, 2016.

² Sang-hun Choe, “China, Japan and South Korea Pledge to Expand Trade at Joint Meeting,” *New York Times*, November 1, 2015 at <http://www.nytimes.com/2015/11/02/world/asia/china-japan-and-south-korea-conduct-first-trilateral-meeting-in-3-years.html>. Accessed March 17, 2016.

the three, a battle between cooperation and division that have long marked relations among the three. In particular, their experiences during the late 19th and early 20th centuries, World War II, Cold War divisions and the inward-focused processes of nation-building have generated a constant ebb and flow of attractions and repulsions among the three.

The sanguine spirit of the Trilateral Summit was the most recent manifestation of trilateral attractions. But it stood in conspicuous contrast to the tense interactions among the three countries over the preceding several years. China and Japan had been locked in a testy quasi-military standoff over competing sovereignty claims in the East China Sea. As well, during 2012, mass violence against Japanese-owned businesses was carried out in numerous Chinese cities bolstered by minimally veiled official support. In early 2014 the Chinese government introduced two anti-Japanese national holidays that further inflamed anti-Japanese sentiments. Korean and Japanese officials published starkly contrasting views on the sovereignty of Dokdo/Takeshima; vicious anti-Korean protests, led by right-wing thugs, occurred on multiple occasions in Japanese cities. All such actions elicited at best perfunctory condemnation from government officials. Socotra Rock in the Yellow Sea is subject to competing territorial claims by all three countries, each arguing that it lies within their Exclusive Economic Zone. In June 2015, China suddenly announced an Air Defense Identification Zone (ADIZ) that asserted Chinese claims to maritime features under both Korean and Japanese sovereignty. And as a backdrop to such territorial disputes the three were divided over the tawdry aspects of Japanese military behaviors during the late 19th and early 20th centuries. Membership in competing free trade and investment institutions pulled them into different economic directions. Netizens in all three countries maintained a steady stream of xenophobic attacks against one another. The Asian Barometer surveys underscore the widespread mutual distrust among the general populations of these three countries.³ Chinese nationalism has also been fused with official ROK criticisms of Japan as manifested, for

example, in the two countries' collaboration to erect a statue and memorial hall in the VIP lounge at Harbin railway station for anti-Japanese Korean nationalist, An Jung-geun, on the site of assassination of Ito Hirobumi, architect of Japan's constitution but also the overseer of Japan's colonization of the Korean peninsula a century earlier.⁴ China's massive military celebration of the 'victory over fascism' (read Japan) was attended by only one leader of a political democracy, Korean President Park Geun-hye.

The above examples represent but a smattering of the trilateral tensions captured in the headlines prior to the 2015 Trilateral Summit. Relations had deteriorated to such an extent that the Summit, which had been held annually from 2008 was postponed for three and a half years before finally being resumed in 2015. Although numerous issues divided and/or united them in their long historical interactions, most of the recent tensions rest on resurgent national narratives concerning issues involving their shared and contentious historical relations as well as the competing territorial claims rooted in those competing historical narratives. This paper attempts to shed light on the links between the current mix of cooperation and contestation on the one hand, and the often competing historical narratives that underlie them.

II. Competing Narratives About East Asia

History involves of course a complex matrix of facts and events, but, just as those panning for gold or mining for coal quickly learn, separating what is valuable from what is worthless is the key to what one takes away. Historians are rarely in full accord on the specifics of what to hold

³ Takashi Inoguchi, S. Okada, A. Tanaka, and T. Dadaev, *Human Beliefs and Values in Striding Asia* (Tokyo Akashi Shoten 2006), 482-485.

⁴ Asahi Shimbun, "China sets up memorial for Korean anti-Japanese activist," January 20, 2014 available at <http://ajw.asahi.com/article/asia/china/AJ201401200074>.

and what to discard. No less is this true regarding the historical experiences and narratives surrounding East Asia.

To the extent that there is any broadly accepted history of prewar Japan, the story centers on different responses to Western imperialism. By the later part of the 19th century, most of Asia had been carved up or economically enfeebled by imperial powers--Britain, France, the Netherlands, Russia, Portugal and the United States being the most prominent. As Stephen Krasner astutely observed, these Western powers advanced across the region under an umbrella of “organized hypocrisy.” Nominally they defended the Westphalian system of state sovereignty and respect for the equality of national rulers as well as notional commitment to mutual non-interference in the domestic politics of other countries. In practice they refused such acknowledgments to the Asian (and other non-Western) countries they encountered.

Simultaneously, as Krasner points out, both China and Korea were locked in their own ideological hypocrisy with leaders unprepared to change longstanding and ideologically embedded practices in an effort to ward off the predations of the West. Instead, they resisted modernizing their antiquated political systems in the service of the presumptive imperial hierarchies embedded in Confucianism. Essentially they ignored the intruding Westerners and their technologies as simply the amusing antics of lower ranking barbarians. Japanese leaders, by way of contrast, quickly jettisoned their countries’ past national practices as essential to Japan’s survival under independent rule.⁵

The most popular historical narrative for Japan’s subsequent course continues as follows: realizing that national autonomy meant domestic Westernization and industrialization, while also concluding that global politics was a contest between ‘imperialists’ and ‘colonies,’ Japanese

⁵ Stephen D. Krasner, “Organized hypocrisy in nineteenth-century East Asia,” *International Relations of the Asia-Pacific* 1, no. 2 (2001): 173-197.

leaders carried out blitzkrieg political and economic transformations while simultaneously marching along the path of territorial expansion. The Japanese military won a stunning sequence of wars and led a colonial enterprise that became self-validating through its vast expansion of the country's territorial control. By the 1920s and 1930s domestic reforms and foreign policy expansion had made Japan one of the world's five great powers. This status was recognized during the Washington and London Naval Conferences in the 1920s and 1930s. And, in this Japanese version of events, that country's colonial rule was far more benevolent to those under its control than was the case with its Western counterparts. Japanese rule brought modernization, meritocratic and technologically sophisticated governance, advanced education, complex banking, cadastral surveys, and a host of other benefits to Korea and Taiwan.⁶

An important subtheme in this Japanese narrative was the blatant racial hierarchy imposed by the West. Though Japanese leaders saw themselves as successfully imitating the Western powers by playing a successful military the West's purported racial superiority came in the form of the "unequal treaties" and later by stripping Japan of its gains after the Sino-Japanese War (1894-95) through the triple intervention of Russia, France and Germany. Japanese efforts to insert a statement of racial equality into the Versailles Peace Treaty following World War I were blocked by Britain and the United States among others. Japan's conquest of Manchuria was condemned in the League of Nations even though many Japanese leaders saw no difference between the Japanese takeover and similar land grabs that the other imperial powers had been engaged in for decades. Japanese perceptions of a Western imposed

⁶ Bruce Cumings, "The origins and development of the Northeast Asian political economy: Industrial sectors, product cycles, and political consequences," *International Organization* 38, no. 1 (1984): 1-40; T. J. Pempel, "The Developmental Regime in a Changing World Economy," in *The Developmental State*, ed. Meredith Woo-Cumings (Ithaca: Cornell University Press, 1999), esp. p. 177.

racial hierarchy was the backdrop to Japan's self-justificatory advance of the Greater East Asia Co-Prosperity Sphere, i.e. the unification of all the "yellow peoples" of Asia under Japan's leadership in a collective effort to break the stranglehold of the constraining Western powers.

Clearly this narrative is not without its vigorous critics. Many Japanese on the political left reject its emphasis on modernization, industrialization and regional liberation as masking domestic oppression and foreign subjugation advanced under an Emperor system that in Maruyama Masao's felicitous phrase ultimately spawned 'fascism from below.'⁷ And of course Korea and China as victims in this drama roundly castigate its self-serving nature. For most elites and a vast majority of the populations in these two countries, the regional historical story pivots instead on national humiliation, widespread Japanese abuse of the local populations during periods of peace and even more viciously during wars. Subjugation under Japan was, in this view, at best marginally less brutal than that inflicted on peoples under the colonial thumbs of Britain, France and the other Western powers. And none in their eyes were morally justified or even congruent with asserted Western values.

III. The Early Postwar Period

World War II upended the prevailing order across East Asia in sweeping ways. Most fundamental was the demise of a world and regional order predicated on empires and colonies. In its place arose a system predicated on the forces of nationalism and national independence. Asian efforts were initially challenged by many of the former colonialist powers anxious to reestablish their former empires on the ashes of the

⁷ Masao Maruyama, *Thought and behaviour in modern Japanese politics*, ed. Ivan Morris (Oxford: Oxford University Press, 1969); See also Gregory J. Kasza, "Fascism from Below? A Comparative Perspective on the Japanese Right, 1931-1936," *Journal of Contemporary History* 19, no. 4 (1984): 607-629.

war. But the defeat of the French at Dien Bien Phu signaled the conclusive military failure of European powers to reclaim imperial prerogatives in the face of budding nationalist forces that could mobilize widespread popular support. As part of this nationalist upsurge, the two Koreas gained national autonomy albeit as two divided halves. China's long and painful civil war ended with the communist victory and consolidation of mainland control in 1949 while Japan and the U.S. reached a mutually accommodative end to the Allied Occupation and a resumption of Japanese sovereignty, albeit over a much smaller territory than had been under its suzerainty in the 1930s.

A second thread emerged out of WWII, however, namely the Cold War and the global and regional bipolarity it engendered. The Cold War advanced along two competing if reinforcing dimensions—security and economics. Both the U.S. and the Soviet Union vied for the allegiance of governments across East Asia. This competition revolved fundamentally around military alliances and assistance; however, the competing economic strategies of the two super powers were critical to their alliance competition. Direct economic aid and competing trade and financial programs represented two alternative paths of development, communist or capitalist. Each sought to solidify the domestic and foreign policy allegiance of their prospective partners.

Economic and security alignments were initially reinforcing. Countries traded with others in their ideological bloc but rarely across the bipolar abyss. Japan thus was deprived of its prewar economic links with China, becoming instead highly dependent on its privileged access to U.S. markets. China, while never fully accepting Soviet preeminence over the 'communist world,' remained cut off from pro-Western markets, technology and businesses, oscillating instead between economic links to other communist states and periodic embraces of autarky. The two Koreas saw their economic and security linkages similarly severed by Cold War bipolarity. The North was heavily dependent on 'friendship prices' from China and the U.S.S.R. while the South, like Japan, spurred

links to China and other communist countries, relying instead on U.S. military protection, foreign aid, and market access, bolstered by tentative links to Japanese markets as well.

Contributing as well to today's situation, a number of territorial issues remained unresolved at the end of World War II, frozen in antagonistic ambiguities that reflected Cold War contestation. The Korean peninsula, for example, was explicitly divided with one half resting in each camp. Communist consolidation after China's civil war was short-circuited by divisions across the Taiwan Straits and America's support of a pro-Western KMT government in Taipei. Territorial sovereignty over a host of maritime islands, rocks, islets, and reefs in Northeast Asian waters were left unresolved and remained subject to competing claims.

A decline in Cold War bipolarity and the rise in the penetrative capabilities of global capital and corporations undercut this bipolar division of Northeast Asia. Deng Xiao-ping's political and economic reform program followed quickly on diplomatic normalization with China's prior enemies. This marked China as the first major communist country to liberate itself from bipolar rigidities. The 1989-91 collapse of the USSR along with its Eastern European client states sealed the end of the bipolar world. The governments of China, Japan and South Korea quickly began adjusting to these external changes in economics and security. In most instances they quickly built new bridges over previously divisive ravines.

Even if recent years have seen an escalation in trilateral tensions and a resurgence of mistrust toward neighboring countries, it is essential to highlight the ways in which their initial adjustments to these big external changes impelled them toward economic interdependence, regional multilateralism, and reduced conflict. While the territorial and political maps of East Asia have remained largely intact since the end of World War II, any map of today's commercial ties, communication linkages, transportation webs or institutional networks would show the

absence of any rigid borders. On any of those dimensions today's East Asia's regional order is vastly more integrated, enmeshed and interdependent.

Regional reorganization can be traced to a host of changes. But a valuable starting point was the continued demonstration of economic vitality by countries that opted for versions of capitalism over those that held to the communist ideal of state-owned enterprises and top down planning. Japan led the way, embarking on a radically different path than the one it had pursued in the prewar period. Abjuring external expansion, postwar Japanese leaders, under a domestically-focused conservative regime, committed the country to a strategy of low military spending and a concentrated effort at industrial reinvigoration, export-led growth, and reconciliation with many of the victims of its prewar expansion. Reparations, foreign aid and technological assistance along with membership in numerous multilateral organizations allowed Japan to project an image of itself as a peaceful trading state.⁸ It was an image that led to varying degrees of forgiveness by neighboring nation-states for Japan's prewar aggression.

Domestic political democracy under the long-ruling Liberal Democratic Party (LDP) sustained domestic support for the country's path. So did the security guaranteed by the U.S.-Japan Alliance along with the regional presence of U.S. troops. Japanese political elites had long been divided into several major clusters on questions of security. Nevertheless the broad policy of limited defense expenditures and a concentration on economic development drove foreign policy from the late 1950s into the mid-to-late 1990s and still exerts residual influence today. This broad grand strategy eponymously labelled "The Yoshida Doctrine" continued to shape Japanese actions for forty or more years.⁹

⁸ Richard N. Rosecrance, *The rise of the trading state: Commerce and conquest in the modern world* (New York: Basic Books, 1986).

⁹ Kosaka Masataka, *Saishō Yoshida Shigeru* [Prime Minister Yoshida Shigeru] (Tokyo: Chūō

Equally vital to this course of action were the constraining powers of both Japanese public opinion and the organized political left. Each one exerted sustained pressures that prevented any major deviations from the so-called ‘peace constitution’ and a minimal-to-non-existent security role for the Japanese Self-Defense Forces.

As Japan’s economy rocketed forward during the 1970s and 1980s two critical changes took place across the region. First a number of other countries in the region began, to a greater or lesser extent, to emulate the Japanese emphasis on economic development married to a minimization of military contestation. Japan’s economic success was followed by South Korea, Taiwan, and Singapore; then eventually by Malaysia, Thailand and Indonesia in Southeast Asia. Equally significant, starting in 1978 for China and 1986 for Vietnam, two major communist regimes opted for accommodation to their own versions of capitalism. Across East Asia, leaders from different regimes began to pivot their legitimacy less on military prowess and confrontations with geographical neighbors and more on national economic development and improved living conditions for their citizens. The consequence was a rather comprehensive “East Asian peace” manifested in a dramatic drop in state-to-state conflicts and the virtual elimination of battle field casualties.¹⁰

Building out from such internally-focused strategies of national economic development countries began to invest, trade, communicate with, travel to, and produce goods in ways that blurred, if not completely ignored, previously rigid national boundaries. For most of the 1990s and well into the early 2000s, East Asia generally, and Northeast Asia in particular, saw increasing economic interdependence, a deepening multilateralization, and a reduction in military clashes and threat levels.

Kōronsha, 1968); Kenneth B. Pyle, *Japan rising: The resurgence of Japanese power and purpose* (New York: Public Affairs, 2008); Richard J. Samuels, *Securing Japan: Tokyo’s Grand Strategy and the Future of East Asia* (Ithaca: Cornell University Press, 2007), 109-132.

¹⁰ On this peace see the special issue of *Global Asia* 10, no. 4 (Winter, 2015).

It is hard to deny the significance of Japan's postwar historical redirection in catalyzing this region wide transformation.¹¹

Japan's economic success led to a soaring rise in the Japanese currency that in turn stimulated the country's firms to invest heavily abroad. Asia, including South Korea and China, were major destinations. A torrent of official Japanese yen loans, grant aid and technical cooperation benefited governmental coffers across Asia, including heavily in China. All of this resulted in a boom for Japan's regional influence and a cementing of its position as the de facto leader of East Asia's economic miracle. But equally significant was the jump in the value of the Korean won and the Taiwanese new dollar leading companies in both of these countries to emulate the Japanese moves abroad, all triggering today's complex matrix of regional production networks and economic interdependence.¹²

Of particular note for China-Japan relations, over the three decades following bilateral diplomatic normalization in 1972, Japan was consistently the largest aid donor to China. Private sector investments were also extensive. By 2007, China and Hong Kong combined were host to 9.1 percent of Japan's total Foreign Direct Investment (FDI) overseas stock. Only the U.S. (31.9 percent) and the Netherlands (11.7 percent) garnered larger shares of Japanese FDI. Furthermore, in 2005 China outstripped the U.S. to become Japan's major trade partner

Relations between Korea and Japan also improved most conspicuously with the historical visit to Japan of President Kim Dae-jung in October 1998, a visit highlighted by an apology from Prime Minister Obuchi for the suffering Japan had caused its former colony. In

¹¹ For an elaboration see T. J. Pempel, *Remapping East Asia: the construction of a region* (Ithaca: Cornell University Press, 2005); T. J. Pempel, "The race to connect East Asia: an unending steepchase," *Asian Economic Policy Review* 1, no.2 (2006): 239-254.

¹² John Ravenhill, "Production Networks in Asia," in *Oxford Handbook of the International Relations of East Asia*, ed. Saadia Pekkanen, John Ravenhill, and Rosemary Foot (Oxford: Oxford University Press, 2014), 348-368.

turn Kim praised Japan for its postwar achievements and promised to “put history behind us” and to look to the future when considering their bilateral relations. The joint Japan-Korea hosting of the World cup in 2002 and the explosion in cultural exchanges between the two countries offered further evidence of the increasingly positive bilateral ties.

The above represents a historical sketch of Japan’s role in the formation of a new postwar regional order, an order that prevailed at least into the late 1990s. The above narrative would be broadly palatable to most Asian observers and in particular to those in Northeast Asia. How then did such embryonic positive ties become overlaid, if not reversed, in recent years?

IV. Histories In Contention

Although there might be nuanced modifications of the above narrative of Japan’s peaceful and regionally constructive postwar role, most historians and political leaders would agree that the above story provides at least the broad outlines of agreed upon and critical facts. At the same time, centripetal moves toward multidimensional regionalism and trilateral cooperation by no means obliterated the power of nationalism in the region. Yet, once the unifying glue of existential Cold War bipolarity was removed, many latent historical memories and revanchist territorial claims resurfaced. Today Northeast Asia is therefore simultaneously the home of deepening economic interdependence and closer regional cooperation on the one hand but of often xenophobic nationalism on the other. Competing nationalist narratives, once dampened by the Cold War have resurfaced with particular ferocity in Northeast Asia. This has been most notable around territorial disputes left unresolved since World War II, along with competing historical narratives about the war itself, how it developed, what it means, and who was most brutally victimized. Like most historical debates a great deal depends on what one uses as a starting point to the narrative. There is no shortage of fingers pointing

accusingly in all directions to account for the rising discord.

1. Chinese and Korean Fingers Pointed at Japan

From both a Chinese and Korean perspective, any deterioration in trilateral tensions traces to Japan. For those two countries, Japan's domestic political regime has been freed up to move in what is seen as its natural rightwing direction as the consequence of the electoral decimation of the once formidable left. Never more than a one-third minority in parliament, the Japanese left had provided an ongoing, if limited, check on Japan's ruling conservatives, hindering efforts to alter the postwar constitution, stressing the dangers of war even to the point of warning about potential entrapment in U.S. security maneuvers, and endeavoring to keep the citizenry attuned to the darker aspects of Japan's prewar history. Electoral reforms in 1994, however, and the prime ministership of Japanese Socialist Party (JSP) leader Murayama Tomiichi (1994-96) spawned a series of actions that scrapped virtually all of the longstanding positions of his party. These led to the party's electoral collapse in the 1995 election, a defeat from which the left collectively has never recovered. For many Korean and Chinese the result has been an increasing right-of-center ideological impetus and efforts at historical revisionism by Japanese conservatives.

Central to the narrative was the administration of Prime Minister Koizumi Jun'ichiro (2001-2006). Koizumi oversaw a reinvigoration of Japanese defense and security policies, largely in keeping with the goals of the combined defense establishments of Japan and the U.S. He boosted the status of the Defense Agency, provided Japanese military support for U.S. actions in Iraq and Afghanistan, enrolled Japan as the first foreign participant in America's missile defense system, and enhanced the interoperability of Japanese and U.S. equipment. He also oversaw a new military outline in 2004 that broke precedent by explicitly identifying China and the DPRK as potential security concerns to Japan.

Even more troubling to China and Korea, Koizumi undercut the longstanding, if implicit, agreement between Japan and China put in place by Prime Minister Nakasone (1982-87), that Japanese prime ministers would not visit the controversial Yasukuni Shrine. The shrine, as is well known, is a memorial to the Japanese military that enshrines, among thousands of Japanese military dead, several leaders of Japan's World War II expansion who were executed after the Tokyo War Crimes Trial as Class A war criminals.

In a blatant attempt to garner the votes of the right-leaning War-Bereaved Families Association during his campaign for LDP president, Koizumi promised that, if elected, he would visit the shrine on August 15. His recurrent Yasukuni visits were supplemented by those of numerous cabinet members and LDP legislators, along with other gestures to the ideological right. These included government approval of textbooks that denied large segments of Japan's aggression during World War II, downplayed the significance of forced prostitution to serve the Japanese military and promoted Japanese claims over Dokdo/Takeshima (long under ROK administrative control). In these and related ways, Koizumi and the LDP tapped into a lodestone of latent nationalist frustration over Japan's cascading economic decline and China's corresponding rise in regional political and economic stature (most demonstrably driven home when China's GDP surpassed that of Japan in 2010).

A host of events reflected the deteriorating ties: anti-Japanese demonstrations at soccer matches in Chongqing China in July 2004, a Chinese submarine intrusion into Japanese waters in November 2004, a statement by U.S. and Japanese officials in February 2005 that Chinese officials took as hostile, protests at the Japanese Embassy in Beijing in April 2005, cancellations of visits by Chinese and ROK leaders to Japan, and combined Korean and Chinese opposition to supporting Japan's bid for a seat on the UN Security Council, to name but a few items.

Subsequent LDP Prime Ministers Abe and Aso further damaged

relations. Abe welcomed back to the party a number of hard core conservatives purged by Koizumi and accelerated Japan's rightward and security moves, thus swinging the party further to the ideological right. Aso promoted an "arc of freedom and prosperity" which made no explicit mention of Korea and which China interpreted as an effort at containment. Their combined nationalist push included a drumbeat of criticism about the dangers of China's rise and North Korea's failure to account adequately for various Japanese citizens abducted by the DPRK program in the 1970s.

Such moves to the right were interrupted by the LDP's replacement by the more centrist Democratic Party of Japan (DPJ) government that took office in 2009. In an effort to improve relations in Northeast Asia Prime Minister Hatoyama floated a proposal for Japan to create and lead an "East Asia Community" that would include China and Korea. The DPJ also sent a major business entourage of several hundred Japanese business and political leaders to China.

If the DPJ embraced greater regional cooperation on the one hand it was also responsible for a key rupture in relations between Japan and China. For decades, Japan and China had operated on an implicit, if not always publicly acknowledged, agreement to avoid squabbles over the contested Senkaku/Daiyou islands. Among other things, custom dictated that if Japanese official vessels seized Chinese fishermen in those waters they and their ship would be held for a few days and returned to China minus the catch. Following a 2010 incident in which a Chinese fishing trawler rammed two Japanese Coast Guard vessels, newly installed Foreign Minister Maehara spurned precedent and declared that the captain would be subject to Japanese law. This triggered a violent series of anti-Japanese demonstrations in China, the tit-for-tat arrest of four Japanese businessmen in China, and China's freezing its export of rare earth materials—a critical component in many high tech Japanese goods. The DPJ and the Foreign Ministry quickly backed off and returned the captain to China but not before triggering a major rupture in bilateral ties.

Relations soured further under the DPJ when Prime Minister Noda took what he believed was the tension-reducing move of purchasing three privately owned islands in the Senkaku group. This was aimed at forestalling their sale to the hyper-nationalistic mayor of Tokyo who had threatened to use them for right-wing, anti-Chinese propaganda purposes. Rather than welcoming Noda's actions as conciliatory, China chose to interpret them as an official effort to upend the status quo and to bolster Japanese sovereignty claims. The result has been several years of a testy cat-and-mouse game by Japanese and Chinese maritime vessels and aircraft attempting to outmaneuver one another in ways that might assert or refute competing claims of sovereignty.

The drubbing of the DPJ in 2012 ushered in the second prime ministership of Abe Shinzo. Both China and Korea took this as the latest chapter in what they saw as a long move by Japan to resurrect and link back to many of its prewar roots. Winning office with promises to revitalize Japan's languid economy through a mix of policies labelled "Abenomics," the returning Abe proved slow to deliver economically but quick to advance his deeply held nationalist agenda. Abe had made numerous promises during the LDP presidential election campaign in 2012 that were widely regarded as part of a distinctive right-wing tilt—revising the Constitution, visiting the Yasukuni Shrine, and reexamining the basis behind the Kono statement that had been the most prominent governmental apology for Japan's military enslavement of the so-called "comfort women."

Abe followed through on many of these once in office by forging a cabinet rife with right-of-center parliamentarians. His 2014 cabinet reorganization for example involved fifteen out of a total of nineteen cabinet officials, including Abe, who were members of right-leaning organizations. Furthermore, he appointed historical revisionists to key posts in a heavy-handed attempt to rein in criticism from Japan's public broadcasting network; rammed through a secrecy bill that would essentially prevent public whistle blowing; endorsed textbook revisions

that whitewashed wide swaths of Japan’s wartime behavior; regularly pursued constitutional revision; made a public visit to the controversial Yasukuni Shrine; and also flashed his own widely photographed ‘thumbs up’ while sitting in an SDF fighter plane with the conspicuous number 731 written on the side. A coincidence, perhaps? But for many who saw the photograph the links to the notorious biological experimental Unit 731 were unmistakable. It was such actions that led both China and Japan to suspend Trilateral Summit meetings for that three-and-a-half-year period.

2. Japanese Fingers Pointed at China

There is strong criticism of a resurgent conservative tilt in Japan as the source of recent problems. Yet, for many Japanese, the story really begins, not in Japan, but in China in the aftermath of Tiananmen. In its effort to legitimate continued Communist Party rule, the CCP rushed to shore up mass support and leadership cohesion through a new program of officially sanctioned nationalism.¹³ The administration of Jiang Zemin launched “patriotic education” in the 1990s, centering on a somewhat new (and certainly dubious) narrative of Chinese resistance against the Japanese invasion and its ultimate defeat in 1945. Integral to the campaign was the fostering of highly negative portraits of Japan among the Chinese people. Patriotic fervor emerged as “an official doctrine of state nationalism by the CCP,” the rubric under which to promote national unity and to strengthen its ruling power. Xenophobic museums, patriotic school education, patriotic chat networks and popular demonstrations all became part of a party-driven agenda designed to legitimate the centrality of the CCP to China’s independence and security. This has since been bolstered by a cognate nationalist narrative

¹³ Susan Shirk, *China: Fragile Superpower* (Oxford: Oxford University Press, 2007), 35-78.

focused on the need to eradicate “a hundred years of national humiliation” that paints the West and particularly Japan as longstanding and ever-ominous threats. The presidency of Xi Jinping has shown an enhancement of party control over information and nationalist messages. Nationalism and xenophobia in China today are counterbalanced by a party leadership anxious to maintain close economic links with Japan and other economic partners.

Equally troubling to Japanese policymakers have been the potential strategic and diplomatic implications of China’s rapid economic growth and Japan’s decades of economic sluggishness. Nervous about Chinese expanding military budgets, including the development of a blue water navy and the search for enhanced energy resources in maritime areas claimed by both countries, Japan in October 2001 began reducing and redirecting its Chinese ODA. In 2008 it followed up by ending yen based loans to China in recognition of the country’s rising economic success and “diminished need.”

Years of stoking anti-Japanese flames had ebbed and flowed but it took on a new dynamism over the Senkaku/Diaoyu Islands that began with the ramming of Japanese Coast Guard cutters by a Chinese fishing boat noted above. But from the Japanese perspective China overreacted to the captain’s subsequent arrest. The offsetting arrest of four Japanese businessmen, widespread citizen attacks on Japanese companies and property in China, and an outpouring of anti-Japanese vitriol from suddenly uncensored ‘netizens’ were followed by the introduction in early 2014 of two anti-Japanese national holidays that further inflamed anti-Japanese sentiments. None seemed evocative of appreciation for all of Japan’s prior economic assistance.

Chinese nationalism has been partnered with official ROK criticisms of Japan as manifested, for example, in the two countries’ collaboration to erect a statue and memorial hall in the VIP lounge at Harbin railway station for anti-Japanese Korean nationalist, An Jung-geun, on a site where An assassinated Ito Hirobumi, architect of Japan’s

constitution but also the overseer of Japan's colonization of the Korean peninsula a century earlier.¹⁴ As noted above, such cooperation seemed also evident in President Park's agreement to a preeminent presence in China's 2015 military celebration of what emerged as China's role at the center of an international movement to defeat fascism, as most visibly seen in the crushing of Japan's invading armies.

As economic growth has slowed and popular protests have mounted, China's new leader Xi Jinping has periodically stoked the fires of what is often xenophobic nationalism as a companion to his risky efforts to fight official corruption (and eliminate intra-party rivals). While economic development remains the CCP's official priority, government rhetoric is often embellished with nationalistic flourishes suggesting a shift toward enhanced military assertiveness directed at Japan, Southeast Asia and the United States. Moreover, given the increased perception among Chinese elites about U.S. weakness as well as Japanese self-isolation, a broad Chinese policy shift toward the rest of the region appears to be on the march. This has been manifested in plans for "One Belt, One Road," the Asian Infrastructure Investment Bank (AIIB), and the so-called BRICs bank, among other moves perceived in Japan as elements of economic policies implicitly directed at showcasing China as the region's new de facto leader offsetting the declining economic wherewithal of Japan and the U.S.

3. Japanese Fingers Pointed at Korea as well

Nor has Korea been without its castigators in Japan. Thirty-five years of harsh colonization has left the Korean public simmering with negative attitudes toward Japan. At the same time, normalization and financial aid

¹⁴ Asahi Shimbun, "China sets up memorial for Korean anti-Japanese activist," January 20, 2014 available at <http://ajw.asahi.com/article/asia/china/AJ201401200074>.

in 1965, the two countries' ties to the U.S., their respective rapid economic growth and democracy, their domestic economic systems, expanding tourist, educational and cultural exchanges along with explicit governmental efforts to improve ties often dampened such criticisms.

Japan-Korea relations had been set on a largely positive course during the two progressive presidencies of Kim Dae-jung and Roh Moo-hyun. Bilateral relations between Japan and the ROK continued to be warm under overlapping conservative administrations of Lee Myung-bak and Japanese Prime Minister Aso Taro. The two met on the periphery of larger meetings such as ASEAN Plus Three and the G-20. They also held a sequence of individual summits. Between the last quarter of 2008 and the first quarter of 2009 Aso and Lee met as many as eight times, indicating warm personal ties. Additionally in early 2009, Japan and South Korea signed their first formal defense pact covering military cooperation measures in a wide range of areas. Both also participated in joint military exercises with the U.S. along with the exploration of a bilateral free trade agreement.

Meanwhile, at the Shangri-la Dialogue in Singapore, Defense Ministers Lee Sang-hee of South Korea, Hamada Yasukazu of Japan, and Robert Gates of the U.S. held their first trilateral defense ministerial talks. The ROK and Japan also reinvigorated suspended talks for a bilateral FTA. Equally important, Japan and South Korea joined with China in the first Trilateral Leaders' meeting in Fukuoka in 2008 that subsequently became institutionalized with annual meetings and a secretariat in Seoul. Yet Lee was not above playing to his own domestic nationalists as he demonstrated by his sudden visit to the island of Dokdo/Takeshima (the first by a Korean president, and one roundly criticized by Japan) in the run up to Korea's 2012 presidential elections.

Moreover, in his efforts to distance himself from his progressive predecessors, Lee's administration swung right on the issue of Korean history, contending that school texts promoted under the Kim-Roh regimes had denigrated the democratic and economic achievements of

earlier leaders (such as military ruler Park Chung-hee, father of the current president). In the words of Chung-in Moon, Lee saw earlier revisions by the progressives as having “adopt[ed] an anti-market, anti-liberal democracy, anti-American, and pro-North Korean stance.”¹⁵ Lee’s moves exacerbated the already wide left-right gap domestically and moved toward the instilling of deeper nationalist sentiments in Korea.

The overlapping administrations of Abe and Korean President Park Geun-hye saw bilateral Japan-Korea relations spiral further downward. After taking office her administration boosted U.S.-Korea links while softening Lee’s tough line toward the DPRK. She also worked to improve ties with China. She and Abe have overseen the stunning collapse of the previously warm Japan-Korea links. For Park the “comfort women” issue triggered her powerfully personalized rejection of Abe.

Since its inauguration the Park administration has joined China in relentless criticism of the Abe administration and his ongoing embrace of multiple right-wing positions, most sensitive of which to Park personally has been the broad wink-and-nod skepticism Abe and his administration have demonstrated regarding the Japanese government’s responsibilities for the wartime military system of “comfort women.” Frostiness between the two leaders was evident in the fact that the first post-inauguration phone call between Abe and Park did not come until March 2013, the numerous previously-scheduled high level meetings cancelled by the ROK, and Park’s unrelenting refusal to meet bilaterally with Abe, describing him as failing to have a correct understanding of history. Following Abe’s visit to Yasukuni, Korean public opinion of him plummeted to a level below that of Kim Jong-un.¹⁶

¹⁵ Chung-in Moon, “South Korea in 2008: From Crisis to Crisis,” *Asian Survey* 49, no. 1 (2009): 125

¹⁶ Asan Institute, “Challenges and Opportunities for Korea-Japan Relations in 2014,” available at <http://en.asaninst.org/contents/challenges-and-opportunities-for-korea-japan-relations-in-2014>.

Park was finally strong-armed into a three way sit-down among herself, Abe and President Obama in March 2014, the U.S. being distressed over the deterioration of ties between its two most important Northeast Asian allies and the risks of poisoning America's broader regional goals. Nevertheless, the bitterness of Japan-Korea relations under Abe and Park, despite the strategic logic pressing for cooperation, continues to underscore the driving power of domestic politics.

From the Japanese perspective, all claims against Japan by Korea, including the "comfort women" issue, had been "solved" whereas for the Park administration the agreement had been negotiated in a time of Korean economic weakness and lack of full awareness of the plight of the remaining Korean "comfort women." Hence the 1965 agreement left the issue open for further examination and resolution.

Perhaps the most persistent criticism of Korea by Japanese officials of late has been that despite a long list of apologies of varying depth and self-abnegation, the Koreans "keep moving the goal posts" and demanding new phrasing or a reaffirmation of prior apologies. Regardless, the Korean version of events, as heard by many in Japan, is seen to have contributed heavily to recent fissures.

IV. Concluding Remarks

In the past several years, a wave of competing nationalisms and finger-pointing has derailed what had previously been a herky-jerky but nonetheless clear trend toward reduced tensions and greater cooperation among China, Korea and Japan. As was noted above, nationalism has had deep roots and recent watering in all three countries. Hostility toward Japan in Korea and China has ebbed between latent and inflammatory for decades. Meanwhile, within Japan, a burgeoning and often chauvinistic nationalism has been evident since the bursting of the economic bubble in 1990-91. To many in Japan, neither Korea nor China show sufficient appreciation of the long and positive contributions made by Japan's

peaceful behavior and economic contributions to their own successes. A festering animosity toward China was visible as early as 2000 when a Chinese naval reconnaissance ship sailed around the Japanese archipelago along with subsequent intrusions into undisputed territorial waters as well as with the two countries' mini-trade war of 2001.¹⁷ Yet for most of the first decade of this century tensions were tamped down and popular xenophobia was checked by political leaders in all three countries. All appeared to stress collectively the positive benefits of cooperation over the competing national interests threatening to push them apart.

Leadership efforts that long skirted the worst excesses of domestic nationalism in the interest of regional economic improvement have been outstripped in recent years by three leaders more willing to stoke the flames of mutual suspicion. Ongoing shifts in the regional order, as well as the recent flare-up in maritime security tensions, have made it tempting for leaders to hunker down behind national walls, pointing damning fingers at neighboring countries while ignoring flaws in their own back yards. Clearly, recent tensions and expressions of cross-border animosity have powerful roots in domestic politics.

Prime Minister Abe has made no secret of his broad scale efforts to bolster national pride among the Japanese citizenry and to erase what he claims has been a postwar penchant for national self-abnegation and apology. Korean President Park has been wary for domestic political reasons of appearing too sympathetic to Japan since her father has long been criticized for his collaboration with Japan during the colonial era and as the man who, in 1965, signed away Korea's rights to an official apology and reparations from Japan for its thirty-five years of colonization. And surely the Abe administration's efforts to rewrite the

¹⁷ Akio Takahara, "A Japanese Perspective on China's Rise and the East Asian Order," in *China's Ascent: Power, Security, and the Future of International Politics*, ed. Robert S. Ross and Zhu Feng (Ithaca: Cornell University Press, 2008), 220, 226.

well-established historical record on sex slavery feed Park's efforts. And stoking anti-Japanese flames in China is undoubtedly helpful to President Xi as he attempts to consolidate his rule, crack down on CCP and other official corruption, deal with the slowing pace of economic development, erase the 'hundred years of national humiliation,' and in the process improve relations with South Korea as a possible wedge in the U.S. alliance structure in East Asia.

The current uncertainty and diminished cross-border trust may well be temporary. After all, economic and financial links continue at a blistering pace and regional institutions, mil-mil cooperation and the like continue beneath the negative headlines. We may well see leadership-led moves to reduce tensions as has frequently happened in the past and as appears to have motivated the 2015 Trilateral Summit. Yet the present situation poses serious risks. As governments jostle to ensure themselves the greatest possible influence over the evolving regional order, the chances for inadvertent mishaps are high. Ships maneuvering for position in contested waters; aircraft scrambling to meet erstwhile challengers; military vessels attempting to spy on nearby military maneuvers and calculate how much is "routine," how much is "probing," or how much is provocatively "hostile"; top leaders refusing to meet; and the mutual exchange of nationalistic vituperations: all these are freighted with the potential for unwanted clashes or miscalculations. The risk of accidental and unintended military interactions rise when emotions run high, leaders fail to meet, and military forces operating in close proximity carry the bulk of the burden for foreign diplomacy. Rabid nationalism among the populace makes it difficult for even witting leaders to back off from potentially tense security situations. The central task facing political leaders across the region today is reducing the danger that such interactions will escalate into more serious and irreversible spirals into conflict. Instead it would be welcome to remember the long and generally positive ties that have linked the three countries, particularly since the end of bipolarity.

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From Pre-modern to Modern History in China, Japan, and Korea and the Implications for 21st Century Northeast Asia

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From Pre-modern to Modern History in China, Japan, and Korea and the Implications for 21st Century Northeast Asia

Transition from the pre-modern to the modern period in Northeast Asia exhibited a somewhat different dynamic compared with other regions. While Korea, Japan, and China share commonality with other periphery countries that encountered modernity shortly after opening their ports, each experienced internal revolutions, reforms, and uprisings in the manner of Europe and America. Thus, the internally triggered response to western-style modernity in these three countries during the transition era cannot be ignored.

Another distinctive point, furthermore, is that East Asian countries engaged in regional wars beginning in the late 19th century until 1945. Although Russia played a role until 1905, following the Russo-Japanese war, the main regional actors became the countries therein. The primary causes for such wars were generally the desire for regional hegemony and to contain the expansion of other powers.

This paper attempts to analyze how the unique manner of transition to modernity in East Asia resulted in a specific type of international order. Therein, it also examines internal and external “otherization” in Northeast Asia since the late 19th century. At the same time it tries to analyze differences between Korea/China and Japan with respect to identity formation and the dual perceptions of each country.

Keywords: The First Sino-Japanese War, The Russo-Japanese War, Modernization reform in Northeast Asia, Nation-state building in Northeast Asia, Otherization

From Pre-modern to Modern History in China, Japan, and Korea and the Implications for 21st Century Northeast Asia

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I. Introduction

There were diverse events and issues in the transition from the pre-modern to the modern period in world history. In Europe, the transition was triggered by the industrial revolution, while America and France experienced a civil war and bourgeois revolution. Meanwhile, Russia underwent proletarian revolution in the first half of the 20th century. The characteristic shared in common by these countries, however, was the achievement of transition to modern society via internal events.

Most developing countries underwent transition under colonial rulers. The modern capitalist system took form amid penetration by the international market under the auspices of empire. Since modernity emanated from “core countries” to “periphery countries” not only in economic but also in cultural terms, however, the legacy of colonialism continued to operate even after emancipation from empire in the post 1945 era.

A somewhat different dynamic is apparent in East Asia. While Korea, Japan, and China share commonality with other periphery countries that encountered modernity shortly after opening their ports,

each experienced internal revolutions, reforms, and uprisings in the manner of Europe and America. Thus, the internally triggered response to western-style modernity in these three countries during the transition era cannot be ignored.

Another distinctive point, furthermore, is that East Asian countries engaged in regional wars beginning in the late 19th century until 1945. Although Russia played a role until 1905, following the Russo-Japanese war, the main regional actors became the countries therein. The primary causes for such wars were generally the desire for regional hegemony and to contain the expansion of other powers.¹

This paper attempts to analyze how the unique manner of transition to modernity in East Asia resulted in a specific type of international order. Therein, it also examines internal and external “otherization”² in Northeast Asia since the late 19th century.

II. Wars in the Great Transition Period

The opening of East Asian ports was forcefully carried out via external military pressure. In China, there was the Opium War, in Japan, America’s black ship, and in Korea, the Japanese gunboat Unyo. This was a process quite similar to what occurred in other developing countries in world history.

At the same time, the three countries faced very serious internal strife at the moment of opening. The Taiping Heavenly Kingdom Rebellion (1851) in China, the Atsuma Rebellion (*Seinan* War, 1877) in Japan, and the Eastern Learning (*Donghak*) Peasant Uprising (1894) in

¹ Many scholars pay attention to the changes and events during the transition period. However, there are few works comprehensively analyzing the features of the three Northeast Asian countries at the same time.

² Neuman (1999) analyzed the European identity through the exclusion of the East and the discourse on Turkey and Russia.

Korea were internal conflicts caused by the need for change in social structure. In particular, people in China and Korea desired social change as a means of rescue from a predatory state. As in France and Russia, peasants and intellectuals who had been discriminated against sought a way to change the prevailing social structure.

This resulted in movements to reform the domestic system to suit the transitioning international order. In Korea, the enlightenment group emerged in the mid-19th century, which succeeded the Northern Learning group of the late 18th century. In Japan, Yoshida Shoin, from Choshu, played a pioneering role training new leaders for the Meiji Restoration. Kang Youwei and Liang Qichao in China were key intellectuals involved in the Hundred Day's Reform in the late 1890s, which succeeded the Self-Strengthening Movement of 1860s Beijing.

Although the Meiji reformers' group had originated in the Sonno Joi (Revere the Emperor, Expel the Barbarians) group, they overthrew the Tokugawa Bakufu and initiated top-down reform under the Denno in Japan. In Korea, encouraged by Japan, the radical enlightenment group implemented a coup in 1884 in an effort to reform political and social institutions. Without financial or military backing, however, the attempt fell apart within three days. Nonetheless, moderate reformers later initiated the Gabo Reforms (1894-1895), which abolished the traditional hierarchy system and established a modern administrative system.

On the other hand, reactions from conservative groups could not be ignored during the transition period in all three countries. These groups desired to maintain the old system in order to protect their own interests and fomented a great deal of political strife toward impeding modern style reforms. Northeast Asia featured three dynasties enjoying more than 200 years of longevity, underpinning deeply entrenched ruling classes with vested interests in the old system.³ While it is argued that identity

³ In particular, the Joseon Dynasty in Korea was established in 1392 and subsisted without any

had already taken form in East Asia in the pre-modern period in terms of “ethnicity,” the formation of collective identity transcending class was difficult under conditions in which the class system yet persisted (Haboush 2016).

As a result, conflicts arose between reformists and conservatives in Northeast Asia. With no decisive winner emerging, “otherization” occurred between both groups. This stalemate would extend into the early 20th century in Korea and China, though consensus around reform was eventually reached in Japan.

One important characteristic differentiating the experience of these three countries from that of Europe, however, is related to the foundation of the modern nation state. This was not achieved through internal modern reforms but by regional wars among the three countries as well with Russia. In particular, the First Sino-Japanese War played a crucial role with respect to nation-state building in East Asia.

The initial impact of the war was felt in China, who was defeated by Japan. Chinese intellectuals fixated on the ramifications of this loss for the formation of a Chinese national identity, since Japan was a much smaller, former tributary state. The Japanese injured Chinese confidence and self-respect, and many finally acknowledged the necessity of implementing modern reforms and establishing a modern nation state. China was the latest among the three countries to reach this realization, although it had been the first to open its ports. Of course, identity was no simple issue among Chinese people due to the varied composition of ethnic groups. At that time, Qing China’s leaders were not even of the majority ethnicity.⁴

serious change until 1910, despite disastrous wars in 1592 with Japan and in 1636 with the Manchurians who founded Qing China.

⁴ In this regard, there is a very interesting exhibit in the First Sino-Japanese War museum located in Weihai, Shantung Province. Among the historical remains, Kang Youwei’s calligraphy is particularly notable. He wrote that the “nation” in China emerged after the war. Majority Han Chinese people, in the end, discovered their national identity even under a minority regime

Japan's modern nation state was strengthened through wars against China, Russia and the US. In particular, the Triple Intervention in 1895 and the Russo Japanese War played a role in galvanizing nationalism through otherization of the Western World.⁵ Especially, wars with China and Russia allowed Japan entry into the "rich countries' club" in the early 20th century and to colonize Taiwan and Korea.

Similar with the Chinese experience, the Korean people first came to discover the nation amid an externally provoked crisis in the late 19th and early 20th century. While the first watershed occurred with the signing of the Treaty of Shimonoseki, which defined Korea as an independent country separate from the Sinic sphere, the assassination of Queen Min in 1895 and the Japan-Korea Protectorate Treaty in 1905 provided two more occasions for strengthening national identity through antagonism toward Japan (Schmid 2002). In particular, the latter two events triggered the formation of the voluntary righteous army resisting the Japanese and the exile of intellectuals and former bureaucrats opposing Japanese power.⁶

Thus, with respect to these three East Asian cases, wars within the region displayed a much more decisive impact on the formation of the nation state amid the transition to modernity than internal modernization reforms. Furthermore, Korea and China experienced other significant externally provoked events in the annexation of Korea by Japan in 1910 and the Manchurian Incident in China in 1931. As well, the total war

through hostility to Japan.

⁵ Japanese leaders conceded due to the Triple Intervention and then realized the necessity to contain Russian power in Northeast Asia for the survival of Japan. Shortly after the Portsmouth Treaty in 1905, Japanese people engaged in a demonstration to acquire more compensation from Russia. These Two events facilitated the integration of Japanese society, allowing the Japanese to discover the "nation" known as Japan (Wells and Wilson 1999).

⁶ The Assassination of Ito Hirobumi was an act of resistance against Japan. Interestingly enough, however, the assassin Ahn Jung Geun argued for the necessity of a Northeast Asian community to contain Russian expansionism (Ahn 2010).

system beginning in 1937 functioned as an important impetus for nation-state building in Japan. For Korea and China, Japan was the “other”; for Japan, it was the West.

Of course, wars served to accelerate internal conflict and otherization, with some groups supporting the Japanese project to build a pan-Asian empire. This undertaking was legitimized by the argument that Japan should expel all Western powers to protect Asia and initiate Asian-style modernization. The emergence of pro-Japanese-imperialism groups created serious internal strife between pro- and anti-Japanese groups, which has subsisted even subsequent to Japanese surrender and departure from Korea and Taiwan in 1945.⁷

III. The Double Perception of Others

The fact that regional and civil wars accompanied the process of modern nation-state formation since the late 19th century means that hostility and otherization have been internalized in Korea, Japan and China. This sentiment has made it difficult to build normal diplomatic relationship in East Asia.

Otherization amid the process of identity formation in East Asia, moreover, was not without its own complications. The main psychological structure in East Asia rests on the perception of the victimized (Korea and China) and victimizing (Japan).⁸ This Japan, an “other” from the Korean and Chinese perspective, exists in stark contrast

⁷ The Tokyo court did not provide any solution in terms of reinterpreting the Japanese militarist argument advanced during the Asia Pacific War. As a result, a similar argument reemerged in Japan in the post-1945 period, which has been the cause of history textbook disputes in Northeast Asia.

⁸ Chinese protests against Japanese militarists constitute the content and subjects of most Chinese dramas on public television. As well, the recently released Korean film “Assassination” (*Amsal*), which depicts resistance against the Japanese Empire during the colonial period, was seen by more than ten million Koreans, or about one-fifth of the entire population.

with the one that has been the exemplary model of Asian-style modernization and a unique member of the clique of wealthy nations.

According to research on the South Korean mass media, there are two extremely different tones (Park 2006). On the one hand, Japan is a country responsible for war crimes in the Asia Pacific War. Issues with regard to sexual slavery and conscription under the total war system contribute to a very negative image of Japan. In particular, whenever territorial issues arise, this negative perception of Japan flares up in Korean society.

During the transition to modernity in Northeast Asia, young intellectuals considered Japan an ideal model for their countries' futures. Leaders in Korea and China attempted to benchmark Japanese modernization and self-strengthening since Japan was the only model in the region and was an Asian country whose conditions and history were similar. Since they believed that the East Asian system and values were very different from those of the West, Japan sufficed as an appropriate model to follow. Many leading and pioneering intellectuals and political figures studied in Japan and learned this Japanese system and values.⁹ In this sense, there is a double standard at work in the manner in which China and Korea see Japan.

This double standard is also palpable in the hostility of Korean civil society toward those who collaborated with the colonial Japanese regime. Korean society prefers to refer to collaborators not as war criminals who supported Japan's unjust war, but as pro-Japanese, or national traitors. The term "pro-Japanese" fully connotes a sense of national betrayal, while "pro-Chinese" and "pro-American" are rarely mentioned. The pro-Japanese issue is prevalent even today owing to the failure to punish

⁹ Some young leaders came to believe in communism rather than the Japanese system during their study in Japan. Thus, famous Korean communist leaders in the initial communist movement imported communism not from Russia, but from Japan (Suh 1967).

collaborators following emancipation from Japan.¹⁰ In spite of normalization in 1965 (Korea and Japan) and in 1972 (China and Japan), this kind of complex perception regarding Japan is still operational.

At the same time, some scholars try to reevaluate the collaborators not as criminals but as pioneers endeavoring to modernize Korea before and during the colonial period. This interpretation is very similar to that of the Japanese militarists' wishing to legitimize their rule over the colonies before 1945.¹¹ Naturally, it is the cause of much social strife and disputes. Meanwhile, Taiwanese people have been nostalgic toward the colonial period, wherein Taiwan achieved historically high levels of economic growth.

Another significant point is that, for Korea and Japan, China is an expansionist country attempting to establish hegemony over neighboring countries and the region. The perceived threat from China has existed since the ancient period in East Asia. This is revealed by the Chinese attacks on Goguryeo (7th century), Goryeo and Japan (12th century), and Joseon (17th century). As well, Koreans particularly recall the tributary system with the Chinese Empire before 1895. Whereas Chinese dynasties rarely intervened in internal political affairs in Korea under the system, the few instances in which it did are frequently revived in Korean dramas and cinemas even these days.¹² This has also been a rationale for the US containment policy in Asia since the Korean War, through the Vietnam War, and even now. The maintenance of the US-Japan and US-Korea

¹⁰ The South Korean mass media has dealt with the pro-Japanese issue on National Independence Day every year since democratization in 1987. Before democratization, the pro-Japanese issue was a kind of taboo because several Korean leaders including Park Chung Hee and Choi Kyu-Ha were educated at a Japanese school located in Manchuria during the colonial period. In the 2012 presidential election, the pro-Japanese issue gained widespread coverage in the media since a nominee was the daughter of former president Park Chung Hee.

¹¹ Most works by American scholars that focus on the colonial period display a very similar trend and are strongly critical of Korean scholars. *Colonial Modernity in Korea* by Robinson and Shin (2001) is a work representative of this tendency.

¹² For example, see "Masquerade [*Gwanghae: wangi doen namja*]" (2012).

alliances entailing the presence of US forces in both countries, even after collapse of the Cold War system, has been made possible due to the perceived Chinese threat.

IV. Nation Building as a Result of Wars

One more critical issue in Northeast Asia is that Korea and China underwent internal processes of nation building in the form of civil wars. Identity in China and Korea has been twofold, with nationalists in Taiwan and communists in Mainland China and the existence of two Koreas materializing during the Korean War. Even though Chinese society was divided by two different ideologies before the Japanese surrender, the civil war between 1945 and 1949 deepened antagonism among Chinese people.¹³ The continuing civil war during the Cold War provided another opportunity for nation building through antagonism and otherization vis-à-vis two internal hostile groups. Therein, the Chinese case is even more complex due to the conflict between native Taiwanese and Mainland Chinese in Taiwan since 1949.

Before the Korean War, Korean people had not internalized a particular affiliation with the South or the North in spite of the separate governments established two years prior. During the war, Korean people realized they had an enemy from a different part of the Korean Peninsula. Thus, the terminology of “South” and “North Korea” entered into widespread use beginning amid the war (Park 2002). Since the armistice agreement in 1953, which put a temporary halt to hostility, South Koreans prefer to refer to themselves with the term “*Hangugin*,” while North Koreans use the term “*Joseon saram*.”¹⁴

¹³ More than 14 thousand Chinese POWs refused to be repatriated to Mainland China. Instead they chose Taiwan (Park 2005).

¹⁴ China and Japan use similar terms for the two countries even nowadays. South Korea is known as Hanguk and North Korea is known as Joseon in China. South Korea is Hanguk and North

Of course, Japan also underwent an internal process of nation building through wars spanning the late 19th century to 1945. However, this was a process characterized not by internal antagonism, but the otherization of the external world. Beginning with the Meiji Restoration, this otherization encompassed not only the Western world but also other Asian countries like Korea and China. Fukuzawa Yukichi's well known slogan, "Leave Asia, Join Europe" (*Datsuanyūō*, 脫亞入歐), effectively conveys the features of otherization in Japan (Hirayama 2004).

Considering the history of the transition to modernity in Korea and China, it appears as if double otherization emerged; otherization internally via civil wars and externally via wars. Both encouraged hostility within each society as well as within the region.

This double otherization process has caused several problems in East Asia. First, the influence of internal politics on international relations in the region is strong. Despite the fact that foreign policy should be considered with respect to national interest, foreign policies in Northeast Asian countries are heavily dictated by the vicissitudes of domestic politics, which means a two-level game is excessively at work.¹⁵

On the other hand, conflicts in international politics have contributed to the integration of domestic society and assuaging anti-government sentiment in the three countries. Anti-Japanese sentiment operates in Korea and China, while fear of China is at work in Japan and Korea. The South Korean and Japanese governments utilize anti-communism, just as the North Korean and Chinese governments do anti-Americanism. Though the hostility to other countries derives from Northeast Asian history, it is utilized politically in each society.¹⁶

Korea is Kita Joseon in Japan.

¹⁵ See Putnam (1988).

¹⁶ Recently Anti-Korea sentiment rose in Japan, which was discouraged by a law issued by the Japanese Diet in 2016 (http://news.chosun.com/site/data/html_dir/2016/05/25/2016052500374).

In sum, a hostile atmosphere has continued to exist domestically and regionally since the transition to modernity. Antagonism in each society has been deeply engrained and complex since the late 19th century in Northeast Asia. This kind of double hostility makes it very difficult to foster cooperative relationships in the region. Conflicts between East Asian countries in international organizations as well as within the region are due to such sentiments and perceptions. Even major foreign policies have been heavily politicized since the 19th century.

It is not difficult to detect this phenomenon in the history textbooks of the three countries. Each country stresses the other countries' wrongdoings, while very reluctant to point out its own errors and crimes. Some textbooks written by extreme conservatives even try to rationalize Japan's unjust invasion and expansionism. Naturally, such extremists are strongly offended by those textbooks espousing introspection regarding the lessons of past errors.

V. Conclusion

As mentioned above, mutual hostility in East Asia has contributed the formation of national identity and the nation state. Such sentiment has played a very critical role in strengthening identity domestically.

Due to this condition, politicians in each country sometimes try to utilize hostile sentiment for political gain. While cooperative gestures contribute to the popularity of politicians on the one hand, aggressive policies and rhetoric work more effectively among the public. Under authoritarianism, this phenomenon occurred frequently. For example, anti-Japanese slogans were the most important means of agitating and mobilizing the people during the Rhee Syng-man government in South Korea.¹⁷ It was impossible to normalize relations with Japan under such

html, accessed on June 25th, 2016).

conditions, even though the US strongly encouraged the two governments to do so as soon as possible.

North Korea is another such case. Anti-Japanese sentiment, combined with anti-Americanism, is the most important tool to legitimize the regime, as its founder, Kim Il-sung, had a career as a guerrilla leader resisting Japan before 1945. The North Korean regime invented new terminology based on Kim's story, such as the "Anti-Japan guerrilla style campaign" (Armstrong 2015).

Consensus regarding the threat posed by China allows Japan to more easily strengthen its alliance with the US, even though the US destroyed major cities and used atomic bombs in Japan during World War II. The US-Japan alliance has been a crucial means for the US to involve itself in Northeast Asian affairs since 1945. It has also played a role in escalating tension between China and Japan excepting the period of détente in the 1970s. Under such conditions, Japan believes it is safe from China under the American nuclear umbrella, as is the case in South Korea. Meanwhile, it is impossible for the three countries to reach a consensus on the North Korean nuclear issue.

In addition, perceptions with respect to the varying statuses of the three countries in the early 20th century, as an Empire and core country, as a colony, and as a victim of invasion, have made it difficult to create consensus regarding historiography within the region. This fact precludes the possibility of publishing and using mutually acceptable history textbooks, and thus disputes in this regard occur frequently in East Asia.

¹⁷ On the one hand, Rhee was consistently critical of Japanese policy during the colonial period. However, simultaneously he expressed a very positive evaluation of the Japanese Prime Minister, who had been a minister in Manchukoku before 1945 and designated a Class A war criminal in the Tokyo Court in 1946 (Park 2010).

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The Re-adoption of Asianism in Postwar Hong Kong and Japan, 1945-57: A Comparison between Ch'ien Mu and ōta Kōzō

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The Re-adoption of Asianism in Postwar Hong Kong and Japan, 1945-57: A Comparison between Ch'ien Mu and Ōta Kōzō

This paper discusses how a refugee scholar in colonial Hong Kong Ch'ien Mu and a politician turned educator Ōta Kōzō survived in the new political arena of postwar Asia. This paper argues by adopting Asianism, both Ch'ien and Ōta became successful in founding New Asia College in Hong Kong and Asia University in Japan respectively. It is interesting to pinpoint in this paper by what strategies Ch'ien and Ōta Kōzō solved the political, economic, social and cultural challenges they encountered. This paper highlights not only the similarities of the way of Ch'ien and Ōta Kōzō's adoption of Asianism but also the differences in their interpretation of it.

Keywords: Ch'ien Mu, Ōta Kōzō, Asiansim, New Asia College (Hong Kong), Asia University (Japan)

The Re-adoption of Asianism in Postwar Hong Kong and Japan, 1945-57: A Comparison between Ch'ien Mu and ōta Kōzō*

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I. Postwar Hong Kong and Japan

After the People's Republic of China was established in 1949, the political landscape in China, Hong Kong, and Taiwan changed drastically. Chinese politicians, capitalists and intellectuals who did not find themselves welcomed by the new socialist regime fled to Hong Kong. They usually stayed in Hong Kong for a while and then decided the next destination to move to.¹ The Korean War in 1950 further

* The author wishes to thank Dr. Rev. Eric Chong who organized the Shann Memorial Conference on China and Japan, 1895-2015: History of Rivalry, War, Peace and Hostility, at St. John's College, University of Hong Kong, on 27 June 2015, where the author received valuable comments from the conference participants. This paper is a revised version of "Asianism in post-war Hong Kong and Japan: The case of Ch'ien Mu and Ōta Kōzō," published in *Acta Asiatica*, No. 104 (Tokyo: Toyo Bunko, 2013), pp. 87-98. Romanization is basically in the Pinyin system except for popular names which are originally in Wade-Giles and in Cantonese.

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¹ See Pui-Tak Lee, "Avoiding isolation by the revolution: K.P. Chen's dealings with Shanghai and Taipei, 1948-1956. In Sherman Cochran (ed.), *The Capitalist Dilemma in China's Communist Revolution* (Ithaca: Cornell University East Asia Program, 2014), pp. 45-64.

changed the political landscape of not only Hong Kong and China but also Asia as a whole. America replaced Japan as the only super power in Asia during wartime. A containment policy against communist China was launched by the United States and its allies. Starting from Japan in the north and followed by South Korea, Taiwan, Hong Kong, the Philippines, and Singapore in the south, China was contained by these so-called fortresses of anti-communism.

After the end of the Second World War, Japan was put into the custody of the allied forces. Transformation into democratic government and war rehabilitation were listed as the major tasks of the allied forces. Japan's external connections with Asian countries, especially with the anti-communist satellites, were placed under the manipulation of the GHQ at Tokyo. Both Ch'ien Mu 錢穆 (1895-1990) and Ōta Kōzō 太田耕造 (1889-1981) debuted in this Cold War background of anti-communism, China containment, post-war rehabilitation, and reconstruction of the international order of Asia, with the dominance of the United States in Asia.²

In terms of personal education, career development, and views on Asia, there are both similarities and differences between Ch'ien and Ōta.

² I was struck by the huge literature on how America exerted influences on Asian intellectual and educational development during the cold-war period. See Raymond B. Fosdick, *The Story of the Rockefeller Foundation* (New Brunswick, NJ: Transaction Publishers, 1989); Ellen Condliffe Lagemann, *The Politics of Knowledge: The Carnegie Corporation, Philanthropy, and Public Policy* (Middletown, CT: Wesleyan University Press, 1989); Noam Chomsky, ed., *The Cold War and the University: Toward an Intellectual History of the Postwar Years* (New York: New Press, 1997); Rebecca S. Lowen, *Creating the Cold War University: The Transformation of Stanford* (Berkeley: University of California Press, 1997); Chalmers Johnson, "The CIA and Me," *Bulletin of Concerned Asian Scholars* 29-1 (1997); Bruce Cumings, "Boundary Displacement: Area Studies and International Studies during and after the Cold war," *Bulletin of Concerned Asian Scholars* 29-1 (1997); Frances Saunders, *The Cultural Cold War: The CIA and the World of Arts and Letters* (New York: New Press, 2000); Han Tie 韓鐵, *The Ford Foundation and Chinese studies in America, 1950-1979* 福特基金會與美國的中國學 (1950-1979年) (Beijing: Zhongguo shehuikexue chubanshe, 2004); Soo Chun Lu, "The Asia Foundation and the Cold War in Southeast Asia" (Unpublished paper presented at Conference on Mao's China, Non-communist Asia, and the Global Setting, 1949-1976, University of Hong Kong, February 2012).

However, this paper aims to discuss first what strategies Ch'ien and Ōta adopted in order to enable them to set up and promote a school in the name of Asia, and secondly how they dealt with the concept of Asianism by different approaches when they founded their respective educational institutions in the context of post-war Hong Kong and Japan.

II. Ch'ien Mu's revival of Chinese culture in Hong Kong and the United States

1. The intrusion of the United States and financial aid from non-governmental organizations

Beginning from the outbreak of the Korean War in 1950, the United States had successfully extended its influence among Hong Kong's intelligentsia by setting up the following organizations through financial aid provided by the Asia Foundation: Asia Press, Asia News Agency, Asian Pictorial and Asia Film Co. The Asia Press published books for the right-wing writers who supported the Republic of China rather than the People's Republic. These organizations were operated by a Hong Kong Chinese named Zhang Guoxing 張國興, and his work was regarded as preeminent in the propaganda of anti-communism in Hong Kong.³ Similar to the Asia Press was the Union Press 友聯出版社, which was established in April 1951. The publication of the journal *Chinese Student Weekly* 中國學生周報 was regarded as remarkable, and it was extremely popular among local high school and college students at the time. These cultural activities initiated by the Asia Foundation were referred to as 'U.S. Dollar Culture,' which prevailed in Hong Kong in the 1950s. The

³ Yung Sai Shing 容世誠, "Containment and integration: A preliminary study of the Asia Press and Asia Film Co. 圍堵頓頰 整合連橫: 亞洲出版社 亞洲影業公司初探, in *The Cold War and Hong Kong Cinema* 冷戰與香港電影, ed. Lee Pui-tak and Wong Ain-ling (Hong Kong: Hong Kong Film Archive, 2009), pp. 125-144.

Asia Foundation began in 1951 as the Committee for Free Asia, which, according to the Congressional Research Service, was “supported with covert indirect CIA funding. In 1967, the U.S. media revealed that the CIA was covertly funding a number of organizations, including The Asia Foundation.”⁴

In the early 1950s, all the U.S. consulates and the U.S. cultural or religious organizations in China retreated to Hong Kong.⁵ There was also an influx of people from China who did not support the new communist regime, and many of these people were scholars and students.⁶ Therefore, how to accommodate these people became an issue for the colonial government.

As it was claimed by Ch’ien himself, New Asia College was a ‘school of refuge’ 流亡學校. It was started as Asia College of Humanities and Commerce 亞洲文商學院 in October 1949 with the support of a Shanghainese merchant named Wang Yuefeng 王岳峰 in Hong Kong. As Ch’ien recalled, financial hardship was the great challenge for him at the time. Monthly expenditures amounted to HK\$4,600 but the college received only HK\$2,000 as tuition fees paid by students.⁷ Consequently, the college could hardly continue to operate even though the professors,

⁴ See Kimberly Gould Ashizawa, “The Evolving Role of American Foundations in Japan: An Institutional Perspective,” in *Philanthropy and Reconciliation: Rebuilding Postwar U.S.-Japan Relations*, ed. Yamamoto Tadashi, Iriye Akira and Iokibe Makoto (Tokyo and New York: Japan Center for International Exchange, 2006), pp. 116-122.

⁵ Reuben Holden, *Yale in China: The Mainland 1901-1951* (New Haven: The Yale in China Association, 1964), pp. 264-268.

⁶ The Aid Refugee Chinese Intellectuals, Inc. was set up in 1952 to help the intellectuals who fled from communist China to Hong Kong. As pointed out by Zhao Yina, during 1952-59, a total of 8,962 intellectuals and 5,653 of their dependents were helped to migrate to Taiwan, U.S., Southeast Asia and Europe. See Zhao Yina 趙綺娜, “The Cold War and the refugee assistance: A case study of Aid Refugee Chinese Intellectuals, 1952-59” 冷戰與難民援助：美國「援助中國知識人士協會」，1952-1959年。In *Euramerica: A Journal of European and American Studies* 歐美研究, Vol. 27, No. 2 (1997), pp. 65-108.

⁷ Ch’ien Mu, “The objectives and introduction of New Asia College 新亞書院沿革旨趣與概況,” in *The historical tradition of New Asia College 新亞遺錄* (Taipei: Dadong tushu gongsi, 1989), p. 12.

including Ch'ien himself, volunteered to receive half salaries. In March 1950, the college was renamed New Asia College (the reason why Ch'ien adopted the name "New Asia" will be discussed in the next section).

The time when Ch'ien started the college in 1949 was also the time when the Yale-in-China Association retreated from China. The name "New Asia" denoted the revival of Chinese culture in a new Asia. This coincided with the aims of anti-communism towards which the Americans drove worldwide politics. The name of the college founder, Ch'ien Mu, was heard by Prof. Harry Rudin, the Association's representative, who was looking for a suitable institution to support in the early 1950s. Rudin was impressed by Ch'ien's advocacy of promotion of Chinese culture. Later the two persons came together and discussed possible assistance from the Association to the college.⁸

The negotiation between Ch'ien and Rudin ended with a sum of US\$25,000 being paid to New Asia College. Nevertheless, the Association would send a representative (or so-called comptroller) to the college to monitor the use of the funds. It was not long after that the Yale-in-China Association, Asia Foundation, and Harvard-Yenching Institute committed to providing financial assistance to Ch'ien for constructing a new building for the college.

As was highlighted by Rudin in 1953, reasons to support New Asia College were many, but the following were counted as important: firstly, there were not many local students able to receive a university education; secondly, Taiwan would not accept students from Hong Kong since it was a colony;⁹ thirdly, many secondary school graduates were unable to gain an opportunity for higher education out of communist China;

⁸ Harry R. Rudin, "New Asia-Yale-in-China: The Beginning," in *New Asia/Yale-China: The First 50 Years: Memories 1954-2004* (Hong Kong: New Asia College, Chinese University of Hong Kong, 2004), p. 41.

⁹ This policy was changed from the middle of the 1950s.

fourthly, influx of Chinese refugees created a burden for local tertiary education; fifthly, many schools in Hong Kong were run like businesses more than schools.¹⁰

From 1954 to June 1970, New Asia received more than HK\$4.4 million from the Yale-in-China Association.¹¹ Other than financial aid, Yale-in-China also provided assistance to promote the exchange of talent between the two institutions. In order to attract more students from Asia to study Chinese in Hong Kong, a new program on Asian studies was launched for training more China specialists for non-Chinese university students especially from Southeast Asia. A scheme for New Asia College graduates was launched to support them to study in North American universities, including: Yale, McGill, Harvard, Columbia, Manitoba, Washington, South Illinois, Chicago, Oregon, Wisconsin and Minnesota.

2. Connection of Hong Kong with Japan after the end of the war

In order to resume the colonial rule of Hong Kong, the new military government did not prosecute Chinese wartime collaborators since many of them were elites of local society whom would be relied upon for rehabilitation.¹² This attracted quite a number of government officials, intellectuals and businessmen who had been associated with the Wang Jingwei 汪精衛 regime, Manchuko 滿洲国 or Japanese organizations across Asia during wartime. They fled from the mainland and stayed in Hong Kong for a while before they decided where to move.¹³

Starting from August 1947, trade with Japan was resumed. Hong

¹⁰ Rudin, "New Asia-Yale-in-China," p. 41.

¹¹ *New Asia/Yale-China*, p. 7.

¹² Lee Pui Tak, "The Eurasian in wartime Hong Kong: Case of Robert Kotewall 戦時における香港の「欧亜混血児」——羅旭蘇の変節問題を例として," In *Monthly Journal of Chinese Affairs* 中国研究月報, Vol. 66, No. 11 (Tokyo: Institute for Chinese Affairs, 2012), pp. 38-47.

¹³ The daughter of Wang Jingwei named Wang Wenxun 汪文洵 even worked in the Hong Kong government for a long time. Thanks to Prof. So Wai Chor for bringing this to my attention.

Kong people were forgetful about the military rule of Japan during wartime. In another sense, Hong Kong became a pioneer welcoming Japan to rejoin the new Asia community. The outbreak of the Korean War in 1950 did not stop Hong Kong trade with Japan. The UN's embargo on China provoked more Hong Kong industrialists to open trade with Japan. The vanishing of the Chinese market because of the embargo accelerated the expansion of business connection between Japan and Hong Kong. It was not until 1954 that the Society of Free Asia 自由亞洲學會 was established with Han Yunjie 韓雲階 and Yamaguchi Jūji 山口重次 as major co-ordinators. Since the Society was aimed at maintaining peace among Asian countries, it received the blessing of many prominent figures in Taiwan, including Hu Shi 胡適, Lin Yutang 林語堂, H.H. Kung 孔祥熙 and Yu Bin 于斌. It did not take a long time for the Society to expand, with more and more people joining such as Shimonaka Yasaburō 下中彌三郎 (CEO of Heibonsha), Dong Xianguang 董顯光 and Zhang Bojin 張伯謹 (Chinese ambassador to Japan). It has to be noted that founding members of the Society such as Yamaguchi Jūji and Han Yunjie 韓雲階 had served in the Manchuko government during wartime. As well, Gu Mengyu 顧孟餘 had been the Minister of the Railway Ministry of Wang's regime.¹⁴

As a first step to promote the cultural friendship of Japan with Asian countries, the Society assisted Japan universities to recruit Asian students to study in Japan. Similar organization such as the Association of Oriental Culture and Education 東方文教協會 was established in Shenyang early in 1946. This Association aimed to promote Sino-Japanese friendship and cultural exchange among Asian countries. It appointed a few people as advisers, including: Ogata Taketora 緒方竹虎 (President of the Liberal Party), Kurihara Tadashi 栗原正 (former

¹⁴ Telegraph sent by the Chinese Embassy in Tokyo to the Ministry of Foreign Affairs in Taipei, dated 9 June 1954, archives in Academia Historica, Taipei.

Ambassador in Fuzhou and Tianjin), and Tsubogami Teiji 坪上貞二 (Ambassador to Vietnam). The Association assisted Waseda University 早稲田大学 and Daitō Bunka University 大東文化大学 to recruit students from Taiwan, Hong Kong, Philippines and other Southeast Asian countries.¹⁵

3. Ch'ien Mu and his advocacy of Asia

Ch'ien came to Hong Kong in 1949 when he was 55 years old. During his 17-year sojourn in Hong Kong, he completed the books “The Spirit of Chinese History” 中國歷史精神 and “An Assessment of Chinese Historical Politics” 中國歷代政治得失. These two books were regarded as the two most important references for Chinese history in Hong Kong’s university entrance examination. Ch'ien’s intellectual activities in Hong Kong can be encapsulated in the three words ‘reviving Chinese culture.’ Obviously, his interest was in China rather than in Asia. As has been criticized in a recent publication on the history of the college during the Cold War, the curriculum for undergraduate education was focused mainly on China rather than on Asia.¹⁶

It is worth asking why Ch'ien chose Hong Kong and why the Hong Kong government accepted an exiled Chinese intellectual. This was due to the following reasons. Firstly, for Ch'ien Hong Kong represented a sanctuary without political interference from either the Communist Party on the mainland or the Nationalist Party in Taiwan. Many of Ch'ien’s peers such as Tang Junyi 唐君毅, Mou Yunsun 牟潤孫, Yan Gengwang 嚴耕望, and Zhuo Shunsheng 左舜生 had all fled from the mainland. They

¹⁵ Letter sent by the Ministry of Foreign Affairs in Taipei to Chinese Embassy in Tokyo, dated 28 April 1955, archives in Academia Historica, Taipei.

¹⁶ Zhou Ailing 周愛靈, *The diaspora: New Asia College in the colony during the Cold War 花果飄零—冷戰時期殖民地的新亞書院*, trans. Luo Meihan 羅美嫻 (Hong Kong: Commercial Press, 2010), pp. 57-62.

came to Hong Kong and took advantage of Hong Kong as a British-protected colony that enabled them to continue their research and, more importantly, connect themselves with other Asian communities possessing Confucian thought such as South Korea, Japan, Taiwan, and Singapore. Secondly, for the Hong Kong government, reviving traditional Chinese culture had never been regarded as radical or a threat to British rule in Hong Kong when compared with the ‘class struggle’ or ‘anti-imperialism’ emphasized by the communists on the mainland.¹⁷

Ch’ien explained that he used the name ‘New Asia’ mainly because of the inferior status of Chinese intellectuals in the British colony of Hong Kong. He said:

In the year of 1949, I came to Hong Kong because of political reasons. I took Hong Kong as a sanctuary since Hong Kong is a British colony. As I recalled, forty years ago, the social status of Chinese in Hong Kong was low. The atmosphere in Hong Kong as a British colony was so stressful to Chinese, especially to intellectuals.What a sojourner felt can hardly be described here. I dare not to ask for a “new Hong Kong” since I was a Chinese, and so I proposed to make a “new Asia” instead. During that time, I wished Britain would keep its hands off its colonies in Asia so as to let the Chinese in Hong Kong to breathe the air of freedom. Therefore, I made the college name ‘New Asia,’ assuming that we would soon have a bright future!¹⁸

Nevertheless, the colonial setting of Hong Kong had both advantages and disadvantages for Ch’ien. On the one hand he took it as a sanctuary to

¹⁷ On the background of the struggle between KMT and CCP in Hong Kong and how the Hong Kong government tried to control the two camps, see Steve Tsang, “Strategy for Survival: The Cold War and Hong Kong’s Policy towards Kuomintang and Chinese Communist Activities in the 1950s,” *Journal of Imperial and Commonwealth History* 25-2 (1997), pp. 294-317.

¹⁸ Ch’ien Mu’s speech on the 40th anniversary of New Asia College, in *The historical tradition of New Asia College*, p. 682.

revive Chinese cultural traditions, which were declining on the mainland. Ch'ien received an honorary doctorate from the University of Hong Kong in 1955 and Yale University in 1960. On the other hand, the position of Hong Kong as a place for the interchange of Eastern and Western culture enabled him to connect with 'Confucian' Chinese communities in Asia. However, Ch'ien did suffer a setback when the colonial government's administration established the Chinese University of Hong Kong (CUHK). Ch'ien did not get along with the university's federal authority. In January 1964, after New Asia College had become a member college of the Chinese University, he resigned as college president.¹⁹ And in 1967, when Hong Kong was in turmoil because of local riots, Ch'ien decided to leave and remained in Taipei for the rest of his life.

III. Ōta Kōzō and Asia University

1. The tradition of reviving Asia in prewar Japan

Ōta Kōzō was a lawyer by training. He graduated from the University of Tokyo in 1920. He joined the Nationalist Society 国本社 with his peer Hiranuma Ki'ichirō 平沼騏一郎 in 1924. In 1939, he was invited by Hiranuma to join his cabinet as Secretary to the Prime Minister, but the Hiranuma Cabinet lasted only eight months. Two years later, together with Kikuchi Takeo 菊池武夫, Iwata Ainosuke 岩田愛之助,²⁰ Matsuo Chūjirō 松尾忠二郎, and Fujiwara Shikeru 藤原繁, the Association for Reviving Asia 興亞協会 and the Academy for Reviving Asia 興亞専門学

¹⁹ Ch'ien confessed to having received financial assistance from the Hong Kong government. He complained the independence of his college was thus lost after joining the Chinese University. See *The historical tradition of New Asia College*, pp. 499-501. With regard to his split with Li Zhuomin 李卓敏, see *ibid.*, pp. 536-543.

²⁰ In 1933 Iwata joined the Association of Great Asia 大アジア協会.

校 were established, and Ōta played a vital role in both. The Academy of Reviving Asia emphasized, firstly, the spirit of Shōkason-juku 松下村塾 established by Yoshida Shōin 吉田松蔭 in the late Edo period and, secondly, the promotion of Asian culture in order to reverse the way in which Japan had been too close to the West in the Meiji period. These two points later became the motto of Asia University, which Ōta reorganized after the war. The academy was aimed at training Japanese elite with expertise in Asia. The curriculum was composed of three main sections: Manchuria, Mongolia and China, Southeast Asia, and Japan. Courses in foreign languages such as Chinese, Burmese, Thai, Vietnamese, and Indonesian were offered. In 1941, when the academy had just been established, it had recruited a total of 207 students.²¹

In principle, the Association for Reviving Asia supported the Great East Asia Co-prosperity Sphere and the alliance with Manchuria, Mongolia, and China. Nevertheless, it was against communism. Graduates of the academy were sent to different Asian countries for promoting the spirit of ‘self-help’ 自助 and ‘cooperation’ 協力. In April 1945, Ōta joined the Suzuki Kantarō’s 鈴木貫太郎 cabinet as Minister of Education, but the cabinet was suspended because of the end of the war. In sum, Ōta had occupied several important positions that enabled him to promote the revival of Asia.

2. The emergence of Asia University

After Japan surrendered in August 1945, Ōta became president of the Academy for Reviving Asia. He then renamed it Japan Academy of Economics 日本經濟專門學校 and cancelled all subjects on Asia, for otherwise the academy would not be officially allowed to exist.

²¹ The editorial committee of the history of the Ajia Gakuen 亜細亞学園史編纂委員会, ed., *Fifty Years of Ajia Gakuen 亜細亞学園五十年史* (Tokyo: Ajia Gakuen, 1992), p. 3.

However, in December 1945 he was forced by the GHQ to resign as he was accused of having served in a wartime cabinet. The suspicion of being a war criminal put him in prison for about two years. It was very similar to Ch'ien Mu's situation in founding New Asia College. The academy could easily be dissolved on account of its poor financial condition. In sum, the major challenge for Ōta after the end of the war was to consolidate the forces for reviving Asia which he had started during the war. Thus, transforming the academy into an institution that would be tolerated by the GHQ was the immediate task for Ōta.

Fortunately, unlike Ch'ien Mu, Ōta had successfully sought the assistance of Tokyū Group in providing financial assistance to Asia University. During the years 1956-60, a total amount of 126 million yen was raised, and this facilitated the growth of the university. All the loans were repaid in 1969. However, in 1956, Ōta's position as chairman of Ajia Gakuen 亜細亞学園 (the governing body of Asia University) was ceded to Gōto Keita 五島慶太, who was currently the chairman of the Tokyū Group.²²

It was not until May 1952 that Ōta resumed his presidency of the academy, which was reorganized as Japan College of Economics 日本経済短期大学. As has been stated by scholar Tam Yue-him, Ōta's ideology regarding Asia was inherited from famous Japanese Asianists such as Okakura Tenshin 岡倉天心, Nitobe Inazō 新渡戸稲造, Miyake Setsurei 三宅雪嶺, Shiga Shigetaka 志賀重昂, and Naitō Konan 内藤湖南, who emphasized the importance of Japanese national culture and 'Asia as one' 亜細亞一体化. It has to be mentioned that the above emphasis on Asia had been successfully carried over to the postwar Japan with the resistance of Western intrusion remaining unchanged.²³

²² The small editorial committee of the anthology in commemoration of the fifty years anniversary of the Ajia Gakuen 亜細亞学園創立五十周年記念學術論文集編纂小委員会, ed., *The thought and education of Ota Kōzō 太田耕造の思想と教育* (Tokyo: Ajia Gakuen, 1991), pp. 403-417; 471.

²³ See Tam Yue-him 譚汝謙, "Mr. Ota Kōzō and Hong Kong-Japan cultural interactions after the

3. Asia-wide recognition of Asia University

In 1954, immediately before the Japan College of Economics was reorganized as Asia University, Ōta took over the responsibilities of Sagami Women's University 相模女子大学, whose board of directors had denied admission to a total of 96 students from Hong Kong.²⁴ Ōta saw it as an opportunity to develop Asia's international student programme. He immediately sought advice from the college council, and although he met with opposition, he insisted on setting up a Department of Chinese Students in order to accommodate this first group of foreign students in the postwar history of Japan. This was regarded as revolutionary since Japan was still closed to the recruitment of foreign students.²⁵ As noted by Tam Yue-him, these students were important for Asia University to survive since the number of student enrollments was tiny and its international recognition was zero when it was first opened in 1955.²⁶ Anyway, it attracted huge attention from the Japanese government, mass media, and overseas Chinese communities in Asia as an indication that

end of the Second World War 太田耕造先生與戰後港日文化交流," in *Hong Kong and Japan: Growing Cultural and Economic Interactions, 1845-1987*, ed. Tam Yue-him (Hong Kong: Japan Society of Hong Kong, 1988), pp. 494-505. This stance is obviously different from Ch'ien Mu, who relied upon American assistance in founding New Asia College.

²⁴ The recruitment was organized by Peng Junyuan 彭君願, Han Yunjie 韓雲階, Han Wenpu 韓文溥, Gu Mengyu 顧孟餘 and Tong Guanxian 童冠賢, who had close relationships with Japan. See Fujiwara Shigeru 藤原繁, The sudden problem of foreign students 突発した留學生問題, in *Fifty Years of Ajia Gakuen*, pp. 190-191.

²⁵ It was said that these 96 students were selected from more than four hundred applicants who had applied for the 18-month program for Japanese language offered by Sagami Women's University. Each student paid HK\$3,900 for tuition and accommodation. The university sent a Japanese professor named Takahashi Naotami 高橋尚氏 to handle the recruitment, but the students' admission was eventually refused by the university. See Chen Tsu-sheng, A Brief history of Asia University in Tokyo, Japan 日本東京亞細亞大學簡史, in *Bulletin of Tokyo Asia University Chinese Student Department 1954-1955 Hong Kong Alumni Association 東京亞細亞大學中國留學生部第一屆香港同學會特刊* (Hong Kong: The Association, 2002), p. 18.

²⁶ See Tam Yue-him 譚汝謙, The theory and application of Ōta Kōzō's Asianism 太田耕造におけるアジア主義の論理と實踐, in *The thought and education of Ōta Kōzō*, p. 198.

from now on Japan was turning into a major power in Asia. According to Ōta, it was Asia University's ultimate aim to revive Asia by Asians. This was the meaning of the university's motto of 'self-help' and 'cooperation.'²⁷ Without 'self-help,' Asian people could not be independent, and without independence Asian countries could not cooperate with each other. Therefore, the internationalization of Japanese education would be the first step in fulfilling this aim.²⁸ In a speech entitled "Asia's New Horizon," given by Ōta in October 1961, he furthered explained how 'self-help' and 'cooperation' had been important in the reconstruction of Asia in the postwar period when nationalism had been at its peak

Asia University was small when it was initially founded. It was not known particularly to Japanese young people who could not even pronounce its name properly (calling it 'Asaia' or 'Abosoa' University). However, Ōta never gave up. Indeed, he made a plan to target these young people. His goal was to make Asia University an international university that could help Japan understand Asia and finally go back to Asia. In 1973, the Asia Institute was established, providing a platform for conducting research on Asian humanities and social sciences. Courses offered on Asia were wide-ranging, including Oriental history, Oriental intellectual history, Chinese literature, Southeast Asian studies, Northeast Asian studies, general China studies, etc. Language programs for Arabic, Chinese, Hindi, Indonesian, Korean, and Mongolian were also arranged. During the 1960s and 1970s, Asia University successfully extended its connections with different universities in Asia by signing exchange agreements. These universities included New Asia College in Hong

²⁷ Ōta Kōzō, *Self-help and cooperation: Speeches to the students of Ajia Gakuen* 自助協力—亜細亞学園學生に與ふ (Tokyo: Ajia Daigaku and Nihon Tanki Keizai Daigaku, 1981).

²⁸ Ōta Kōzō, "Asia's new horizon 站立在亞洲廣場上," in *Hong Kong and Japan: Growing Cultural and economic Interactions, 1845-1987*, Tam Yue-him, 506, and "President Ōta Kōzō and Asia University 太田耕造學長與亞細亞大學," in *Bulletin of Tokyo Asia University Chinese Student Department 1954-1955 Hong Kong Alumni Association*, p. 52.

Kong (from 1963 became a member college of the CUHK), the University of Singapore, Nanyang University (Singapore), the University of Malaya, Yonsei University in the Republic of Korea, and Tamkang University in the Republic of China (Taiwan). Obviously, Asia University had successfully tapped foreign students from different parts of Asia.

IV. Conclusion: Comparing Ch'ien Mu with Ōta Kōzō

In 1955 when Asia University had just been reorganized, Ch'ien Mu was sent on an official visit to Japan by the Educational Ministry of the Republic of China. During this visit he was most impressed by the Japanese way of modernization, mixing Eastern culture with Western culture. According to Ch'ien, Japan was modeled on the West but without diminishing its traditional culture. Ch'ien asked why China could not be like Japan in retaining its own culture.²⁹ In 1957, Ch'ien was invited to be one of the guardians 監護人 of the Chinese students at Asia University. In a piece of calligraphy written for the students, Ch'ien encouraged them to promote Sino-Japanese friendship, which would in turn help revive Eastern culture (including both Chinese and Japanese culture).³⁰

In June 1958, the two institutions signed an agreement for exchanging students. It is interesting to note that Ōta Kōzō came to Taiwan to pay tribute to Jiang Jieshi 蔣介石 before signing the agreement in Hong Kong.³¹ Obviously, he had to consider how the Republic of

²⁹ Ch'ien Mu, *The world situation and Chinese culture* 世界局勢與中國文化 (Taipei: Lantai chubanshe, 2001), pp. 183-208.

³⁰ *Three years since coming to Japan* 來日三年 (Tokyo: Asia University Chinese Student Department, 1957); reprinted in Tam, *Hong Kong and Japan*, p. 349.

³¹ It is worth mentioning Jiang's strategy of using Japanese military talents in wartime to recapture mainland China.

China government thought of Ch'ien and his founded college in Hong Kong. It has to be mentioned that when Ch'ien visited Japan in 1960, he emphasized the similarities between the stories of the founding of the two institutions. In fact, as shown in the table 1, they shared similar names, culture and species, the experience of hardship, and pattern of development. Ch'ien emphasized the importance of the common identity of being an Asian as well as a person of international outlook in the following statement:

The names New Asia College and Asia University are meant to tell our young people that they are not just Japanese or Chinese; instead they are Asian and at the same time people of international outlook. Problematic issues between China and Japan cannot be solved unless the problem of Asia can first be settled.³²

As has been discussed above, both Ch'ien and Ōta had a similar postwar background, they had to cope with the issues of war recovery and American dominance in the international order of Asia. This shed light on their activities in founding New Asia College and Asia University. Ch'ien stressed the importance of revival of Chinese culture so as to resist the influence of communism. Ch'ien was able to 'ride' the Cold War in fulfilling his aim of reviving Chinese culture. Ch'ien's stress on Confucian thoughts was widely received by Asian countries such as Singapore, Hong Kong, Taiwan, Japan, and South Korea. It is worth mentioning that these countries were also the bases of the Anglo-American alliance in containing communist China.

³² Ch'ien's speech at Asia University, 20 January 1960, in *Xinya yiduo*, pp. 270-276.

Table 1. Comparison between Ch'ien Mu and Ōta Kōzō

	Ch'ien Mu	Ōta Kōzō
Native origin	Wuxi, Jiangsu, 1895-1990	Fukushima, 1889-1981
Religion	Confucian	Christian
Careers	Scholar and educator (1949-67)	Lawyer, politician, educator (1954-81)
Slogan	Revival of Chinese culture	Revival of Asian tradition
Background	Civil war in mainland; KMT vs CCP struggle; and refugee status in Hong Kong	Postwar recovery; US occupation
Challenges	Colonial administration in Hong Kong; international recognition; financial assistance	War criminal persecution; reshuffling of international order in Asia; financial assistance
Political emphasis	Anti-communism	Anti-war; anti-communism
Advocacy on Asia	Hong Kong as a showcase of 'New Asia,' as a mix of eastern and western culture	Replicating from pre-war Japan with a new emphasize on 'Asian' studies rather than 'China' studies
Founded school	Asia College of Humanities and Commerce → New Asia College → New Asia College (member college of Chinese University of Hong Kong)	Japan Academy of Economics → Japan College of Economics → Asia University
Financial support	Shanghai merchants → Yale-in China and Asia Foundation	Tokyū Group
School spirit	Revival of Chinese culture	Self-help and co-operation

To Ōta Kōzō, the defeat of Japan in the Second World War and its impoverished economic condition convinced him that Japan would no longer be counted as one of the Western powers. Instead, Japan had to go back to Asia.³³ Coincidentally, Ōta had similar views to Ch'ien in that he

believed that the new international order of Asia could be constructed by Asian countries themselves, which could sideline Western countries such as the United States.

³³ Oguma Eiji, “The Postwar Intellectuals’ View of ‘Asia’,” in *Pan-Asianism in Modern Japanese History: Colonialism, Regionalism and Border*, ed. Sven Saaler and J. Victor Koschmann (London and New York: Routledge, 2007), pp. 201-212.

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Viewing Seoul from Saigon: Withdrawal from the Vietnam War and the Yushin Regime

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Viewing Seoul from Saigon: Withdrawal from the Vietnam War and the Yushin Regime

The withdrawal of Korean troops from Vietnam remains an understudied period in modern Korean history as it remains situated in the background of other seismic events in US-ROK relations including the declaration of the Nixon Doctrine, the withdrawal of 20,000 troops from the Korean Peninsula in 1970, and Kissinger and Nixon's historic visits to China to usher in the era of détente, events which many scholars argue heightened security concerns in Korea and contributed to the calculations in Park Chung Hee's establishment of the Yushin regime. This study seeks to understand how the withdrawal process from Vietnam affected US-ROK relations and the domestic political scene in Korea and understand how this process, in addition to the other significant events of the period, contributed to Park's decision to turn to an authoritarian style of government. It is argued that the true downward turn in US-ROK relations can be found within discussions on troops in Vietnam, and that unilateral planning, coercive diplomacy, and the use of Korean troops in the Vietnamization process to cover the US withdrawal all negatively impacted US-ROK relations and pushed Park Chung Hee to declare independence from US influence.

Keywords: Yushin, Vietnam War, US-ROK relations, Park Chung Hee, Nixon Doctrine

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I. Introduction

The establishment of the Yushin regime on October 17, 1972 in the Republic of Korea (ROK · Korea) by Park Chung Hee is a very significant event in Korean history. It marked the end of Korea's democratic experiment and signified the beginning of a hard authoritarian period that would last until the people uprooted the Chun Doo Hwan government in 1987. During this fifteen-year period the people of Korea would simultaneously witness the rapid development of their economy and suffer violations of their human rights. Dissidents were jailed, protests were dispersed with tear gas and force, and the people were mobilized to support a regime over which there was little to zero oversight. Despite nearly a decade of elections and at least the appearance of a democratic form of government between 1963 and 1972, what were Park Chung Hee's reasons for installing himself as de facto president?

Past studies addressing this question have provided a variety of answers. One possibility is Park Chung Hee's desire to strike out on an economic modernization program through establishing heavy chemical

industries, which was announced shortly after the Yushin declaration in January 1973.¹ A second possible answer is Park Chung Hee's political insecurity after facing a near loss in the 1971 presidential election against Kim Dae Jung.² Others have emphasized the leadership capabilities of Park Chung Hee during the establishment of the Yushin regime.³ Still other scholars have also insisted the impact of the North Korea threat, the reason Park Chung Hee himself cited for the Yushin regime, was important.⁴

While not necessarily arguing against these domestic or intra-peninsular factors, others emphasize the changing international environment in the early 1970s. Here scholars argue that US President Richard Nixon's Guam Doctrine (now more commonly known as the Nixon Doctrine) created a more unstable security environment for Korea and other US allies in Asia. For example, Tae Gyun Park argues that the new grand strategy of the US signaled the "Koreanization" of the Korea problem, or that Korea was now responsible for its own security.⁵ Park argues that Park Chung Hee thus commenced on a plan, the Yushin reforms, that would rapidly mobilize South Korean society to meet this new challenge. Seuk-ryule Hong also emphasizes the influence of the Nixon administration's grand strategy and links Nixon's pursuit of détente with the establishment of the Yushin regime. Hong argues that the *realpolitik* policy of the Nixon administration led it to care little about

¹ See Jung-en Woo and Hyeong-A Kim.

² Bruce Cumings, *Korea's Place in the Sun: A Modern History* (New York: W.W. Norton, 2005): 366.

³ For an example of a decidedly positive assessment of Park Chung Hee and his leadership abilities see Kim and Sorensen. HyugBaeg Im's chapter in *The Park Chung Hee Era: the Transformation of South Korea* emphasizes Park Chung Hee's ability to control several of the factors stated here to his advantage while establishing the Yushin regime.

⁴ See Jong-Dae Shin and Sang-yoon Ma.

⁵ Tae Gyun Park, *An Ally and Empire: Two Myths of South Korea-United States Relations, 1945-1980* (Seongnam: The Academy of Korean Studies Press, 2012): 306.

the nature of the Korean political system as it did not affect US national interests. Bruce Cumings summarizes these arguments by saying that “If Richard Nixon was declaring his independence of America’s Cold War commitments in the region, Park [Chung Hee] would declare Korean independence in politics, economics — and national security.”⁶

This study seeks to add to this body of research on the impact of changing international politics on Park Chung Hee’s decision to implement the Yushin regime. As stated above, scholars have looked toward the announcement of the Nixon Doctrine, the withdraw of some 20,000 US troops from the Korean Peninsula, and the US-China détente as the major factors that heightened the security concerns of Park Chung Hee and influenced his transition away from democracy. However, these studies largely ignore the most important aspect of the Nixon administration’s Asia policy: the Vietnam War.

Studies on the Korean role in the Vietnam War do exist, yet most focus on the deployment of Korean troops to Vietnam and how the Vietnam War affected ROK-US relations during the 1960s.⁷ Others have offered assessments of whether or not the Korean troops in Vietnam should be classified as mercenaries, while other studies have sought to tally up the funds provided to Korea by the US government through agreements reached on troop deployments and understand how the war contributed to Korea’s rapid economic development.⁸ But there is a noticeable lack of scholarship on the withdrawal of Korean troops from Vietnam and how this process impacted US-ROK relations and the domestic situation in Korea.

⁶ Cumings, *Korea’s Place*, 364.

⁷ See Hyun Dong Kim and KyuDok Hong.

⁸ See Frank Baldwin, Richard Blackburn, and Nicholas Sarantakes for discussions on whether Korean troops in Vietnam should be classified as mercenaries or not. See Tae-Yang Kwak and Tae Gyun Park (2015) for a discussion on the financial impact of the Vietnam War on Korean economic development.

The withdrawal process of Korean troops from Vietnam deserves attention for two key reasons. First, during the final full year of the war, 1972, the number of Korean troops in Vietnam was larger than the number of American soldiers and significantly more Korean troops died in the final year of the war. How did this situation come about and what are the ramifications of this unbalanced withdrawal process on US-ROK relations and the domestic Korean political scene? Second, the Vietnam War is a constant throughout the entire period of the first Nixon administration during which so many changes took place in international politics, changes which are said to have affected Park Chung Hee's calculations on whether or not to implement the Yushin regime. What impact did the events in Vietnam have on these changes in international politics and Park Chung Hee's decision to initiate the Yushin regime?

This study seeks to answer these two questions and understand how the US policy in Vietnam affected its Korea policy. It will be argued that Korea became a tool of American foreign policy in Asia and this lack of recognition the US government of how its policies were affecting the ROK lead to an increased threat perception in Seoul. This contributed to Park Chung Hee calculating that not only was the Yushin regime perhaps necessary, but that he could implement it with little resistance from Washington. The following section discusses the existing explanations for the heightened security concerns of Park Chung Hee which influenced his decision to move toward authoritarianism and their shortcomings. The third, fourth, and fifth sections discuss how the withdrawal process from Vietnam affected Park Chung Hee's calculations to carry out his authoritarian plans, and the final section provides a conclusion bringing together all elements presented in this study and others and suggests areas that need further research.

II. Nixon's Grand Strategy Loses Sight of the Details

As mentioned above, the existing arguments on how US-ROK relations

and changes in international politics increased the security concerns of Park Chung Hee largely center on events after 1969 and the administration of Richard Nixon. Nixon won the presidential election of 1968 by promising an “honorable” conclusion to the Vietnam War. However, his grand plan also included the downsizing of direct American involvement in all of Asia and would later seek to decrease security threats in the Asia-Pacific by capitalizing on the Sino-Soviet split and engaging China, ushering in the era of détente. The first part of this grand strategy was announced on July 15, 1969 in what was at first known as the Guam Doctrine and has since been known as the Nixon Doctrine. Nixon argued that “Asian hands must shape the Asian future,” and that the role of the US would become one of assistance rather than prescription.⁹ Such statements were obviously quite shocking to the Korean government which was heavily reliant on US security guarantees to prevent another North Korean invasion and on US aid for boosting its economic development. Nixon tried to ease Park Chung Hee’s fears of abandonment when they met following the Nixon Doctrine announcement on August 21, 1969 in San Francisco, California and contended that South Korea was an exception to this new policy.¹⁰ However, the Korean government would soon learn this was far from the truth and that not only would the Nixon Doctrine apply to Korea, but also that it would become an import cog in its implementation.

Despite his promise to Park Chung Hee during their summit and previous promises by the Johnson administration not to reduce the number of US troops in Korea while Korean troops were in Vietnam,¹¹ in

⁹ *Public Papers of the President of the United States of America: Richard Nixon, Containing the Public Messages Speeches and Statements of the President* (Washington: United States Government Printing Office, 1975).

¹⁰ Memorandum of Conversation, May 17, 1965, FRUS 1964-1968 Volume XXIX, Part 1, Korea, 48(2000) pg. 97-99.

¹¹ Telegram from the Embassy in Korea to the Department of State, September 19, 1967, Top Secret, FRUS, 1964-1968, Volume XXIX, Part 1, Korea, 129(2000), pg. 278-282.

November 1969 Nixon ordered a plan which would “cut the number of Americans there [Korea] in half” be immediately drawn up and “sold to the Koreans on a proper basis.”¹² The plan was shared with the Korean government in the spring of 1970 and signalled to the Korean government that not only were they not an exception to America’s new Asian policy, but that the US was also going to unilaterally enact their Korea policy without first consulting Seoul. Unilateral action would become the norm under the Nixon administration as Park Chung Hee and his administration were blindsided again in July 1971 when the US and China made joint announcements in connection with Henry Kissinger’s secret visit to Beijing. Foreign Minister Kim Yong-sik was forced to inquire about whether or not any secret deals were made concerning the Korean Peninsula following this historic and secret meeting in the fall of 1971.¹³

Many authors correctly point out that this series of events led the Park Chung Hee administration to suffer from fears of US abandonment. While the US compensated the withdrawal of troops from South Korea with a lucrative military modernization program, advanced weaponry was a poor substitute for a large American presence and the danger of further or even a complete withdrawal of US troops from Korea was a constant worry for the Korean government after the Nixon administration demonstrated that it was willing to break promises regarding troop withdrawals. The US move to secretly engage China heightened these abandonment fears as now Korea’s main ally was negotiating with a hostile power that had fought against South Korea in the Korean War a mere twenty years earlier. In addition to these external security threats,

¹² Memorandum from the President Nixon to the President’s Assistant for National Security Affairs (Kissinger), November 24, 1969, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 45(2010) pg. 117.

¹³ Telegram from the Department of State to the Embassy in Korea, September 23, 1971, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 109(2010) pg. 279-280.

Park Chung Hee was also likely feeling internal pressure from the weakening of the Cold War structure given anti-communism rhetoric was the foundation of his government, thus contributing to the need for an authoritarian system to protect his grip on power.¹⁴ These worries of US abandonment and the end of the Cold War would prove to be overstated as no further troop withdrawals were made, US-China détente never threatened the security of South Korea, and détente did not bring about the end of the Cold War, yet at the time these fears were likely real and potent.

However, the Nixon Doctrine, US troop withdrawal, and the US approach to China were not the only causes of heightened security threat perceptions in Korea. And indeed it could be argued that the Nixon Doctrine did its best to relieve Korean fears of abandonment after each of these episodes. The announcement of the Nixon Doctrine was followed by the summit between President Nixon and President Park. The withdrawal of American troops from the Korean Peninsula was compensated by an expensive and extensive military modernization program.¹⁵ The moves to open up an era of détente were accompanied by several assurances from the Nixon administration to the Korean government that indeed no secret deals were being struck regarding the Korean Peninsula between the US and China.¹⁶ Yet these episodes were

¹⁴ Kim Jung-bae, “Miguk, Yusin, Geurigo Naengjeoncheje [The US, Yushin, and the Cold War],” *Miguksayeon-gu* [The Korean Journal of American History] 38 (2013): 151-190.

¹⁵ National Security Decision Memorandum 48, which finalized the decision to withdraw 20,000 American troops from Korea, ordered that Military Assistance Program (MAP) appropriations of 200 million USD per year be provided to Korea from 1971 to 1975 and PL-480 economic assistance would be provided at or above 50 million USD a year between the same years. A series of intense bargaining sessions then began over the contents of the military modernization program, and although President Park certainly was worried about the political fallout of the US withdrawals, he did not seem disappointed by the size of the military assistance as he reportedly smiled at plans drawn up by the US government. Telegram From the Embassy in Korea to the Department of State, August 4, 1970, Secret, FRUS, 1969-1976, Volume XIX, Part 1 Korea, 1969-1972, 5(2010), pg. 175-180.

¹⁶ For example, reassurances were provided by both Secretary of Defense Rogers and Henry

not the only major events to take place in US-ROK relations during this period, and in fact these moves were results of the foundational issue in US foreign policy at the time: the Vietnam War. Korea was also a major contributor to the Vietnam War in terms of manpower and the issue of dispatching troops to Vietnam had been the cornerstone of improved US-ROK relations in the early and mid 1960s. So to truly understand changes in US-ROK relations during this time, and indeed changes in international politics during this period of history, we must consider the Vietnam War. Below it will be argued that the four following Vietnam War related factors negatively impacted US-ROK relations and heightened the security concerns of Park Chung Hee and the Korean government during the late 1960s and early 1970s leading up to the implementation of the Yushin regime: negative changes to US-ROK relations predate the Nixon administration and are related to security concerns related to the Vietnam War, the unilateral decision-making process as it related to Korea during the Nixon administration went beyond the withdrawal of American troops from Korea and its China policy and was a constant during planning regarding the Vietnam War, the US implemented a coercive strategy to obtain Korean compliance with its unilateral plans regarding the Vietnam war, and the US blatantly used Korean troops to cover its own withdrawal from Vietnam.

III. Johnson Administration Sets the Stage

Many accounts on the changes in US-ROK relations begin with the election of Richard Nixon or discuss events that took place during his

Kissinger to ROK Foreign Minister Yong-sik Kim in September 1971 between Kissinger's visit to China in July 1971 and Nixon's historic visit in February 1972. See Telegram from the Department of State to the Embassy in Korea, September 23, 1971, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 109(2010): 279-28; and Memorandum of Conversation, September 28, 1971, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 110(2010): 281-285.

presidency. However, the shift actually began as Nixon was still campaigning to become president in 1968 during the final year of Lyndon B. Johnson's time in the White House. Yet, to how drastic of the change in tone of the relationship was we must start with the high point in the Johnson administration. The timeline begins with the ascension of Lyndon B. Johnson to the presidency following the assassination of President John F. Kennedy on November 22, 1963. Johnson almost immediately announced an increase in America's commitment to protecting South Vietnam from the communists in North Vietnam and, in an effort to gain international support for US operations in Vietnam, started "The Free World Assistance Program."¹⁷ This program, which later became known as the "More Flags" program, found a willing partner in Park Chung Hee and South Korea as Korea had been offering to send troops to Indo-China since the French were embattled in their former colony under the Syngman Rhee administration.¹⁸ It is likely this willingness to become involved in Vietnam stemmed from a learning effect by the Korean government and people as it witnessed Japan's economic development take-off through procurement contracts related to supporting the UN forces during the Korean War.¹⁹

Korea's first deployment to Vietnam was approved by the National Assembly on July 31, 1964 and consisted of non-combat personnel per the US request. In February 1965, the so-called "Dove Unit" of some 2,000 men, mostly army engineers, arrived in Vietnam. A few short months later, Johnson broached the subject of Korean combat troops in Vietnam during Park Chung Hee's state visit to Washington D.C. The first deployment of combat troops including the Capitol Division,

¹⁷ Robert M. Blackburn, *Mercenaries and Lyndon Johnson's "More Flags": The Hiring of Korean, Filipino, and Thai Soldiers in the Vietnam War* (Jefferson: McFarland, 1994)

¹⁸ Memorandum by the Executive Secretary (Lay) to the National Security Council, March 2, 1954, FRUS 1952-1954, Volume XV, Part 2, Korea, 875(1984): 1754-1755

¹⁹ Park, *An Ally and Empire*, 255.

regarded as South Korea's best-trained troops, and a marine brigade known as the Blue Dragon Corps was approved by the National Assembly on August 15, 1965. Negotiations for a second division began in January 1966 and the deployment of the White Horse Division was approved by the National Assembly on March 30, 1966. As mentioned in the introduction, many scholars have criticized these troop deployments as the contracting of mercenaries given the economic nature of the negotiations surrounding the deployment of Korean troops. In particular, the so-called Brown Memorandum, which was drafted during the negotiations over the deployment of the second South Korean army division in early 1966, included a laundry list of military and economic benefits for Korea including: equipping the Korean soldiers serving both in Korea and in Vietnam with modern weapons, financing the deployment, salaries, death and disability benefits of the Korean troops dispatched to Vietnam at double the amount previously agreed upon during the deployment of the first combat troops, continuing the suspension of MAP transfers, extremely favourable access to US and South Vietnamese military procurement contracts for Korean firms along exclusive access (outside of US suppliers) to procurement contracts for the Agency of International Development (AID) projects carried out in South Vietnam, increased technical assistance, and increased amounts of AID loans to Korea.²⁰

These negotiations and the cooperation on troop deployments in exchange for economic benefits marked a high point in US-ROK relations. One prominent example of these heights can be found in Vice President Hubert Humphrey's statement on February 23, 1966: "As long as there is one American soldier on the line of the border, the demarcation line, the whole and entire power of the United States of

²⁰ *United States Agreements and Commitments Abroad*, US Congress, Senate Hearings (1970): 1549-1550.

America is committed to the security and defense of Korea. Korea today is as strong as the United States and Korea put together.” Humphrey’s statement was so strong that it became a topic of the Symington Subcommittee Hearings in February 1970 that were investigating US commitments abroad, and in relation to the ROK-US relationship, levied statements accusing the Koreans in Vietnam as serving as American mercenaries.²¹ However, Park Chung Hee and the ROK government quickly learned that the ROK was of secondary concern compared to other strategic US interests.

This fact was realized during the increasing security tensions on the Korean Peninsula in the late 1960s when the number of military incidents along the DMZ increased dramatically. General Charles H. Bonesteel, Commander in Chief, United Nations Command, Korea and Commander of United States Forces, Korea, issued a disturbing report on the upsurge in incidents along the demilitarized zone on July 26, 1967.²² The US did not wish to see these skirmishes escalate into a full-scale war and a second front in Asia. However, they were disturbed by Park Chung Hee’s reaction to the situation as he insisted on retaliating against any North Korean violations of the armistice. Despite US desires that the US and Korea work together to resolve the security crisis in a controlled manner, William J. Porter, the American ambassador to the ROK at the time, felt that Park Chung Hee was putting “the US on notice that northward actions by ROK personnel will continue at a greater pace and with greater vigour than in the past, with or without US cooperation.”²³

²¹ Tae Young Kwak, “The Anvil of War: The Legacies of Korean Participation in the Vietnam War” (PhD diss., Harvard University, 2006): 133.

²² In 1965 and 1966 there were a total of roughly 80 such incidents, but in the first half of 1967 alone there were over 280 clashes according to the report. Telegram from the Commander in Chief, United Nations Command, Korea and the Commander of United States Forces, Korea (Bonesteel) to the Commander in Chief, Pacific (Sharp), July 21, 1967, Secret, attachment to Memorandum from Alfred Jenkins of the National Security Council Staff to the President’s Special Assistant (Rostow), July, 26, 1967, Secret, FRUS, 1964-1968, 123(2000): 261-266.

This growing rift between the US and ROK widened following North Korea's most aggressive armistice violations in January 1968 which consisted of the North Korean raid on the Blue House and the capture of the USS Pueblo. A standoff ensued in which Park Chung Hee, outraged by the North Korean attempt to take his life, aggressively sought to convince the US to strike North while Ambassador Porter and General Bonesteel struggled to convince Park Chung Hee to refrain from any sort of unilateral retaliation against North Korea as the ROK president became increasingly irrational.²⁴ Seeking to gain the upper-hand, Park Chung Hee threatened to withdraw Korean troops from Vietnam the hope of forcing the US to strike North Korea. This plan backfired. President Johnson sent his close confidant Deputy Secretary of Defense Cyrus Vance to Korea in February 1968 to end this Korean rebellion against US policy. Vance met with Prime Minister Chung Il Kwon and Presidential Secretary Yi Hu Rak and made it quite clear that the US would not permit any unilateral South Korean military action against North Korea nor would it allow the Korean government to entertain the possibility of withdrawing from Vietnam. Porter gave quite a vivid description of the exchange in a telegram to the State Department.

When Chung stated that National Assembly pressure might force his government to withdraw their troops from Vietnam, Vance told him flatly we would reciprocate by withdrawing our troops from Korea. He [Prime Minister Chung] gasped, sputtered and immediately went out and brought Yi Hu-rak into the meeting. Vance also made it quite clear to the

²³ Telegram from the Embassy in Korea to the Department of State, September 19, 1967, Top Secret, FRUS, 1964-1968, Volume XXIX, Part 1, Korea, 129(2000), pg. 278-282.

²⁴ Cyrus Vance described Park Chung Hee to President Johnson in February 1968 as "moody, volatile" and noted that "he has been drinking heavily." He also relayed stories about Park Chung Hee hitting his wife with an ash tray. Notes of the President's Meeting with Cyrus R. Vance, February 15, 1968, Top Secret, FRUS, 1964-1968, Volume XXIX, Part 1, Korea, 180(2000): 376-383.

Prime Minister that, if we fail to reach agreement on the issues before us, there would be serious US domestic reactions in respect to Korea.²⁵

Vance's statements had the intended effect. A few weeks later, on March 8, 1968, Prime Minister Chung presented an unprecedented plan of potentially sending an additional two divisions to Vietnam.²⁶ The ROK would not address the subject of troop withdraws from Vietnam again until 1971, well into the Nixon administration and well after the US had begun withdrawing its own troops.

Two conclusions can be drawn from the events above. First, US-ROK relations had soured significantly by the time Nixon took office in 1969 thus signifying the need to look beyond the three events described above for the foundational concern that underscores all three of the announcement of the Nixon doctrine, the US troop withdrawal, and détente with China. The second conclusion is that the foundational concern is clearly the Vietnam War as it had forced the US to whitewash over grave provocations by North Korea in early 1968 while denying Park Chung Hee the chance to retaliate for the attempt against his life. The Vietnam War was not only holding captive some of Korea's best fighting men, but it had also hijacked US policy on Korea. All policy decisions regarding Seoul were now being made through the prism of their impact on Saigon and thus indirectly on Washington given the growing gravity of the war. This trend of disregarding the impact of policy on Korea manifested during the Johnson administration and would continue on during the Nixon administration.

²⁵ Telegram from the Embassy in Korea to the Department of State, February 14, 1968, Secret, FRUS, 1964-1968, Volume XXIX, Part 1, Korea, 179(2000): 375-376.

²⁶ Telegram from the Embassy in Korea to the Department of State, March 8, 1968, Secret, FRUS, 1964-1968, Volume XXIX, Part 1, Korea, 186(2000): 402-404.

IV. Unilateral Planning Cuts Korea Out of the Loop

A common theme emerged in the Nixon administration and it can be seen in the announcement of the Nixon Doctrine, the withdrawal of US troops from South Korea, and Kissinger's China visit. Planning for all three events was carried out without consulting with Seoul and ended up shocking Park Chung Hee and his administration. While there is no doubt that these events were each significant in their own right and led the Korean government to gradually distrust the Nixon administration, each event was accompanied by actions from the US government to smooth things over as mentioned above. Yet this common theme also manifested itself in the planning of the Vietnam War, and time and time again there was no effort by the Nixon administration to include Korea in the planning process.

As described above, the Johnson administration had sent a jolt through the Korean government which had sufficiently dissuaded them from seeking rapid withdrawal of their troops stationed in Vietnam. This move had such a lasting effect that as American troops began withdrawing in 1969 under the Nixon administration, the Korean government hardly broached the subject of withdrawing their troops at all despite the fact that unilateral acts such as the withdrawal of US troops from Korea were potentially threatening ROK security. One early inquiry on the subject was made by Prime Minister Chong Il Kwon who assumed in a conversation in April 1969 with now Deputy Assistant Secretary of State Brown that the withdrawal of forces from Vietnam would take place on "some sort of a pro rata basis among the allies."²⁷ However, no follow-up regarding this assumption was ever made and US troop withdrawals commenced after Nixon's announcement on August 31, 1969.²⁷

²⁷ Memorandum of Conversation, April 2, 1969, Secret, FRUS, 1969-1976, Volume XIX, Part 1

The Korean government finally advised the US government of its withdrawal strategy and submitted a proposal to the US government in April 1971 suggesting that they would begin withdrawing some troops in October of the same year. Specifically, the ROK sought to withdraw its marine brigade and leave its two army divisions in place, a plan that was eventually put in motion later that year. However, when considering how to respond to this proposal, the US government continued to decide matters related to Korea policy unilaterally. US officials assumed that the Koreans were interested in staying in Vietnam as long as possible to continue to accrue the economic benefits related with their troop deployments to Vietnam as outlined in the Brown Memorandum.²⁸ A few months after receiving the Korean proposal in June 1971 National Security Decision Memorandum 113 (NSDM 113) was issued which stated that while the US would support two Korean divisions in Vietnam, it would not condone increased costs for support arrangements, the US would seek improved performance from ROK units in Vietnam, and ROK forces in Vietnam had no relationship with US troop levels in South Korea.²⁹ A similar conclusion would be reached the following year and expressed in the form of NSDM 161 after a Korean proposal in early 1972 to continue withdrawing troops from Vietnam beginning in May 1972.³⁰ The unilateral scheming by the US was successful in retaining Korean troops all the way through the signing of the peace agreement in Paris in January 1973 following which Korean troops were hastily withdrawn to comply with the agreement.

It is likely that the assessment of Korea's interests was correct, and

Korea, 1969-1972, 5(2010): 11-15.

²⁸ Report by John H. Holdridge of the National Security Council Staff, April 16, 1971 FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 90(2010): 230-236.

²⁹ National Security Decision Memorandum 113, June 23, 1971, Top Secret FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 96(2010): 247-248.

³⁰ National Security Decision Memorandum 161, April 5, 1972, Top Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 132(2010): 328-329.

some scholars argue that the reason Korean troops remained in Vietnam so long was precisely for the economic benefits.³¹ Yet, if the US government concluded that Korean and American interests were in alignment at this point, why did they not seek to include the Korean government in discussions about its troop withdrawal schedule? Just as during the Johnson administration, Korea policy was again beholden to the needs of Vietnam and the US. John Holdridge, a career diplomat with extensive experience in East Asia who served on Nixon's National Security Council, mentioned in a memo on April 16, 1971 after the ROK government first suggested to begin withdrawing troops that the domestic political situation was partially motivating their proposal given that other troop contributing countries had begun withdrawing their forces.³² However in the subsequent State Department study on the withdrawal of Korean troops from Vietnam and NSDM 113, the Korean position was not considered at all and conclusions were instead based on the needs of Vietnam and plans already drawn up for US troop withdrawals.³³ Thus we can see that the unilateral planning was not an oversight on the part of the US but a chosen strategy to ensure that decisions were made based solely on US interests.

V. Coercively Persuading the Willing?

Further demonstrating the lack of interest in considering Korean national interests while making foreign policy decisions or while planning strategies in Vietnam was the coercive nature of the American rhetoric to

³¹ Tae Gyun Park, *BeteunamJeonjaeng: IthyeojinJeonjaeng, BanjjoguiGiyeok [Vietnam War: the Forgotten War; Half-True Memories]* (Seoul: Hangeorechulpan, 2015).

³² Report by John H. Holdridge of the National Security Council Staff, April 16, 1971 FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 90(2010): 230-236.

³³ Paper Prepared in the Department of State, undated, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 90(2010): 243-247; National Security Decision Memorandum 113, June 23, 1971, Top Secret FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 96(2010): 247-248.

gain Korean compliance with US policy. The US also embarked on an oddly extreme campaign to convince the Korean government not to withdraw from Vietnam too quickly despite internal conclusions that Korea would not want to forego the economic benefits provided in return for leaving their troops in Vietnam. For example, although NSDM 113 reflected the Korean government's April 1971 proposal and officials in Washington assumed Park Chung Hee and the ROK government preferred to leave its troops in Vietnam to reap the economic gains, when Defense Secretary Melvin Laird visited Korea soon after NSDM 113 was issued, he seemed to passive-aggressively threaten President Park against further troop withdrawals from Vietnam.

I expressed the hope that President Pak would apply sound logic in considering any future withdrawal of ROK forces, i.e., linking ROK troop presence to the capability of the RVNAF [Republic of Vietnam, Armed Forces] to perform the tasks now being done by the ROKs. I cautioned President Pak about linking ROK presence in South Vietnam to that of the US or any other third nation. I observed that if the US had followed such a pattern in his nation (Republic of Korea), the US would long ago have withdrawn from Pak's country. I suggested that Pak should gauge ROK troop pressure in RVN against mutual ROK/RVN interests.³⁴

Not only does Laird's statement ring of a personal resentment against continued US troop presence in Korea, but it implies that Laird may have envisioned a scenario in which Korean forces would remain in Vietnam despite the withdrawal of all US forces. Furthermore, it is unclear why such a threat was warranted as during the same visit Laird notes that the

³⁴ Memorandum from Secretary of Defense Laird to President Nixon, July 19, 1971, Top Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 101(2010): 254-263.

ROK Minister of Defense Jung Rae-Hyeok told Laird that plans to only withdraw the ROK marine brigade in Vietnam consisting of only 10,000 men beginning in December of 1971 which is a policy consistent with the US's desired goal, adding that future withdrawals, while being planned, had no set date.

The plan described above by Defense Minister Jung was indeed the course of action taken by the ROK as Laird later reports on August 11.³⁵ However, the US government remained wary that domestic forces in Korea calling for withdrawal from Vietnam would convince the ROK government to pursue further withdrawals in 1972 which was in contradiction to the desires of NSDM 113.³⁶ These rumors led to a new round of US arm-twisting. When President Park's Special Assistant Hahm Pyong-choon visited Washington in early September 1971, General Haig, who served as Deputy Assistant to the President for National Security Affairs, attempted to persuade Hahm, who admittedly was advising President Park to withdraw from Vietnam, to instead advocate for a continued presence in Vietnam. Haig was also not shy about unleashing veiled threats and told Hahm that, "South Korea should plan on leaving its forces there for at least the coming year. Withdrawing precipitously would raise the same danger of instability in Indochina that Mr. Hahm wanted so much to avoid in the Korean peninsula."³⁷ Although NSDM 113 instructed that Korean troops in Vietnam should not be linked to US troops in Korea, for the second time a US official had covertly linked the withdrawal of Korean troops to unfavorable consequences for Korea in terms of US commitments to protect and

³⁵ Footnote 3 on page 270. Memorandum from K. Wayne Smith and John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger), September 1, 1971, Top Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 105(2010): 270-271.

³⁶ Ibid.

³⁷ Memorandum of Conversation, September 1, 1971, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 106(2010): 272-277.

maintain troops on the peninsula. Haig did not stop here however and went on to question Korea's commitment to the Nixon Doctrine should it withdraw from Vietnam to hastily saying, "If South Korea precipitously pulls its forces out, thereby undercutting the Nixon Doctrine's reliance on Asian nations' defending themselves, this action would bring even greater criticism on South Korea." Haig's statement here perverts the Nixon Doctrine into claiming that Korea has the responsibility to defend fellow Asian nations, likely contributing to rumors in Seoul that the Vietnam War would turn into a Korea-led operation.³⁸

This coercive campaign of persuasion initiated by the Nixon administration on the ROK government demonstrates just how out of touch the US was with understanding Korean national interests. In the first example, Secretary Laird is convincing the already convinced Park Chung Hee to do what he has already decided to do in leaving two army divisions in Vietnam while withdrawing a single marine division. A month later General Haig is suggesting that Korea has some responsibility for the defense of all of Asia thus insinuating that Korea was positioned to cover the US retreat from the region, a suggestion that paints the Nixon Doctrine in a new light for the leaders of Korea. The US had now demonstrated that it was willing to unilaterally plan its foreign policy goals in Asia without the input of its ally and was willing to push the ROK to follow those plans regardless of whether or not those policies had a positive impact on the ROK or not.

VI. Covering the American Retreat

However, these American strategies for how to implement its foreign policy had real-world consequences and impacted Korea in a very unfortunate manner. The clearest impact of the unilateral US planning

³⁸ Ibid.

that resulted in a delayed withdrawal of Korean troops from Vietnam was the increased death toll of Korean soldiers in the final years of the war compared to the number of US battle deaths. The number of Americans killed in action in 1968 stood at an overwhelming 14,561 while the number of Koreans who died that year was 663. However, by 1972, the number of Americans killed in Vietnam had dropped dramatically to 132 soldiers killed in action while the number of Korean deaths was 380.³⁹ This striking flip in the number of US soldiers killed and the number of Korean battle deaths was a direct result of the manner in which the withdrawal process took place. The Nixon administration's "Vietnamization" process was a policy for the training and modernizing of the Vietnamese armed forces so that they could take over the responsibility of protecting South Vietnam. This would allow the US to withdraw its forces and end its combat mission in Southeast Asia. Nixon was elected on the promise that he would end the Vietnam War and pulling American troops out of Vietnam became one of his most urgent tasks.

Korean troops were to serve a crucial role in this process. The Korean marine brigade that was withdrawn first was stationed in MR-1, a region that was an early target of Vietnamization. The withdrawal of the Korean marines which commenced in December 1971 coincided with the withdrawal of virtually all foreign troops from MR-1 which concluded in March 1972.⁴⁰ On the other hand, the US would seek to keep the two Korean army divisions in Vietnam throughout 1972 and into 1973 as Vietnamization was progressing slower in the regions in which they were stationed. For example, the White Horse division was deployed in MR-2

³⁹ Yeong-ho Ch'oe, *BeteunamjeonjaenggwaHanguk-gun* [The Vietnam War and the Korean Army] (Seoul: Gukbangbu Gunsapyeonchanyeonguso [Ministry of Defense, Institute for Military History], 2004), 905.

⁴⁰ Andrew Wiest, *Vietnam's Forgotten Army: Heroism and Betrayal in the ARVN* (New York: New York University Press, 2008), 230

which was a region in which Vietnamization was particularly slow, yet still a target for the early extraction of US forces. This need was directly pointed out by the State Department study on options for Korean troop withdrawal in the summer of 1971.⁴¹

The purpose their extended deployment in Vietnam does not seem to have been lost on the ROK government and military commanders either. As the war lagged on into 1972 as the diplomats at the peace talks in Paris failed to reach a suitable agreement, the US had to begin demanding that Korean units move out from their bases to engage the enemy in the central highlands of MR-2.⁴² In addition to being left to fight the Vietnam War increasingly on their own, withdrawal pace of the US troops compared to Korean troops was so unbalanced that in 1972 the US government had begun to ponder leaving additional US personnel in Vietnam just to handle the logistical needs of the ROK forces since the size of the US forces in Vietnam had decreased to such a small number.⁴³ And just months before the peace agreement to end hostilities in Vietnam was reached, the US government was considering strategies to convince the ROK government to leave a division in Vietnam into 1974 as it was argued that Vietnamese troops could still not assume the role of securing the areas in which Korean troops were deployed.⁴⁴

The use of Korean troops in the Vietnamization process clearly signaled to the ROK government that its troops had become a pawn in US foreign policy. It was evident that the impact of decisions on Korea

⁴¹ Paper Prepared in the Department of State, undated, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 90(2010): 243-247.

⁴² Minutes of a Washington Special Actions Group Meeting, April 26, 1972, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 128(2010): 336-339.

⁴³ Memorandum from the Chairman of the National Security Council Under Secretaries Committee (Irwin) to President Nixon, March 21, 1972, Top Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 128(2010): 321-322.

⁴⁴ Memorandum from the Chairman of the National Security Council Under Secretaries Committee (Irwin) to President Nixon, October 5, 1972, Top Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 128(2010): 405-407.

was at best a secondary concern in the minds of US policymakers. This was apparent not only in the manner in which the US went about making decisions through unilateral planning and coercive persuasion, but also in the outcomes of the policies which provided nothing in terms of political benefits to Park Chung Hee and his administration and merely supplied Korea with money for modernization and weapons to protect itself as the US withdrew from the region. The Nixon administration calculated that if enough material incentives were provided that the Korean government would acquiesce to their decisions. This proved true, to a certain degree. Park Chung Hee relied on the US for the materials to modernize his country, but it had become clear that little attention was being given to the political future of his country or the details of Korea policy. This consistent neglect by US policymakers over the final years of the Vietnam War produced an environment that encouraged Park Chung Hee to seize the initiative and declare the Yushin regime.

The Vietnam War would not end up lasting long enough to truly know if the US was willing to let the Korean army assume an even greater load in fighting the war. Yet it did last long enough to affect Seoul's security calculations. The unilateral planning by Washington was yet another example of how Park Chung Hee could never be sure where US foreign policy was headed and whether the US was truly a reliable ally or not. The Nixon administration's needlessly coercive negotiation tactics only further corroded ROK-US relations. And perhaps most importantly the lack of information sharing on the progress of the Vietnam War left Seoul worried that it would soon take over responsibility for fighting alongside the South Vietnamese without US troops by its side.

VII. Consequences of the Nixon Administration's Actions

Ambassador Philip Habib, who had taken over the post of US

ambassador to the ROK in mid-1971, sounded the alarm in May 1972. He reported to his superiors that, “Generally speaking, we are seeing a rising trend of Korean concern that the U.S. takes them for granted and that we also are less than prepared to share in advance those discussions of strategy and actions which we are pursuing in regard to matters directly affecting Korea’s forces and Korea’s future, both military and political.”⁴⁵ Habib also specifically mentions that ROK government officials are disappointed with the lack recognition Korea is receiving for its efforts in Vietnam and also upset at the lack of information they receive regarding the progress of the Vietnam War. Therefore there must have been some small sense of satisfaction for Park Chung Hee and his close aides when Habib was summoned on October 16, 1972 to be informed that martial law would be declared the following day in what would become known as the beginning of the Yushin era.

Returning to the two questions proposed in the introduction, it is clear that the late withdrawal of Korean troops and the unbalanced pace of withdrawal between the US and Korea was the result of US government policy in order to support the Vietnamization process while simultaneously covering its own rapid withdrawal from the war. Furthermore this unbalanced withdrawal process put a severe strain on US-ROK relations and the domestic political scene in Korea. Habib’s memorandum shows how the ROK government began feeling taken advantage of and dissent against Korea’s involvement in the Vietnam War grew louder as the US withdrawal hastened. The negative aspects of the withdrawal process including the unilateral planning, coercive diplomacy, and use of Korean troops in the Vietnamization process also likely factored into Park Chung Hee’s calculations to implement the

⁴⁵ Telegram from the Embassy in Korea to the Department of State, May 19, 1972, Secret, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 141(2010): 350-351.

Yushin Regime. Initially, Park Chung Hee had planned to mention US policy and its role in heightening the security concerns of Korea during his announcement of the Yushin regime, but tough diplomacy by the US kept the harshest critiques out of the statement. While numerous events occurred during the first three years of the Nixon administration that the statement could have been referring to, it is likely a cumulative effect of all the events mentioned here including the Nixon Doctrine, the withdrawal of US troops from the ROK, Nixon's visit to China, and the Vietnam War. Discounting any of these events is unwise, but considering the impact of the Vietnam War is crucial to have a complete picture of how US-ROK relations developed during the late 1960s and early 1970s in the lead up to the declaration of the Yushin regime. While other landmark events stick out on timelines, the frustrating day to day grind of the Vietnam War and the consistent lack of information and the steadily building burden on the Korean forces as the US troops withdrew would have had a significant cumulative effect on Korean officials. This point is summed up well in Habib's memorandum sent on May 19, 1972.

Soon after securing his political future through the referendum on his new Yushin constitution, Park Chung Hee instructed his Defense Minister Yu Chae Hung to inform Habib of the ROK government's decision to begin withdrawing its troops on January 2, 1973 with the process to be completed by the end of June that year.⁴⁶ At this point in mid-December 1972, the US was still heavily bombing North Vietnam in hopes of persuading them to sign the peace accords, yet this was far from certain at the time. Although Park Chung Hee's revolt against US policy amounted to very little given that the Paris Peace accords were signed a month later, it provides a window into his mind. US policy had been ignoring Korea for years and Park Chung Hee wished to declare

⁴⁶ Telegram from the Embassy in Korea to the Department of State, December 16, 1972, FRUS 1969-1976 Volume XIX, Part 1 Korea, 1969-1972, 141(2010): 446-447.

independence from the unilateral actions of the US. The Vietnam War played a major role in convincing Park that the US did not have his country's best interests at heart as US national interests and domestic politics demanded that US policymakers prioritize Saigon over Seoul. This prioritizing led the US to engage in unilateral planning that was coercively imposed on the ROK government regardless of whether or not the devised plans matched Korean national interests. These unilaterally devised plans resulted in Korean troops being used to cover the US retreat and assist in the Vietnamization process in the final years of the war. While not discounting domestic factors which also likely factored into Park Chung Hee's calculations to establish the Yushin regime, the Vietnam War clearly influenced the equation as Park sought a more stable and insulated authoritarian government from both domestic and international actors.

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Japanese Banks in Chinese Settlements before the Second World War

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Japanese Banks in Chinese Settlements before the Second World War

Many small-sized shop owners and their workers carried out economic activities in Chinese settlements before the Second World War and established their local banks. This paper analyses the activities of such banks, which have hardly been investigated. Six banks were established in cities where many Japanese nationals were located with receiving approvals through a consul from the Ministry of Finance in Japan on the basis of the Japanese banking laws and submitted semi-annual reports to the Ministry like banks in Japan. They received deposits from, made loans to, and remitted money for small-sized Japanese local merchants. Two banks went bankrupt faced with economic downturn in the 1920s and two were absorbed by the Bank of Chosen, which was the central bank in Korea, in the 1930s. As a result, only two survived the interwar period through the Second World War.

Keywords: Japanese banks, emigration, minority business, Chinese settlements, international banking

Japanese Banks in Chinese Settlements before the Second World War

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I. Introduction

Modern multinational banks emerged in two waves: the first wave came in the nineteenth century and the second after the 1960s.¹ In the first wave British banks established the most overseas offices, mainly in developing economies, and French and German banks followed suit.² In the second wave US banks established the largest number of offices, with British and Japanese banks following their American rivals.³

The banks' main motive for international expansion in the first period was principally to "follow the customers". When merchants

¹ Robert Z. Aliber, "International Banking: A Survey," *Journal of Money, Credit, and Banking* 16 (Nov 1984).

² Geoffrey Jones, *British Multinational Banking: 1830-1990* (Oxford and New York: Oxford University Press, 1993).

³ Norman S. Fieleke, "The Growth of U.S. Banking Abroad: An Analytical Survey," in *Key Issues in International Banking: Proceedings of a Conference Held at Melvin Village, New Hampshire*, ed. Federal Reserve Bank of Boston (Boston: Federal Reserve Bank of Boston, 1977); Thomas. F. Huertas, "US Multinational Banking: History and Prospects," in *Banks as Multinationals*, ed. Geoffrey Jones (London and New York: Routledge, 1990).

emigrated to developing countries, new banks or branches had to be established because there were almost no banks that they could trust or that could do corresponding business with European banks. When host countries were culturally or legally near the home country, multinational banking flourished, but when the host country's regulations were tight, it faltered.⁴ In the second period, the banks' main motive was also to follow the customers, but in this case the customers were large multinational enterprises, and the banks went beyond national borders in order to secure transactions with them.⁵ According to Grubel's typology, this kind of banking is "multinational service banking", and this motive has been statistically analyzed by many authors.⁶

In both periods offices were established in international financial centres such as London and New York. Before the First World War, London functioned as the world's financial centre for both international trade and capital issuance; New York emerged to rival London in the interwar period. After the 1960s the Eurocurrency market developed significantly and the City of London thrived again as its centre because of its lax regulation compared to New York.⁷ Grubel classified this second type of multinational banking as "multinational wholesale

⁴ Stefano Battilossi, "The Determinants of Multinational Banking during the First Globalization 1880-1914," *European Review of Economic History* 10 (Dec 2006); Geoffrey Jones, "Banks as Multinationals," in *Banks as Multinationals*, ed. Geoffrey Jones (London and New York: Routledge, 1990).

⁵ Herbert G. Grubel, "A Theory of Multinational Banking," *Banca Nazionale del Lavoro* 123 (Dec 1977); Barry Williams, "The Defensive Expansion Approach to Multinational Banking: Evidence to Date," *Financial Markets Institutions & Instruments* 11 (May 2002).

⁶ Claudia. M. Buch, "Information or Regulation: What Drives the International Activities of Commercial Banks?" *Journal of Money, Credit, and Banking* 35 (Dec 2003); Robert Grosse and Lawrence G Goldberg, "Foreign Bank Activity in the United States: An Analysis by Country of Origin," *Journal of Banking and Finance* 15 (Dec 1991); Charles Hultman and L. Randolph McGee, "Factors Affecting the Foreign Banking Presence in the U.S.," *Journal of Banking and Finance* 13 (July 1989).

⁷ Youssef Cassis, *Capitals of Capital: A History of International Financial Centers, 1780-2005* (Cambridge: Cambridge University Press, 2006); Sarkis J. Khoury, *Dynamics of International Banking* (New York: Praeger, 1980).

banking”.

The third type of multinational banking, according to Grubel, is multinational retail banking. This is when banks establish an affiliate in a foreign country, collect retail deposits through a network of branches, and make loans to industrial or commercial customers there. It is more difficult to secure retail deposits than wholesale deposits because marketing capability is necessary to attract retail customers.

Although the presence of Japanese banks in international banking has rapidly increased since the 1970s, Japanese banks have conducted international business since the nineteenth century. A number of studies of Yokohama Specie Bank (hereafter, YSB) have illustrated the overseas activities of Japanese banks before 1945; YSB’s activities in the first and second type of international banking have been thoroughly analyzed.⁸ Some Japanese banks have also engaged in the third type of international banking, however. Takashima has investigated Japanese local banks on the US West Coast, as well as in Hawaii, Korea, and Manchuria, but his works do not show the overall picture of overseas retail banking before 1945.⁹ In this paper I analyze Japanese banks’ multinational banking in

⁸ Kanji Ishii, “Japanese Foreign Trade and the Yokohama Specie Bank, 1880-1913,” in *Pacific Banking, 1859-1959: East Meets West*, ed. Olive Checkland, Shizuya Nishimura, and Norio Tamaki (Basingstoke: MacMillan Press, 1994); “British-Japanese Rivalry in Trading and Banking,” in *The History of Anglo-Japanese Relations, 1600-2000, Volume 4, Economic and Business Relations*, ed. Janet Hunter and Shinya Sugiyama (Basingstoke: Palgrave, 2002); Masanao Ito, *Nihon no taigai kinyu to kinyu seisaku 1914-1936* [Japanese international finance and the monetary policy, 1914-1936] (Nagoya: Nagoya University Press, 1989); Norio Tamaki, “The Yokohama Specie Bank: A Multinational in the Japanese Interest 1879-1931,” in *Banks as Multinationals*, ed. Geoffrey Jones (London: Routledge, 1990); Hiroaki Yamazaki, “The Yokohama Specie Bank during the Period of the Restored Gold Standard in Japan (January 1930-December 1931),” in *Finance and Financiers in European History, 1880-1960*, ed. Youssef Cassis (Cambridge: Cambridge University Press, 1992).

⁹ Masaaki Takashima, *Chosen ni okeru shokuminchi kinyushi no kenkyu* [Study on the history of banking in colonial Korea] (Tokyo: Ohara Shinsei Sha, 1978); “Daiichiji sekaitaisen zen no Kariforunia ni okeru nihonjin kinyu kikan [Japanese banks in California before the First World War],” *Kinyu keizai* [monetary economics] 216 (1986); “Senzenki Shiatoru ni okeru nihonjin kinyu kikan [Japanese banks in Seattle before the Second World War],” *Keizai riron* [economic theory] 248 (1992); “Nichiro sengo Manshu Chugoku Tohoku-bu ni okeru nikkei jiba ginko no

Guannei (China to the west of Manchuria) before the Second World War, and attempt to answer the following questions: How many banks were established, in what cities in Guannei, and for what purpose(s)? How were they regulated and by whom? Who were their customers? Were they successful? If not, why not? Through answering these questions I expect to explore various features of pre-war Japan's international retail banking.

This paper is organized as follows: in the next section I overview Japanese international banking before the Second World War in order to gauge the extent of local banking in China; in Section 3 I investigate Japanese local banks' activities in Guannei; and in the final section I offer my conclusion.

II. Overseas banking by Japanese banks before 1945

1. Japanese emigration

Japan obtained favorable conditions in treaties with its Asian neighbors through victories in two wars. With victory in the First Sino-Japanese War Japan annexed Taiwan in 1895 and began to build Japanese settlements in Tianjin, Hankow (now Wuhan) and other cities. With victory in the Russo-Japanese War Japan annexed South Sakhalin and acquired the Kwantung Leased Territory (hereafter, KLT) from Russia, as well as the rights to the South Manchurian Railway Zone (hereafter, SMRZ), where it held police authority. In its relationship with Korea, Japan signed a treaty in 1876 allowing Japanese merchants to circulate

bunseki [Study on local banks in Manchuria after the Russo-Japanese War],” in *Hiroshima Keizai Daigaku souritsu yonju shunen kinen ronbunshu* [The collection of academic papers for the 40th anniversary of HUE], ed. Hiroshima Keizai University souritsu yonju shunen kinen ronbunshu kanko iinkai [the publishing committee for the collection of academic papers for the 40th anniversary of Hiroshima University of Economics (hereafter, HUE)] (Hiroshima: HUE, 2007).

Japanese yen in Korean open ports (Japanese settlements were built in Pusan, Wonsan and Inchon). In 1910 Japan brought Korea under its rule.

With the opening of its ports in 1859 not only did Japan's international trade increase, but emigration to foreign countries also expanded significantly. In 1869 emigration to Hawaii (annexed by the United States in 1898) began and emigration to North America increased from the 1880s, although Japanese emigration to the United States was restricted after 1908. In addition, Japanese emigration to Asia increased in the early twentieth century, especially to countries or regions under Japanese rule. With the Treaty of Versailles Japan obtained the trusteeship of the South Sea Islands, and after the Manchurian Incident the puppet state of Manchukuo was created in 1934. With the global economic slowdown, the number of Japanese emigrants increased from the middle of the 1920s. As emigration to North America was severely restricted, emigration to Brazil increased significantly. When the Brazilian government enacted a law restricting immigration in 1934, however, emigration to Brazil also decreased abruptly. On the other hand, after the Manchurian Incident the number of emigrants to Manchuria increased sharply.

The number of Japanese residents in foreign territories in 1937 was 2,526,598, of which 629,512 lived in Korea, 411,996 in Manchuria, 318,321 in South Sakhalin, 299,280 in Taiwan, 287,771 in North America (including Hawaii), 234,142 in Central and South America, 174,514 in KLT, and 171,062 in other places. While the numbers of people in territories under Japanese rule or strong influence are naturally high, those in North America (particularly, West Coast and Hawaii) and South America (particularly, Brazil) are also high.

2. Overseas network of six exchange banks

Offices and subsidiaries of Japanese banks were established in accordance with these flows of goods and people. There were six large

exchange banks which had offices outside of Imperial Japan: YSB, the Bank of Chosen (hereafter, BoC), the Bank of Taiwan (hereafter, BoT) (these three banks were government-related “special” banks, which were established through special legislation other than the Banking Act of 1890), Sumitomo Bank, Mitsui Bank, and Mitsubishi Bank (these three banks were under *zaibatsu* control).

YSB was the largest exchange bank in pre-war Japan and had offices in Sidney, Alexandria, Rio de Janeiro, and Buenos Aires as well as in Asia, the US, and Europe. While the BoC was the central bank of Korea under Japanese rule, it had offices outside of Korea and dealt with civil firms to provide banking businesses in addition to transactions with banks in Korea. The BoT was also the central bank in Taiwan and conducted almost the same businesses with those of the BoC.

Three large *zaibatsu*-related ordinary banks established foreign offices and subsidiaries in the 1910s and thereafter, although these banks had previously conducted foreign exchange business through correspondent banks. Sumitomo Bank had the most foreign offices of the three, and it is the only bank among them that had foreign subsidiaries in the US. Both Mitsui Bank and Mitsubishi Bank had offices in New York, London, and Shanghai and concentrated on trade finance (Mitsui & Co. and Mitsubishi Corp. were their primary customers).

These six banks had offices in Europe and the United States as well as in Asian and conducted exchange business with large trading companies, while YSB and Sumitomo Bank accepted deposits from immigrants and remitted money for them in offices on the US West Coast.

3. Establishment of small banks in Asia, the US, and Brazil

In addition to the branches of banks headquartered in Japan, banks were established outside of Japan proper by Japanese nationals. Here, I will briefly analyze the establishment of banks by region: Taiwan, Korea,

Manchuria, the US, and Brazil, where many Japanese nationals carried out economic activities. I will closely analyze banks in Guannei in the next section. First, in Taiwan, the Taiwan Savings Bank and the Industrial and Commercial Bank of Taiwan were established, with the former being absorbed by the latter in 1912. A new Taiwan Savings Bank, however, was established in 1921.

Second, in Korea only five banks were established between 1907 and 1914. Although many small banks were established between 1914 and 1920, the number decreased in the 1920s due to bank consolidation. The Industrial Bank of Korea, a “special” bank which issued bonds and made long-term loans for the development of Korea, was established in 1918. In 1927 it had 52 branches in Korea, while three ordinary Japanese banks headquartered in Korea had a total of only 23 branches and two sub-branches (two other Japanese banks headquartered in Korea had no branches), and four ordinary banks headquartered in Japan had 16 branches in Korea. As the BoC had nine branches and one sub-branch, the two “special” banks were very influential in Korea.

Third, in Manchuria (including the KLT) eleven banks were established between 1906 and 1914, five of which had one or more branches. In particular, the Shoryu Bank (which was established jointly by the Chinese and Japanese in 1906 and came under the Yasuda zaibatsu in 1910) had five branches in 1914. Many small banks were also established between 1914 and 1920, but they merged in the 1920s facing bad debt problems. The role of “special” banks became even more important in Manchuria than in Korea in the 1930s. The Industrial Bank of Manchuria (half owned by the Manchukuo government and the other half by the BoC), which was established to take over the businesses in Manchukuo of the BoC, Shoryu Bank and Manchuria Bank, began operation in 1937. Shoryu Bank and Manchuria Bank were the two largest Japanese banks in Manchukuo at that time.

Banks were also established outside of Imperial Japan, where the Japanese authorities maintained little influence. In Honolulu, two

Japanese banks were established before 1914. Their main business was receiving money from immigrants and remitting it to the homeland. While one bank closed its doors in 1915, the other bank and a subsidiary of Sumitomo Bank, which was established in 1916, were in operation until 1941.¹⁰ In California, at least ten banks were established around 1907, but eight were closed by 1910 either due to orders from the California state authorities or to bankruptcies.¹¹ In Washington State three banks were established around 1907 and continued to conduct business until after the First World War.¹² On the US West Coast, however, local Japanese banks disappeared because banks faced difficulties in the 1920s, and no banks were newly established due to local authorities' control and the relatively stable number of Japanese immigrants. In California, two Japanese banks continued operation after the War, but one was sold to an American bank in 1923 and the other was taken over by Sumitomo Bank's subsidiary. In Washington State, three Japanese banks were in operation after the War, but the Japanese Commercial Bank (later renamed the Pacific Commercial Bank) took over the other two banks' operations and was ordered closed by the state financial authorities in 1931.

Finally, in Brazil, where the number of Japanese immigrants increased rapidly from the 1920s until 1935, four Japanese banks were established in the 1930s. These banks accepted deposits from Japanese immigrants and grew rapidly. In 1938 they had a total of 15 branches;

¹⁰ *Sumitomo Bank, Sumitomo Ginko hachijunen shi* [Eighty-year history of Sumitomo Bank] (Osaka: Sumitomo Bank, 1979), 214-292.

¹¹ Mira Wilkins, *The History of Foreign Investment in the United States to 1914* (Cambridge, MA and London: Harvard University Press, 1989), 461.

¹² Takashima, "Japanese banks in Seattle." At first, as the number of immigrants increased, three small banks based in Japan established offices in Honolulu, Seattle, and San Francisco respectively. The business of the branches was the same as that of other Japanese banks established there, and the three offices were all short-lived. In Manila, branches were opened by two small banks in 1904, but they were also short-lived.

this number increased to 35 by 1941.¹³

As the number of Japanese residents increased small banks were established for their local financial services and remittance of money to the homeland. With heightened financial regulation (in California), restriction of immigration (in the US and Brazil), slowdown in the economy (everywhere but Brazil), and bank consolidation (Korea and Manchuria), the number of banks decreased. In the next section I analyze the establishment and activities of Japanese banks in Guannei.

III. The establishment and activities of Japanese banks in Guannei

1. The regulation and monetary standard of Japanese banks in China

Before analyzing the activities of Japanese banks in Guannei it is necessary to explore how Japanese banks in China were regulated by the financial authorities and which standard—silver or gold—they adopted, because Japan adopted the gold standard in 1897 and China remained on the silver standard until the 1930s.

The Banking Act of 1890 was enforced in 1893, from which point banks were required to receive governmental approval at the time of establishment, submit a semi-annual report to the Minister of Finance, and be willing to undergo governmental inspection at any time. In 1916 the Act was amended, forcing banks to acquire governmental approval for their name, capital, and headquarter location at the time of

¹³ Henri Delanghe, “The Origin of Significant Japanese-Brazilian Trade and Investment Relations: Origin, Content and Consequences of the 1935 Japanese Trade Mission to Brazil,” Center for Economic Studies, Katholieke Universiteit Leuven, Discussion Paper Series (DPS) 99.04, 1999; Nanbei Bank, *Nanbei Ginko nijunen shi* [Twenty-year history of Nanbei Bank] (Sao Paulo: Nanbei Bank, 1960), 22; Tozan Noji, *Tozan jigyo* [Tozan business] (Tokyo: Tozan Noji Co., 1940).

establishment; they also had to receive approval each time they wished to open a new branch. In addition, the Minister of Finance had the right to stop their operations, force them to reelect their directors, and withdraw approval for banking. With the enactment of the Banking Law of 1927, banks were required to have capital of one million yen or more by the end of 1932.

Although these regulations were applied to banks headquartered in Japan, similar regulations were applied to banks established by Japanese nationals in pre-colonial Korea and China. In 1905 a law on banks in foreign territories stipulated that the government could legally regulate Japanese banks in foreign soil by issuing an imperial decree. This law was thought to be applied to pre-colonial Korea and later to China.¹⁴ Therefore, Japanese nationals had to receive the approval of the Minister of Finance through a consul to establish a bank in China, and once the bank was established it had to obey the regulations. Before 1915 it was clearly stipulated that the consul could withdraw the bank's approval if it did not obey the order at the time of establishment, and banks were under stricter control than in Japan proper. From 1933 to 1937, however, Shanghai Bank had only 100,000 silver dollars (equivalent to Mexican dollar) in capital, which was much less than the minimum amount of capital of one million yen, and regulations were more lax in China. In this way, the regulation of Japanese banks in China was slightly different from that in Japan, although banks established in China based on Japanese law were under almost identical regulations as those in Japan.

As for the standard, the Japanese government minted one yen silver coins, which was almost identical in value to the Mexican dollar, before the adoption of the gold standard. After its adoption silver yen coins were banned in Japan, but they continued to be used in foreign countries

¹⁴ After the annexation of Korea the Governor-General of Korea regulated banks in Korea in close cooperation with the Japanese Ministry of Finance (hereafter, MoF).

including China. When Japanese people ran banks in China they naturally used the currencies circulating in the region where they operated. During and soon after the First World War the influence of the yen grew due to a large Japanese trade surplus, and yen circulated in the northern part of Guannei. Thus, some banks established in the region after the Great War adopted the Japanese (gold) yen, although banks in the southern part of China continued to use the silver yen (dollar). Banks which chose the Japanese yen as their standard, however, suffered from the fluctuation of the silver price and Japanese yen's receding influence in the 1920s.

2. Banks established by Japanese nationals in Guannei

While nine banks were established by Japanese nationals in Guannei around the time of the First World War, three banks in Tianjin were virtually the same bank that was reorganized twice; thus, one bank was established in each of seven cities (Table 1). Qingdao, Shanghai, Tianjin, Jinan, Hankow, and Beijing were the six Chinese cities with the largest numbers of Japanese residents in 1917, and Changsha had the thirteenth largest Japanese population (Table 2). Out of seven banks, Business Bank of Beijing merged with Commerce and Industrial Bank of Tianjin to form New Commerce and Industrial Bank of Tianjin; the China-Japan Bank and Qingdao Bank both failed in the 1920s; Shanghai Bank and the Bank of Tianjin (the reorganized and renamed New Commerce and Industrial Bank of Tianjin) were acquired by the BoC; and Jinan Bank and the Hankow Bank survived economic and political turmoil in interwar China through the Second World War. In the following sections I investigate who established them and for what purposes, who were their customers, and why they failed, were acquired, or survived.

Table 1. Japanese banks in Guannei

Name	Established in	Initial capital	Afterwards
Commerce and Industrial Bank of Tianjin	1912	100,000 silver yen	Business was taken over by the New Commerce and Industrial Bank of Tianjin
Business Bank of Beijing	1915	100,000 dollars	Business was taken over by the New Commerce and Industrial Bank of Tianjin
The China-Japan Bank	1917	100,000 yen	Dissolved in 1926
New Commerce and Industrial Bank of Tianjin	1918	100,000 silver yen	Business was taken over by the Bank of Tianjin
Shanghai Bank	1918	100,000 dollars	Acquired by the BoC in 1937
Qingdao Bank	1919	5,00,000 yen	Suspended in 1926
The Bank of Tianjin	1920	5,000,000 yen	Acquired by the BoC in 1938
Jinan Bank	1920	1,000,000 yen	
The Hankow Bank	1920	1,000,000 yen	

Notes (1) The capital of Commerce and Industrial Bank of Tianjin was increased to 300,000 silver yen in 1914.

(2) The China-Japan Bank was first located in Changsha and moved to Hankow in 1923.

(3) The Japanese silver yen was almost identical to the Mexican dollar.

Sources: Semi-annual report to shareholders, each bank, each period.

Table 2. Number of Japanese Residents in Cities in Guannei

	1897	1907	1917	1927	1937	1940
Tianjin	45	2,387	3,738	6,851	10,861	42,173
Jinan			2,867	1,855	1,873	19,641
Beijing	33	758	1,168	*	*	62,159
Qingdao			15,986	13,294	15,022	32,492
Shanghai	823	6,268	13,382	25,827	23,672	65,401
Hankow	15	1,387	2,188	845	1,700	10,279
Changsha		123	227	63	84	
Others	239	4,009	7,565	2,980	6,133	133,267
Total	1,155	14,932	47,121	51,715	59,345	365,412

Notes (1) The 1927 and 1937 numbers for Tianjin include Japanese residents of Beijing.

(2) Because the territories are classified as territories covered by consuls, the numbers above differ from the actual number of Japanese residents in each city.

Source: Annual Imperial Japan Statistics, each year.

In addition to these banks owned and managed by the Japanese, two banks jointly owned and managed by Japanese and Chinese were established in Guannei based on Chinese law. One was Dadong (Daito) Bank and the other was China Exchange (Zhonghua Huiye, Chuka Waigyo) Bank. Dadong Bank's capital was 2.5 million silver dollars, 60% of which was held by Chinese investors and 40% by Japanese investors, and it had a head office in Beijing and branch offices in Tianjin and Shanghai. It began business in 1921 and suspended payment in 1927. China Exchange Bank was formed by officials of the Republic of China (Beijing) and elite Japanese businesspeople. Its capital was ¥10 million, of which 50% each was invested by Chinese and Japanese investors. It began business in 1918 with a head office in Beijing and branch offices in Shanghai, Tianjin, and Mukden (now Shenyang). Due to political turmoil it closed its doors in 1927. These two banks are not analyzed in this paper because it is difficult to directly compare them with Japanese banks.

3. Failed banks

(1) The China-Japan Bank (Changsha)

The China Industrial Development Co. was established in 1913 jointly by the Chinese and Japanese (headquartered in Tokyo). By 1914 it was reorganized as the China-Japan Industrial Development Co. (hereafter, CJIDC), and its main business was investment in China.¹⁵ Officials of CJIDC planned to establish a bank with Chinese and Japanese partners in Changsha. As an anti-Japanese movement arose in Hunan Province, however, they abandoned this plan.¹⁶ Instead, in 1916 a number of Japanese people with close relationships with CJIDC and a few Chinese decided to establish a bank.¹⁷ The China-Japan Bank was established based on Japanese laws, with four directors (three Japanese and one Chinese) and two auditors (one Japanese and one Chinese). Its capital was ¥1 million, 98% of which came from Japanese investors. Shareholders borrowed money from the BoT, which had committed to the bank plan from the beginning, to invest.¹⁸ The provincial authorities, however, opposed the new bank and insisted that any bank established in Changsha that held no foreign settlement needed Chinese authorities' approval, even if it was owned by foreigners. The Japanese consul in Changsha opposed this assertion and the Japanese government supported him, and the China-Japan Bank was finally established and began

¹⁵ Yonejiro Noguchi, *Chunichi Jitsugyo Kabushiki Kaisha sanju nenshi* [Thirty-year history of CJIDC] (Tokyo: CJIDC, 1943).

¹⁶ Letter from CJIDC to Keishiro Matsui, Vice-Foreign Minister, 16 Oct. 1915. Japan Center for Asian Historical Records, National Archives of Japan, Reference Number (hereafter, JCAHRRN) B10074247100.

¹⁷ Letter from Tetsukichi Kurachi and Noriyoshi Ozaki to Kijuro Shidehara, Vice-Foreign Minister, 25 Mar. 1916. JCAHRRN, B10074247100.

¹⁸ Semi-annual report to shareholders, 1st half of 1917; Letter from Tetsutaro Sakurai, President of the BoT to Shunrokuro Mori, Director-General of the Banking Bureau of the MoF, 9 Oct. 1918. JCAHRRN, B10074247300.

operation in 1917.¹⁹ As most Japanese directors were in Tokyo, a managing director in Changsha administered it.

After the First World War, the price of antimony, one of Hunan Province's main export items during the War, dropped significantly and political turmoil intensified there. Due to such conditions the China-Japan Bank faced a run in August 1918, but it survived the sudden request for money with funds transferred from Hankow.²⁰ Moreover, the bank accumulated many bad debts afterwards and by 1920 new directors were dispatched from the BoT, which held 40% of the bank's shares (the ratio rose to 63% the following year). They tried—in vain—to collect their money from customers. At the end of June 1921 the bank's total amount of loans (including bills discounted) was ¥485,410, of which bad debts comprised ¥429,340 (88%). While 92% of the loans to twenty-nine Chinese customers (¥407,652 out of ¥441,720) was non-performing, 50% of the loans to twelve Japanese customers (¥21,688 out of ¥43,690) was also non-performing. Although both ratios were very high, the lack of Chinese customer information was more formidable. The bank employed a comprador in order to evaluate Chinese customers' creditworthiness, but a large amount of bad debts accrued nonetheless. Generally a comprador secured a loan book against losses with gaining fees, but he refused to pay back any money because the loss was too huge for him and he claimed he had no responsibility for loans once being fired by the BoT.²¹

As the political climate in Changsha became more and more unstable, the China-Japan Bank asked the Japanese government for

¹⁹ Letter from Consul Sakai to Minister Motono of Foreign Affairs, 1 Apr. 1917. JCAHRRN, B10074247100.

²⁰ Letter from Genhachi Yagi, Consular Agent to Shinpei Goto, Minister of Foreign Affairs (hereafter, MFA), 30 Aug. 1918. JCAHRRN, B10074247300.

²¹ Letter from Rinichi Ikenaga, Consul to Koya Uchida, MFA, 26 Dec. 1921. JCAHRRN, B10074247500.

permission to move its head office to Hankow. Because the government feared fierce competition with the Hankow Bank, it allowed the transfer on the condition that the bank would not transact with Japanese residents in Hankow. The bank moved to the Hankow²² branch of the BoT in 1923, and concentrated on collecting loans in Changsha, again in vain. In 1927 the shareholders of the bank, virtually all members of the BoT, decided to dissolve the China-Japan Bank, and the BoT's attempt to enlarge its activities in Changsha, especially with Chinese customers, ultimately proved fruitless.

(2) Qingdao Bank

After the outbreak of the First World War the Japanese army defeated the German army in Shandong Province. The Japanese army remained there until 1922, and during this period the number of Japanese residents in Qingdao, which became an open port city, increased significantly. When Qingdao Bank was established in 1919 with the army commander's permission (before the creation of a consulate in 1922, permission for the establishment of banks or bank branches was issued by the commander), its capital was ¥500,000 and 98% of its shares were held by Japanese in Qingdao, with the remaining 2% held by Japanese elsewhere.²³ When they established the bank they took over the assets and liabilities of the Qingdao Credit Association because there were no other banks that dealt with middle class merchants in the area.²⁴ Legally Qingdao Bank remained an association at the time of establishment and the first attempt to reorganize it into a corporation in 1920 failed due to the collapse of

²² Memorandum by Tetsuji Takagi, Director of the China-Japan Bank, 18 Jun. 1923. JCAHRRN, B10074247600.

²³ Semi-annual report to shareholders, 2nd half of 1919. JCAHRRN, B10074162000. It had both gold and silver accounts (its capital was paid up with Japanese yen), but most assets and liabilities were held in gold accounts.

²⁴ Tenei Mizuno, *Santo nisshijin shinyo hiroku* [Credit conditions of the Japanese and Chinese in Shandong] (Qingdao: Chintao Koshinjo, 1926), 428.

stock markets. In 1919 four Japanese banks—YSB, the BoC, Longkou Bank in Dalian, and Nissho Bank in Osaka—had branches in Qingdao, Shoryu Bank in Dalian set up a branch the following year and Jinan Bank did so in 1923.²⁵ Thus, competition among Japanese banks in Qingdao became fiercer, contrary to the founders' initial assumption.

With the collapse of asset prices in 1920 small banks' assets deteriorated. Nissho Bank suspended payments in 1922, and Longkou Bank closed its doors in 1924 and was absorbed by Shoryu Bank the next year.²⁶ Qingdao Bank tried to collect loans and cut expenses as early as 1921, but its deposits decreased from ¥496 thousand at the end of 1922 to ¥84 thousand by the end of 1923. The Ministry of Foreign Affairs discovered (1) that Qingdao Bank took its shares as collateral for loans, (2) that it issued certificates of deposit with securities of Qingdao Exchange's stocks, (3) and that its directors assumed the Exchange's directorship.²⁷ Qingdao Bank suffered tremendous losses from bad loans (about ¥150,000), deposit certificates (about ¥160,000), and latent loss of properties (about ¥25,000).²⁸ Interlocked directorship, lax loans to related firms of bank directors, and bank runs caused by small bank closures were typical features of bank failures in interwar Japan. Due to factors in common with banks in Japan proper, Qingdao Bank closed down in 1926. The difference between this bank and more typical failures was that it paid back almost all of the depositors' money, although how it could collect loans is unknown.

²⁵ Letter from Yasusaburo Mori, Consul to Koya Uchida, MFA, 20 Jul. 1923. JCAHRRN, B10074186300.

²⁶ Mizuno, *Credit conditions*, 442; Yasuda Fudosan, *Yasuda Hozensha to sono kankei jigyoishi* [History of Yasuda Hozensha and its related businesses] (Tokyo: Yasuda Fudosan, 1974), 635.

²⁷ Letter from Osamu Matsumoto, Director-General of Banking Bureau of the MoF to Matsuzo Nagai, Director-General of Trade Bureau of Ministry of Foreign Affairs, 3 Dec. 1923. JCAHRRN, B10074162200.

²⁸ Inspection of Qingdao Bank, 25 Sep. 1923. JCAHRRN, B10074186300.

4. Acquired Banks

(1) The Bank of Tianjin

The Bank of Tianjin was formed by shareholders of New Commerce and Industrial Bank of Tianjin (hereafter, NCIBT) by taking over NCIBT's assets and liabilities. NCIBT was formed by shareholders of Commerce and Industrial Bank of Tianjin (hereafter, CIBT) and the Business Bank of Beijing (hereafter, BBB) by taking over both banks' assets and liabilities. Therefore, in this section I analyze CIBT, BBB, and NCIBT before exploring the activities of the Bank of Tianjin.

In 1908 some Japanese residents in Tianjin made plans to establish a small bank with the Chinese, but their plans did not materialize.²⁹ Also, in 1911 Japanese merchants and industrialists there formed a credit association to facilitate their finances and encourage savings, but it is unknown whether the credit association was related to the earlier plans. As medium- and small-sized merchants and industrialists faced financial distress the following year, they decided to reorganize the credit association into a bank by issuing new shares. CIBT was established as a corporation with capital of 100,000 silver yen. Its shareholders were all Japanese nationals and 1,930 shares (out of 2,000 total shares) were held by residents in Tianjin.³⁰ Although YSB also had a branch in Tianjin, CIBT was established as a bank for small businesses. Two years later CIBT's capital was raised to 300,000 silver yen. It not only took deposits from and made loans to small businesses there, it also transferred money to Japan, especially Osaka, and bought and collected foreign exchange bills, mainly between Tianjin and Osaka.³¹ In 1918 it decided to virtually merge with BBB in order to expand its operation.

²⁹ Letter from Narakichi Obata, Consul to Jutaro Komura, MFA, 7 Nov. 1908. JCAHRRN, B10074249500.

³⁰ Semi-annual report to shareholders, 1st half of 1912. JCAHRRN, B10074165900.

³¹ Semi-annual report to shareholders, 1st half of 1916. JCAHRRN, B10074166100.

In 1913 Beijing Credit Association was formed to facilitate financing for small capitalists, although YSB also already had a branch there. BBB was established in 1915 as a reorganization of the association, with capital of 100,000 silver dollars.³² It issued 2,000 shares, of which at least 1,580 were held by Japanese residents in Beijing, and the remaining shares were held by Japanese nationals elsewhere by the end of 1916.³³ Its exchange business was less active than that of CIBT, because it only had CIBT as a correspondent bank, and it decided to merge with CIBT in 1918.

In order to consolidate the two banks into one, in 1918 NCIBT was newly established with capital of 1 million silver dollars, a head office in Tianjin, and a branch in Beijing. Sixty-six percent of NCIBT shares were held by Japanese residents in Tianjin, and 18% by Japanese in Beijing, though two Chinese shareholders also existed. NCIBT took over the assets and liabilities of both CIBT and BBB. Because five directors were from CIBT and two were from BBB, and the new president was the former president of CIBT, Tianjin merchants took the initiative in the new bank.

In 1920, however, NCIBT was again reorganized as the Bank of Tianjin, with ¥5 million in capital. One hundred thousand shares were issued, of which 90,000 shares were allotted to NCIBT shareholders and 10,000 shares were publicly offered. The purpose of reorganization was to change its monetary standard from the silver yen (dollar) to Japanese yen officially linked to gold. During the War banknotes of the BoC linked to Japanese yen began to circulate rapidly in Tianjin (especially after the opening of the Tianjin branch of the BoC in 1918), while they rarely did before the War. Therefore, changing the monetary standard was advantageous for the bank. In addition, Japanese shareholders who

³² Letter from Tsuneo Matsudaira, Consul to MFA, 30 Mar. 1915. JCAHRRN, B10074166200.

³³ Semi-annual report to shareholders, 2nd half of 1916. JCAHRRN, B10074166000.

returned to Japan could hold shares without bearing any exchange risk. Because the bank was thought to be vulnerable to fluctuations of the silver price if it made loans with silver, it planned to employ a comprador to increase Chinese customers and their deposits denominated in silver tael. In short, the bank decided to adopt an “on an even keel” policy.³⁴ In 1922, in order to enlarge its customer base to include the Chinese, it altered its articles of association. While the previous number of directors had been seven or less, this was increased to ten or less, although at least seven had to be Japanese. Moreover, a Chinese person could be an adviser for the bank, while he or she had to be elected from among shareholders. In addition to its activities in China the Bank of Tianjin also set up an Osaka branch in 1921 because buying and collecting exchanges between Tianjin and Osaka was one of its main businesses.³⁵ In short, it adopted a very aggressive strategy.

The bank, however, faced a crisis soon after launching this new strategy. Deposits decreased from ¥1,830 thousand in June 1921 to ¥964 thousand in June 1923. Plus, as one third of its loans were given on the security of real estate, it was difficult to recover them. Moreover, as it made loans to its directors out of favoritism, intense conflicts among directors arose. In order to cope with this crisis all of the directors resigned in 1924 and they entrusted the nomination of new directors to the Japanese Consul in Tianjin. He asked the Tianjin branch manager of YSB to investigate the bank and recommend new executives.³⁶ As a result, the current president and a managing director resigned, and the

³⁴ Letter from Shinichiro Funatsu, Consul to Koya Uchida, MFA, 12 May 1920; Minutes of the shareholders meeting on 21 Apr. 1920; Reasons for reorganization. JCAHRRN, B10074178300.

³⁵ Semi-annual report to shareholders, 2nd half of 1921. JCAHRRN, B10074178400; Letter from Giichi Ono, Director-General of the Banking Bureau of the MoF to Gi Nakamura, Director-General of the Trade Bureau of the Ministry of Foreign Affairs, 26 Sep. 1919. JCAHRRN, B10074249900.

³⁶ Letter from Shigeru Yoshida, Consul to Hikokichi Ijuin, MFA, 15 Dec. 1923. JCAHRRN, B10074178500.

president at the time of its establishment was reinstalled. Two years later, an ex-manager of the Tianjin branch of Longkou Bank, who had been employed by YSB, took office as a manager-director.³⁷

The new president took a defensive strategy. First, in March 1924 he closed the Osaka branch, which had accumulated a loss of ¥50,000. Second, in 1925 he removed the articles of association that enabled the bank to nominate Chinese directors and advisers.³⁸ Third, in order to restore confidence from depositors and other bankers the bank endeavored to collect loans, seize collateral real estate, and avoid making large new loans.³⁹ It had to do this because the BoC abolished gold accounts in Tianjin in 1925, and the circulation of gold banknotes diminished.⁴⁰ In addition, Chiang Kai-shek conducted Northern Expeditions and unified China, and during this campaign many Japanese returned to Japan and withdrew their deposits from the bank. Finally, in 1929 it reduced its capital from ¥5 million (paid-up capital ¥1,250,000) to ¥2.5 million (paid-up ¥625,000), and with the gains from stock retirement and reserves it wrote off bad loans of ¥502 thousand, losses in gold and silver accounts of ¥160 thousand, and other losses.

³⁷ Letter from Hachiro Arita, Consul to Kijuro Shidehara, MFA, 2 Feb. 1926. JCAHRRN, B10074178700.

³⁸ An application for amendment to articles of association, 16 Feb. 1925. JCAHRRN, B10074178600.

³⁹ Semi-annual report to shareholders, 1st half of 1924. JCAHRRN, B10074178600.

⁴⁰ Letter from Hachiro Arita, Consul to Kijuro Shidehara, MFA, 15 Sep. 1925. JCAHRRN, B10074178600.

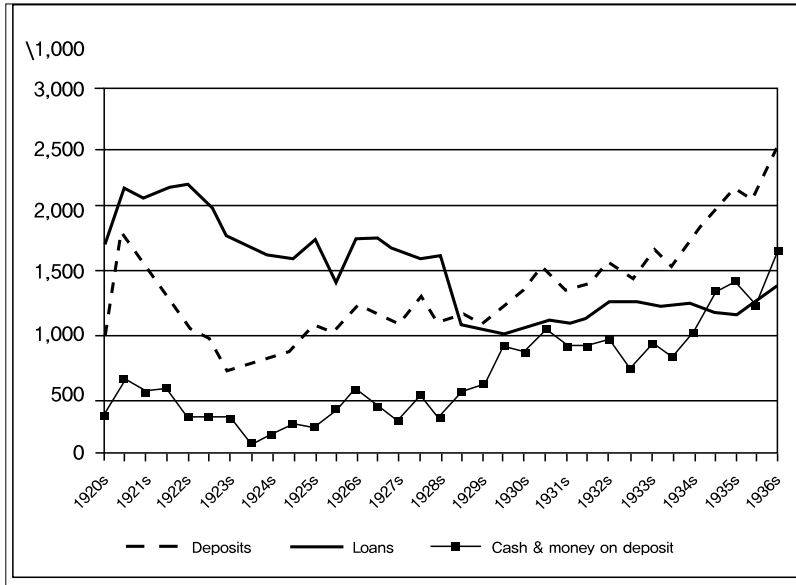


Figure 1. Some Accounts of the Bank of Tianjin

Note: 1920s means the end of the second half of 1920.

Source: Semi-annual report to shareholders, the Bank of Tianjin, each period.

With these measures confidence in the bank was gradually restored among local residents and deposits increased (Figure 1). The loans, however, did not increase and deposits in other banks increased in equal proportion to those in the Bank of Tianjin. The largest share of deposits went to YSB, and the second largest to the BoC; by region Tianjin received the most and Beijing the second most, although figures between 1928 and 1933 are available only sporadically. In interwar Japan cautious banks bought a large number of bonds, but Japanese banks in China did not follow suit. While bonds were used for collateral when borrowing money from other banks, especially from the Bank of Japan, deposits in YSB or the BoC were more secure for banks in China because there was no central bank there. Although this cautious strategy was effective during unstable circumstances, its *raison d'être* as a financial

intermediation had already diminished. Finally, with the financial authorities' encouragement the Bank of Tianjin was acquired by the BoC in 1939. It is assumed that the BoC expanded its business in northern Guannei because it had sold its assets and liabilities in Manchuria to the Industrial Bank of Manchuria and retreated from that region in 1937.

(2) Shanghai Bank

The Shanghai Credit Association was formed by merchants who were too small to be customers of YSB, with instructions from the manager of YSB's Shanghai branch. In 1918 it was reorganized as Shanghai Bank, with 200,000 silver dollars in capital, although YSB, the BoT, the BoC, Sumitomo Bank, and Mitsui Bank already had branches in Shanghai. At least 42% of its shares were owned by Japanese residents in Shanghai. Shigeru Matsumoto, an exchange broker and the bank's largest shareholder, assumed the presidency. Its main business was taking deposits and making loans, although it also bought and sold a few foreign exchanges.

Although its deposits increased gradually to 1,160 thousand silver dollars at the end of 1926, Shanghai Bank suspended payments the next year because of an outflow of deposits due to the Northern Expeditions. In addition to this direct cause of suspension it had other problems. First, it had accumulated non-performing loans. Second, it incurred a heavy loss due to fraudulent actions by the manager. Third, with the decline in real estate prices it also incurred a latent loss of properties. In order to write off these bad assets it had to reduce its capital and reserves. Its paid-up capital was 100,000 silver dollars at the end of 1918, and it was raised to 150,000 silver dollars in 1920. After the suspension of payments the capital was fully paid up to 200,000 silver dollars in the first half of 1928, and decreased to 50,000 silver dollars in the next period. With the reduction of reserves of 60,000 silver dollars the carried

forward loss of 205,143 silver dollars was written off.⁴¹

According to an investigation of bank accounts during the suspension, 65% of the deposits were taken in silver dollars, 19% in yen, and 16% in tael. On the other hand 68% of loans were made in silver dollars, 20% in tael, and 11% in yen. When classified by the nationality of customers, 97% of current and term deposits (the breakdown of petty current deposits is unknown) were taken from Japanese clients and 89% of loans were made to Japanese people or Japanese firms.⁴² Even though the bank's customer base was confined to Japanese, transactions were carried out mainly in silver dollars.

In order to reopen the bank new management had to be elected. Kahei Hasegawa, a merchant who had made a fortune as a broker of cotton and stocks on the Shanghai exchange, acquired 705 shares (the total number of stocks was 4,000), making him the largest shareholder, and he assumed presidency in the first half of 1928. As Hasegawa lived in Hyogo (near Osaka) at the time, however, his manager in Shanghai became director-manager and ran the bank. After compulsory composition was made with depositors and other creditors, it began to operate in June 1928. The bank's deposits increased significantly and it paid back its composition obligation as early as 1931. At first glance Hasegawa's management appeared sound, because between June 1928 and June 1931 the amount of deposits increased by 445 thousand silver dollars (deposits increased by 969 thousand silver dollars while composition obligations decreased by 524 thousand silver dollars) and money on deposit increased 581 thousand silver dollars. In addition, the bank raised its capital from 50,000 silver dollars to 100,000 silver

⁴¹ Semi-annual reports to shareholders, 2nd half of 1928. JCAHRRN, B08061400900. President Matsumoto and the fraudulent manager provided the bank with their personal properties to compensate the losses (Letter from Yada, Consul to Tanaka, MFA, 22 May 1927. JCAHRRN, B08061400600).

⁴² Documents relating to a rescue plan of Shanghai Bank, 1 June 1927. JCAHRRN, B08061400600.

dollars. However, out of 709,328 silver dollars of the outstanding money on deposit, 366,745 silver dollars (52%) were deposited at Hasegawa & Co. in Osaka. This was essentially another form of concentration of loans to directors' businesses.⁴³ For unknown reasons, however, between June 1931 and June 1934 the portfolio of the bank changed. During those three years money on deposit decreased by 180 thousand silver dollars (money deposited at Hasegawa & Co. decreased by 289 thousand silver dollars) and securities increased by 373 thousand silver dollars while deposits increased by 116 thousand silver dollars. On the other hand, the Japanese government's US dollar bonds and stocks in Japanese companies increased during this period. Shanghai Bank invested in securities that could earn higher yields but bore higher risks. Its investment policy was less sound than that of the Bank of Tianjin.

In March 1937 Shanghai Bank came under the control of the BoC, which was the largest shareholder of the bank by that time (there are no available documents between June 1934 and December 1936). At the end of June 1937 the BoC held 750 shares in the bank and the president, Sueho Ukon, had been dispatched from the BoC.⁴⁴ At the end of June 1941 the BoC held 750 of 2,000 fully-paid stocks and all 38,000 of the bank's quarter-paid stocks.⁴⁵ As Shanghai Bank took ¥42 m. of deposits and had ¥34 m. of money at deposit (presumably in the BoC), it had virtually become a money collecting institution from the Japanese public for the BoC in order to curb inflation.

⁴³ Semi-annual report to shareholders, 1st half of 1931. JCAHRRN, B08061401300.

⁴⁴ Semi-annual report to shareholders, 1st half of 1937. JCAHRRN, B08061401600. In this period the bank changed its capital from 100,000 silver dollars to ¥100,000 and decided to raise it to ¥2 million. In 1930 Hasegawa desired to sell the bank to another bank and retire from the banking business after he paid back the composition obligation (Letter from Kuramatsu Murai, Consul to Kijuro Shidehara, MFA, 29 Nov. 1930. JCAHRRN, B08061403700).

⁴⁵ Semi-annual report to shareholders, 1st half of 1941. Japan Digital Archives Center.

5. Banks that Survived

(1) The Hankow Bank

Although YSB, the BoT, and Sumitomo Bank, which mainly conducted exchange business, had branches in Hankow, small merchants and industrialists demanded financial institutions that could provide local financial services to them. In 1920 the Hankow Bank, with one million yen in capital, was established based on mutual financial associations and savings associations that had operated there. At the time of establishment 20,000 shares were issued (a quarter was paid up), of which 18,995 were held by Japanese, and 90% of the shareholders (17,980 shares) were residents of Hankow.⁴⁶ Because the bank was formed by small local Japanese merchants and industrialists to serve their financial needs, it bought or sold almost no foreign exchanges (after the abolishment of Japanese postal offices in China it transferred a small amount of money).

The management was very cautious in the 1920s. After the amount of loans increased to ¥538 thousand in 1922, it leveled off during the 1920s because the bank avoided making bad loans. Because the amount of deposits increased gradually, the amount of money on deposit increased at the same pace. As the banking business in Hankow did not grow, it planned to open a branch in Shanghai in 1927 (Shanghai Bank had suspended payment at that time). The financial authorities approved the plan and the bank opened its Shanghai branch in 1930, acquiring the business of the Shanghai Credit Association (which was formed by depositors of Dadong Bank, which had failed in 1927). Hankow Bank established its Shanghai branch to invest silver money there and utilize the Shanghai money market when sending money between Japan and

⁴⁶ Letter from Asanoshin Segawa, Consul to Koya Uchida, MFA, 4 Jun. 1920; Shareholders' list, the Hankow Bank. JCAHRRN, B10074177200.

Hankow.⁴⁷ Moreover, as its activities in Shanghai expanded, the Bank opened a sub-branch there in 1932.⁴⁸ While the amount of deposits of the Hankow office was ¥699,829 and that of loans ¥300,951, those in Shanghai were ¥993,017 and ¥963,367 respectively (total numbers of two offices) at the end of 1933.⁴⁹ The amounts in Shanghai were much larger than those in Hankow and the loan-to-deposit ratio in Shanghai was also much larger than in Hankow. Inroads into Shanghai were very successful and the Hankow Bank established a Nanjing branch in 1938.

Although Japanese financial authorities had planned to merge Shanghai Bank and Hankow Bank for a long time, the plan was not fulfilled. By 1940 they gave up, and instead tried to force a merger with the BoT.⁵⁰ Although loans and investments after 1937 should be analyzed, it is impossible to do so because no data are available.

(2) Jinan Bank

Because the Jinan Credit Association (formed in 1917)'s license expired in 1920, Jinan Bank was established by the association's shareholders together with other small merchants and industrialists to serve their financial needs, even though there were branches of YSB, the BoC, and Shoryu Bank in Jinan.⁵¹ Its capital was ¥1 million and 20,000 shares were issued, of which 18,820 (94%) were held by local residents (all shareholders were Japanese) at the end of 1920. Taking deposits and making loans were executed mainly in (gold) yen, as a large amount of BoC notes circulated in Shandong province after the First World War.

⁴⁷ Letter from Mamoru Shigemitsu, Consul to Kijuro Shidehara, MFA, 7 Nov. 1930. JCAHRRN,

⁴⁸ Letter from Itaro Ishii, Consul to Koya Uchida, MFA, 24 Oct. 1932. JCAHRRN, B08061403900.

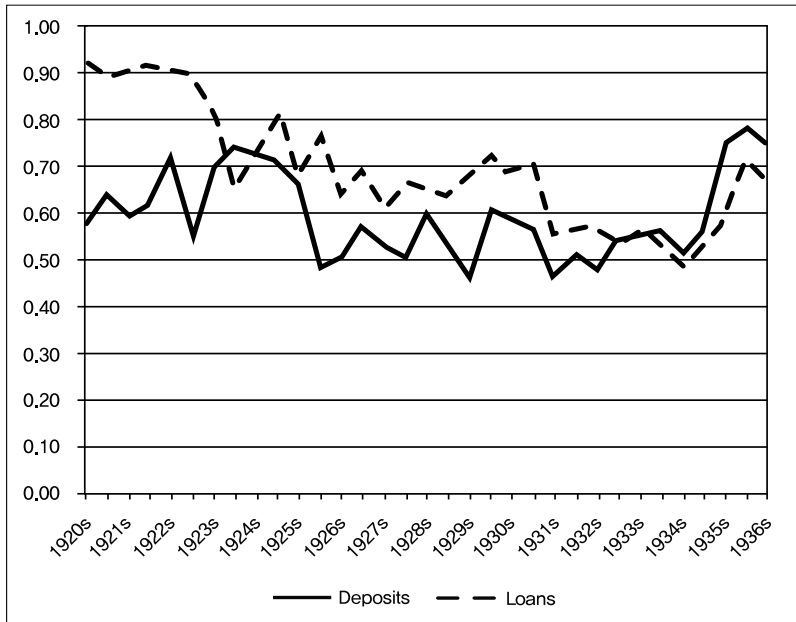
⁴⁹ Semi-annual report to shareholders, 2nd half of 1933. JCAHRRN, B08061404200.

⁵⁰ Letter from Goto, Consular Agent to Arita, MFA, 19 Dec. 1938; Letter from Horiuchi, Consul to Matsuoka, MFA, 2 Dec. 1940. JCAHRRN, B08061404400.

⁵¹ Letter from Yasusaburo Mori, Consul to Koya Uchida, MFA, 9 Jul. 1920. JCAHRRN, B10074173100.

The bank's ratio of gold accounts declined gradually, however, as BoC notes were used less and less and the BoC closed its Jinan branch in 1925 (Figure 2).⁵²

Figure 2. The Ratio of Gold Accounts in Jinan Bank



Note: 1920s means the end of the second half of 1920.

Source: Semi-annual report to shareholders, Jinan Bank, each period.

Although residents of Qingdao, who had been invited to join Jinan bank early on, did not invest in it, the bank opened a Qingdao branch in 1923 because it began to make loans on the securities of commodities held in warehouses in Qingdao soon after its foundation.⁵³ The amounts of deposits and loans in Jinan at the end of 1929 were ¥517,751 and

⁵² YSB also withdrew from Jinan in 1931.

⁵³ Report on the establishment of Jinan Bank. JCAHRRN, B10074173400.

¥499,089 respectively, while those in Qingdao ¥265,949 and ¥259,438 respectively. The branch's business was half as large as the head office's.

The bank's deposits and loans increased steadily in the 1920s and 1930s. When the bank's first president died in 1932, however, it was revealed that the current value of securities taken from him was much lower than the outstanding amount of loans to him.⁵⁴ The new president sold stocks taken from him and kept real estate taken from him on the bank's books because real estate prices at the time was low. Bad loans to executives were a common cause of bank failure in interwar Japan and Jinan Bank was no exception. Fortunately, however, it could sell all the real estate taken from debtors in 1934.

After the outbreak of the Second Sino-Japanese War banknotes issued by the Joint Reserve Bank of China, which was formed by a puppet state of the Provisional Government of the Republic of China (Beijing), began to circulate and Jinan Bank unified its gold and silver accounts into yen accounts in 1938. Due to newly opened branches and inflation the bank's deposits skyrocketed in a year but it mainly deposited the money in other banks (although it is unknown exactly in which banks). Jinan Bank functioned as a money collecting institution to curb inflation, just like Shanghai Bank and other Japanese local banks.

IV. Conclusions

In addition to six large exchange banks many local small banks were established by the Japanese in cities where a large number of Japanese emigrated in places like Taiwan, Korea, Manchuria, Guannei, Hawaii, the US West Coast, and Brazil. These banks (with the exception of banks in Brazil) flourished during the economic boom around the First World War, while they faced consolidation and failures in the 1920s and thereafter.

⁵⁴ Minutes of the shareholders' meeting on 25 Jan. 1933. JCAHRRN, B08061402900.

Local Japanese banks in Guannei were established by small merchants and industrialists who could not secure funds from government or *zaibatsu*-related exchange banks to satisfy their financial needs in the cities that had large numbers of Japanese residents. Their main customers were local Japanese. They were regulated by the Japanese authorities on almost the same level as ordinary banks in Japan proper. The China-Japan Bank and Qingdao Bank, however, did not meet these conditions. The former was established by an investment company in Changsha where there was a small number of Japanese people. Therefore, it lent a large portion of its money to the Chinese in a short period and accumulated bad debts. The latter was approved by an army commander, and the Ministry of Finance did not participate in the process. Many of these banks, except for the Bank of Tianjin and its predecessors, were established in the booming period in the second half of the 1910s. In the 1920s, however, they faced economic and political difficulties such as a long economic slump and anti-Japanese movements.

Because their customer base was initially very limited, it became necessary to broaden it in order to grow, but this proved difficult. First, if they planned to move into the upper markets, they had to transact with large trading houses, who were the main customers of exchange banks. Second, the financial authorities did not easily approve of allowing them to establish branches in cities where there were many Japanese residents, as in the case of the Shanghai branch of Hankow Bank. Third, if they planned to make loans to the Chinese, it was very difficult to evaluate Chinese customers' creditworthiness, as in the case of China-Japan Bank and the Bank of Tianjin. Even if they employed a comprador it was not an easy task. As a result, the ratio of money on deposit to the amount of deposits began to increase in the 1920s. This reflected the banks' cautious policy, which was different from that in Japan, where banks invested in bonds. Therefore, increasing numbers of Japanese residents were necessary for their growth, but this condition could not be met.

Although similar conditions appeared from the 1930s with Japan's military advancement, financial control was tightened and banks were either acquired by large government-related banks or forced to raise the ratio of money on deposit in order to curb inflation.

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Nationalism and Ethnicity: Korean-Chinese Academics' Views on China's Multi-Ethnic Nationalism

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Nationalism and Ethnicity: Korean-Chinese Academics' Views on China's Multi-Ethnic Nationalism

To incorporate the multitude of ethnicities in its national narrative, the Chinese communist party made use of the concept of the *zhonghua minzu* which was created by the early 20th century philosopher Liang Qichao. Throughout the years this narrative has been developed further, and in the 1990s the national minority histories started to be retroactively included in China's history, by claiming that even though the minorities developed outside of Chinese territory, its direct adjacency to China influenced their cultural development heavily, and therefore their histories can be seen as Chinese territorial and multi-ethnic history.

This paper discusses how Korean-Chinese historians subvert this discourse by claiming that ethnicity is not the most important factor for the successful formation of one's national identity. This is a radically different view from the ethnic nationalistic discourses that are found in East Asia today. This research is based on personal interviews that were conducted with several Korean-Chinese scholars.

Keywords: Chinese Nationalism, ethnicity, *zhonghua minzu*, Korean-Chinese, national identity

Nationalism and Ethnicity: Korean-Chinese Academics' Views on China's Multi-Ethnic Nationalism

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I. Introduction

Nationalism and ethnicity are closely intertwined with each other. As anthropologist Thomas Eriksen notes:

Nationalism and ethnicity are kindred concepts, and the majority of nationalisms are ethnic in character. The distinction between nationalism and ethnicity as analytical concepts is a simple one, if we stick to the formal level of definitions. A nationalist ideology is an ethnic ideology which demands a state on behalf of the ethnic group.¹

This aspect of nationalism has also been important in the Chinese nationalist narrative. From the 19th century onwards, Chinese intellectuals set out to construct a national narrative in which the Han Chinese were the main agent in the formation of its identity. When the

¹ Thomas Hylland Eriksen, *Ethnicity and Nationalism: Anthropological Perspectives*, 3rd ed. (Anthropology, Culture and Society, London: Pluto Press, 2010), 144.

communist party found that the nationalist paradigm did not include the multitude of minorities within its borders, they adjusted the narrative to include these groups as well. The influence of this version of China's ethnic nationalism can also be seen in the academic discourse that emerged from 2002 on ancient Northeast Asian history, where states and peoples such as Koguryō (Chinese: Gaogouli) are included into Chinese history for the sole reason that their perceived descendants are inhabitants within China's contemporary territory. National minority histories are hereby retroactively included in China's history, by claiming that even though the minorities developed outside of Chinese territory, their direct adjacency to China influenced their cultural development heavily, and therefore their histories can be seen as Chinese territorial and multi-ethnic history.

In this paper I look at the incongruities in the multi-ethnic nation narrative in China, how this narrative developed and recently has been used to claim the history of ancient kingdoms. My main focus will be on the effects this paradigmatic change had on the identity of the Korean-Chinese (Chosŏnjok, Chinese: Chaoxianzu) minority. I will therefore look at how the Korean-Chinese reacted to Chinese historians' claims and how they have positioned themselves in this narrative.

Whereas the Korean-Chinese historians used to claim their identity along ethnic lines, after the emergence of the Northeast Asian History Project in 2002 they have changed their views and see themselves as an ethnic minority without fixed territorial or ethnic boundaries, and experience no existential crisis because of it. This is a radically different view from the ethnic nationalistic discourses that are found in East Asia today. By drawing on their own formative experiences, they instead argue for a reappraisal of the concept of nationalism altogether, and promote a form of post-nationalism. Therefore, I have resorted to conducting personal interviews with several Korean-Chinese scholars and their scholarly works. These interviews show that Korean-Chinese scholars see the methods of Chinese scholars to forcibly include

minorities' histories to make the nationalistic discourse fit with its claim of a multi-ethnic nation as convoluted and outdated, and something that will only hamper international cooperation and development.

II. Ethnicity and Chinese Nationalism

A recent propaganda poster explaining the peaceful co-existence of the multitude of ethnic groups starts out as follows:

What is a *minzu*? (ethnic group)

According to Marxism, a *minzu* are a community of people who have formed from its specific historical developments a common language, a common territory, a common economic life and have formed a common characteristic *minzu* culture and a common mentality. (...) The *zhonghua minzu* is the term for each *minzu* who have inhabited China's territory from ancient times to today. The *zhonghua minzu* now includes 56 ethnicities.²

From its inception, the Han Chinese nationalist narrative has had to deal with an inherent contradiction that needed to be addressed: how to fuse China's territorial claims with its multi-ethnic identity. Especially concerning the question of ethnicity, many Chinese intellectuals have given differing views on its relation to Chinese nationalism: either by highlighting the mono-ethnic Han Chinese claim and therefore the aim to assimilate the other ethnicities within its territory, or to give space to the minorities and include their differences into the Chinese nation. Liang Qichao therefore coined the concept of a *zhonghua minzu* (Chinese Ethnicity), which could include other ethnicities as well. This however created the impossible formation of different ethnicities within one

² <http://www.nipic.com/show/12999593.html> (Last visited: July 16, 2016)

ethnicity. As can be seen from the contemporary quote I just gave, however, it is this concept of a *zhonghua minzu* that has found the most traction in China's narrative of its multi-ethnic nation.

This was not always the case. In the 20th century there were various opinions by both scholars and the Chinese government on how the ethnic minorities should be viewed and what ethnic policies should be pursued. The first flag of the Chinese Republic in 1911 had five colors, representing the five "races" of China: the Han (red); the Manchus (yellow); the Mongols (blue); the "Hui" (Muslim Chinese) (white); and the Tibetans (black). Zhang Tingxiu writes:

If we go into the border region of Southwest and Northwest China, we can meet people who differ in language, customs, or beliefs. They seem to be very different from those of China's interior. Customarily one gave them different names, probably because of their language or the area, like Miao, Yi, Tu, Mongols, Tibetans, etc. There are many such names and some people therefore thought that these are all different ethnic groups.³

The point that Zhang Tingxiu wants to make is that there are no essential differences between these people. The five-coloured flag was soon abolished (in 1928) and replaced by the Republican flag, which symbolized the Nationalist Party (Kuomintang) and not the ethnic groups. Sun Yat-sen, the leader of the revolution of 1911 and for a short time president of China, was at first of the opinion that China's minorities should be quickly brought to a level similar to that of the Chinese, so that assimilation would be possible. Later he began to speak of the need to raise the cultural level of the minorities so that they themselves could decide whether they would like to be integrated or be

³ *Bianjiang lunwenji* [Journal of Frontier Studies] (Chongqing, 1943-1945): 1065-1066.

allowed self-government. But he still admitted the existence of four minorities as symbolized on the old republican flag. From 1914 to 1927 the Chinese government maintained a special ministry for Tibetans and Mongols, which later became only a “commission”. During the last years of his life Sun Yat-sen became more and more impressed by the Russian Revolution, and his policy of 1924 spoke of *self-determination and autonomy*, the same terminology that Lenin used. The government should help and guide small, weak racial groups toward ultimate self-determination and self-government - this was Lenin’s important change of the original Marx-Engels theory that each society would have to develop stage by stage from a primitive to a socialist society.

III. The Chinese Communist Party’s Views on Ethnicity

During the years before the Chinese Communist Party came to power, it gave consideration at various times to the problem of minorities. After the foundation of the Party in 1922 the idea was that Mongolia, Tibet, and Turkestan (Xinjiang) should be autonomous states, which would voluntarily be united with China as a federated republic. In 1930 it was decided that these regions should have the right either to join the federate state or to secede.

Mao Zedong reformulated the Party’s position in 1938: All minorities should be given equal rights with the Chinese. They should not be forced to learn Chinese but rather be encouraged to develop their own cultures. They also should control their own affairs - but they must live in a unified state together with the Han Chinese. Mao’s statement of November 6, 1938 led to the adoption of the concept of “autonomous areas”, which Lenin had developed.

When the Nationalist regime was overthrown, the Communists had to decide what attitude they would take on the minority question. The idea of the independence of specific ethnic groups was given up and branded as reactionary and dangerous because it would necessarily lead

to imperialism. Instead, the Party tried to inculcate the spirit of patriotism and to project the image of the “older brother” who helps his “younger brothers” to develop their own languages, literatures, and folk arts.

This attitude appears in an article from 1958 written by two well-known cultural anthropologists of China (both foreign trained), Fei Xiaotong and Lin Yaohua, who wrote in the official newspaper of the People’s Republic, the *Renmin ribao* (August 10, 1958):

A minority nationality might at one time ascend to the status of the ruling group in history, and its people became scattered over different parts of China. Later they lost their ruling status and became discriminated against. They changed their language and other national characteristic in the attempt to conceal their true nationality, but they still retain their national consciousness.

Han Chinese who moved to different minority areas had gone in different groups and at different dates. Those who had moved earlier had been separated from the Han people in the interior for a longer period of time, and some had come under the influence of the minority nationalities, so that there arose definite differences of language and customs and living habits between the early groups and those who have moved to the same areas at a later date. Such early resettlers admit differences from the Han Chinese, and after liberation demand to be treated as minority nationalities.⁴

The authors reject attempts to define a minority by its special customs or living habits, by language, or by tracing of racial origins. After referring to Stalin’s *The National Question and Leninism*, they state that “the special characteristics of tribes and clans are the special characteristic of nations in their rudimentary stage, that is to say, the common nature, to a

⁴ *Renmin ribao*, August 10, 1958.

certain extent, of their language, territory, economic ties and psychological factors.”⁵ In other words, when these underdeveloped tribes develop and become socialistic, they will be like the majority, that is, Chinese. Here we therefore see the re-emergence of Liang Qichao’s idea of a *zhonghua minzu*, a Chinese ethnic nation that is able to, without contradiction, contain multiple ethnicities within its being.

IV. Mobilizing the History of Ancient “Minority” Kingdoms: The case of the Koguryŏ Kingdom

During the Cultural Revolution (1966-1976) the multi-ethnic narrative was supplanted with a policy of assimilation, but after this period the earlier idea of a multi-ethnic national identity was taken up again. In the propaganda quote I gave at the beginning of my text there was the claim that the ethnic groups have inhabited China’s territory from ancient times to today. This particular view was especially forged from 2002 onwards, when the Chinese government established research projects that would study China’s borderlands and the histories of the ethnic minorities that inhabited these borderland territories. In Northeast Asia this led to the establishment of the “Northeast Project” (its full name is the Northeast Borderland History and the Chain of Events Research Project), a five-year state-funded project, which dealt with various problems related to history, geography and ethnicity in China’s Northeastern provinces, Heilongjiang, Jilin, and Liaoning. In reexamining the ancient history of the region, project researchers conclude that the Gaogouli kingdom was an ethnic regime which constitutes a part of China’s national history. Wei Cuncheng, a Chinese professor of Jilin University and an expert on the Gaogouli issue, also considers Gaogouli a regime established by ethnic

⁵ Wolfram Eberhard, *China’s “Minorities: Yesterday and Today”* (The Wadsworth Civilization in Asia Series, Belmont, California: Wadsworth, 1982), 153.

groups in northern China, representing an important part of Chinese culture.⁶ Since Korean scholars have claimed Koguryō to be solely part of Korean history this project has led to a fierce standoff between the two countries from 2003 onwards.

In the project minority histories (like the research done on the ancient kingdom of Koguryō) have been retroactively included into Chinese history. This project was part of a process of nation building on the part of the Chinese government and Chinese historians to try to overcome the inherent contradictions within its own national narrative where the Han ethnic group is seen as the guiding force to which the smaller ethnic groups look for guidance. It is an effort to claim the ancient kingdoms to have been multiethnic and under the direct influence of China, hereby bolstering the contemporary view of China's nation to always have been multi-ethnic in nature and thereby suggesting that the current configuration of the Chinese nation and its border are “natural”.

V. The Views of the Korean-Chinese Minority on the Changing Chinese National Narrative

The policies that have been pursued by the Chinese government vis-à-vis the minority population are viewed very positively by Korean-Chinese. The Korean-Chinese historian Piao Wenyi wrote in 1996:

The Qing, The Republican, The Japanese and the Puppet Governments all never recognized or fully recognized the legal status of the Korean-Chinese. They installed policies that discriminated ethnicities and tried to assimilate them. Therefore, the Korean-Chinese could not write their own history. The Chinese communist party and government were perceptive of all these things and had forged a policy of cooperation

⁶ Interview conducted with Korean-Chinese scholar A in July 2016..

from early on. [...] They supported greatly the writing of Korean-Chinese history within the history of the big *zhonghua minzu* family and valued this greatly.⁷

However, how were the changing views and claims of minority histories viewed by the Korean-Chinese minority? Before the Chinese efforts to claim ancient kingdoms like Koguryō as part of its Chinese historical heritage, the Korean-Chinese scholars had claimed the heritage of Koguryō themselves and saw themselves as the descendants of the Koguryō people. Writer Jin Kuanxiong, for example, claims this very specifically in his book *Huashuo lishi de jiang -Tumenjiang* (The Historical Tumen River speaks).⁸

When the Northeast Project started in 2002, Korean-Chinese scholars of pre-modern history immediately came into action to become part of this research project:

When the Northeast Project was established Yanbian⁹ University was excluded from participating. A Korean-Chinese scholar wanted to go against this. His wife was against this course of action, telling her husband that he only had a few years left before his retirement. But he said that it indeed could have repercussions if he said something sensitive in his position, but he decided to establish himself within the debate anyway, as he wanted to maintain a proper historical questioning

⁷ Pak Munil et al., *Chungguk chosōnjoksa yōn'gu* II (Seoul: Seoul National University Press, 1996), iii.

⁸ Jin Kuanxiong, *Huashuo lishi de jiang -Tumenjiang* (Yanji: Yanbian renmin press, 2012), 2.

⁹ Yanbian is an Autonomous Prefecture in North-eastern Jilin Province, People's Republic of China, just north of the border with North Korea. Yanbian is designated as an autonomous prefecture due to the large number of ethnic Koreans living in the region. The prefectural capital is Yanji, and the total area is 42,700 square kilometres (16,500 sq mi). The Prefecture has an important Balhae archaeological site: the Ancient Tombs at Longtou Mountain, which includes the Mausoleum of Princess Jeonghyo.

of the ancient Northeast Asian states. From then on he would defer to the Han Chinese scholars, but make it possible for Korean-Chinese scholars to participate in conferences and get published in journals.¹⁰

Through these efforts, Yanbian University almost immediately was included in the debate surrounding Koguryŏ history and organized five conferences when the project was running. After the fierce reaction from South Korean scholars, they started to see an important role for themselves to alleviate the differences that exist between China and Korea in their historical outlook. One scholar described the unique position that Korean-Chinese hold in relations between the two countries as follows:

We Korean-Chinese are daughters-in-law from the Korean peninsula who were married off to China. Because of this we will have to defer to our husband's wishes, but running one's own household properly remains the task of the woman. It is the task of a daughter-in-law to see to it, that the parents of both families keep good relations with each other.¹¹

In scholarly works this translated to intensifying the usage of a concept that was first coined by Korean-Chinese scholar Jiang Mengshan in the 1990s, the concept of “One History for Dual Use” (一史两用, *yīshǐ liǎngyòng*).¹² He started to use the term to look at Koguryŏ cities that are now in Northeast Asian territory as being considered Chinese history, while Koguryŏ remnants from the Korean peninsula were seen as

¹⁰ Interview conducted with Korean-Chinese scholar B in August, 2015.

¹¹ Interview conducted with Korean-Chinese scholar C in August, 2015.

¹² Sun Jinji, “Zhongguo Gaogoulishi yanjiu kaifang fanrong de liunian [Six Years of Opening and Prosperity of Koguryŏ History Research],” paper presented at the conference titled Koguryŏ yoxsa-wa munhwa yusan [History and Cultural Heritage of Koguryŏ], March 26–27, 2004.

belonging to Korean history. This compromise had also been adopted by Han Chinese scholar Sun Jinji who had started to criticize the traditional scholarship on Gaogouli history in the 1980s and started to see its history as local histories of both China and Korea.¹³ In the 1990s, however, more emphasis was given to the efforts of creating a “unified multicultural state”, and this led many Chinese historians to start to regard the whole history of Gaogouli as being part of China’s history.¹⁴ Especially during the 1993 “International Conference on Gaogouli’s Culture” in Ji’an attended by Chinese and North Korean historians, North Korean historian Pak Sihyōng argued heavily against Chinese scholars that they claim ancient history based on contemporary territory.^{15, 16} This led to an effort by Chinese historians to strengthen their claims on Koguryō history. Jiang Mengshan, therefore, tried to return to the earlier views that were espoused by Chinese scholars as well by making use of the “one history, dual use” concept. After the Northeast Project started, other Korean-Chinese historians also made ample use of Jiang Mengshan’s concept, for example Piao Wenyi and Piao Zhenshi. Piao Wenyi thought that the term “one history, for multipurpose use” (一史多用, *yīshǐ duōyòng*) would be more appropriate, but in general the meaning of the concept did not change.¹⁷

¹³ Song Yongho, “Chunghwainmingonghwaguk-üi koguryōsa waegokkwa ilsayangyong-e gwanhan yōn’gu.” *Koguryeoyōn’guhoe haksulch’ongsō* (July 2008): 539–566.

¹⁴ Yō Hogyu, “Chunggukhakkye-üi koguryō taewoegwangyesa yōn’guhyōnhwang,” *Han’guk godaesa yōn’gu* 31 (September 2003): 35–66

¹⁵ Ji’an is a county-level city in the South-western part of Jilin province, People’s Republic of China. During the Western Han dynasty, Ji’an was governed by Xuantu Commandery. In 3 AD, the kingdom of Goguryeo (Gaogouli) moved its capital to Gungnae Fortress in today’s Ji’an. Until 427 AD, Ji’an was the capital of Goguryeo, one of the Three kingdoms of Korea, and was called Gungnae Fortress, for 400 years until the capital’s relocation to Hwando Mountain Fortress, also in Ji’an, in 209 AD.

¹⁶ Sun Jinji and Cui Guangzhi, “Gaogouli he zhongchao(han) de guanxi ji guishu,” *Koguryō Barhae yōn’gu* 18 (December 2004): 57–66.

¹⁷ Li Sheng and Piao Wenyi, *Gaogouli lishi wenti yanjiu lunwenji* (Yanji: Yanbian University Press, 2005).

In official writings most Korean-Chinese align themselves with the Chinese scholars' views. This can be seen for example in the book *History of the Korean-Chinese in Yanbian* which was written jointly by a number of prominent Korean-Chinese historians and was published in 2011. Here we find an overview of ancient history from the prehistoric to the late Qing, and the history of each ethnic group is seen as part of China's minority history. In the part where they describe Koguryō's history, for example, it is visible that they agree with the notion that the majority of Koguryō people integrated themselves with the Han Chinese after the fall of the Koguryō kingdom.

Throughout its history, the Yanbian region has been inhabited by a number of ancient ethnic communities that were present in China's Northeast. [...] In 37BC the kingdom of Koguryō was founded. [...] In 668AD the Tang dynasty defeated Koguryō and most of the Malgal population moved to the Tang, which therefore reduced the population in the Yanbian region dramatically.¹⁸

In personal interviews however, the opinions can differ greatly from those that are published. One of the historians I interviewed was very frank in his opinion of the Chinese claims, especially the one claiming that the majority of Koguryō people moved to the Tang:

There are huge problems with the view that the Han Chinese scholars espouse. The contemporary ethnicity and borders are completely different from what they were in the past. We can discuss with accuracy about ethnic and people's movements from the 18th century onwards. But to claim that we can accurately describe the movement of people

¹⁸ Committee for the History of the Korean-Chinese in Yanbian, *Yanbian chaoxianzu shi* (Yanji: Yanbian renmin press, 2011), 22.

before this time is impossible.¹⁹

The Korean-Chinese scholars think that the focus of the study of Koguryŏ and other ancient states need to be placed in multiple relationships and should contain perspectives from all sides, so that scholars from both countries can transcend their national, cultural, social and political borders. Such a transnational approach makes it possible to posit the Koguryŏ heritage in cross-continental relations and influences as a heritage of East Asia that is not the exclusive property of a single nation, but which spread across a wide area eventually leaving its imprint on realms that include contemporary Northeast China, North Korea, South Korea and beyond to Japan. One Korean-Chinese professor from the Social Sciences Department at a Beijing university is thinking of such a solution to the ongoing debates. He is, however, quite pessimistic of the possibility of this happening.

Koreans and Chinese are both expecting absolute loyalty from the Korean-Chinese. However, with the nationalist approach that they abide by, they are forcing us to become speechless. There is no discrimination within the minority policies that the Chinese government has implemented, but within it is the pressure to not be able to speak out. They use ancient Northeast Asian history for economic development. Their claims help in case the North Korean government collapses and their resources become freely available. The Northeast Project was established for nothing more than this reason. Instead they should espouse a vision about a global society, about being international citizens that goes beyond the nation state.²⁰

¹⁹ Interview conducted with Korean-Chinese scholar D in August, 2015.

²⁰ Interview conducted with Korean-Chinese scholar D in August, 2015.

As can be seen from the interviews and their scholarly works, the Korean-Chinese scholars consider themselves to be caught in the middle in this debate. They are not able to publish their views freely, as they realize that it will not pass the scrutiny of fellow Chinese scholars and the authorities. Therefore, a direct opinion and stance from Korean-Chinese scholars cannot be found in their scholarly works on Koguryō. Their works do show some strategies that they use to get their vision across. They: 1) either do not mention the debate at all in their historical works on Koguryō, but by doing so they want to present Koguryō as an independent entity not belonging to either Chinese or Korean history, but as having its own history; or 2) they make use of theories in which the history of Koguryō should be seen as belonging to both Chinese and Korean history, as a mutual history that can bind the countries together, instead of dividing them; or 3) they make use of theories that go beyond the nation-state history. A notable example is the use of the theory of transnationalism and looking at the Koguryō state and its people in this manner. It is interesting to note that even with the harsh censorship and the limited voice they have in the debate, they are united in their wish to help the Chinese and Korean scholars to find a common ground and to do away with the claims that are being made regarding Koguryō's history.

VI. Conclusion

As I have shown, ethnicity plays a crucial part in the Chinese nationalist narrative. When the communist party found that the nationalist paradigm did not include the multitude of minorities within its borders, they adjusted the narrative to include these groups as well. The influence of this version of China's ethnic nationalism can be seen in the academic discourse that emerged from 2002 on ancient Northeast Asian history, where states and peoples such as Koguryō are included into Chinese history for the sole reason that their perceived descendants are

inhabitants within China's contemporary territory. National minority histories are hereby retroactively included in China's history, by claiming that even though the minorities developed outside of Chinese territory, its direct adjacency to China influenced their cultural development heavily, and therefore their histories can be seen as Chinese territorial and multi-ethnic history.

Korean-Chinese historians used to claim their identity along ethnic lines, but after the emergence of the Northeast Asian History Project in 2002 they have changed their views and see themselves as an ethnic minority without fixed territorial or ethnic boundaries, and experience no existential crisis because of it. This is a radically different view from the ethnic nationalistic discourses that are still found in East Asia today. By drawing on their own formative experiences, they instead argue for a reappraisal of the concept of nationalism altogether, and promote a form of post-nationalism. In this way, they try to search for a middle ground and forge better international relations between China and Korea.

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Book Reviews

Bohai State: Archeology, History, Politics

by Olga V. Dyakova

Moscow: Nauka Press, 2014

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The history and culture of Bohai, a medieval East Asian state, continues to excite the minds of Russian historians and remains the object of active research. In its current stage, the historical reconstruction of Bohai State is characterized by an international collaboration of scientists. Russian scholars have cooperated with Korean and Japanese colleagues, taking part in the collective excavations of historical artifacts in the Russian Primorye district.

A new monograph by Professor Olga Dyakova is devoted to the complex study of the archeology and history of the first Tungus Bohai State (698-926), a Far Eastern, multi-ethnic, medieval state. The work examines all archeological sites of Bohai State identified to date, located in Northeast China, the Russian Far East and North Korea. As well, it includes analyses of ethnic, national and cultural written sources, as well

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as literary works by Bohai poets and writers. A composite of these materials provides the foundation for Dyakova's research.

Of particular value in this work is a special methodological section on the development of common criteria for the identification of archeological sites of Bohai culture, isolating them with respect to numerous other medieval sites. Employing her own criteria for determining Bohai monuments, Dyakova investigated more than three hundred archeological sites located in adjacent territories of three countries - China, North Korea and Russia. She developed a classification of archeological materials in terms of indigenous (ethnic) and interim-government (landmark) characteristics, thereby creating a systematic catalog of Bohai monuments (p. 32).

Materials demonstrating aboriginal (ethnic) characteristics included molded ceramics marked as "Mokhesky-type dishes" with traditional technical and technological characteristics, forms and decor, as well as Amur-type openwork belts and combined earrings (bronze ring with a stone disc or a coin). Bohai's public signs are represented by circular ceramics, fortifications such as a stone fortress built with "cementless technology," stone and earth ramparts and square mounds. All architecture copied from T'ang China contains religious artifacts with Buddhist symbols. Landmark signs include circular gray-clay pottery of various forms, which imitated the ceramic styles of T'ang China. This series of features is typical for the initial period of Bohai State artifacts, most often appearing in the territory of the Russian Far East and Northeast China. Due to these features, materials can be identified as of Koguryo origin in the Mokheskiy cultural formation and differentiated from Mokheskiy pre-state and Bohai State monuments.

The research presents a single set of Bohai archeological sites documented on maps featuring terrain and location. Identified Bohai monuments allow one to accurately determine the boundaries of the Bohai State, the history of the formation of its ethnic composition and the role of each ethnic group in its development (pp. 214-238). The

author indicates that the location of the Bohai State lay between the Amur River in the North to the Bohai Bay in the South and the East Sea in the East.

Identifying a set of sources and analyzing the contents allows Dyakova to conclude that the indigenous population of Bohai state was composed of Tungus, Manchu, and Sumo Mokhe tribes, who founded the state in 698. Modern Manchu and Tungusic peoples of Russia and China are the descendants of Sumo Mokhe tribes.

The study fails, however, to confirm the suggestion that some Koguryo people (ancestors of Koreans) were assimilated by the Bohai peoples. According to archeological and written sources, some Koguryo people were engaged in the pottery industry. They were specialists, who erected stone fortresses using cementless technology along the borders, and built land routes along the seaside. Koguryo people also were soldiers and administrative officials in Bohai State (pp. 231-238).

The Chinese people lived in Bohai State, as well. Their presence is reflected in architecture imitating that of T'ang China as well as the internal structure of settlements, which may indicate ancient city squares and gray-clay dishes of different forms. Probably, Chinese people were involved as managers because they had relevant experience and were literate. Education was necessary for all young Bohai men as without education one did not have the right to marry.

According to Dyakova, the social status of Korean and Chinese people did not extend beyond professions related to handicrafts, agriculture, construction, and officials (p. 293). That is, they belonged to the service class and were not among Bohai nobles. Probably this was the main reason why the indigenous population (Sumo Mokhe ethnic groups) did not assimilate newcomers.

The presence of the Chinese population in Bohai State and close trade contacts with China prompts some European researchers to claim that this state was a Chinese protectorate. However, Dyakova does not share this view, insisting on the idea that Bohai State was independent (p.

237), pursuing an independent foreign policy and having equal diplomatic ties with the Turkish, Japanese, Chinese, and Silla peoples.

Dyakova's discovery of archeological traces of Indo-European traditions (ornamented circular gray-clay pottery and funerary paraphernalia in the form of burial mounds) translated to the medieval Tungus-Manchus via Turkish people (p. 239-244) was of particular note. At present, this phenomenon is actively debated among Russian archaeologists. This controversy may lead to an important historical reconstruction that adds nuances to the discussion of the ethnic and cultural genesis of Bohai State.

Another important part of the monograph is its treatment of the problem of identifying the road transport system as well as the organizational logic in the mountainous area and along the coast. Based on materials from her extensive research expeditions, Dyakova was able to identify the archeological features of the land and sea roads, the length of which amounted to more than 700km along the coastline of Primorye (contemporary Russian Far Eastern territory). Archeological sites show that during the Middle Ages the coast along the East Sea functioned as a busy trade route, controlled and guarded by special units stationed in stone fortresses. According to written sources, we know that Bohai embassies actively visited Japan, with such instances recorded more than 140 times. Bohai people maintained lively trade contacts with China, having there inns and, in the case of offenses and injustices, even engaging in armed attacks on Chinese ports and ships.

Chinese influence was manifest in the state-administrative apparatus, the formation of diplomacy and literary creativity. These issues are discussed in the chapter entitled "Historical and cultural aspects of Bohai State" (pp. 257-275). Dyakova conducts a comparative analysis of a number of works by Bohai Chinese authors and reveals some interesting facts regarding the intertwining of the cultures of the two countries.

The chapter on the historical fate of Bohai State is also especially

significant. Dyakova is the first Russian archaeologist to highlight the monuments related to the post-Bohai period, concluding that a portion of the Bohai administration continued to function even after the state's defeat in 926. Identification of artifacts from late Bohai period monuments does not allow for such a variant of historical events.

In general, Dyakova's monograph is a valuable historical work that introduces the scientific systematization of Bohai's archeological sites, presents an exhaustive classification of materials, defines types of settlements, delineates its borders, and traces its ethnic and cultural genesis and historical fate. The book also includes color illustrations and maps of Bohai monuments, which increases visibility and helps one to understand the role and place of Bohai State in the history of East Asia.

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