

**SAME SITUATION, DIFFERENT TERMINUS:
LESSONS REGARDING RELATIONS BETWEEN TURKEY AND GREECE
AND SOUTH KOREA AND JAPAN FROM 1948 TO 1965**

A Master's Thesis

**by
CHANGSOB KIM**

**Department of
International Relations
Bilkent University
Ankara
August 2008**

**SAME SITUATION, DIFFERENT TERMINUS:
LESSONS REGARDING RELATIONS BETWEEN TURKEY AND GREECE
AND SOUTH KOREA AND JAPAN FROM 1948 TO 1965**

**The Institute of Economics and Social Sciences
of
Bilkent University**

by

CHANGSOB KIM

**In Partial Fulfillment of the Requirements for the Degree of
MASTERS OF ARTS**

in

**THE DEPARTMENT OF
INTERNATIONAL RELATIONS
BILKENT UNIVERSITY
ANKARA**

August 2008

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Masters of Arts in International Relations.

Assistant Professor Nil Şatana
Supervisor

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Masters of Arts in International Relations.

Assistant Professor Nur Bilge Criss
Examining Committee Member

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Masters of Arts in International Relations.

Professor Dr. Hasan Ünal
Examining Committee Member

Approval of the Institute of Economics and Social Sciences

Prof. Erdal Erel
Director

ABSTRACT

SAME SITUATION, DIFFERENT TERMINUS: LESSONS REGARDING RELATIONS BETWEEN TURKEY AND GREECE AND SOUTH KOREA AND JAPAN FROM 1948 TO 1965

Kim, Changsob

M.A., Department of International Relations
Supervisor: Assist. Prof. Nil Şatana

August 2008

In 1948, Turkey-Greece and South Korea-Japan relations were in similar situations of a historical national animosity, perception of communist threat, and strategic interests of an alliance with the U.S. In 1965, whereas the North Eastern case came to a ‘more peaceful’ convergence, the Mediterranean case reached ‘a conflictual type’ of divergence. The aim of this thesis is to reveal the reason, comparing the two American solutions, which employed two theories, namely, institutionalism and economic interdependence: NATO in the Mediterranean case and bilateral trade in the North Eastern one. Through the use of theoretical and historical/empirical approach, this thesis highlights two findings: (1) in dyadic level of conflict, an economic solution was more successful than the NATO solution, and (2) the formation of direct bilateral relations was easier to eliminate historical enmity and establish peace than multilateral ones. I conclude that bilateral economic interdependence is far more effective in building peaceful relations between states compared to multilateral institutionalism.

Keywords: Institutionalism, Multilateral Relation, Mediterranean, Turkey-Greece, Conflict, Economic Interdependence, Bilateral Relation, North Eastern Asia, South Korea-Japan, Peace

Ö ZET

Aynı durum, farklı son: 1948’den 1965’e kadar Türkiye-Yunanistan ve Güney Kore- Japonya İlişkilerinden Çıkarılabilecek Dersler

Kim, Changsob

Yüksek Lisans, Uluslararası İlişkiler Bölümü
Tez Yöneticisi: Yrd. Doç. Dr. Nil Şatana

Ağustos 2008

1948 yılında, Türkiye-Yunanistan ve Güney Kore-Japonya ilişkileri, tarihsel bir ulusal düşmanlık, komünizmin tehdit algılaması, ve ABD ile stratejik muttefiklik ilişkileri açısından benzer konumda olmuştur. 1965 yılında, Uzakdoğu’daki iki ülkenin durumu barışçıl bir konuma ulaşmışken, Akdeniz’deki iki ülkenin ilişkileri karşılıklı uyuşmazlık sebebiyle gitgide gerginleşmiştir. Bu tezin amacı bu iki bölgedeki ülkelerin ilişkilerinin ne sebeple aynı konumdan farklı durumlara geldiğini kuramsal ve tarihsel bir analiz aracılığıyla ortaya çıkarmaktır. ABD bu iki bölgede önem verdiği devletler olan Türkiye-Yunanistan ve Güney Kore-Japonya ilişkilerini geliştirmek için kullandığı iki farklı stratejiyi “kurumcu” ve “karşılıklı ekonomik bağımlılık” okulları aracılığıyla incelemektedir. Akdeniz durum çalışması NATO’nun, Uzakdoğu durum çalışması ise karşılıklı ticaretin uyuşmazlık üzerindeki etkisini araştırmaktadır. Bu çalışmalar aracılığıyla tezde iki husus vurgulanmaktadır. İlk olarak, uyuşmazlığı diyadik düzeyde önlemede, ticaret ve karşılıklı ekonomik bağımlılık, NATO’nun bağlayıcılığından daha başarılı olmaktadır. İkinci olarak, iki taraflı ilişkilerin normalleşmesinde tarihi düşmanlıkları yok etmek ve barışı sağlamak için çok yanlı ilişkilerden faydalanılmalıdır.

Anahtar Kelimeler: Kurumcu okul, yanlı ilişkiler, Akdeniz, Türkiye-Yunanistan, Uyuşmazlık, Ekonomik Karşılıklı Dayanışma kuramı, iki taraflı ilişkiler, Uzak Doğu, Güney Kore-Japonya, Barış

ACKNOWLEDGEMENT

I feel most fortunate to have been guided and supervised by my advisor, Assistant Professor Dr. Nil Şatana and would like to express my deepest gratitude to her for her valuable recommendations, patience and guidance which helped me finish this study. I would also like to thank Professor Dr. Hasan Ünal and Assistant Professor Dr. Nur Bilge Criss for their valuable critique and comments on my thesis. Without their suggestions, I would not have been able to improve the academic quality of my thesis.

I am deeply grateful to teacher Ha and Professor Gun-do Lee for their encouragement and advice. My thanks should go also to my lovely wife and my parents for their continuous support, encouragement and motivation in the really hard times I lived through. I would like to extend my thanks to my country, South Korea, which gave me the unique opportunity to study in Turkey and to learn about Turkish culture, history, and Foreign Policy.

Last but not least, I am forever in debt to my friends for their support, friendship, and inspiration during my university studies and while I was preparing this thesis: my roommate pooh Murat, gentleman Eyüp, happy guy Uygur, faithful Aytaç, Turkish future Fahri, Kanki Doğan, tennis friend Julia, my Turkish brother Fahri and sister Özlem, mature though young Mücahit, pingpong friend Atilla, American friend Aaron and Mike. Without their love and help, this thesis would have never finalized. I owe this study to them.

TABLE OF CONTENTS

ABSTRACT	iii
Ö ZET	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS.....	vi
LIST OF ABBREVIATIONS	ix
LIST OF TABLES	xi
LIST OF FIGURES	xii
CHAPTER 1: INTRODUCTION	1
CHAPTER 2: HISTORICAL COMMONALITIES OF RELATIONS BETWEEN TURKEY-GREECE AND KOREA-JAPAN.....	9
2.1 The Mediterranean Case	9
2.1.1 Historical Animosity	9
2.1.2 Threat Perception on Communism and the Soviet Union	11
2.1.3 Strategic Interests of the Alliance with the U.S.	14
2.2 The North Eastern Asian Case	15
2.2.1 Historical Animosity	15
2.2.2 Threat Perception on Communism and the Soviet Union	17
2.2.3 Strategic Interests of the Alliance with the U.S.	18
CHAPTER 3: THEORETICAL FRAMEWORK.....	20

3.1. Political Institutionalism	20
3.1.1. Institutionalism and the Realists	23
3.1.2. Institutionalism and the Liberals.....	277
3.1.3. Institutionalism and Social Constructivism	29
3.2. The Argument: Economic Interdependence Theory	31
3.2.1 Economic Interdependence Fosters Peace	34
3.2.2 Conditional Economic Interdependence Promotes Peace.....	37
3.2.3 Economic Interdependence Leads to Conflict	38
3.2.4 Economic Interdependence Is Not Related to Conflict.....	42
CHAPTER 4: HISTORICAL APPROACH: THE MEDITERRANEAN CASE.....	44
4.1 U.S. Engagement in Greece	44
4.2 U.S. Engagement in Turkey	45
4.3 Before the Joint NATO Entry	46
4.4 After Joint NATO Entry	48
4.5 The Outbreak of the Cyprus Conflict: 1955 - 1965	52
4.5.1 Brief Historical Background	52
4.5.2 The Emergence of the Cyprus Dispute	53
4.5.3 The 6-7 September Incidents	54
4.5.4 British Withdrawal and the Birth of the Republic of Cyprus	57
4.5.5 Thirteen Amendments and the Turkish Plan for the Peace Operation in Cyprus in 1964	60
4.5.6 Johnson's Letter and Complete Turning Back to Their Own Issues ..	63
4.6 The Johnson Letter's Impact and Multi-Faceted Foreign Policy in 1965.....	68
CHAPTER 5: HISTORICAL APPROACH: NORTH EASTERN ASIAN CASE ...	72
5.1 U.S. Engagement in Japan	72

5.2 U.S. Engagement in South Korea	75
5.3 The Korean War on 25 June 1950	78
5.4. The Efforts for Normalization.....	80
5.4.1 Syngman Rhee and the Normalization Talks.....	81
5.4.2 The Chang Myon Government and the Normalization Talks.....	84
5.4.3 Park Chung Hee and the Normalization of Relations	87
5.5 South Korean and Japanese Economic Relations: 1961-1965.....	92
5.5.1 Mutual Economic Interests	92
5.5.2 Japanese Contribution	95
CHAPTER 6: ANALYSIS OF A RELEVANT THEORETICAL FRAMEWORK FOR THE CASE STUDIES	103
6.1 The Failure after Success in the Mediterranean Case: 1945-1955 versus 1956-1965	103
6.2 The Success after Failure in North Eastern Asian Case: 1948-1954 versus 1955-1965	110
6.3 Lessons from the Analysis of Economic Interdependence	114
CHAPTER 7: CONCLUSION.....	117
SELECT BIBLIOGRAPHY	122
APPENDICES	131
A. JAPAN-ROK ECONOMIC TREATIES AND RELATED AGREEMENT, 1967-1991	131
B. LETTER FROM U.S SECRETARY OF STATE DULLES TO GREEK PRIME MINISTER PAPAGOS, SEPTEMBER 18, 1955.	134
C. LETTER FROM PRESIDENT JOHNSON TO TURKISH PRIME MINISTER İNÖ NÜ , JUNE 5, 1964	136
D. THE SUMMARY TEXT OF KOREAN PROPERTY CLAIMS.....	141

LIST OF ABBREVIATIONS

AKEL	: Progressive Party of the Working People, The Communist Party of Cyprus (Anorthotikon Komma Ergazomenou Laou)
APEC	: Asia-Pacific Economic Cooperation
ASESAN	: Association of South-East Asian Nations
CIS	: Commonwealth of Independent States
EAM	: National Liberation Front (Greek Ethnikón Apeleftherotikón Mét)
ELAS	: National Popular Liberation Army (Ethnikós Laikós Apeleftherotikós Strátos)
EOKA	: National Organization of Cypriot Fighters (Ethniki Organosi Kiprion Agoniston)
EU	: European Union
FFYP	: First Five-Year Plan
GNP	: Gross National Product
KBA	: Korean Businessmen's Association
KMAG	: Military Advisory Group in Korea
MIDs	: Militarized Interstate Disputes
MLF	: Multilateral Force
NATO	: North Atlantic Treaty Organization
OPEC	: Organization of Petroleum Exporting Countries
PRC	: People's Republic of China
ROK	: Republic of Korea

SCAP	: Supreme Commander for the Allied Powers
SCO	: Shanghai Cooperation Organization
SOFA	: Status of Forces Agreement
TGI	: Turkey-Greece-Italy
TMT	: Turkish Resistance Organization (Türk Mukavemet Teşkilatı)
UN	: United Nation
UNFICYP	: United Nation Peacekeeping Force
US	: United States
USAMGIK	: U.S. Army Military Government in Korea

LIST OF TABLES

1.	Comparison of Realists and Liberals on Institutionalism.....	23
2.	The Atlantic Alliance as Security Community.....	30
3.	Ratio of Aggregate U.S. Military Aid Totals from 1947 to 1965	51
4.	US Economic Aid to the ROK, 1945-1963 (in thousands of US dollars).....	86
5.	The US Military Assistance to the ROK (in millions of US dollars). 86	
6.	Foreign Investments in South Korea: 1962-1978.....	96
7.	Foreign Technology Transfer to South Korea: 1962-1977	97
8.	Bilateral Trade between the ROK and Japan: 1961-1965 (In Millions of US Dollars).....	99

LIST OF FIGURES

1.	Dependence and Interdependence Continuum	34
2.	The Impact of Multidimensional Interdependence on MID Occurrence, 1870-1938.....	41

CHAPTER 1

INTRODUCTION

This thesis mainly argues that an analysis of the history of relations between Turkey-Greece and South Korea-Japan from 1948 to 1965 shows why the two North Eastern Asian countries developed peaceful relations and the two Mediterranean countries did not. There is a manifestation and yearning for peace and cooperation in bilateral relations respectively. In a speech by the Prime Minister of Greece, Kostas Karamanlis, who visited Turkey officially after almost half a century, a hope was expressed for bilateral relations that both countries could escape from a past marred by conflict and develop peaceful cooperation. The visit also highlighted that the resulting choices for the future should be based on economic relations, ie., the construction of a Turkish-Greek natural gas pipeline as part of the Turkey-Greece-Italy (TGI) Corridor and a desire for Turkey's membership in the European Union (EU).¹ On the other side, the new South Korean President Myungpark Lee's comments about the future of Korean-Japanese relationships were in a similar tone with Kostas Karamanlis' speech. Lee stated that the Republic of Korea (ROK) should form future-oriented relations with Japan in a practical manner; particularly,

¹ Kostas Karamanlis, "Greece and Turkey: Looking to the Future" (Speech at Bilkent University, Ankara, Turkey, January 24, 2008).

he emphasized that ROK should forget the past and look to the future.² In both cases the countries were eager to build peaceful relations with one another.

However, generally speaking, the possibilities of peaceful relations still remain ambiguous in the Mediterranean region compared to North Eastern Asia. In the light of current events such as the S-300 Crisis and the Cyprus question, it seems that the relations between Turkey and Greece have been in a state of long-standing dispute, despite the bilateral efforts to normalize relations. Contrary to this, the relations between ROK and Japan have been progressing, as the number of official and unofficial visits between the Premier of Japan and the President of ROK have increased and militarized disputes or political crises have not taken place. What is more, the 2002 FIFA World Cup enabled ROK and Japan, the two hosts, to build much closer relations in political and economic terms.

To find out why the two cases have produced different outcomes, the history of these countries between 1948 and 1965 needs to be analyzed. In both cases the countries arrived at different terminus in 1965 having started in similar situations in 1948. In 1948, both cases had been suffering from three commonalities: a historical national animosity resulting from Japanese colonization of ROK and the domination of Greeks by the Ottoman Empire, external security threat from the Soviet Union and the strategic interests resulting from the alliance with the U.S. However, the results in both cases evidently diversified in 1965. American support for Turkey and Greece like their entry into the North Atlantic Treaty Organization (NATO) in 1952 had not made as considerable a contribution to the development of relations between the two countries as was expected. On the contrary, due to direct American intervention in relations between ROK and Japan, normalization in 1965 based on

² “Leedaetongryon mirae jiyang hanil gwangye jaekangjo (President Lee’s re-emphasis on Future-Oriented Korea-Japan Relations),” Donga Ilbo, Sec. Politics, March 1, 2008 (accessed on April 8, 2008) <http://www.donga.com/fbin/output?rss=1&n=200803010228>.

economic cooperation, which can be conceptualized as economic interdependence, played a decisive role in initiation of peaceful relations between the two North Eastern Asian countries. More specifically, the two North Eastern Asian countries increased economic cooperation despite problems related to poverty and sex slavery claims, thus developing their relations in every area year by year. However, even though the two Mediterranean countries, Turkey and Greece were members of NATO symbolizing political cooperation especially in security issues, they almost faced military confrontation in 1964.

These phenomena cannot be transitional; however, unfortunately they have been glossed over by most academics, particularly when the two cases are compared using international relations theory. Therefore, the primary research aim of this thesis is to reveal the reason why the North Eastern case has come to a ‘more peaceful’ convergence – more cooperative bilateral relations in economic terms - and the Mediterranean case has reached ‘a conflictual type’ of divergence – less cooperative bilateral relations as regards to the Aegean Sea and the Cyprus questions. Of course, it seems certain that the current data substantiate more clearer statements that ROK-Japan relations are too close to be compatible with such economic terms as foreign direct investment (FDI)³, economic treaties and related agreements⁴, and the total trade-to-GDP ratio⁵, and that no extensive signs of progress of Turkey-Greece relations seems to have taken place. Hence, it makes sense that current issues are more reasonable to explain with the two theories in tune with the two cases.

However, this thesis avoids the occurrence of events with a few exceptions after

³ Japan is a second source country, who provides Japanese foreign direct investment to South Korea, next to America. “Foreign Direct Investment,” http://www.fdimagazine.com/news/fullstory.php/aid/1029/South_Korea.html.

⁴ See appendix A.

⁵ In Statistics of bilateral trade, Japan is the second country next to US, occupying 19 percent of total trade. ROK occupies 6.9 percent of Japanese export and 4.6 percent of Japanese import. “The Ministry of Foreign Affairs of Japan,” <http://www.mofa.go.jp/region/asia-paci/korea/fta/report0310-14.pdf>

1965 to date, mainly because it is necessary to highlight the underlying reasons and the starting point from which the above-mentioned results stemmed. Therefore, I examine whether a theory of economic interdependence is much more effective than political institutionalism in resolving regional disputes, by focusing on these two case studies, with particular attention to the critical years from 1948 to 1965.

This thesis has an assumption to consider prior to operationalization of the variables. My assumption is that economic cooperation lessened negative historical memories, started to change Korean preferences and engendered peaceful bilateral relations that should be considered as economic interdependence. Doubtless, it is difficult to say whether economic interdependence would work well in North Eastern Asia during the 1950s and 1960s when trade shares were not the same for each country. Despite this limitation, the fact that economic cooperation has not been abandoned by the two states is testimony to the actual value and potential of the economic interdependence theory. It also cannot be denied that economic cooperation such as Japanese technological transfer and economic aid to ROK, made contributions to the opening of peaceful relations and the inception of economic interdependence. Normalization of relations under American pressure was achieved by economic need by which ROK's political leaders and most Japanese businessmen were expected to use the forthcoming opportunities.⁶ Despite negative feelings towards Japan from South Koreans stemming from past Japanese imperialism, Japanese investment gave rise to economic improvement of the ROK.⁷ Although not full-blown, these should be identified with economic interdependence.

My core finding, which is derived from the comparative analysis of the North East Asian and the Mediterranean cases, is that international political institutions

⁶ Chong-Sik Lee, *Japan and Korea: the political dimension* (Stanford California: Hoover institution press, 1985), pp. 43-67.

⁷ Ibid., pp. 62-66.

have a trivial effect on state interaction, and are less relevant to the stability of bilateral relations. Economic interdependence, instead, influences state behavior and thus leads to world peace, at least in the analysis of the Mediterranean and North Eastern Asian cases. As a result, this thesis also identifies the causal variables that drive peaceful bilateral relations. For that purpose, the independent variable is ‘economic interdependence supported by the US,’ the dependent variable is ‘normalization of peaceful relations,’ and, the control variable is ‘political and security cooperation through an institution like NATO.’ The reason why the U.S. is included in the equation is that security and economic dynamics of the early Cold War depended considerably on American decision-making. Therefore, I also analyze how American foreign policies led to an easing of strained mutual relations in the two regions and how these policies were taken and responded to by both sides.

This analysis is structured chronologically. The following five main chapters analyze the reasoning of the American Cold War solutions such as the NATO solution and economic interdependence solution to the two cases from historical aspects. The analysis of which of the two theories better explain follows the empirical findings.

The first chapter starts with some historical commonalities of the countries discussed in the aftermath of the Second World War. Both cases at that time have some commonalities such as enmity and emotionalism resulting from legacies of the colonial and imperial eras; similar threat perception from the Soviet Union and the strategic interests of the alliance with the US.

The second chapter will discuss the main theoretical approaches to the study of conflict. As mentioned earlier, the cases reach two different conclusions: while Turkey and Greece experienced militarized dispute, ROK and Japan followed a

different path of peaceful normalization. To explain this anomaly of why the cases diverge, I will examine the theories of institutionalism and economic interdependence. In the first part, political institutionalism as an alternative argument will be explained by regime theory and its origin. The perspectives of realism, liberalism, and social constructivism will be compared. In the second part, economic interdependence as my explanatory argument will be compared in four ways: (1) Economic interdependence fosters peace, (2) Conditional economic interdependence promotes peace, (3) Economic interdependence leads to conflict, and (4) Economic interdependence is not related to conflict. By analyzing various strands emanating from the two theories, each perspective avoids theoretical bias.

The third chapter focuses on American foreign policy in Turkey and Greece from 1948 to 1965, with a focus on Turkey. We will see from comparing the situation before and after joint NATO membership, how both states ironically turned to their regional issues, and whether the U.S./NATO involvement in the Turkish-Greek relations positively affected peaceful relations between Turkey and Greece. The Turkish-Greek relations were not conflictual at first; in fact, relations looked quite promising. The Marshall Plan and Truman doctrine, joint NATO entry and co-establishment of the Balkan Pact of 1954 indicated a way towards a peaceful and lasting solution against a potential Soviet threat. However, the year 1955 was a turning point of bilateral relations via the Cyprus dispute, which revealed that the sphere of influence of NATO on the nature of Turkey-Greece relations had been marginal. NATO's intentions aside, relations between Turkey and Greece evolved differently. After American President Johnson's harsh letter directed at Turkey, bilateral relations became strained, in fact the trilateral relations between the U.S., Turkey and Greece allowed Turkey and Greece to turn back to their own interests.

NATO/U.S. could not restrain *Taksim* and *Enosis* policies from paving each state to their individual ways.

The fourth chapter focuses on American foreign policy in ROK and Japan from 1948 to 1965, with a focus on ROK. We will see if the evolution of economic relations as an inception of bilateral economic interdependence positively influenced peaceful bilateral relations. In order to see this, I will compare ROK's three political leaders with normalization, and evaluate the mutual interests and Japanese support in 1961-65. The ROK-Japan relations had some difficulties in the beginning, given the Korean War, which reignited South Korean anti-sentiments towards the Japanese. However, the War was conducive to forming a U.S.-ROK-Japan triangle. Despite having some reservations, their economic interests were inextricably bound up with each other: the U.S. wanted to share its economic burden in the ROK, ROK wanted to be rehabilitated by American and Japanese support, and Japan expected new opportunities in a new market and cheap labor in the ROK. In the early 1960s, the decline of the American influence in Asia propelled both countries to form bilateral relations, leading to normalization based on economic structure.

The final part of this thesis is devoted to the analysis of the effect of cooperation through political institutionalism versus economic interdependence regarding the two American experiments in the Mediterranean and the North East Asia. On one side, security needs were met by using the help of an institution, whereas on the other side the same needs were solved by using economic interdependence. The failure after success in the Mediterranean case shows that no matter how NATO forced Turkey and Greece to reach an agreement toward a *modus vivendi*, it could not become a long-term solution but just a temporary remedy. The success after failure in the North Eastern Asian case points out that there is little

room for conflict between interdependent trading partners; therefore, it pays to use bilateral trade mutually in the world. Therefore, in dyadic level of conflict, bilateral economic cooperation is far more effective in finding a solution to disputes, than being compelled to use multilateral institutional efforts.

Regarding the sources used, this thesis uses secondary research sources, such as academic journals and newspaper articles, and books; mainly in Korean, English and Turkish. The primary sources include some tables, which establish the relationship between economic interdependence and absence of conflict. With regard to the methodology I compare each empirical result with theories developed by academicians who are experts in their own fields.

The main contributions of this thesis to the existing body of knowledge are as follows: First, this study aims to contribute to the theoretical and empirical literature through comparison of institutionalism versus economic interdependence approaches to conflict; as well as testing these approaches through the historical comparison of two cases. Second, this study tries to compare U.S.'s attempts in two cases with two theories that pursued peace in a dimension of bilateral relations, thus showing the structure and nature of NATO or U.S.-Turkey-Greece and U.S.-ROK-Japan triangle. Lastly and more importantly, this thesis aims to suggest a fundamental way for bilateral peaceful relations that may offer an applicable path for all states.

CHAPTER 2

HISTORICAL COMMONALITIES OF RELATIONS BETWEEN TURKEY-GREECE AND KOREA-JAPAN

This chapter explores three commonalities of both sides in the aftermath of the Second World War. First, both pair of states inherited a sense of animosity from the colonial and imperial eras. Second, in both cases the states experienced similar threat perception from the communist block and finally both cases included the strategic interests of states' alliance involving the U.S.

2.1 The Mediterranean Case

2.1.1 Historical Animosity

Even though generations of their ancestors once lived in mixed communities harmoniously, without enmity or any serious problems, in general, Turkish-Greek relations were never warm since Greek independence from the Ottoman Empire in 1832. A lengthy explanation of the historical animosity is not the purpose of this section; however, it is worth presenting the historical facts of the Turkish and Greek

Wars of Independence, instead of discussing the enmity from a typical religious aspect such as Muslim Turks and Orthodox Greeks.

With respect to Greek War of Independence, Greek separatism from the Ottoman Empire was affected by the Western theory of self-determination and the steady decline of the Ottoman-Turkish administrations by territorial expansion.⁸ Mehmet Ali Pasha, the Sultan's governor in Egypt was charged with putting down the Greek resistance movement, which began in 1821 and his son Ibrahim Pasha defeated the Greeks, which led the European powers to intervene in Greece by using their naval power. The Egyptian-Ottoman fleet in the port of Navarino in September 1827 was destroyed by the combined fleets of Britain, France and Russia.⁹ Finally, Greece became an independent country and was recognized by the Ottoman Empire in 1832.¹⁰ The Ottoman had conquered Athens in 1458 and had to give up the city 374 years later; the Greeks restored sovereignty at the cost of many lives during the war (1821-1829).

Regarding the Turkish War of Independence, the Greek invasion was one of the stumbling blocks for Turkish independence, striking a fatal blow to the newly rising Turkish Republic. The reasons why the invasion broke out were that the western Allies had promised Greece territorial gains if Greece supported the First World War on the Allied side, and Greece was eager to occupy Istanbul to achieve the *Megali Idea*¹¹ (great idea) and were waiting for the right moment. On January 14, 1919 the Greek army occupied part of eastern Thrace and local Greek civilians who

⁸ Harry J. Psomiades, *The Eastern Question: The Last Phase* (New York: Institute for Balkan Studies, 1968), p. 2.

⁹ Richard Clogg, *A Concise History of Greece* (New York: Cambridge of University Press, 1992), p.44

¹⁰ William Hale, *Turkish Foreign Policy, 1774-2000* (London: Frank Cass, 2000), pp. 23-24.

¹¹ Richard Clogg, pp. 47-48. The term was coined by Ioannis Kolettis who had emerged as one of the most influential political figures during the first two decades of the independent kingdom, aiming at uniting with the bounds of a single state, whose capital would be Constantinople, all the areas of Greek settlement in the Near East.

enlisted voluntarily in the Greek army joined the ‘ethnic cleansing,’ destroying many mosques. The Greek First Division prepared for invasion of Izmir and was comprised of 13,000 soldiers, 4000 animals and 750 cannons. The soldiers landed and marched, shouting “long Live Venizelos, Long Live Greece, and Long Live Christostomos”; the Greeks began to advance into the interior of Anatolia under the pretext of “military necessity, requests of Greek villagers, Turkish threats to massacre Greeks, or the need to gain compensation for the Italian expansion in the East.”¹² At the Treaty of Sevres, in August 1920, Greece gained Eastern Thrace and administered İzmir and the surrounding area; on 10 July 1921, the Greeks captured Eskişehir, Kütahya and Afyon, and advanced to Polatlı which was located to the west of Ankara.¹³ In due course, the invasion caused both sides to commit atrocities such as arson, robbery, and massacre.

In short, through these two wars, the Greek War of Independence and the Turkish War of Independence, both countries had history of invading the other. “Echoes of these conflicts still roil the waters in Turkish-Greek relations,” leaving a historical enmity.¹⁴

2.1.2 Threat Perception on Communism and the Soviet Union

With the start of the Cold War after the end of the Second World War in 1945, the world lay under a bi-polar political system. The world was aligned into two parts: communist countries led by the Soviet Union and the Western Powers led by the United States. From a Western perspective, communism was a serious international

¹² Stanford J. Shaw, *From Empire to Republic: The Turkish War of National Liberation 1918-1923 A Documentary Study* (Ankara: Türk Tarih Kurumu Basımevi, 2000), pp. 463-596.

¹³ William Hale, pp.45-52 .

¹⁴ Lucas Cadena, “Greek-Turkish Tensions,” *Princeton Journal of Foreign Affairs* (Winter, 1998), <http://www.princeton.edu/~foreigna/winter1998/turkey.html> and Robert D. Kaplan, “Salonica, City of Ghosts: Edge City,” *NYtimes*, May 8, 2005 (accessed on May 4, 2008), <http://www.nytimes.com/2005/05/08/books/review/08KAPLANL.html?pagewanted=all>.

threat. This threat perception was an important factor in foreign policy decision-making of states, which bordered communist states especially those that were contiguous with the Soviet Union; this was indeed the case for Turkey. Whereas Turkey perceived only an external threat, Greece faced both external and internal communist threats.

For Greece, its government force vied with Greek communist guerilla and the civil war was the result of that internal threat. At the end of the Second World War, Communist guerilla groups such as the National Liberation Front (EAM) and its National Popular Liberation Army (ELAS) changed their structure. Civil wars in the first decade of the Cold War broke out through the well organized political and military coordination of EAM and ELAS, which aimed at increasing their determination to convert Greece into a “People’s Democracy.”¹⁵ This internal conflict was an additional burden on Greece apart from the external communist threat.

As an external threat, Greece faced communist threats stemming from Bulgarian and Yugoslav demands. Greek borders with Albania, Yugoslavia and Bulgaria originally attracted the exclusive attention of military planners of the time.¹⁶ Notwithstanding, Greece had no direct threat from the Soviet Union, in essence, it was much the same, mainly because of the existence of Yugoslavia under the rule of Tito and satellite Bulgaria under the influence of Soviet Union. This all meant the potential of a communist attack from multiple enemies. What is more, both Yugoslavia and Bulgaria were connected with communist guerillas in Greece that

¹⁵ Theodore A. Coulombis, *Greek Political Reaction to American and NATO Influences* (New Haven and London: Yale University Press, 1966), p. 23. EAM: National Liberation Front (Greek Ethnikón Apeleftherotikón Mét), ELAS : National Popular Liberation Army (Ethnikós Laikós Apeleftherotikós Strátos)

¹⁶ Thanos Veremis, *Greek Security: Issues and Politics* (Great Britain: Adlard & Son Ltd Bartholomew Press, 1982), p.6

were fighting against the military. Accordingly, Greece had both internal and external threats, thereby in need of a western security umbrella.

On the other hand, Turkey was on the front line of the Cold War confrontation and the leadership was seriously worried about the constant Soviet pressure. On 19 March 1945, the Soviets signified the need of amendment of the Soviet-Turkish Treaty of Neutrality and Non-Aggression of 1925, in the name of international developments, which required Turkey to permit a Soviet base on the Straits and the areas of Kars and Ardahan in Eastern Turkey.¹⁷ Kars and Ardahan were ceded to Russia at the end of the Turco-Russian War of 1877 and in 1921 were returned to Turkey through the Soviet-Turkish Treaty of Friendship during the Turkish Independence War. Whereas the interests of Stalin in the region was to gain a foothold in the Mediterranean, Turkey represented legal rights by the Montreux Convention in 1936 in order to prevent Russia from taking initiatives on the Straits. After Molotov, the Commissar for Foreign Affairs, denounced the Turkish-Soviet treaty, Yugoslavia and Bulgaria put the squeeze on Turkey and the Turkish government.¹⁸ At the same time, Soviet troops in Bulgaria and the Caucasus increased the possibility of Soviet aggression. Consequently, the Soviet demand for Turkey's territorial integrity towards its Straits and northeastern borders uncovered the need of a Western-allied security guarantee.

Interestingly, both states not only experienced similar threats, but also shared similar risks. If Russian expansionist designs succeeded in Greece, it is safe to say that Turkey would have fallen into the Soviet sphere of influence.¹⁹ Consequently, both states were in danger of becoming an easy prey to Moscow's wishes, which led

¹⁷ Ekavi Athanassopoulou, *Turkey-Anglo-American security Interests 1945-1952* (Great Britain: MPG Books Ltd, Bodmin, Cornwall, 1999), pp. 39-40.

¹⁸ Memorandum by Overseas Planning committee, 31 May 1945, FO371/48790 R9748/9748/44 quoted in Ekavi Athanassopoulou, p. 45.

¹⁹ Ekavi Athanassopoulou, pp. 85-86.

them to seek for an alliance in order to fulfill the requirements resulted by the threat perceptions from communism and the Soviet Union.

2.1.3 Strategic Interests of the Alliance with the U.S.

Both Turkey and Greece longed to have a security guarantee for their survival such as external military and economic aid due to above-mentioned threat perception. Both states recognized that they were insufficient politically, economically, and that they lacked the necessary military power to protect their territory and sovereignty. In the beginning of the Cold War, therefore, the main defense goal for both states was to be included in a Western security alliance, particularly aligned with the U.S.

However, it was ambiguous during the first years of the Cold War whether American support was available to Turkey and Greece. Notwithstanding the U.S. acknowledged that these states contained geostrategic value in the Mediterranean and the Middle East, as a buffer system to Soviet influence, U.S. lingered over its decision of direct involvement and promise of permanent alliances. This was partly because Britain had been responsible for giving economic and military assistance to both states. Within these circumstances, in February 1947, Turkey and Greece, worse off than ever, were put under a situation where they could no longer be supported by British military and economic aid. Considering the 'Future Policy towards Turkey and Greece' including strategic requirements in the area, British role for both countries of supporting methods, and the best way of inducting the Americans, in the end Britain gave up supporting the two countries reluctantly and unpredictably.²⁰ Britain had no alternative due to its economic difficulties such as the great fuel crisis in January 1947, whether this was the real reason or not, Soviet expansionist policy,

²⁰ Robert Frazier, *Anglo-American Relations with Greece: The Coming of the Cold War, 1942-1947* (London: Macmillan Academic and Professional Ltd, 1991), pp. 120-121, 132.

which seemed to be impending inevitably demanded an alteration of American policy.

Fortunately, President Truman decided to shoulder the burden in place of Britain, although he did not take definite steps at the first stance due to its own expanded role as a world power.²¹ Communist-led revolts in Greece, as pointed out earlier, caused the U.S. to give priority to Greece; of course, the U.S. who had a fear of the spread of communism could not overlook Turkey. In this atmosphere, the Truman Doctrine left no question as to the appropriate response. According to the Truman Doctrine, Greece that was torn by a civil war was granted 300 million dollars and Turkey that had security value and passage role of the flow of oil to the West was granted 100 million dollars.²² On the one hand, the aid was a contribution to the development of the economy and military, on the other hand it had moral and political consequences. However, the aid was an ad hoc plan, and thereby both states were fervently pursuing a permanent American security umbrella.

2.2 The North Eastern Asian Case

2.2.1 Historical Animosity

The nature of relations between Korea and Japan lays in that they are in close proximity to each other due to their location. History witnessed that both countries have had a similar culture and customs, which have made Korea-Japan relations more complicated. In the early phase, the Koreans who considered themselves “little China” and established close cultural ties with China, and the resulting relative

²¹ Ibid, pp. 157-181.

²² Ekavi Athanassopoulou, pp. 60-61.

cultural superiority with Confucian and Buddhist factors were inherited by Japan.²³ However, the Japanese who absorbed the superior culture from Korea rejected their inferiority in terms of culture; thus they substituted cultural inferiority complex for military superiority, which led both countries to mutual contempt and derision.²⁴ This tension came to a head during the Japanese occupation of Korean territory from 1910 to 1945. Since Korean independence in 1945 in the aftermath of the end of the Second World War, ROK and Japan shared an abiding distrust and animosity.

South Korean enmity was rooted in the era of Japanese colonization. In the beginning, during both the Sino-Japanese War (1894-95) and the Russo-Japanese War (1904-05), Japan began to interfere in the Korean government and intervened in Korean territory. After it won both wars, Japan as a final step annexed Korea on August 29, 1910 under the recognition of the United States and Great Britain who thought of Japan as a peace maker in the Far East.²⁵ Despite the fact that Korea was declared independent by the Potsdam Declaration of July 26, 1945 and ROK was inaugurated on August 15, 1948, it was not until 1951 that Japan recognized the ROK by making the Peace Treaty with ROK; thus, their relations could not be figured out “by traditional law on the restoration of peaceful relations.”²⁶ Therefore it was difficult for Koreans to forget the bitter memories of Japanese domination and aggression, and Japanese also considered the Koreans as barbarian and ROK as “the most disliked country”.²⁷ This bitter past spawned deep-seated antipathy and popular stereotypes, which made both countries introspective by which both peoples observe

²³ Young-hee Lee, “The Spiritual Aspect of Korea-Japan Relations: A Historical Review of Complications Arising from the Consciousness of Peripheral Culture,” *Social Science Journal*, Vol. 3 (1975), pp. 21-23.

²⁴ Bae-ho Hahn, “Issues and National Images in Korea-Japan Relations,” *The Journal of Asiatic Studies*, Vol. 21, No. 1 (2002), p. 218.

²⁵ Shigeru Oda, “The Normalization of Relations between Japan and The Republic of Korea,” *The American Journal of International Law*, Vol. 6, No. 1 (1967), pp. 35-36.

²⁶ *Ibid.*, pp. 39-39.

²⁷ Bae-ho Hahn, pp. 218-219.

and understand each other's behavior. These deeply rooted prejudices and mutual hatred found no termination.

2.2.2 Threat Perception on Communism and the Soviet Union

There were times when the postwar conflict of interests and ideologies between the Soviets was of one kind and the influence of United States was another, in the world as well as the Korean peninsula. The Soviet invasion of Manchuria and Korea on August 9, 1945 forced Japan to surrender on the following day, accepting the Potsdam Declaration; ironically this enabled the U.S. to rethink the influence of the Soviet Union, which would occupy the Korean peninsula.²⁸ Wartime allies, the U.S. and the Soviet Union began to differ about several policies and the differences seemed irreconcilable. At a conference in Moscow in December 1945, a trusteeship plan was adopted by four powers, the U.S., Britain, China and the Soviet Union. This plan was in impasse, partly because Korean government wanted to be a unified state, and mainly because the U.S. brought the issue of Korean independence to the UN General Assembly in order to create an independent state based on the outcome of the general election while the Soviets rejected the proposal for the purpose of gaining northern Korea. Thus, according to the general election by southern Koreans, ROK's independence under the presidency of Syngman Rhee was announced to the world on August 15, 1948.²⁹ In almost immediate response to this, above the 38th parallel, the Korean People's Democratic Republic, as a puppet government of the Soviet Union, was established on August 25, 1948.

Interestingly, ROK and Japan were not only under similar threats, but also shared the same risks. From the ROK's perspective, ROK played a decisive role in

²⁸ Shigeru Oda, p.37.

²⁹ Ki-baik Lee, *A New History of Korea* (Seoul: Ilchokak Publishers, 1984), pp. 376-379.

defending Japan from the Communist threat and Japan at the start of the Cold War was the biggest beneficiary at the expense of a heavy security burden of South Korea, not least because if a war between North and South Korea occurred, it would not be a “fire on the other side of the river.” According to the Japanese perspective, Japan feared that if communist North Korea cooperated with the Soviet Union and China, it would reunify the country by force.³⁰ Consequently, the fact that ROK would be in danger of becoming Moscow’s satellite put ROK-Japanese relations under a similar threat.

2.2.3 Strategic Interests of the Alliance with the U.S.

In the meantime, American interests on the divided Korea were not at stake. With the political unrest of South Korea as a newborn state, ROK had no military equipment capable of waging a defensive war against communist expansion, lacking even a single tank or a fighter plane. More seriously than that, armed rebellion supported by the North Korean Communists who had aims of subverting the ROK occurred at Yosu and Sunch’on located in southwestern South Korea in 1948, in the shape of an internal war led by Communists, which was similar to what happened in Greece. Ironically, at this conjuncture, ROK lay outside the U.S. defense boundary.³¹

The request of ROK, which had been eager to get a Western-allied security guarantee, was turned down. Even though Syngman Rhee attempted to form a military alliance with the U.S., American military forces in South Korea were withdrawn in June 1949, except for the 500-man Military Advisory Group in Korea

³⁰ Bae-ho Hahn, pp. 232-233.

³¹ Ki-baik Lee, pp. 379-180

(KMAG), leaving ROK “vulnerable to a possible attack” from the Communists.³² To make matters worse, the Acheson Line on 12 January 1950 was declared with the exclusion of Korea and inclusion of Japan, which allowed South Korea to have no security alliances like NATO. The fact that the United States would not guarantee aid to ROK against a Communist military attack meant “the invitation to the Communists to attack Korea.”³³ Therefore, it became evident that in the mind of the U.S. was no realization that the ROK faced a serious crisis, perhaps as great a crisis as it had ever faced.

As mentioned above, the Japanese considered the ROK as the last bulwark for its security. In the view of Japanese political leaders, South Korea was not a minor spot that could probably be safely ignored. Japan had two kinds of fear: (1) the Japan Communist Party sometimes co-worked with the Chinese, and (2) overwhelming Soviet power had demanded southern Sakhalin and the Kuriles since the Second World War.³⁴ Accordingly, it could be said that Japan and ROK who had symbiotic relations perceived a similar threat from the Communists and thereby both wanted passionately a permanent American security guarantee.

Despite these three common factors that affected the relations between the two states in the Mediterranean and the North Eastern Asian cases, in the political climate of the year 1965 they reached two different conclusions: respectively, militarized dispute and peaceful normalization of relations. The next chapter examines the theoretical literature on conflict to explain the reasons for the different paths the cases followed, despite these three important commonalities.

³² Sung-Hwa Cheong, *The Politics of Anti-Japanese Sentiment in Korea: Japanese-South Korean Relations Under American Occupation, 1945-1952* (Westport: Greenwood Press, 1991), p. 21.

³³ Cabell Phillips, *The Truman Presidency: The History of a Triumphant Succession* (New York: The Macmillan Company, 1966), p. 293.

³⁴ James W. Morley, *Japan and Korea: America's Allies in the Pacific* (Westport, Connecticut: Greenwood Press, 1965), pp. 15-18.

CHAPTER 3

THEORETICAL FRAMEWORK

3.1. Political Institutionalism

As mentioned in the previous chapter, the main objective of this chapter is to review the two theoretical approaches regarding political institutionalism. Regime theory provides a suitable basis for this analysis. Regimes, according to the definition of Krasner, are “institutions possessing principles, norms, decision rules, and decision-making procedures which facilitate a convergence of expectations.”³⁵ Kegley and Wittkopf also define regimes as “institutionalized or regularized patterns of cooperation in a given issue-area, which is reflected by the rules that make a pattern predictable.”³⁶ These rules are “negotiated by states and entail the mutual acceptance of higher norms, which are standards of behavior defined in terms of rights and obligations.”³⁷ Therefore, regimes enable member states to alleviate security dilemma stemming from respectively different threat perceptions.

In reality, as illustrated in the classical “prisoners’ dilemma” game, cooperation usually does not often happen in an anarchical international system

³⁵ Stephan Krasner, “Structural Causes and Regime Consequence: Regimes as Intervening Variables,” in Stephan Krasner, ed., *International Regimes* (Ithaca: Cornell University Press, 1983), p. 1.

³⁶ Charles Kegley and Eugene Wittkopf (eds.), *The Global Agenda: Issues and Perspectives*, 4th ed. (New York: McGraw-Hill, 1995).

³⁷ Stephan Krasner, p. 8.

because players do not trust one another and hardly communicate with each other. By modifying the prisoners' dilemma game, Robert Axelrod, writer of "The Evolution of Cooperation," argues that cooperation is possible under certain circumstances.³⁸ Even though, in normal circumstances, people do not cooperate with each other, on the basis of 'multiple play or iterations', players can recognize the advantages of cooperation if the game is played more than once. What is more, if communication is possible between the players, the prisoners' dilemma game may prove to be improper. There is also 'the shadow of the future' meaning that there is a possibility for an event to happen again. In addition, because mutual interest exists between states, international relations are not a game of pure conflict or pure cooperation. That is, players will share both the spoils and the benefits. For that reason, Axelrod, by using strategies 'available in multiple iteration games' argues that international regimes encourage a 'Tit-for-Tat' strategy, which includes the first step as cooperation, giving the 'benefit of the doubt' to the opponent and the next step is to 'do whatever the other side does' similar to 'eye for an eye'. What matters for success in this strategy is "its combination of being nice, retaliatory, forgiving, and clear"³⁹; in other words, equivalent retaliation.

In this sense, regimes provide ways of increasing cooperation by giving valuable information at low cost and reducing the costs of bargaining among members.⁴⁰ In addition to these ways, there are ways to improve mutual cooperation: lengthening the shadow of the future, altering the payoffs of the game, institutionalization of rules for cooperation and defection, facilitating issue linkage⁴¹,

³⁸ Robert Axelrod, *The Evolution of Cooperation* (The United States of America: Basic Books, 1985).

³⁹ Ibid., p. 54.

⁴⁰ Andrew Richer, *Reconsidering Confidence and Security Building Measures: A Critical Analysis* (Toronto: York University Press, 1994), p. 13.

⁴¹ See Claudia Kemfert, "Climate Coalitions and International Trade: Assessment of Cooperation

and, redirecting domestic hostility. Although it is obvious that the regime would facilitate an agreement among states by increasing trust and by decreasing misunderstood intentions, it still remains uncertain whether increasing political cooperation renders peace or conflict. Therefore, clear analysis, in the first stance, should be a priority for better theoretical understanding of the institution to argue whether political institutions lead to peace or conflict.

The origin of political institutionalism dates back to the early twentieth century when Woodrow Wilson, an idealist who developed the concept of collective security as a basis for the League of Nations, an example of a political institution that signifies a brilliant promising manifestation for enhancing international peace and removing the fear of war. As idealism's popularity increased, the expectations exceeded reality. Ironically, since the end of the Cold War, there has been much hope and interest in collective security organizations.⁴² Despite some shortcomings, the Wilsonians clearly succeeded in establishing the conviction that collective security considerably represented a possibility and the value of international peace and cooperation rather than balance of power in the anarchical international system.

As seen in Table 1 below, the two representative perspectives on political institutionalism differ as to the peace-causing effects of international institutions. Realists favor the idea that institutions lead to conflict and acknowledge that the causes of war and peace are a role of the balance of power rather than presence or absence of institutions. Countries operate through institutions, which conditionally work under common interests. What is more, realists argue that their rules and norms

Incentives by Issue Linkage," *Energy Policy* 32 (2004), p. 456. The concept of issue linkage has been aimed at removing potential asymmetries among countries. The idea implies that countries benefiting from different issues should combine all issues to obtain a stable, symmetric and favorable coalition. For instance, through issue linkage, trade relations increased between the U.S. and S.U.

⁴² Gregory Flynn and David J. Scheffer, "Limited Collective Security," *Foreign Policy*, No. 80 (Autumn, 1990), pp. 77-101.

echo the self-interest of states, which is a result of the international distribution of power.⁴³ Therefore, states can cooperate in part, but peace is unlikely. In contrast, according to liberals, political institutionalists who propose that institutions lead to peace and recognize that their informational roles can provide international actors with a reduction of transaction costs, enforcement of credible commitments and generally maximized benefits of reciprocity.⁴⁴ For those reasons, in the end institutions would make the world more peaceful. Parallel to representative division, recent research underlines a notion that institutionalism should be examined in three strands such as realism, liberalism, and social constructivism.

Table 1: Comparison of Realists and Liberals on Institutionalism

	Institutionalism and Realists	Institutionalism and Liberals
Leading Logic	Balance of power	Collective security
Independent Variables	Common interests	Institutions
The Solution about Cheating and Gains	Distribution of power	Distribution of information
Results	Possible cooperation but peace is unlikely	Possible cooperation and peace is likely

3.1.1. Institutionalism and the Realists

Realists mainly differ in four aspects of their propositions on institutionalism in comparison to the liberals. Firstly, realists consider balance of power as the

⁴³ John J. Mearsheimer, "The False Promise of International Institutions," *International Security*, Vol. 19, No. 3 (Winter, 1994-1995), p. 13.

⁴⁴ Robert O. Keohane and List M. Martin, "The Promise of Institutional Theory," *International Security*, Vol. 20, No. 1 (Summer, 1995), pp.42, 46, 51.

leading logic. In international politics, according to realists, security is the most important goal for states and economy is important as long as a state increases its power. For instance, according to realists international institutions are a false promise and institutions are established out of necessity and they are not always valuable⁴⁵. More importantly, the balance of power is being played in everyday politics of the United Nation (U.N.), NATO and every other institution. For that reason, cooperation under the concept of balance of power takes place in the form of alliances to protect common interests. States pursue both offensive and defensive ways, by balancing themselves against larger and more powerful actors or by bandwagoning them; sometimes, they let two or more rivals start a proxy war.⁴⁶ Balancing among states automatically takes place, not for the purpose of maintaining peace. Under the balance of power theory, states directly affect other actors as independent and self-helping actors.

Secondly, to a large extent, similar to the first argument, the institutions just act as intervening variables. Institutions are nothing but intervening variables in understanding why institutions are created and how they exert their effects. Although institutions change such patterns of state behavior there is the incentive for states to cheat and blindly accept benefit-cost analyses, the resulting alteration cannot give birth to a change in the fundamental goals of states. This limitation comes to surface, considering that the main roles of institutions are to permit reciprocity to cooperate powerfully by providing information about others' hidden stakes and tendency of behavior.⁴⁷ This reciprocity in the same line as "Tit-for-Tat" strategy can bring the

⁴⁵ John J. Mearsheimer (Winter, 1994-1995), p. 11-12.

⁴⁶ John J. Mearsheimer, "A Realist Reply," *International Security*, Vol. 20, No. 1 (Summer, 1995), p. 89.

⁴⁷ Martin, Lisa, *An Institutional View: International Institutions and State Strategies*. Prepared for the Conference on International Order in the 21st Century, McGill University, May 16-18, 1997 quoted in Oğuzlu H. Tarık, "The Role of International Institutions in Identity Transformation: The Case of

world to a mutually worse situation, and thus can be considered equivalent retaliation. For example, if both actors in the pursuit of specific reciprocity move in a malign direction, then cooperation and peace cannot be reached so long as both adhere to this strategy.⁴⁸ Like this, institutions cannot make light of underlying states' interest; instead, they are employed as tools to change states' strategies in some manner that egoistic states are willing to cooperate with each other.⁴⁹ Therefore, countries operate through institutions which conditionally work under common interests.

Thirdly, the threat of cheating and reliance on benefit-cost analysis as the central impediment to cooperation can be solved through distribution of power. Institutions worry about the potential for others to cheat, as in the Prisoners' Dilemma game. States have two faces in terms of relative-gains consideration and the cheating problem, which lead to pessimistic prospects for mutual cooperation. For that reason, realists portray an unenthusiastic evaluation of a possibility for international cooperation and of the abilities of institutions.⁵⁰ A state may fear what is behind the other; in other words, states can never be certain about the intentions of other states. Consequently, uncertainty is unavoidable when assessing intentions, which simply means that states can never be sure whether or not other states have offensive intentions.⁵¹ Therefore, the distribution of information cannot explain entirely how states overcome their fears and learn to trust one another. International institutions may not always reduce uncertainty/transaction costs, and therefore strengthen cooperation.

Turkish-Greek Conflict within The European Union and NATO Frameworks" (PhD diss., Bilkent University, 2003), p. 22.

⁴⁸ Robert O. Keohane, "Reciprocity in International Relations," *International Organization*, Vol. 40, No 1 (Winter, 1986), p. 10.

⁴⁹ Oğuzlu H. Tarık (2003), p. 22.

⁵⁰ Joseph M. Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism, *International Organization*, Vol. 42, No. 3 (Summer, 1988), pp. 485-507."

⁵¹ Charles L. Glaser, "Why NATO is Still Best: Future Security Arrangements for Europe," *International Security*, Vol. 18, No. 1 (Summer, 1993), pp. 30-33.

Consequently and fourthly, according to realists institutions make cooperation possible but not peace. They are useful only when great powers have benefits to dominate in the world and achieve their goals through institutions like the UN Security Council, emphasizing the relative gains as the obstacle to cooperation. That is, realists argue that institutions are fundamentally tools for putting into practice the self-interested calculations of the great powers, and they believe that institutions are not an important factor for peace; therefore, they matter only on the margins, regardless of peace.⁵² Similar to the action of the United States, even the Soviet Union joined the Commonwealth of Independent States (CIS), Asia-Pacific Economic Cooperation (APEC) forum, Shanghai Cooperation Organization (SCO) and so forth. Powerful states form institutions to improve their own interests, thus forcing weaker states to obey them. For instance, despite the end of the Cold War, the survival and expansion of NATO show us the extent of American power and exemplify how institutions are constructed and maintained by super-powers' self-interest, whether intentional or not.⁵³ New members of NATO substitute their old-fashioned military infrastructures with the American arms industry systems because of an American lobby in favor of NATO's expansion.⁵⁴ As a result, institutions not only act as spokesmen for national interests but also are unwilling to restrain powerful states;⁵⁵ in the end, they can lead to intermittent cooperation at most.

⁵² John J. Mearsheimer (Winter, 1994-1995), p. 7.

⁵³ Kenneth N. Waltz, "The Balance of Power and NATO Expansion," University of California, Berkeley Center for German and European Studies, Working Paper 5.66 October 1998

⁵⁴ Jeff Gerth and Tim Weiner, "Arms Makers See Bonanza In Selling NATO Expansion," *New York Times*, June 29, 1997, p. 1, 8.

⁵⁵ Kenneth W. Abbott and Duncan Snidal, "Why States Act through Formal International Organizations," *The Journal of Conflict Resolution*, Vol. 42, No. 1 (Feb., 1998), pp. 6-8.

3.1.2. Institutionalism and the Liberals

Liberalism mainly differs in four of its propositions in comparison with realism. Firstly, liberals consider international institutions as the leading logic of their theoretical framework. The balance of power considerations are, in Arnold Wolfers's words, an "ambiguous symbol" and an unequivocal concept which should be scrutinized carefully.⁵⁶ Even though, realists argue that states would not cede to institutions, not least because they tend to pursue their power and thus affect their interactions without external help, liberal institutionalists support the opposite view. In a similar vein, they mention that institutions can change a state's tendency, thus influence a state's decision making. Therefore, institutions play a decisive role in shaping a state's intention, instead of balance of power.

Secondly, similar to the first argument, institutions directly contribute to the change of state preferences as independent variables. Liberal institutionalist theory defines institutions as independent and dependent variables, mainly because "institutions change as a result of human action, and the changes in expectations and process that result can exert profound effects on a state's behavior"; furthermore, states create institutions and in turn, institutions have an impact on patterns of their behavior.⁵⁷ However, institutions of liberals are an independent variable, which are not only willing to let the cat out of the bag by disclosing how states will respond to conditions of anarchy, but also are capable of avoiding war. What is more, institutions alter the motivation for states to cheat; they also lessen "transaction costs, link issues, and provide focal points for cooperation."⁵⁸ As seen, institutions

⁵⁶ Arnold Wolfers, "National Security as an Ambiguous Symbol," in Wolfers, *Discord and Collaboration: Essays on International Politics* (Baltimore: Johns Hopkins University Press, 1962), p. 147 quoted in Robert O. Keohane (Winter, 1986), pp. 1-27.

⁵⁷ Robert O. Keohane, *International Institutions and State Power* (Boulder, Colo.: Westview, 1989), p. 10.

⁵⁸ Robert O. Keohane and List M. Martin, pp. 48-49.

emphasize that their functions are to change behavior and agree to cooperation, which would be the only option and otherwise almost certainly be unsuccessful.⁵⁹ Therefore, institutions affect actors' behavior, interest, and intention as independent variables.

Thirdly, the threat of cheating and reliance on benefit-cost analysis can be eliminated through the distribution of information. Institutions, despite their value, find achievement difficult, mainly because of the fear that the other is breaching or will breach the common norms and agreements, which according to Jervis are "a potent incentive for each state to strike out on its own even if it would prefer the regime to prosper."⁶⁰ However, institutions can alleviate fears of cheating and thereby allow cooperation to emerge by providing valuable information. Such as the distribution of gains, in this case, if the potential absolute gains from cooperation are sizeable, it seems to be that relative gains are unlikely to be essential to cooperation.⁶¹ Creating issue linkages, raising the costs of violations, and providing information about military expenditure and capacity among and between states can make a contribution to the enhancement of cooperation.⁶² What is more, if "Tit-for-Tat" strategy is to be successful then institutions must keep to the practice of sharing information on the condition that reciprocity will enable this world to be a more peaceful place.

Consequently and fourthly, institutions can achieve both cooperation and peace. Liberals believe that institutions would lengthen the shadow of the future in the world, thus achieving cooperation and peace. Keohane puts emphasis on the

⁵⁹ David A. Lake, "Beyond Anarchy: The Importance of Security Institutions," *International Security*, Vol. 26, No. 1 (Summer, 2001), p. 157.

⁶⁰ Rober Jervis, "Security Regimes," *International Organization*, Vol. 36, No. 2 (Spring, 1982), P. 358.

⁶¹ Duncan Snidal, "Relative Gains and the Pattern of International Cooperation," *American Political Science Review*, Vol. 85, No. 3 (September, 1991), pp. 701-726.

⁶² Robert O. Keohane and List M. Martin, pp. 45, 49.

positive aspect of cooperation, and says that cooperation is possible even in the absence of hegemony, because ways to improve mutual cooperation through institutions are superior to non-institutional functions.⁶³ Therefore, adherence to institutional cooperation will increase the level of transparency and confidence, thereby making the world peaceful.

3.1.3. Institutionalism and Social Constructivism

Sociological-institutionalists go one step further in proclaiming that the identities and interests of actors are socially constructed and even more, institutional relationships contain other ideational factors radiating from people as cultural beings.⁶⁴ All kinds of institutional relationships are social constructions, which undergo a process of evolution in the social world. Thus, social and material realities in the domestic and international structures affect actors' behavior and common identities. Through the distribution of knowledge, institutions can make international actors share a common identity. Challenging two dominant international relations theories such as realism and liberalism, constructivism argues that the ideational motivation to justify national identity allows states to follow international norms, rules, and commitments.⁶⁵ In a similar vein, it is possible to change the anarchic nature of the system of states based on rationality, and also institutional cooperation at the highest level can work well.

From the perspective of social constructivism, NATO can be regarded as a security community. In Table 2, Muller reveals the tangible indicators of the security

⁶³ George Modelski, review of *After Hegemony: Cooperation and Discord in the World Political Economy*, by Robert O. Keohane, *The American Political Science Review*, Vol. 80, No. 2 (Jun., 1986), pp. 724-726.

⁶⁴ John Gerard Ruggie, "What Makes the World Hang Together? Neo-utilitarianism and the Social Constructivist Challenge," *International Organization*, Vol. 52, No. 4 (Autumn, 1998), pp. 855-885.

⁶⁵ Ian Hurd, "Legitimacy and Authority in International Politics," *International Organization*, Vol. 53, No. 2 (Spring 1999), pp. 379-408.

community, which is rather self-explanatory. According to his table, (1) a common identity and mutual trust in member countries will bind with the transatlantic “we-feeling,” (2) war is unthinkable due to the members’ renouncing of the thought of violent conflict against each other, and (3) NATO, as the best equipped military alliance, keeps the highest level of military integration, particularly fully integrated military staff, air defense, and allied corps.⁶⁶ Therefore, the members should converge on a point where their national identities and interests are one, on the basis of their ideational norms.

Table 2: The Atlantic Alliance as Security Community⁶⁷

Ideational Normative	Ideational Utilitarian	Institutional/ Practice	Signifiers
Community of values	Joint threat perception	(Informal) governance	War (preparation) unthinkable No notion of mutual war
Liberal democracy Market economy	Communism Soviet Union	NATO organization	
We-feeling/identity “The free West” “The Atlantic community”	Material benefit perception Security Economic welfare	Strong core US/Great Britain/ Germany	Mil Integration Fully integrated military staff, Air defense, Allied Corps
Responsiveness Consultation norm	Multiple transactions Military Deployments, Trade and Investment Cultural/scientific exchanges	Transnat. community Core transatl. sec. establishment; transatl. business associations	
Mutual trust Basic belief in allies’ reliability		Coop./collective security Mutual aid promise in case of attack	
		Coordination against internal threat Propaganda war against communism	

⁶⁶ Harald Müller, “The Decay of Security Communities with an Application to NATO” (Conference at Bilkent University, Ankara, Turkey, April 9, 2008).

⁶⁷ Ibid.

On balance, realists argue that institutional outcomes reflect great power, thus, institutions are basically tools of great powers. They are much less successful in handling conflict. On the contrary, liberals assert that there is no mechanism other than institutions for carrying out cooperation and peace. In the same line, the promise of NATO in the resolution of conflicts between Turkey and Greece would gradually be realized, eliminating suspicious feelings. Both states as NATO members would cooperate more easily, and thus develop a confident climate in their region. From the perspective of social constructivism, their ability to distribution of knowledge makes institutions effectively help international actors share a common identity. Therefore, NATO's role in the formation of a strong security community identity would foster trust between Turkey and Greece, thus preventing them from viewing each other as threats, consequently war would turn out to be unrealistic and unthinkable. When taken together, the following sections of the thesis will analyze these theoretical expectations, employing empirical approach.

3.2. The Argument: Economic Interdependence Theory

In its widest sense, the people of the world have become interdependent in terms of economic relations. Interstate trade in all geographical boundaries have not limited their influence on themselves and other territories, each absolute character in political terms cannot guarantee inherent political independence or isolation, and local events or decision-making can have a worldwide effect. In this sense, globalization is not an 'event,' but a gradual process with transnational and inter-regional patterns, far from simple interdependence, which in the twenty first century is eroding statehood, the elite's role, and the notions of sovereignty, leading to the weakening of the realist view over time; in addition, theorists also generally focus on

economic factors based on low politics rather than security implications centering on high politics.⁶⁸ This view stems from the systemic structure of the world: a system affects actors in the system and actors affect a system in which they all interact with each other, and thereby the way that they interact might actually affect the whole.⁶⁹ That is, the fate of every actor in the system shares its fortune with one another.

In the field of international relations, economic interdependence has two implications: firstly, economic conditions of interdependent countries are contingent on those found in the others, for instance, inflation in France affects prices in Germany; secondly, interdependent countries recognize that it would be costly for them to give up their relationship, just as relations between the Organization of Petroleum Exporting Countries (OPEC) and the advanced industrial countries, which rely heavily on petroleum imports, cannot be abandoned.⁷⁰ The hypothesis of the complex interdependence theory is that bilateral interdependence is more likely to increase economic cooperation, which is more likely to decrease military conflict. As a result, bilateral interdependence is more likely to decrease militarized conflict. Another hypothesis is that systemic interdependence like the amount of trade between all great powers is more likely to increase economic cooperation and thereby to decrease the probability of militarized conflict.

Until 1980 it was believed that all trade came from comparative benefits, utilizing the edge of fundamental differences between each state.⁷¹ However, we

⁶⁸ Victor D. Cha, "Globalization and the Study of International Security," *Journal of Peace Research*, Vol. 37, No. 3 (May, 2000), pp. 392-401.

⁶⁹ Jaap De Wilde, *Saved from Oblivion: interdependence theory in the first half of the 20th century* (Hampshire: Dartmouth Publishing Company, 1991), pp. 212-213.

⁷⁰ Edward D. Mansfield and Brian M. Pollins, "Interdependence and Conflict: An Introduction," Parts of this essay appeared in an earlier form in, "The Study of Interdependence and Conflict: Recent Advances, Open Questions, and Directions for Future Research," *Journal of Conflict Resolution* 45 (2001), pp. 834-859.

⁷¹ Paul Krugman, "Empirical Evidence on the New Trade Theories: The Current State of Play" (New Trade Theories: A Look at the Empirical Evidence, Report of a conference organized by CEPR and

should follow this line of thought with a question: how does economic interdependence relate to absence of war? Seeking for an answer, it is worth pointing out the viewpoints of realism and liberalism with respect to economic interdependence. Firstly, liberals underline that the mutual benefits from trade between and among states generate strong incentives for peace and put emphasis on how individuals or governments react to take full advantage of the benefits of economic interdependence. On the contrary, realists lay emphasis on the lack of interdependence such as asymmetrical economic relationships and friction happening between actors, which cause more conflict making this relationship insignificant. By the same token, the effects of economic interdependence can be identified in two ways: (1) its positive impacts are so important that at best economic interdependence must prevail at all costs, and (2) in contrast, the negative impact is that it invokes the worst distortion and domination.⁷² Yet, this simple dissection with regard to liberal and realist formulation may be insufficient for understanding the above-mentioned question⁷³

Apart from the classical division, recent research underlines the relationship between economic interdependence and conflict should be dealt with in four strands. Parallel to that, Katherine Barbieri formulated Figure 1, a dyadic relationship, suggesting that it is necessary to investigate “the nature and context of economic linkages” between two states.⁷⁴

Centro Studi sui Processi di Internazionalizzazione (ECSPRI) at Bocconi University in Milan in May 1993)

⁷² Christian Comélieu, *Interdependence and Patterns of Development* (Paris: the Organization for Economic Co-operation and Development (OECD), 1985), pp. 18-19.

⁷³ Susan M. McMillan, “Interdependence and Conflict,” *Mershon International Studies Review*, Vol. 41, No. 1 (May, 1997), p. 42.

⁷⁴ Katherine Barbieri, *The Liberal Illusion: Does Trade Promote Peace?* (The United States: The University of Michigan Press, 2002), pp. 22-41. Katherine Barbieri, “Economic Interdependence: A Path to Peace or a Source of Interstate Conflict?” *Journal of Peace Research*, Vol. 33, No. 1 (Feb., 1996), pp. 33-34.

Figure 1 is useful in identifying how the conditions, benefits and costs of trade interact with conflict, and illustrate three mutual relationships such as interdependence, dependence, and independence: (1) in Figure 1 where “each axis measures the trade share each state has of its partner’s total trade,” Quadrants I and IV imply that a country is unequally dependent upon the other partner country, which usually leads to conflict. (2) Quadrants III shows symmetrical dependence under minimal level, which is at the edge of economic relations. (3) Quadrants II hint at extensive and balanced dependence, which would provide the greatest possibilities for peace.⁷⁵

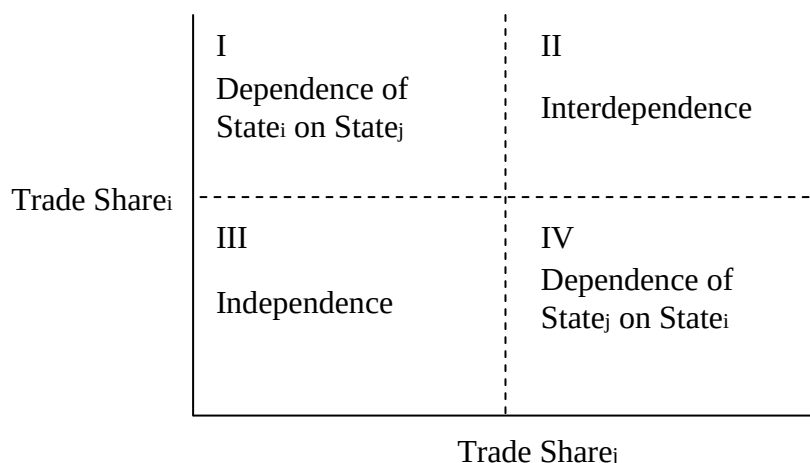


Figure 1. Dependence and Interdependence Continuum⁷⁶

3.2.1 Economic Interdependence Fosters Peace

Supporters who are in favor of economic interdependence because it fosters peace are similar to the subscribers of utopian and idealistic parts of liberalism. Expansion of trade over time regardless of the nature and context of economic linkages contributes to the development of a peaceful world. Keohane and Nye

⁷⁵ Ibid., To investigate the degree of the balance and the extent of dependence, firstly you should envisage a line separating the origin at a 45 degree angle and secondly drawing to the point where each state has total trade share with its partner. The closer the dyads on the diagonal line, the more symmetrical the relationship is.

⁷⁶ Ibid.

explain why states cooperate and point out that “the benefits of economic interdependence acted as a major incentive, resulting in greater predictability and regularity between states and creating procedures, rules, and institutions for governing state relations.”⁷⁷ According to Polachek, the existence of comparative advantage through trade enables states to avoid conflict with a trading partner, mainly because of the danger of loss of their own welfare.⁷⁸ Mutual dependence makes peace easier and hence increases the incentives toward cooperation, which rests on dyadic trade patterns.⁷⁹ In this sense, interdependence stimulates self-control in the use of violence and accelerates the pace of negotiation and cooperation. Therefore, even though there are some threats associated with serious security challenges and uncertainties, economic interdependence can become the vehicle to generate greater trust and confidence between states.

Richard Rosecrance points out that a liberal and open economy is required to augment trade, depending on the cost-benefit analysis; in other words, trade becomes a more efficient tool while war becomes a relatively expensive way of reaching one’s goal.⁸⁰ The economic web can serve as building blocks in improving further bilateral relations. For example, in spite of their historic animosities and reservations, the East Asian countries under the Association of South-East Asian Nations (ASEAN) enjoy economic growth and cooperation, at the same time expanding economic opportunities.⁸¹ Interstate linkages are believed to increase communication, decrease

⁷⁷ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 2nd ed. (New York: Longman, 1989), pp. 4-19.

⁷⁸ Solomon W. Polachek, “Conflict and Trade,” *Journal of Conflict Resolution*, Vol. 24, No. 1 (March, 1980), pp. 61-62.

⁷⁹ *Ibid.*, pp. 57-78.

⁸⁰ Richard N. Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986), p. 213.

⁸¹ Ralph A. Cossa; Jane Khanna, “East Asia: Economic Interdependence and Regional Security,” *Asia and the Pacific*, Vol. 73, No. 2, pp. 219-234.

misunderstanding, and stimulate the recognition of mutual benefits, thus leading to more a peaceful dyadic relationship.

In quantitative studies, the fact that bilateral trade reduces the likelihood of militarized interstate disputes (MIDs) is supported to a large extent. MIDs mean “a set of interactions between or among states involving threats to use military force, displays of military force, or actual uses of military force” and the three factors must be unequivocal, which would stem from responsible state authorities.⁸² Gartzke & Li in ‘Measure for Measure’ evaluate three indicators; *trade dependence*, *openness*, and *trade share*: (1) high *trade dependence* meaning the lower bilateral trade-to-GDP ratio decreases the probability of violent interstate conflict; (2) despite the negative correlation with onset of MIDs, monadic *trade openness* measured by the total trade-to-GDP ratio also is an overarching factor for peace; and (3) *trade share* meaning the ratio of bilateral to total trade lessens the likelihood of the onset of MIDs, not the least because it is likely to indicate a country’s lack of integration into the world economy and even more represents the dependency in trading relations.⁸³ In response, John R. O’Neal emphasizes a one standard-deviation increase more than the bilateral trade-to-GDP measure in trade dependence and puts relative weight on openness, and uses Gleditsch’s argument⁸⁴; Gleditsch suggests that lower bilateral trade-to-GDP ratio is meaningful only if the best available trade data is employed and the resulting openness became an important measure. He emphasizes the probability of problems

ASEAN was founded in 1967 including Indonesia, Malaysia, the Philippines, Singapore and Thailand and aimed at enhancing economic growth, social progress, and peace and security in South-EAST Asia. Its enlargement included Brunei and Vietnam.

⁸² Charles S. Gochman and Zeev Maoz, “Militarized Interstate Disputes, 1816-1976: Procedures, Patterns, and Insights,” *The Journal of Conflict Resolution*, Vol. 28, No. 4, (Dec., 1984), pp. 587-588.

⁸³ Erik Gartzke and Quan Li, “Measure for Measure: Concept Operationalization and the Trade Interdependence-Conflict Debate,” *Journal of Peace Research*, Vol. 40, No. 5 (2003), pp. 553-571.

⁸⁴ John R. O’Neal, “Measuring Interdependence and Its Pacific Benefits: A Reply to Gartzke & Li,” *Journal of Peace Research*, Vol. 40, No. 6 (2003), pp. 721-725.

arising from using inefficient sources of economic data.⁸⁵ As seen, even though the indicators have drawbacks and debates regarding the effect of trade on bilateral conflict are still underway, the literature suggests that economic interdependence measured by trade dependence decreases the likelihood of interstate conflict. A more specific set of hypotheses will be discussed below to show differences in each argument.

3.2.2 Conditional Economic Interdependence Promotes Peace

Despite these advantages, economic interdependence for the benefits of international economic relations contains a main problem: it requires sacrificing a certain amount of national independence relevant to sovereignty. The more a state decides to get involved in international economic cooperation, the greater the degree of economic exposure and pressure it faces. In practice, each nation's sovereignty in international economic arena can be menaced by two factors; the first is the possibility of imbalances with respect to economic dependence. Secondly, this possibility rests on the ability of each state to regulate and impose taxes on the other state.⁸⁶

Due to these two factors, although independent national decision-making is still present, "the political consequences could no longer be controlled autonomously"⁸⁷; thus the economic partner would go far beyond proper infiltration in the policy-making process. Likewise, even though economic interdependence resting on liberalism is useful for peaceful relations, its effects are not always promising; thus, interdependence makes a contribution to the reduction of conflict,

⁸⁵ Kristian Skrede Gleditsch, "Expanded Trade and GDP Data," *The Journal of Conflict Resolution*, Vol. 46, No. 5 (Oct., 2002), pp. 712-724

⁸⁶ Richard N. Cooper, *The Economics of Interdependence: Economic Policy in the Atlantic Community* (New York: Columbia University Press, 1980), pp. 3-23.

⁸⁷ Jaap De Wilde, pp. 89-90.

but it is not a guarantee to cede all conflict.⁸⁸ Trade is worth pursuing only when the benefits from mutual trade outweigh the costs related to economic dependence. As for a weaker country, trade with more powerful states often leads to a fall in net costs rather than an increase in mutual net benefits. These arguments by dependency theorists are not new: trading benefits are the possession of developed states and the resulting trading relation delays the development of the developing state; trade intensifies the differences of wealth; and in the end, trade drives weaker countries into a position of dependence.⁸⁹ Therefore, it can work in practice on the basis of a condition that economic interdependence should lie under symmetrical trade relations.

3.2.3 Economic Interdependence Leads to Conflict

Supporters of economic interdependence regard the claim that economic interdependence makes the world more peaceful as a fallacy. Economic interdependence cannot draw blue prints for a peaceful world, simply because it would not be realized in the foreseeable future. Misplaced reliance on solutions through economic interdependence is likely to lead to more failures. In the same vein, Ramsay Muir summarized three disadvantages of interdependence: (1) the peril of war escalates in normal life throughout the world, considering that an interdependent world encourages struggles for livelihood with resources drawn from everywhere, (2) the expansion of the concept of sovereignty in line with the principles of self-determination has difficulty in limiting ‘self-help’, which would result in disturbing the whole system, (3) economic nature of “tariff restrictions and the danger of monetary collapse” meaning that every state makes an effort to increase revenue by

⁸⁸ Susan M. McMillan, p. 38.

⁸⁹ Katherine Barbieri (Feb., 1996), pp. 31-32.

imposing tariffs on other countries and monetary stability seems to be unfeasible when creditors force the debtor country to import.⁹⁰ As mentioned above, interdependence requires sacrifice of the countries involved, mainly because it puts a ceiling on autonomy. That the differences of trade balances between two countries are high and the states' ability to regulate them is weak indicate that the bilateral relationship is asymmetric. But for some regulations of these asymmetric perils, economic interdependence makes conflict more ineluctable, and it leads to greater harm.

Imperialism is one way of economic dependence in history, which illustrates how military force affects inequitable economic relationships. That is, imperialism changes its strategy, for instance from military occupation to trade monopoly. This way comes to the surface as a by-product of protectionism and economic nationalism; thus, the protected industries can compel weaker countries to buy, through imposing an agreement even if the state is unwilling and thereby, protectionism moves the world to imperialistic conflicts.⁹¹ Robert Gilpin argues that interdependence leads to insecurity; according to economic nationalists, hegemons in decline are not able to diminish the domestic economic vulnerability, which makes them more prone to conflict.⁹²

Neither Nationalism, Marxism, nor neo-realist schools of thought identify, legitimize or uphold the idea of interdependence. People and political leaders acknowledge what can and what cannot be achieved by use of military means, and are more interested in using economic tools. If interdependence is connected with

⁹⁰ Ramsay Muir, *The Interdependent World and Its Problems* (Washington, London: Kennikat Press, 1933), pp. 56-106.

⁹¹ Francis Delaisi, *Political Myths and Economic Realities* (New York: The Viking press, 1927), p. 391.

⁹² Richard Rosecrance, review of *International Politics, Economic Issues and National Security*, by Klaus Knorr and Frank Traeger, *The American Political Science Review*, Vol. 73, No. 3 (Sep., 1979), pp. 945-946

‘power’, the type of economic relations remains uncertain; even more, it can be considered as vehicles carrying out power among actors.⁹³ Therefore, interdependence implies that even though concerns of conflicts are outmoded, international conflict still exists when interdependence wins through; what is more, it may even escalate.⁹⁴

In quantitative studies, there is evidence of the contradictory effect of trade interdependence on dyadic military disputes. To explain the trade-conflict relationship, Barbieri employs two measures of dyadic interdependence such as the salience-“the importance or size of the trading relationship” and the symmetry of dependence-“the equality of dependence between partners” and the share of trade meaning “the proportion of dyadic trade over total trade, both import and export flows” as the indicators.⁹⁵ Evolving general expectations that asymmetric dependence between developed and developing states -even under greater degrees of salience- may cause conflict “due to the unequal distribution of perceived benefits,” and salient, symmetric trade may lead to peace between trading partners, Barbieri brings to light some remarkable findings: (1) symmetry for peaceful dyadic relation only makes a premise of lower levels of salience, (2) salient trade dependence, with even equal dyads, encourages conflict, (3) despite negotiation-oriented settlements,

⁹³ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 2nd ed. (New York: Longman, 1989), p. 18.

⁹⁴ Ibid., pp. 7-8.

⁹⁵ Katherine Barbieri (2002), pp. 57-62.

$$\frac{\text{Dyadic Trade}_{ij}}{\text{Total Trade}_i}$$

(1) For dyad ij consisting of two states such as i and j , i 's trade share =

(2) Dyadic salience represents the degree of dependence on trading partner and high salience calculates whether bilateral relationship is significant for each partner.

$$\text{Salience}_{ij} = \sqrt{\text{Trade Share}_i * \text{Trade Share}_j}$$

(3) As for Symmetry, little difference of mutual trade share means greater parity of dependence.
Symmetry $_{ij} = 1 - |\text{Trade Share}_i - \text{Trade Share}_j|$

disturbed conflicts tend to build up a war.⁹⁶ More importantly, Figure 2 below shows that ‘extensive’ economic interdependence amplifies the possibility of waging a war; that is, interdependence has little effect on conflict at the low levels of trade share but the more dyads come to be dependent, the probability of conflict increases.⁹⁷ As seen, under certain circumstances economic interdependence may not promote interstate peace. Instead, it can lead to conflict.

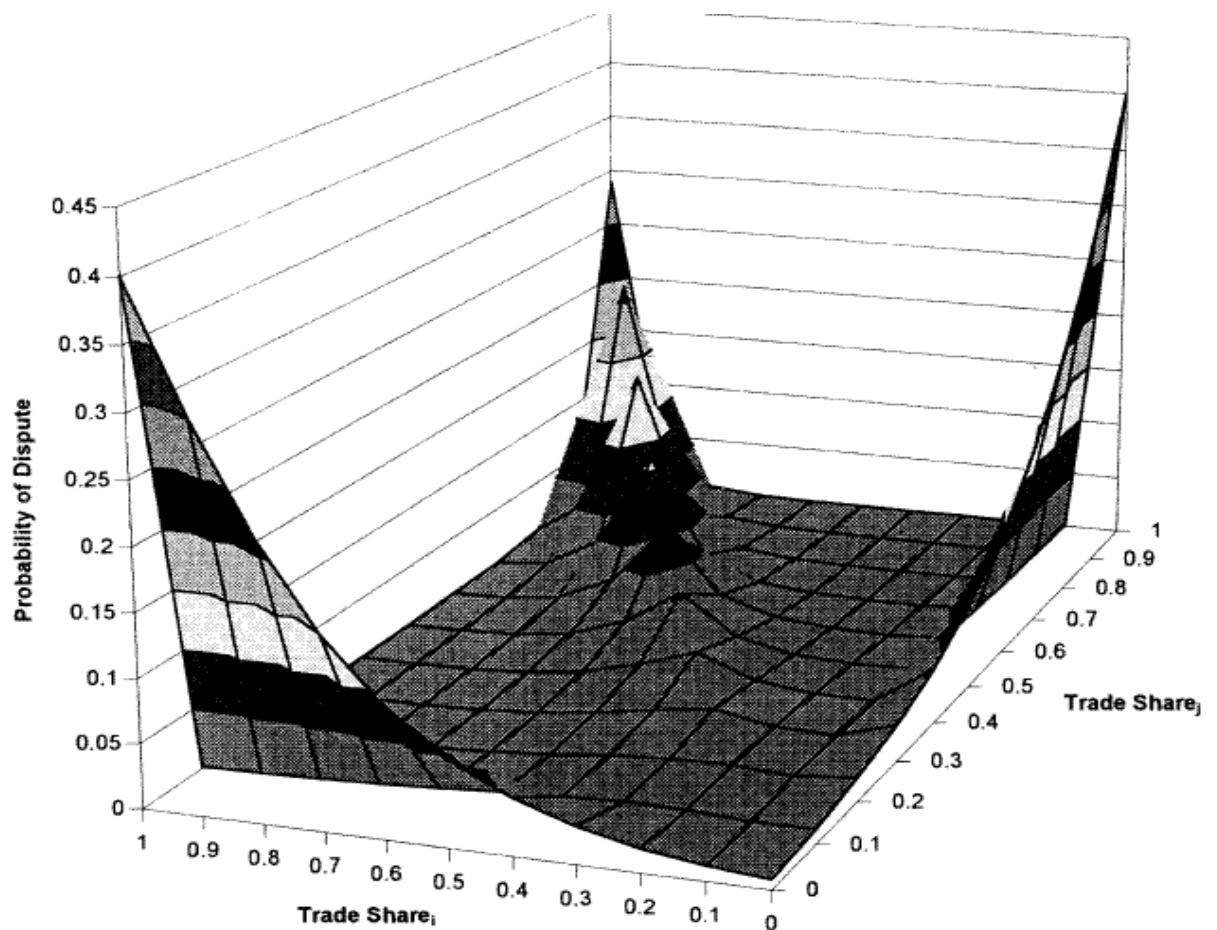


Figure 2. The Impact of Multidimensional Interdependence on MID Occurrence, 1870-1938.⁹⁸

⁹⁶ Ibid.

⁹⁷ Katherine Barbieri (Feb., 1996), pp. 40-41.

The horizontal axis shows the trade share of each country with its trading partner. The vertical axis shows the likelihood of a conflict. “The surface plane reflects the probabilities corresponding to various configurations of trade partner concentration.”

⁹⁸ Ibid.

3.2.4 Economic Interdependence Is Not Related to Conflict

Conflict may be inevitable in the anarchical international structure. It happens irrespective of our desire and is a natural phenomenon; even through this phenomenon can be researched and evaluated, it cannot be abolished and can never occur under the influences of economic interdependence. Barry Buzan maintains that since 1945, military deterrence as well as bipolar system is regarded as leading factors in the prevention of wars among the major powers, thus indicating that interdependence is irrelevant.⁹⁹ What is more, Holsti argues in his article named “Politics in Command” that no economic consideration takes precedence over security objectives.¹⁰⁰ Political and military-strategic factors indicate that economic interdependence is unrelated to likelihood of conflict or the effect is at the very least marginal. Harrison Wagner argues that market power is one thing and bargaining power by the government is another, and he emphasizes that whereas market power consisting of oil exporting countries can affect oil prices, it cannot change the political will of bargaining power, for example, the U.S. policy towards Israel.¹⁰¹

In a nutshell, there is little doubt that we live in a global village under a system where economic interdependence affects directly or indirectly individuals, states and international organizations. However, the answer to the question of whether economic interdependence actually stimulates conflict or peace in significant ways is not simple. When it comes to the effects of economic interdependence, the answer can be identified theoretically in two ways: realists believe that the influence of economic interdependence increase conflict while

⁹⁹ Barry Buzan, “Economic Structure and International Security: The Limits of the Liberal Case,” *International Organization*, Vol. 38, No. 4 (Autumn, 1984), pp. 605-606.

¹⁰⁰ Kal J. Holsti, “Politics in Command: Foreign Trade as National Security Policy,” *International Organization*, Vol. 40, No. 3 (Summer, 1986), p. 646.

¹⁰¹ R. Harrison Wagner, “Economic Interdependence, Bargaining Power, and Political Influence” *International Organization*, Vol. 42, No. 3 (Summer, 1988), pp. 466-464, 482.

liberals believe that economic cooperation and interdependence foster peace in the world. However, according to dependency theorists, trading benefits just leave in the possession of developed states compared to the developing state and after all, trade drives weaker countries into a position of dependence. In addition, imperialism in the name of interdependence leads to insecurity, even escalating the peril of war. As seen, an investigation into whether economic linkages engender a sufficient bond to prevent countries from threatening or using of force escapes from the dichotomous road, thus characterizing four strands: (1) economic interdependence fosters peace, (2) conditional economic interdependence promotes peace, (3) economic interdependence leads to conflict, and (4) economic interdependence is not related to conflict. When taken together, the following sections of the thesis will analyze these theoretical expectations, employing a historical approach to compare two cases, Turkey-Greece and South Korea-Japan relations.

CHAPTER 4

HISTORICAL APPROACH: THE MEDITERRANEAN CASE

This chapter explores the impact of NATO supported by American foreign policy in Turkey and Greece from 1948 to 1965. It will empirically analyze whether NATO, which signifies the influence of a security-oriented and political international organization, stabilized bilateral relations by eliminating the need for security competition.

4.1 U.S. Engagement in Greece

Following the Truman Doctrine as briefly-discussed in the first chapter, American policy was shifting from liberal democratic-oriented to security-oriented objectives in Greece, realizing that the Greek situation was chaotic and on the verge of Soviet influence. Notwithstanding the fact that American economic aid would be achieved on the condition that the Greek government would become democratic and the civil war would be eradicated, after the withdrawal of British supports, U.S. began to protect Greece on the basis of a Cold War move, namely by forming a faction.

However, the Truman Doctrine was not a complete way out. From another perspective, it was taken for granted that the U.S. would bring Greece into the

Western sphere and U.S. would have initiative over it instead of Britain. Even though, from a Greek view point, American support was “a new breath of life” for a tired government due to sharing the security burden to thwart it from becoming communist,¹⁰² the aid entailed some limitation of Greek sovereignty. On top of that, American financial aid was given from 1947 to June 1956 to Greece; however, this aid did not include security.

Therefore, Greece’s first security aim was to join NATO for obtaining greater deterrent power. Greece was also eager to establish a regional alliance, a Mediterranean Pact under the leadership role of the U.S., which was to include Turkey, Britain, France and the Arab countries. This project could not be accomplished, mainly because the Americans did not want to get permanently involved in the Middle East. Unfortunately, all Greek efforts for NATO entry came to nothing, so long as the U.S. was unwilling to add Greece to its burden of Western support. Consequently, relations between the U.S. and Greece placed a great deal of weight on NATO entry.

4.2 U.S. Engagement in Turkey

Turkey pursued the American permanent alliance guaranteeing overall responsibilities for its security, arguing that Britain’s participation in a regional defense arrangement as proposed by Greece would not be efficient without precautions for the Eastern Mediterranean security.¹⁰³ Even though Hüseyin Rağıp Baydur, the Turkish ambassador in Washington appealed to George Marshall the desire to extend the security guarantees to Western Europe as well as Turkey, saying that the absence of American guarantee in Turkey is “hopeless for a small country

¹⁰² Theodore A. Couloumbis, p. 27.

¹⁰³ Sir Clifford Norton (British Ambassador in Athens) to FO, 3 April, FO 371/72348 R4261/3668/19 quoted in Ekavi Athanassopoulou, p. 97.

like Turkey over a long period to stand up under pressure to a great country like that Soviet Union”.¹⁰⁴ American interest in Turkey’s security did not permit Turkey to become a part of NATO since Turkey, geographically, did not belong either to the Atlantic or to the Western Europe.

Nevertheless, Turkey did not give up pursuing the NATO umbrella. On 4 April 1949, President Truman in ceremonial speeches declared that the continuing interest of the U.S. will cover the countries based on the Pact as well as the ‘Near East’ countries,¹⁰⁵ thus pacifying Turkey. In due course, Turkey became increasingly dissatisfied. Then, it increased its political pressure on the U.S. to be included in NATO. As a result, relations between America and Turkey placed a great weight on the NATO entry.

4.3 Before the Joint NATO Entry

While Turkey and Greece were attempting to gain NATO entry, relations between both countries were cordial. Greece did not consider Turkey any threat, not only because both boarded the same ship in security terms, but also because Turkey would play a significant role in reducing Greece’s security costs as a buffer zone from the Soviets expansion.¹⁰⁶ This atmosphere continued during the Korean War, which enabled America to reconsider its position about Turkey and Greece’s access to the NATO.

The Korean War in 1950 was a breakthrough for both states and it led to NATO enlargement. Both states dispatched troops to South Korea with the expectation of American support for Turkey and Greece’s entry into the NATO, thus,

¹⁰⁴ Ekavi Athanassopoulou, pp. 99-100.

¹⁰⁵ Ibid., p. 134.

¹⁰⁶ Evanthis Hatzivassiliou, “Security and the European Option: Greek Foreign Policy, 1952-1962,” *Journal of Contemporary History*, Vol. 30, No. 1 (Jan., 1995), p. 191.

showing their loyalty to the U.S. Turkey was the secondary country next to the U.S. that sent a large infantry scale hoping that this action would bring about acceptance to the NATO; thus, it put in a request.¹⁰⁷ Following the quick Turkish reaction, Greece also put in an official request by the Greek ambassador in London saying that if the Turkish NATO entry was accepted, the Greek entry should be given the same response.¹⁰⁸ All the Western European NATO member countries rejected their claims and the enlargement of NATO, mainly because the extension of the Atlantic Treaty would mean a violation of their similar political and economic interests, which were based on the same traditions and it would show a devaluation of the treaty to just a military alliance against the Soviet threat.¹⁰⁹ Furthermore, the enlargement would bring new economic and military responsibilities and imply extension of the defense area.

America reacted rapidly to the principles of balance of power. New strategic assessment by the U.S. that was the only state in favor of the Turkish application demanded consolidation of the Western European and Eastern Mediterranean defense plan, which was based mainly on Tito's break with the Soviets and the fear of a second Korean War; this evaluation necessitated a reciprocal security arrangement with Ankara, which would present the US with Turkish military co-ordination, the utilization of Turkish bases and the blocking of the Straits to the USSR; thus, as a result of the American support and the good bargaining skills of the Turkish diplomatic circles, in 1952 Turkey found itself in NATO.¹¹⁰

It was an asset for the NATO strategy that Ankara had a goal establishing ninety-six divisions, of which some forty were ready to be operational and an extra

¹⁰⁷ Ekavi Athanassopoulou, pp. 163-165.

¹⁰⁸ Ibid., pp. 169-170.

¹⁰⁹ Ibid., p. 170.

¹¹⁰ Ibid., pp. 187-230.

plan adding some eighteen Turkish divisions; these Turkish assets could be effective as a means to deter Kremlin from penetrating the Caucasus area and would reduce the Soviet satellite that could be used to hit central Europe.¹¹¹ The favor of the superpower, U.S. was directed at Turkey rather than Greece, mainly because of the immediate goal to contain Soviet expansion.¹¹² As a result, the invitation to Greece was a consequence of the invitation to Turkey. Considering these factors, on the 22 October 1951 the admission paper of Turkey and Greece to NATO were signed; on 18 February 1952 both officially became NATO members. Both states became members in a Western collective security organization and the aim of the American policy converged with the allies in the West to contain the USSR.

By the early 1950s, Turkey and Greece got a distinguished position due to troops dispatched in the Korean War and emerged as the main actors in the southeastern flank in the Western strategic plans. As mentioned, considering the fear of the Soviet Union and entry into NATO, mutual peaceful relationship showed further progress; moreover, the U.S. who had not been very sensitive thus far began to share the Turkish and Greek concerns, realizing the reality of Soviet threats during the Korean War.

4.4 After Joint NATO Entry

Thanks to the American Cold War strategy, Turkey and Greece could ‘institutionalize’ not only their relationship with other Western states but also the bilateral relations with each other, by joining NATO. What is more, both became a deterrent to dissuade Soviet penetration in foreign affairs, and neutralized Socialist

¹¹¹ George S. Harris, *Troubled Alliance: Turkish-American Problem in Historical Perspective, 1945-1971* (Washington D.C: American Enterprise Institute, 1972), pp. 50-51.

¹¹² Harry J. Psomiades, p. 18.

and Communist movements in domestic affairs. Despite the elimination of external threats, both were facing a new phase of cost-benefit analysis.

For Greece, institutional and structural installation of American bases in Greece brought a security guarantee as well as a noose. After the Greek government's announcement on 12 October 1953, the United States could utilize its right to build up bases; to arrange, equip, use and circulate the land, naval and air space; American activities and personnel's life had the right of extraterritoriality; these agreements were to be revised over the years by various ad hoc arrangements.¹¹³ Albeit the agreements would guarantee the Greek security in totality and economic improvement in part, the bilateral relations between the U.S. and Greece led to some restrictions. By accepting the provision that "appropriate authorities of the two governments should from time to time agree to be necessary for the implementation or development of approved NATO plans," Greece should be subordinated to American demands, which would be in the name of NATO. Furthermore, Foreign Minister Stephanopoulos' announcement that if Greece rebuffs the ratification of the agreement, "she would be expelled from NATO" entailed that Greece's NATO entry would become a noose to shoulder burdens beyond membership obligations. Consequently, the Greek entry into NATO held advantages and drawbacks.¹¹⁴

For Turkey, in a similar vein, its partnership in NATO brought American presence and influence to Turkey on February 23, 1945 that would require the limitation of Turkish sovereignty in part. The bilateral agreements legitimized the American military and communications bases in Turkey to be utilized against the USSR, enabling the U.S. to post and supply these bases, and to fly over Turkish

¹¹³ Theodore A. Coulombis, pp. 77-78.

¹¹⁴ Ibid., pp. 77-85.

territory; the Status of Forces Agreement (SOFA) presented the U.S. including non-diplomatic personnel with privileges and immunities.¹¹⁵ SOFA's disparity caused some problems. For example, in November 1959, Lieutenant Colonel Allen I. Morrison "ran down a contingent of the Presidential Guard, killing one and injuring several others;" however, his immunity made him feel free from discipline.¹¹⁶ Therefore, from the perspective of the Turks, the additional rights that allowed the stationing of American troops were being recognized as "indirect aggression."¹¹⁷ As we have seen, the American presence in Turkey became a substitute for the elimination of external threat from the Soviets, provoking some problems related to SOFA.

Furthermore, the imbalanced aid levels from the U.S. became problematic. The ratios in assistance to Turkey and Greece which was deduced by the Greeks from accounts of total U.S. military aid from 1946 to 1976 made long-term solutions complex. Table 3 shows that Turkey took much more aid than Greece after the Greek government defeated a communist-led guerrilla insurgency, regardless of NATO's mission.¹¹⁸ The ratio was the main reason why Greece complained to the U.S. and also appeased the Greek public; for that reason, "Turkey and Greece became lobbyists" to get more aid rather than accepting their role as members of NATO, and the American objective in "arming them to the teeth has vanished."¹¹⁹ Both states had been eager to acquire military and economic aid as well as security guarantees: thus, began competing to gain more. In addition to that, an anti-NATO feeling due to the ratio might have developed in Greece; in essence, "the more Greece become

¹¹⁵ George S. Harris, pp. 49-61.

¹¹⁶ Ibid., pp. 59-60.

¹¹⁷ Türkkaya Ataöv, *NATO and Turkey* (Ankara: Sevinç Printing House, 1970), p.142.

¹¹⁸ Monteagle Stearns, *Entangled Alliances U.S. Policy toward Greece, Turkey, and Cyprus* (New York: Council of Foreign Relations Press, 1992), pp.44-45.

¹¹⁹ Ibid., pp. 48-49.

aware of Turkey's superior military capabilities within NATO, the more it adopted an exclusive attitude toward Turkey"; after all, the power disparities between Turkey and Greece through their joint NATO membership made contribution to the continuation of "the realpolitik security culture" in the Mediterranean region.¹²⁰ Thus, ironically, after joint entry to NATO, there was another kind of security dilemma within NATO.

Table 3: Ratio of Aggregate U.S. Military Aid Totals from 1947 to 1965¹²¹

Year	Ratio (Greece : Turkey)	Year	Ratio (Greece : Turkey)
1947-1948	29:10	1957	4:10
1949	19:10	1958	6:10
1950	31:10	1959	4:10
1951	19:10	1960	11:10
1952	6:10	1961	5:10
1953	8:10	1962	2:10
1954	4:10	1963	4:10
1955	3:10	1964	8:10
1956	5:10	1965	9:10

¹²⁰ Oğuzlu H. Tarik, "The Promise of NATO in the Construction of Cooperative Turkish-Greek Relations," *The Review of International Affairs*, Vol. 3, No. 3 (Spring, 2004), pp.466-467.

¹²¹ Monteagle Stearns, pp.44-45.

4.5 The Outbreak of the Cyprus Conflict: 1955 - 1965

4.5.1 Brief Historical Background

Thanks to Cyprus's geopolitical position though fairly small, the Island of Cyprus since the 1950s has suffered a long-lasting conflict between Turkey and Greece, which is mostly seen as an identity-based conflict. The island was controlled by Great Britain after the cession of the Ottoman Empire in 1878 on the condition that Britain supports the island against the enemy, Russia. After joining forces with the Central Powers in World War I, Cyprus was annexed and in 1925 it was reverted to the British Crown based on the Treaty of Lausanne.¹²² There were two issues: (1) population consisted of a majority of Greeks who made up 77% of the overall population and a minority of Turks who made up 17%, (2) ethnic identity difference resulting from region and language. Furthermore, Greek Cypriots, as Orthodox Christians, had close relations with Greece and Turkish Cypriots, as Sunni Muslims, had close relations with Turkey. In spite of these issues and differences between communities, during the time of the Ottoman Empire and Britain, both sides maintained a peaceful climate.

During the late 1930s, the status of Cyprus proclaimed by the British government was recognized by Turkey and Greece as not vital, not least because the former needed the support of the Great Power, and mainly because the latter thought that Cyprus had a Turkish minority; both needed a deterrent against Soviet as well as German expansion and thereby, from the same perspective, during the 1940s, the status of the two communities in the island was not an issue.¹²³ For instance, in

¹²² Harry J. Psomiades, pp.56-57. This provision was confirmed in Article of Treaty of Lausanne; Article 20 showed that Turkey must acknowledge the annexation of Cyprus based on the British Government on the 5th November, 1914.

¹²³ Ibid., pp.57-58.

September 1933, both states signed a Friendship Pact guaranteeing the inviolability of their borders and giving a promise of mutual help on matters of common interest; in addition, during 1941-1942 when the German occupation of Greece led to mass hunger, Turkey sent food and provided the Greek warships with a refuge.¹²⁴ Thus far, the Turkish-Greek relations were well underway.

4.5.2 The Emergence of the Cyprus Dispute

From the early 1950s on, it was certain that with American support Greece aggressively began to be concerned about Cyprus.¹²⁵ British policies of division, which emphasized the ethnic differences between the two communities on the island made room for re-creating deepened diversities in terms of education, religion and the resulting lack of a common identity. In the mean time, Greece required the unification (*enosis*) of Greek Cypriots with the motherland, which had appeared in 1931, in the pursuit of the right of self-determination that coincided with the period of accelerating decolonization from British rule. However, the British government refused the unification plans of Greece by arguing that Cyprus was under UK authority and the two communities in the island had to solve their domestic problem, mainly because of its important strategic interests in Cyprus. In 1954, however, Greece brought up the question of Cypriot self-determination at the UN Assembly, internationalizing the issue.¹²⁶ In addition to that, an anti-British terrorist group, EOKA (Ethniki Organosi Kiprion Agoniston – National Organization of Cypriot Fighters), which enjoyed the support of the Greek Prime Minister Papagos Athens, was founded by George Grivas on 1 April 1955. EOKA attacked the police, military,

¹²⁴ Tozun Bahcheli, *Greek-Turkish Relations Since 1955* (Boulder, San Francisco, & London: Westview Press, 1990), pp. 13-16.

¹²⁵ Şükrü s. Gürel, *Tarihsel Boyutları İçinde Türk-Yunan İlişkileri (1821-1993)* (Turkish-Greek relations in the historical dimensions 1821-1993) (Ankara: Ümit Yayıncılık, 1993), p. 55.

¹²⁶ Ibid.

and other government institutions in Cyprus, which resulted in the deaths of 100 British personnel and the police. Athengoras, the Patriarchate in Istanbul maintained a neutral stance on the Cyprus dispute, by residing in Lausanne in 1923 and collected donations from the Greeks in Istanbul who were secretly supporting the EOKA attacks in Cyprus. In response, the Turkish public opinion demanded that the Patriarch control Archbishop Makarios, thus provoking dormant, corresponding Turkish suspicions and Greek animosities.¹²⁷ For those reasons, although the London tripartite conference hosted by Britain was organized with the participation of Turkey and Greece on August 29, 1955, little progress was made. Whereas Greece in the long term stuck to the *enosis* policy, Turkey maintained its established position with respect to the British rule in Cyprus and at the same time proposed a partition (*taksim*) policy on the basis of changing the island's status. Turkey's threat perception at the heart of its objection to *enosis* was evident due to its belief that (1) Greece's governing of Cyprus would mean a loss of the southern ports of Mersin and Iskenderun, thus posing a threat to Turkey, (2) the existence of a communist party in Cyprus resulted in AKEL (Anorthotikon Komma Ergazomenou Laou – Progressive Party of the Working People, The Communist Party of Cyprus) and Greek rule would threaten the rights of the Turkish Cypriots there.¹²⁸ Therefore the former peaceful relations came to an abrupt end and both countries wanted to follow their own path.

4.5.3 The 6-7 September Incidents

These diversities between the two states affected the domestic politics in Turkey and Greece. On September 6-7, 1955, there were bloody events in Istanbul.

¹²⁷ Alexis Alexandris, *The Greek Minority of Istanbul and Greek-Turkish Relations 1918-1974* (Athens: Center for Asia Minor Studies, 1983), pp. 252-255.

¹²⁸ Tozun Bahcheli, pp. 36-37.

In general, the suspicions were that the Greek Cypriots had planned to attack the Turkish minority on 28 August and the Turkish consulate and the birthplace of Kemal Atatürk in Thessaloniki were bombed, which gave a momentum to the 6-7 September incidents. According to Greek sources, 1004 houses, 4348 shops, 27 pharmacies and laboratories, 21 factories, 110 restaurants, cafes and hotels were destroyed and the compensation given for the widespread damage of the Greek minority in Istanbul was insignificant.¹²⁹ Apart from whether the event was the voluntary result of public emotion stemming from the Cyprus dispute or a movement of intended nationalists directed by the Turkish Prime Minister Menderes, Papagos in a rage damaged the regional NATO system in Izmir, by withdrawing all the Greek officers; what is more, this event led to fear in the Turkish minority in Cyprus. In response, the U.S. Secretary of State Dulles sent the same letters to Prime Ministers Menderes and Papagos, emphasizing that the larger interests of NATO and the special American relationship with the two states were more important than their bilateral interests, brushing off the explanation of the series of events. The American intention was to highlight the impartiality of the U.S. towards both countries; however the letters raised anger in Greece, which had “the effect of gasoline poured on fire,” mainly because Greece considered the attitude of the U.S. and NATO as favoring Turkey.¹³⁰ It seemed that the ‘we-feelings’ of three countries within NATO had not worked; thus, their interests seemed to be far away from basic belief in reliability of collective security. The Dulles letters hoped that the leadership role of NATO would solve the problem, thus exhorting the high level of convergence in the institution:

Since 1947, the United States has made very considerable efforts to assist Greece and Turkey to maintain their freedom and to achieve

¹²⁹ Alexis Alexandris, pp. 256-274.

¹³⁰ Monteagle Stearns, pp.29-32.

greater social and economic progress. We have extended this assistance – and extend it now – because we believe that the partnership of Greece and Turkey constitutes a strong bulwark of the free world in a critical area.

If that bulwark should be materially weakened, the consequences could be grave indeed. I urge you therefore to make every effort to assure that the effectiveness of your partnership is not impaired by present disagreements.¹³¹

However, unlike preserving the appearance of NATO alliance at the southeastern flank, Greece reacted, as seen, by withdrawing NATO maneuvers in Izmir, and Turkey declared martial law in Ankara. That brought to light the failure of the American calculation that the U.S. could solve the Cyprus question using NATO and the resulting Greek demand of self-determination, which was laid before the UN. In this triangle of relations, as long as one's interests were not consistent with the others, the progress of positive bilateral relations was easy to break and even undo.

These events and the exchanging miscalculations, which were rare in the membership of the common Atlantic security regime, were a lesson to the American political leaders. A joint NATO entry did not guarantee complete elimination of historical animosities and a path towards peaceful relations. It was hard for the U.S. government to understand that these two countries that were under common threat from the Soviet Union, and that had been eager to join the NATO umbrella to procure large amounts of military and economic aid from the U.S., would allow regional issues to get out of control.¹³² Furthermore, for both Turkey and Greece, NATO, the institution leading the United States and Western Europe was seen as an obstacle to direct negotiation; “bilateral disputes acquire a multilateral dimension” and thereby both states could not help pursuing appeal of their respective positions to Washington and Brussels rather than figuring the disputes out through direct bilateral

¹³¹ See appendix B for the text of Dulles letters.

¹³² Monteagle Stearns, p. 9.

efforts.¹³³ States, after all, would not be subordinated by multilateral decision-making if they have a lack of willingness, mainly because they are not machines, which act in a routine fashion, but organisms which can think, act and decide. As a result, multilateral institutionalist efforts for a solution formed a triangular system, and in the end, the situation became more complex and cumbersome. What is more, multilateral responsibility, which is a duty shared by all states in NATO, would be useless if no one adhered to it.

4.5.4 British Withdrawal and the Birth of the Republic of Cyprus

In contrast to the atmosphere of internal security, external security circumstances of both countries still included perceived Soviet threat. In 1955, the death of Stalin and Tito's meeting with Khrushchev brought about the consolidation of NATO, which led Turkey to lose interest in soothing relations with Greece.¹³⁴ In response to *enosis* policy and EOKA movements, the Turkish Cypriots built up an independent *taksim* policy on the island between the two communities and also established their own paramilitary organization, the TMT (Türk Mukavemet Teşkilatı – Turkish Resistance Organization) in order to prop up the *taksim* policy in 1957.¹³⁵ The tension had augmented into a more serious manner, by 1958. These trends of ethno-nationalism led to the widening gap that led to conflict. The Turkish-Greek rapprochement began deteriorating with the joint NATO entry in 1952.

At the British Suez campaign of 1956, American pressure deterred Britain from achieving its main objectives of abolishing the Nasser government and in securing international control of the Suez Canal. Through this event, British power

¹³³ Ibid., p. 5.

¹³⁴ Alexis Alexandris, pp. 254-255.

¹³⁵ Stavroula Philippou, "On the Borders of Europe: Citizenship Education and Identity in Cyprus," *Journal of Social Science Education*, Vol. 6, No. 1 (June, 2007), p. 68.

had, to no small extent, decreased in the Eastern Mediterranean and even in its grip on Cyprus. In 1958, Britain withdrew from the island on the condition of deploying two military bases at Acratori and Dhekelia. In this way, freeing it from British influence, regional interests of Turkey and Greece would affect their decision-making rather than the global common missions the U.S. had assigned to them.¹³⁶

As time passed, inter-communal conflict and casualties mounted in Cyprus, which affected the motherlands to a large extent. Britain's withdrawal gave birth to a new phase, which demanded that Prime Ministers, Menderes and Karamanlis discuss the future of the island. Therefore, the NATO conference permitted Turkey and Greece to join informal talks about the unraveling of *enosis* and *taksim* in Autumn 1958. Surprisingly, the talks resulted in an agreement regarding an independent Cyprus in Zurich. In the following London summit in 1959, which included Britain and both Cypriots, neither *enosis* nor *taksim* were accepted by the sides. The Zurich-London agreements in 1959-1960, which were signed on 16 August 1960 in Nicosia and became the foundation of the Cyprus constitution of 1960, declared Cyprus an independent state. The Constitution legitimized a Greek Cypriot president, a Turkish Cypriot vice president who had a respective veto power on fundamental law by the House of Representatives and on decisions of the Council of Ministers in order to protect the rights of the minority Turkish Cypriots. However, the constitutional structure contained improper functions, which aimed at provoking divisions and tensions rather than collaboration and unity.¹³⁷ For example, it was predictable that ethno-communal identities were more appealing than state identity and thereby the Republic of Cyprus could not form a Cyprus identity. The concept of citizenship in the 1960 Constitution, which was written in terms of ethnic origin, language, culture

¹³⁶ Monteagle Stearns, pp.26-27.

¹³⁷ "Zurich and London Agreements - The Constitution - The Treaties," *The World of Cyprus*, http://www.kypros.org/Cyprus_Problem/p_zurich.html (accessed May 1, 2008).

and religion, was problematic due to the following reasons: (1) the Greek Community consisted of those who are of Greek origin, have Greek as a mother tongue, and have the Greek cultural traditions or who belong to the Greek-Orthodox Church; (2) the Turkish Community consisted of those who are of Turkish origin, have Turkish as a mother tongue, and have the Turkish cultural traditions or who are Moslems; (3) citizens of the Republic who do not belong to the provisions of first or second article can select either the Greek or the Turkish Community as individuals or a religious group within three months of the date of Constitution coming into operation.¹³⁸

Furthermore, the Zurich and London Agreements were constructed of three treaties, which symbolized an imbalanced compromise; even though Cyprus became an independent republic, the Treaty of Establishment allowed the British military to keep two bases in the island, which violated the basic principles of international law and morality related to full sovereignty. According to the Treaty of Guarantee, Turkey, Greece and Britain, as guarantor powers, had the right of collective or even individual action to restore the state of affairs created by the Treaty. According to the Treaty of Alliance, Turkey and Greece could deploy military forces on the island.¹³⁹ Even the Greek Cypriot leader, Archbishop Makarios, knowing of the Greek government's pressure and the danger of plausible partition, considered the treaties as 'a necessary evil' that could never be achieved; the Greek Cypriots were dissatisfied with the status of the new state whereas the Turkish Cypriots accepted it.¹⁴⁰ For instance, it could be said that because an ex-EOKA leader, Yeorgadjis who was one of the most powerful ministers as the Minister of the Interior, established a

¹³⁸ Stavroula Philippou, p.71.

¹³⁹ Zurich and London Agreements - The Constitution - The Treaties, *The World of Cyprus*, http://www.kypros.org/Cyprus_Problem/p_zurich.html (accessed May 2, 2008).

¹⁴⁰ Zenon Stavrinides, *The Cyprus Conflict: National Identity and Statehood* (Nicosia: Stavrinides Press, 1976), p. 33.

network system of the former EOKA in Civil Service and the Police. This influential political leader threw his efforts into promotion of a nationalistic tendency.¹⁴¹ It seemed clear that the Greek Cypriots could not break away from the existence and impact of the EOKA. By legitimizing the status of the British, Turkish, and Greek military forces as guarantors, Cyprus was a time bomb in 1960 waiting for a disastrous event to happen.

4.5.5 Thirteen Amendments and the Turkish Plan for the Peace Operation in Cyprus in 1964

Despite becoming a republic and an independent state, lack of mutual trust between communities revealed the 1960 constitution to be impractical. Even though the central purpose of treaties was the prohibition of *enosis* and *taksim* policies, it seemed, to a greater or lesser extent, that the treaties provided Archbishop Makarios and the Turkish Cypriot leader, Dr. Fazıl Küçük with a pretext for going their own way. It would be conducive to both leaders that ethnic quotas in executive and legislative department were applied. The Turkish Cypriots who comprised 17% of the total secured 30% of the portfolios in the cabinet, occupied 30% of the posts in the civil service, and 40% of men in the 2000-soldiered Cyprus army. The Constitution was authorized to deploy 950 troops of Greece and 650 troops of Turkey. In the view of Greek Cypriots, these were excessive privileges for the Turkish Cypriots in comparison with the population percentage and brought an end to their hope of *enosis*, and worst of all, brought Turkey back to Cyprus.¹⁴² These classifications incited both sides to go toward a different national consciousness such as ‘Greekness’ and ‘Turkishness,’ thus, resurrecting the EOKA insurgency.

¹⁴¹ Ibid, pp.34-35.

¹⁴² Tozun Bahcheli, pp. 46-47.

EOKA's movements were advocated by Greek Cypriot leaders for the purpose of achieving *enosis*: Makarios stated that Turkish Cypriots were the horrible enemies who were to be driven out and EOKA was the national heroes pursuing their duty; Interior Minister spewed out statements such as "Cyprus has always been Greek and our dream is for EOKA to began its campaign so it will be realized."¹⁴³ Throughout 1961, EOKA secretly started recruiting, training and organizing using disbanded weapons of the 1955-1959 campaign. In due course, on November 30, 1963 Makarios submitted 13-point amendments to the constitution to the guarantor powers: Britain, Turkey and Greece. Although the revisions did not include any radical changes, they sought to remove the veto rights of the Turkish Cypriot vice president and to modify the quota system; the Turkish Cypriot leadership strongly rejected, not least because the changes meant the destruction of a guarantee for the minority Turkish Cypriots.¹⁴⁴ Consequently, Makarios in 1963 made the Akritas Plan, which aimed at amending the Constitution, by outlining the Greek Cypriot leaders' strategy for *enosis* and stressing the principles of self-determination. In December 1963, Greek Cypriots and EOKA began to attack civilian Turkish Cypriots who suffered severe casualties; in addition, Turkish Cypriots were dismissed from office within the administration units and by putting implicated restrictions on them, it seemed plain that the Republic of Cyprus was intended to be a Greek Republic of Cyprus.¹⁴⁵ Thousands of armed Greek civilians encircled the Turkish quarter of the walled city of Nicosia, which led to the Turkish Cypriots escaping from mixed villages. Therefore, the first three years since the declaration of the island as an independent republic produced new conflicts and made no progress in terms of the restoration of peace or the formation of a common identity.

¹⁴³ Ibid., pp. 54-56.

¹⁴⁴ Ibid., pp. 57-58.

¹⁴⁵ Ibid.

In response, in a similar pattern, the Turkish TMT began training again for inter-communal fighting in 1964. The Turkish Prime Minister, İnönü repeatedly warned that the Greek Cypriot leaders should pay attention to the 1960 constitution, which was responded by Makarios' inaction. At the end of 1963, the Turkish air force reconnoitered over Nicosia in low-level sorties and 650 Turkish soldiers were placed on the road from Nicosia to the port of Kyrenia on the north coast; a Turkish military intervention seemed impending.¹⁴⁶ The efforts of the UK, the US, Turkey and Greece to reach a cease-fire were to remain on the UK's shoulder. The US president Lyndon Johnson who was just beginning to show himself in world politics appealed for a peaceful solution, to Makarios and to Dr. Küçük through a message; Turkey believed that the British government could save the Turkish Cypriots from being killed; Papandreou in Greece mentioned that a peaceful atmosphere was essential; the UN Security Council expected that Britain could bring a resolution. On the contrary, Britain languished in its motivation and the Prime Minister, Alec Douglas Home in Britain, recommended a political agreement between all the parties in response to Makarios's demand that he got British aid to deter a Turkish landing.¹⁴⁷ What is more, the U.S. did not get involved in the conflict until 1964 when the crisis was on the verge of a war, mainly because it would have had to take a neutral position in relation to Turkey and Greece, which were members of NATO, thus not alienating either side, and mainly because it was worried about the growth of the communist AKEL party in Cyprus.¹⁴⁸ This is a case where common membership retarded or even prevented a super power from intervening a crisis situation to find a solution. These efforts required a lot of time and on 1 January 1964 Makarios

¹⁴⁶ Monteagle Stearns, pp. 34-35.

¹⁴⁷ Salahi R. Sonyel, *Cyprus: The Destruction of a Republic and Its Aftermath, British Documents 1960-1974* (Ankara: the Eothen Press, 1997), pp. 61-65.

¹⁴⁸ Suha Bolukbasi, *The Superpowers and the Third World: Turkish-American Relations and Cyprus volume 15* (Lanham: University Press of America, 1988), pp. 54-55.

declared a cancelation of the Cyprus treaties, which proved multilateral solutions to be complex and actually meaningless.

4.5.6 Johnson's Letter and Complete Turning Back to Their Own Issues

The year 1964 of this conflict led all parties to a stalemate. Using the pretext of Turkish low sorties which flew over the island at Christmas in 1963, the Greek Cypriots' attack on the Turkish Cypriots became doubly acute. Turkey warned of its intention to intervene with force which was considered legally right by Turkey on the basis of the Treaty of Guarantee. Given that the situation took a turn for the worse when the London Conference failed on 21 January, an Anglo-American plan which could dispatch a NATO peace-keeping force of 10,000 soldiers and 1,200 combat troops to the island was originated. However, aiming at drawing communists' support, mostly from the Soviet Union and at blockading Turkish intervention, Makarios suggested to bring the question before the UN Security Council.¹⁴⁹ In support of Makarios who could achieve the independence of Cyprus, the Soviets propped him with the purpose of expansion of communism and the foundation of a communist regime originated by AKEL, which would be helpful to the Soviets' future plans in the Mediterranean.¹⁵⁰ What is more, on 12 February 1964 Makarios accepted a U.N. peacekeeping force (UNFICYP), the American Undersecretary of State, George Ball's proposal, aiming at cancelling the Treaty of Guarantee; on 8 March Greek Cypriots assaulted the Turkish Cypriots for annihilation before the arrival of the U.N. force.¹⁵¹ The subsequent developments and the situation soon got out of control; Turkish public opinion caused Ismet İnönü to rethink about a hard-line policy such as a military intervention.

¹⁴⁹ Salahi R. Sonyel, pp. 86-87.

¹⁵⁰ Suha Bolukbasi, p. 67.

¹⁵¹ Milliyet, Istanbul, 9-14 March 1964 quoted in Suha Bolukbasi, p.72.

On 4 March 1964, the Security Council passing Resolution 186 recognized the Greek Cypriot government as the legitimate government of Cyprus; thus the Greek Cypriot government considered that it had sovereignty over both communities.¹⁵² Needless to say, this was a tragic decision for the Turkish Cypriots. Although they comprised 17 percent of Cyprus' population and owned some 34 percentage of the land, Turkish Cypriots were compelled to live in enclaves covering less than 4 percentage of the Cyprus territory. The British and American governments were afraid that the Greek Cypriots might cooperate with the Soviet Union, which would not have suited the purposes of the NATO. George Papandreou's argument was that the partition would show that the influence of sphere of the Soviets would mean the infiltration of communism in the Greek part of the island; independence would indicate "a Mediterranean Cuba"; thus, *enosis* could be seen as "the best of a list of bad solutions" by the Americans.¹⁵³ Because of this, so long as the Superpower kept its global intentions, with the so called Soviet threats in mind, the best possible way to end the plight and restore the rights of the Turkish Cypriots was virtually ignored. The solution mechanism without considering deep-seated racial, ethnic, and religious antagonism resorted to a temporary makeshift, protracting inter-group conflict.

The American role was minimal up to the brink of war, especially because its involvement required high-level institutional caution. Finally, Ismet İnönü informed the U.S. Ambassador Raymond Hare of Turkish intervention on 4 June 1964. In fact, İnönü who may not have wanted to intervene and was forced to do so by the pressure of the Turkish public opinion and the armed forces, expressed his will with haste, in logically considering that if the U.S. were to support the intervention, Turkey could

¹⁵² Clement H. Dodd, *Kıbrıs Meselesi: Güncel Bir Bakış* (The Cyprus issue: A current perspective), (Ankara: Turhan Kitabevi, 1996), p. 6.

¹⁵³ Salahi R. Sonyel, pp. 99-100.

use it as a shield from the plausible threat from the Soviets as well as Greece.¹⁵⁴ In due course, the U.S. was in a quandary and within hours President Johnson's letter written in quite an undiplomatic style was delivered to İnönü on June 5, 1964 and to the Greek Prime Minister later that same month. The U.S. could not play a decisive role in solving the Cyprus conflict; it was unwilling to get involved even in the last minute; thus, it went along with British intentions and the fear that Soviet Union would establish a satellite in the eastern Mediterranean. Why did the U.S. get involved so late? One reason could be institutional procedure. Like Ball's explanation, despite the fact that decision-making is comprehensible in moral terms, efficient decisions for a superpower demands "constant high-quality institutional vigilance," due to an individual virtuoso's imperfection.¹⁵⁵ Such a series of events reminds us of the proverb that 'too many cooks spoil the soup.' Due to the failure of institutional efforts which came too late, there was nothing for Johnson to do but express his position in a menacing harsh manner.

Johnson argued that a Turkish military intervention in Cyprus could provoke a Greco-Turkish war in which the U.S. and NATO allies would not prevent Greece from attacking Turkey nor protect Turkey in the case of a Soviet attack. Johnson stated in the third paragraph of the letter the following:

I must call to your attention also, Mr. Prime Minister, the obligation of NATO. There can be no question in your mind that a Turkish intervention in Cyprus would lead to a military engagement between Turkish and Greek forces. Secretary of State Rusk declared at a recent meeting of the ministerial council of NATO in The Hague that war between Turkey and Greece must be considered as "literally unthinkable." Adhesion to NATO, in its very essence, means that NATO countries will not wage war on each other. Germany and France have buried centuries of animosity and hostility in becoming NATO allies; nothing less can be expected from Greece and Turkey. Furthermore, a military intervention in Cyprus by Turkey could lead

¹⁵⁴ Suha Bolukbasi, pp. 75-77.

¹⁵⁵ George W. Ball, *The Past Has Another Pattern* (New York: W.W. Norton & Company, 1982), p. 359.

to direct involvement by the Soviet Union. I hope you will understand that your NATO allies have not had the chance to consider whether they have an obligation to protect Turkey against the Soviet Union if Turkey takes a step which results in Soviet intervention without the full consent and understanding of its NATO allies.¹⁵⁶

Inönü was invited to the U.S. and as it was impossible to reject the invitation, thus Inönü accepted Johnson's offer of negotiation as a way to settle the conflict. In general, the other reasons why Turkey could not intervene in northern Cyprus at that time were that Turkey was short of military capabilities for a landing operation and the likelihood of the Soviets supporting Makarios was high. Also Turkey lacked a political leader's intention necessary to carry out the intervention; however, Turkey drew the American involvement into the conflict, thus, attaining its objective.¹⁵⁷

A superpower's ways are different from a relative weaker ally's in the NATO system, which requires being obedient to the head of the institution. Turkey would feel, due to the Johnson Letter, that it had been betrayed by the U.S. for the third time. Firstly, Dulles's letter implied that only when Turkey and Greece consolidated their differences and kept the alliance in a sincere manner, could both take aid from the U.S. and would NATO protect them from the Soviet threat. The U.S. attempted to use NATO for the purpose of controlling both states. Secondly, as in the Cuban missile crisis in 1962, when the U.S. compromised with the Soviet Union on the terms that the U.S. withdraws the Jupiter missiles from Turkey and in turn the Soviets withdraw from Cuba, Turkey was disappointed with the super power's devious game.¹⁵⁸ In the same vein, Turkish political leaders realized with certainty that NATO membership in comparison to a Super power's will could not guarantee

¹⁵⁶ See appendix C for the text of Johnson's letters.

¹⁵⁷ Süha Bölükbaşı, The Johnson Letter Revisited, *Middle Eastern Studies*, Vol. 29, No. 3 (July, 1993), pp. 520-521. Inönü was unwilling to get involved in a regional war with Greece, and attempted to make the most logical and safest decisions.

¹⁵⁸ William Hale, p. 129.

its security from Russian expansion. Thirdly, Johnson's letter was an indication of how the validity of a NATO guarantee could evaporate when faced with Soviet involvement. Ball who saw Johnson's letter before sending it to İnönü, said that "it is the most brutal diplomatic note I have ever seen," and added that despite its effectiveness, he could not imagine how the U.S. could restore relations with the offended Turks.¹⁵⁹ Accordingly, Turkish and Greek confidence in NATO was losing its strength and NATO membership entailed a lot of limitations in the conduct of their foreign policy. It could be said that NATO in that case became a spokesperson for American foreign policymaking.

For Greece, Papandreou considered the letter as "an ultimatum of the same kind Greece had received from the Nazis in 1940."¹⁶⁰ A careful look at this kind of result reveals that Greece had put too much confidence in NATO before Johnson sent the letter. Greece recognized that NATO could not be trusted as a security guarantee to pull the chestnuts out of the fire.

In the end, U.S.'s involvement began on July 5 in Geneva where former Secretary of State, Dean Acheson as a mediator met with the Turkish and Greek representatives. The first Acheson plan espoused a union of Cyprus with Greece; in return, Greece would provide Turkey with certain concessions: a portion of the island as a military base in full sovereignty and several Turkish cantons including local autonomy. These were welcomed by Turkey on the condition that the Turkish base area included the whole Karpas Peninsula. Greece, however, rejected this on the ground that the Turkish base was too big and the Greeks preferred to lease a small base on the Karpas Peninsula to the Turks for twenty-five years. The Second Acheson Plan was a modified version of the first Acheson plan on 22 August 1964

¹⁵⁹ George W. Ball, p. 351-352.

¹⁶⁰ Ibid., p. 356.

and put forward a leasing system of the base to Turkey for 50 years; furthermore, several autonomous Turkish areas on the rest of the island were cancelled. This proposal, however, was opposed by both, not least because Turkey's desire was to append a part of Cyprus as large as the Karpas peninsula under full sovereignty. Makarios, before Papandreou had made a decision, stated that he could not settle anything less than *enosis* of the whole island.¹⁶¹ The Geneva Conference was a good opportunity to retrieve Cyprus from the position of a non-aligned state and draw it into the NATO system through a union proposal; however, neither side accepted the proposal.¹⁶²

4.6 The Johnson Letter's Impact and Multi-Faceted Foreign Policy in 1965

It seems hard to believe that after the letter, the U.S. could play catch-up by trying to alleviate Turkish and Greek disappointment. For Turkey, even though the Turks gave up their intervention in Cyprus, Turkish-American relations were falling apart, which enabled Turkey to reassess its reliance on NATO and to reconsider Turkish cooperation with the Soviets. In public, İnönü's readiness to compromise and Johnson's betrayal were criticized. U.S.'s support for the union of Cyprus with Greece was regarded as approval when it comes to Greek Cypriots' armament, which could be used to kill the Turkish community at will; in other words, "America was at heart in the Greek camp."¹⁶³ According to re-evaluation, Turkish political leaders began to put into practice a withdrawal of dependence on the U.S. and NATO in a multi-faceted way, which led the Turkish-American alliance to cool. Consequently, notwithstanding that Turkey kept its NATO membership and continued to maintain

¹⁶¹ Suha Bolukbasi, pp. 85-86.

¹⁶² Ibid., pp. 518-519.

¹⁶³ New York Times, February 23, May 6, June 2, 1964 quoted in George S. Harris, pp. 112, 118-120.

good relations with the U.S., it began to pursue a more independent way and sought greater freedom of action in decision-making.

The Turkish multi-dimensional way led to a rapprochement with the Soviet Union. The new perception was that if Turkey had closer relations with the Soviets, this could reduce the Soviet help to the Greek Cypriots. This perception reinforced a significant change of policy; the Soviet Union opposed *enosis* lest the U.S. occupation of the military bases on the island. In addition to common interests on Cyprus, since the Soviet Union had pursued an improvement in its relations with Turkey, “the Soviet-Turkish détente developed quickly”; thus, at least Turkey could form better relations with Moscow and lessen its dependence on the U.S.¹⁶⁴ It seemed plain that Turkey who had been an invariably staunch ally in NATO for two decades, began to follow its own independent foreign policy, by shaking hands with the Soviets who had been an enemy for two decades. In short, albeit building bridges with the Soviets did not mean that Turkey turned completely against the U.S. and went over to the opposite party, Turkey did not necessarily comply with all American policies but took a more balanced attitude towards NATO membership and the Cyprus conflict.

A series of events would imply that the NATO system was defective, given the change of a security partner. In fact, Turkey in 1965 opposed the building up of a Multilateral Force (MLF) of nuclear weapons within NATO. After Süleyman Demirel came to power in November 1964, he succeeded in developing a multi-faceted foreign policy; in 1965, Demirel mentioned that “belonging to a particular alliance ... does not preclude any state from improving its relations with members of

¹⁶⁴ William Hale, pp. 150-151.

another alliance or with Third World states.”¹⁶⁵ In the same year, Demirel banned Turkey from allowing American use of military bases, which the U.S. were using for reconnaissance flights over Soviet territory, and Turkey started to form new relations with the Soviet Union in terms of politics and economy. It could be said that yesterday’s enemy became tomorrow’s bedfellow.

In conclusion, considering the limited impact of NATO on state behavior, it should be no surprise that countries have reservations. In the first stance from 1948 to 1955, Turkish-Greek relations were under *détente* periods of relationship, in essence, the relations looked hopeful, in an attempt to eliminate long-lasting differences. Joint NATO entry in 1952 and co-establishment of the Balkan Pact of 1954 indicated a way towards a peaceful and lasting solution, against a potential Soviet threat. However, after joint NATO membership, both states ironically turned to regional issues. In the end, the year 1955 was a turning point of bilateral relations with the Cyprus dispute, which revealed that the sphere of influence of NATO on the nature of Turkey-Greece relations had been marginal and unimportant. The involvement of NATO and the U.S. made the Cyprus conflict more complex. The multilateral system put off solutions, leaving a lot of casualties; thus relations between Turkey and Greece evolved negatively then on.

Especially after the Johnson letter, positive bilateral relations faded, more exactly trilateral relations including the U.S. forced both countries to turn back to their own interests, mainly because Turkey and Greece realized that NATO could be a superpower’s tool, to bring both states to their knees. NATO and the American ways, which stuck to protecting the southeastern flank from Soviet involvement could not effectively restrain *taksim* and *enosis* policies from paving their individual

¹⁶⁵ Duygu Sezer, *Kamuoyu ve Dış Politika* (Public Opinion and Foreign Policy) (Ankara: Ankara Üniversitesi), 1972, p. 512 quoted in Suha Bolukbasi, pp. 118-119.

ways; surprisingly, the U.S. supported *enosis*, justifying that by protecting Cyprus. As a relatively small state in an era of great-power confrontation, Turkey's and the Turkish Cypriots' positions were glossed over. An argument that NATO is a catalyst of peace settlement in the world has no great weight in this case. Now, historical events substantiate that NATO gave the appearance of a system of bilateral agreements regulating relations, which hardly stimulated peaceful settlement of conflicts between member states.

CHAPTER 5

HISTORICAL APPROACH: NORTH EASTERN ASIAN CASE

This chapter examines the process of normalization between South Korea and Japan supported by American foreign policy from 1948 to 1965. It will also empirically analyze whether the evolution of economic relations as an inception of bilateral economic interdependence positively influenced peaceful bilateral relations by alleviating the mutual deep-seated animosity and need for security competition.

5.1 U.S. Engagement in Japan

The main American foreign policy in East Asia after the Second World War was to attain renewed relations between Korea and Japan. In October 1948, seeking to encourage better relations between the ROK and Japan, General MacArthur invited President Rhee to meet Japanese officials in Tokyo, and in January 1949 he received the ROK diplomatic mission at the Supreme Commander for the Allied Powers (SCAP) General Headquarters. In spite of being aware of the historical enmity, American officials expected the development of a new pattern due to recognition of the profits of economic cooperation due to their geographical

proximity.¹⁶⁶ With this in mind, SCAP intended to wipe out the material legacy of Japan's imperialism and to simultaneously establish democracy in Japan. In the same vein, the American policy in Japan seems to have two fundamental objectives: firstly, to ensure that Japan would never again become a threat to the U.S. or to the peace and security of the world, and secondly, to build up a peaceful democratic government in Japan selected by the Japanese people and pursuing the objectives of the United States and the principles of the United Nations.¹⁶⁷

Japan was re-established as a democratic state under American control. The government document entitled "United States Initial Post Surrender Policy for Japan" defined four main goals for accomplishing these objectives: (1) clarification and restriction of Japan's territorial sovereignty; (2) the entire disarmament and demilitarization of Japan; (3) support for basic human rights for the Japanese people and the creation of democratic and representative institutions, and (4) economic development adequate for the peacetime requirements of the Japanese people. With this mission, General MacArthur of SCAP effectively disarmed and demobilized 2.6 million soldiers and furthermore ordered the removal from public office of about 200,000 elite members related to the military, bureaucracy and political, ultranationalist, business, and communications organizations.¹⁶⁸ The lawful foundation for Japan's permanent demilitarization was represented by Article 9 of the revised Japan Constitution as follows:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a severing right of the nation and the threat of use of force as means of settling international

¹⁶⁶ Chae-Jin Lee and Hideo Sato, *U.S. Policy toward Japan and Korea: A Changing Influence Relationship* (New York: Praeger Publishers, 1982), pp. 11. SCAP possessed all powers capable of executing the surrender terms and other occupation policies for Japan.

¹⁶⁷ *Ibid.*, p. 2.

¹⁶⁸ *Ibid.*, pp. 2-3.

disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.¹⁶⁹

With the guarantee of Japan's internal and external security through American occupation, MacArthur transferred sovereignty from the Emperor to the people; renounced war and the nation's right of war, and guaranteed all citizens' comprehensive civil liberties under the Diet, leaving the Emperor's position as a symbolic head of state and of national unity.

However, the American policy in Japan was forced to change. In the late 1940s, the old world order changed because of the eclipse of China, and the ambiguous intention of the People's Republic of China (PRC) which would be seen as the successor to Japanese leadership in East Asia, and the rapid emergence of the Soviet Union as a superpower heading the communist bloc. In addition, relations between the U.S. and the Soviet Union quickly deteriorated.¹⁷⁰ It seemed to be that Soviet-led forces of world communism would make use of any strategy necessary to fill the power vacuum in the Far East, establishing footholds in China, the North of Korea and in South East Asia. With the advance of the Cold War, American policy towards Japan changed in accordance with its China policy. The emergence of Communist China on the mainland in 1949 necessitated a reassessment of the role of defeated Japan, which would be a stronghold against communist expansion in Far East in the eyes of the U.S.

Finally, the U.S. would entrust Japan with a leadership role in East Asia. During the years 1948 and 1949, when instead of troops of Chiang Kai-shek, Mao's forces occupied Manchuria as well as most of China north of the Yangtze River, the

¹⁶⁹ Reischauer, *The United States and Japan*, p. 351 quoted in Chae-Jin Lee and Hideo Sato, p. 3.

¹⁷⁰ Dean Acheson, *The Korean War* (New York: W.W. Norton & Company, 1971), pp. 2-3.

U.S. made a plan to develop the stability of the Japanese economy. The original purpose of weakening Japan's competitiveness in the world markets changed to reconstructing Japan's economy; thus, a strong Japan would play a decisive role in building a buffer system against a likely Soviet expansion in East Asia and it would be a strategic outpost of the America-East Asian security system.¹⁷¹ Therefore, American policy toward Japan transformed from complete removal of its economic infrastructure into the rehabilitation of Japan for its new mission as the leader of the Far East, mainly due to the emergence of PRC and the growing threat from the USSR.

5.2 U.S. Engagement in South Korea

It became evident that U.S. foreign policy of East Asia was difficult to apply to the Korean society. Koreans had been eager to live in a unified Korea and were against this separation under the control of the Allied Powers, not least because they had a subjugated fear once again of foreigners. Furthermore, MacArthur's objection to recognize the Korean interim government and people's committees led by Yo Un-hyong, which had been set up by the Koreans soon after the Japanese surrender and which endowed power to the so-called U.S. Army Military Government in Korea (USAMGIK), caused political confusion in Korea for three years from September 1945 to August 1948.¹⁷² As seen, even though the U.S. mission to disarm the Japanese military forces in Korea was comparatively easy, the maintenance of order and establishment of government were very difficult to attain.

¹⁷¹ Wilson D. Miscamble, *George F. Kennan and the Making of American Foreign Policy, 1947-1950* (New Jersey: Princeton University Press, 1991) pp. 225-245.

¹⁷² Soon-sung Cho, *Hankook Pundansa [Korea in World Politics]* (Seoul: Hyungsungsa, Hyungsung Shinseo, No. 9, 1983), pp. 65-71. This government (The Preparatory Committee for the Establishment of the Korean Government) was led by Yo Un-hyong, a leftist nationalist, who received considerable support from intellectuals such as students and school teachers, mainly because of his agrarian socialist philosophy and personal charisma.

The U.S. policy toward Korea was for the most part improvised and inconsistent. The U.S. military commander in Korea, General Hodge, did not possess the political sensitivity and ability of MacArthur in Japan and took a harsh attitude toward the Korean people. Unlike MacArthur who received the “United States Initial Post-Surrender Policy for Japan,” Hodge did not receive lucid instructions under the “Basic Initial Directive,” which did not retain political democratization or economic reforms; as a result, it could be said that American security priority and attention were placed on Japan and China rather than Korea.¹⁷³ Furthermore, despite American democratic ideals, the USAMGIK failed to achieve its political goal of laying down plans for a future democratic process. World War II had made a close connection between the U.S. foreign and military policies. Foreign policy had been an adjunct of U.S. military strategy; the War and Navy departments had more voice in some foreign policy decisions than the State Department. The words of the Chiefs of Staff were the most powerful next to the President.

More seriously, the U.S. policies led to a strong possibility of a communist-ruled ROK. In April 1948, American National Security Council had three choices: (1) abandon ROK; (2) keep political and military accountability for it; or (3) extend aid and assistance in terms of security and economy to prevent a breakdown. Thus, a month after the establishment of ROK, the American forces started a phased withdrawal, leaving an army of about 170,000- North Korean soldiers as opposed to 16,000 South Korean soldiers.¹⁷⁴ The reasons why Rhee’s repeated requests before the Korean War were rejected could be accounted for by three factors: U.S. strategic planning did not regard ROK’s security as high priority; the U.S. could not be sure of Rhee’s intention concerning an attack on North Korea due to public opinion;

¹⁷³ Chae-Jin Lee and Hideo Sato, pp. 6-7.

¹⁷⁴ Soon Sung Cho, *Korea in World Politics 1940-1950: An Evaluation of American Responsibility* (Berkeley and Los Angeles: University of California Press, 1967), pp.228-230.

American military stockpiles were over-expanded and depleted, and thereby the U.S. was unwilling to spend additional military budgets.¹⁷⁵

There were possibly two other reasons. Firstly, the new communist movements were challenging the U.S., which propelled Truman to adopt a wait-and-see approach. For example, not only was there the huge issue of the fall of China and the resulting establishment of the PRC but also in February 1950, the PRC and the Soviet Union signed an Alliance and Mutual Assistance agreement, which promised mutual support to the extent of “all necessary measures for their common objective” of deterring Japanese re-establishment and the U.S. exclusive occupation of Japan. Thus, despite Washington’s recognition of South Korea’s strategic importance, its military and economic support remained nothing in comparison with the Soviet support to North Korea.¹⁷⁶ Secondly, the U.S. had been suffering from a shrinking army. Greece, Italy, Korea, and Palestine as plausible war areas were beyond American Army’s power, which was distributed in four under-strength divisions in Japan, with five divisions in Europe and another five under-strength divisions in the U.S.; consequently, the 10,000 additional troops urgently needed by General Hodge were unrealistic.¹⁷⁷ For those reasons, notwithstanding President Truman’s argument that “if we do not do it [additional aid], we are absolutely certain that the whole situation in Korea will collapse and Korea will fall into the Communist area,”¹⁷⁸ The U.S. was forced to pursue a wait-and-see policy.

¹⁷⁵ Paul G. Pierpaoli, Jr., *Truman and Korea: The Political Culture of The Early Cold War* (Columbia and London: University of Missouri Press, 1999), pp. 17-18.

¹⁷⁶ Chae-Jin Lee and Hideo Sato, pp. 11-25. Whereas U.S. assistance to ROK from 1946 to 1948 amounted to loans of 24.9 million dollars and grants of 156.3 million dollars, there was no military assistance.

¹⁷⁷ Soon Sung Cho, p. 227.

¹⁷⁸ Dean Acheson, p. 2.

5.3 The Korean War on 25 June 1950

The Korean War was a curse for ROK and it was a blessing for Japan. The tragic partition of the Korean peninsula in 1948 and the Acheson declaration in 1950 reached an unfortunate climax from 1950 to 1953. Whether the real motivation was American negligence toward ROK or not, ROK faced a formidable and troubled situation owing to the outbreak of the Korean War on 25 June 1950, whereas Japan had a good opportunity to revive its economy and more importantly to regain its sovereignty. This was because the logistical demands of the fighting of American forces were met by Japanese products, which enabled Japan to achieve its postwar economic reconstruction; furthermore, Japan in 1951 made a Security Treaty with the U.S. who acknowledged the importance of Japan as the last bulwark. Also Japan joined the United Nations in 1956, which eventually led it be an influential member of the international society, erasing the dishonor of the defeated state of the Second World War.¹⁷⁹ That is, the U.S., who was staunchly seen as the leader state of liberal democracy, began to support Japan in the name of blocking the Communist expansion.

These developments increased anti-Japanese sentiment within ROK. What South Koreans, who were newly liberated from Japanese colonization had been wishing for, was to become a unified state and it seemed that “Japan was enjoying a snug prosperity and a snug safety mainly by reason of the sacrifice of Korea.”¹⁸⁰ For that reason, all Japan-ROK talks, which had begun as a suggestion of the U.S., pursued restoration of diplomatic relations. However, the results led nowhere. Worst

¹⁷⁹ Motoi Tamaki, “Close But Distant Neighbors,” *Japan Quarterly*, Vol. 21, No. 4 (Oct./Dec., 1974), p. 350. The security treaty between Japan and the U.S. was intended to protect an independent but weak Japan and to build up a counter force to the Sino-Soviet alliance. It also provided Japan not only with the pretext of expanding the 75,000-man National Police Reserve Force for improved internal security but also with a U.S. military guarantee of Japan’s external security.

¹⁸⁰ Ibid.

of all, 2 million Koreans in Japan who had lived there since before the war had been forced to move into Japanese labor camps during the war and had experienced a lot of discrimination. Approximately 500,000 to 600,000 Koreans, who remained in Japan due to ROK's political uncertainty and unrest, were dealt with as "a nuisance"; their routine life was constantly overseen on the basis of the Aliens Registration Ordinance, which later became a law; they were deterred from participating in political activities, civic movements and even business organizations.¹⁸¹ Therefore, Japan acted in an unfriendly manner to its Korean residents and in response, South Korea did not have diplomatic relations with Japan, its closest neighbor, for about two decades, still keeping its historical animosity.

With regard to ROK, the three-year Korean War made South Korea a special American client-state in terms of military, economy and diplomacy. Soon after the outbreak of the War, the Rhee accepted the U.S.-led United Nations intervention in the ROK. At the starting point, with the consensus among all main decision makers that "whatever had to be done to meet this aggression had to be done," the U.S. commenced South Korea's defense: strategic decision-making, operational control, actual fighting, military training, and the logistics. This help and military dependency on Washington was inevitably connected with economic dependency. By September 1951, physical losses amounted to almost \$2 billion, which was beyond ROK's gross national product for 1949; the industrial assets suffered substantial damage; ROK came to shoulder the burden of an influx of two million North Korean refugees; everything collapsed; in due course, ROK's economic rehabilitation efforts depended on massive aid from the United States.¹⁸²

¹⁸¹ Ibid., p. 351-352.

¹⁸² Chae-Jin Lee and Hideo Sato, pp. 13-15, 22-23.

With respect to the U.S., its containment policy was extended from Europe to North Eastern Asia. South Koreans rejected the armistice agreement because of the fact that the agreement meant everlasting partition of the country, by letting Korea lose a strong racial homogeneity and the loss of fundamental industrial resources, which North Korea had a large amount of; that is, it was a road with no turning back. However, Rhee was persuaded because of a Mutual Defense Treaty between ROK and the U.S. and the promise of huge economic aid in concord with the armistice agreement. In addition, about 40,000 American troops, which were stationed in ROK, played a significant role as “a deterrent” to Pyongyang and “a reassurance” to Seoul.¹⁸³ After the Armistice Agreement in 1953, American policy toward the ROK changed, not only because Japan achieved a high level of economic reconstruction but also PRC rose as a communist leading power in Asia during the Korean War. Thus the U.S. encouraged the ROK to have closer economic links with Japan, which meant ROK would become an economic appendage to Japan.¹⁸⁴ Therefore, the War was instrumental in making the U.S. reconsider Japan as a security partner and ROK as its satellite, and in getting deeply involved in ROK, which the U.S. had neglected owing to the Acheson Line; what is more, the anti-Japanese sentiment was reignited.

5.4. The Efforts for Normalization

In the midst of the ROK’s peril occasioned by the Korean War, American realization about the strategic value of the Korean Peninsula took shape within normalization of relations between ROK and Japan. Japan, like the Secretary of State, Dulles and Dean Rusk, was convinced that diplomatic and economic relations

¹⁸³ William J. Barnds, *The Two Koreas in East Asian Affairs* (New York: New York University Press, 1976), p. 172.

¹⁸⁴ Tae-Gyun Park, “U.S. Policy Change toward South Korea in the 1940s and 1950s,” *Journal of International and Area Studies*, Vol. 7, No. 2 (2000), p. 89.

between the two countries were the one and only solution for the peace and security of East Asia.¹⁸⁵ As a consequence of these factors, normalization of relations was left to be decided by the ROK; thus, it is necessary to analyze the South Korean attitude and reaction. In the 1950s, American and Japanese realization and efforts led nowhere due to the public anti-Japanese sentiment, which made South Korean political leaders such as Syngman Rhee and Chang Myon hesitate to give a definite answer to the normalization request. However, General Park Chung Hee decided for normalization through practical diplomacy; the decision was based on developing ROK's economic structure.

5.4.1 Syngman Rhee and the Normalization Talks

Rhee's policy for normalization of relations with Japan came to nothing. He was one of the leaders who worked for Korean liberation from Japanese occupation and showed dictatorial inclinations by staying in the president's office and by using coercive tactics¹⁸⁶, and his advisors remained from the independence movement. In consequence, ROK's opposition was natural since South Korean political leaders had devoted their lives to the independence movement. At this point, there were different considerations between the ROK and the U.S. Whereas Dulles thought the development of mutual economic and diplomatic assistance between both countries in connection with Western Pacific security as the best way in emphasizing the anti-communist arc stretching from Japan and ROK to Taiwan, the Philippines, and Indochina, Rhee regarded Japan as a threat rather than the Soviet Union, fearing a revival of pre-1945 Japanese imperialism and asked Washington to stop providing

¹⁸⁵ Chae-Jin Lee and Hideo Sato, p. 28.

¹⁸⁶ Ki-baik Lee, pp. 381-382.

military and economic aid to Japan.¹⁸⁷ Dulles's response in the State Department minutes would show that the differences between American global and ROK's regional considerations reached a climax, as is stated below:

If Japan goes Communists, Korea will be lost. Since Japan is essentially an industrial economy without adequate resources of its own, it must live on its manufactures and manufacturing capabilities. Unless this process continues under the auspices of the United States and the free world, it will inevitably come under Soviet Communism, which desires to control Japan as a workshop for war. The Secretary suggested to President Rhee that he must recognize as a problem of ROK national security the necessity for keeping the Japanese economy viable and strong. ... Otherwise, Japan might become Communist, for it would starve without trade with the free world.¹⁸⁸

The U.S. concentrated on forming bilateral negotiations with the ROK and Japan. Two rounds of negotiations between both countries' diplomats during 1951 and 1952 commenced due to General MacArthur's invitation of President Rhee to Japan. Japan refused to discuss the ROK's property claims.¹⁸⁹ After the failure of these meetings and South Korea's seemingly unreasonable behavior, General Mark Clark, the U.N. commander, invited Rhee to Japan in January 1953 to meet Prime Minister Yoshida; both states promised their support in the common efforts against communist expansion and a resumption of bilateral negotiations. However, the mutual clash of attitudes increased as the talks progressed. This problem resulted from the statement of Mr. Kubota Kanichiro, the chief Japanese delegate to the third talks (6-21 October 1953). His specific points were that: (1) the independence of the ROK before the signing of a peace treaty was unreasonable; (2) the U.S. should be criticized for disposing of Japanese property in Korea before the treaty was signed,

¹⁸⁷ Chae-Jin Lee and Hideo Sato, p. 26.

¹⁸⁸ See the Department of State Memorandum for Records concerning Rhee-Dulles meetings held in August 1953 (declassified in 1974) quoted in Chae-Jin Lee and Hideo Sato, p. 26.

¹⁸⁹ See appendix D for the text of Korean property claims quoted in Kwang Bong Kim, *The Korea-Japan Treaty Crisis and the Instability of the Korean Political System* (New York, Washington, London: Praeger Publishers, 1971), pp. 54-55.

and that Japan reserved the right to claim property in Korea; (3) the 36 years of Japanese rule in Korea should be re-evaluated in a positive manner and in view of the fact that it had brought spectacular advances to Korea in education, health, transportation, and agriculture; and (4) the reference in the Cairo Declaration to the Korean people as being in enslavement was an hyperbole provoked by the emotional stress of war. In response, the ROK's reaction showed a marked contrast with Yoshida's statement, which caused the negotiations to stop.¹⁹⁰

In the mid-1950s, Japan requested John M. Allison, the U.S. ambassador to Japan, to smoothen the progress of the stalemated negotiation talks between Tokyo and Seoul; in due course, this suggestion was turned down by the ROK.¹⁹¹ Japan officially withdrew Kubota's statement on 31 December 1957¹⁹², and both countries opened the fourth conference, which continued from 15 April 1958 to 19 April 1960, yet, the April Revolution resulting from Syngman Rhee's authoritarian desire to stay in power generated the efforts for negotiation to lead to repercussion and suspension.

After all, Rhee's anti-Japanese feelings and background made American efforts void. Regarding South Korean-Japanese relations, "inter-bloc conflict did not necessarily improve intra-bloc cooperation," which was akin to Turkish-Greek relations from the mid 1950s to the 1960s; thus, Washington formed two kinds of bilateral, "patron-client relations" throughout the 1950s.¹⁹³ As a result, even though the U.S. made efforts to reach a rapprochement between the ROK and Japan on the basis of containment policy to isolate the international communist movement, the normalization of relations for South Korea and Rhee would mean Japanese

¹⁹⁰ Chong-Sik Lee, "Japanese-Korean Relations in Perspective," *Pacific Affairs*, Vol. 35, No. 4 (Winter, 1962-1963), p. 323.

¹⁹¹ Chae-Jin Lee and Hideo Sato, p. 28. The first round of the ROK-Japan talks continued from 15 February 1952 to 25 April 1952 and the second round of the talks lasted from 15 April 1953 to 23 July 1953. Japan officially withdrew Kubota's statement on 31 December 1957, and the two countries participated in the fourth conference, which lasted from 15 April 1958 to 19 April 1960.

¹⁹² Kwang Bong Kim, p. 56.

¹⁹³ *Ibid.*, pp. 26-27.

domination of just another shape. That is, during the first decade after independence, the political atmosphere in the ROK was not favorable and even hostile towards normalization of diplomatic relations with Japan.

5.4.2 The Chang Myon Government and the Normalization Talks

After the demise of the Rhee government, Chang Myon was appointed as the Prime Minister by the Assembly on 19 August 1960 and his main concern was the improvement of the Korean-Japanese relations; the new cabinet had a lot of pro-Japanese politicians and over 40 percent of the representatives got an education in Japan during the Second World War; thus the new political leaders were “not dogmatically hostile toward Japan” and did not hold anti-Japanese feelings, which enabled the ROK who faced a ‘serious isolation’ diplomatically due to Rhee’s authoritarian regime that took an aggressive manner in order to reach normalization of bilateral relations.¹⁹⁴ What is more, in the same line with the Ho Jong interim cabinet’s definite policy in April 1960 soon after the April Revolution, which was “to attain the normalization of diplomatic relations with Japan and to promote foreign trade by exporting Korean rice to Japan,” allowing Japanese correspondents to enter ROK, it was not until two weeks after Chang Myon came to office that Kosaka Zentaro, the Japanese Minister of Foreign Affairs was invited to visit the ROK. The 5th ROK-Japan Conference was resumed as an epoch-making event on the 25th of October 1960.¹⁹⁵

An early normalization of diplomatic relations was progressing under a consensus that Chang and Kosaka both prioritized the need for economic cooperation. On 17 August 1960, the ROK government issued visas to representatives of the first

¹⁹⁴ Chong-Sik Lee (Winter, 1962-1963), pp. 324-325.

¹⁹⁵ Chin-wee Chung et al., *Korea and Japan in World Politics* (Seoul: Seoul Computer Press, 1985), pp. 20-21.

Japanese economic mission, even though Japan still did not have official diplomatic relations with the ROK. The economic mission headed by the Mitsubishi Trading Company examined whether Japanese investment in Korean industry was feasible. It made numerous contacts with the Japanese government. The reason why both governments now urgently pursued normalization of diplomatic and economic relations was due to three factors: (1) the economy, (2) security, and (3) the American demand. Concerning the economic factor, the ROK's most serious problem was to raise funds to keep continuous economic growth, while at the same time American military and economic aid kept going down.¹⁹⁶

The U.S. began to reduce its influence and at the same time intended to bind economic bilateral relations between the two countries. The total American economic aid to the ROK was dropped from roughly \$383 million in 1957 to \$199 million in 1961, a reduction of about 50 percent (see Table 4); American military assistance was also reduced from \$230 million in 1961 to \$180 million in 1962 and was projected to decline to \$114 million by 1965 (see Table 5).¹⁹⁷ In consequence, the change in US policy toward the ROK led the Chang government to seek passionately normalization of relations with Japan; it was quite natural that Chang's government had to place high priority on the acquirement of Japanese investment and loans in 1961 and he attempted to overcome economic difficulties by taking a reparation fund from Japan.¹⁹⁸ Whether the U.S. intended to or not, triangular relations led the U.S. to renew the course of negotiations for normalization into a bilateral direction, which was apart from outsider influence.

¹⁹⁶ Ibid.

¹⁹⁷ James W. Morley, p. 56.

¹⁹⁸ Chin-wee Chung et al., p. 21.

Table 4. US Economic Aid to the ROK, 1945-1963 (in thousands of US dollars)¹⁹⁹

Year	Total	Year	Total
1946	49,496	1955	236,707
1947	175,371	1956	326,705
1948	179,593	1957	382,893
1949	116,509	1958	321,272
1950	58,706	1959	222,204
1951	106,542	1960	245,394
1952	161,327	1961	199,425
1953	194,170	1962	232,310
1954	153,925	1963	216,483

Table 5. The US Military Assistance to the ROK (in millions of US dollars)²⁰⁰

Fiscal Year	Assistance
1961	230
1962	180
1963	160
1964	141
1965	114

¹⁹⁹ James W. Morley, p. 132.

²⁰⁰ Ibid., p. 133.

However, Chang's aggressive policy for normalization at all costs provoked strong emotional reaction and criticism in the ROK. For instance, anti-Japanese demonstrations caused a planned visit by a Japanese economic mission in January 1961 to be postponed in the last minute. Although Japan on 14 May 1961 stated that Korean property claims of the colonial legacy would be paid in the form of a Japanese grant. Chang's efforts and the fifth round of negotiation talks made no progress due to a military coup in Korea, which was a consequence of anti-normalization treaty riots by students. However, Chang made a contribution to the reconciliation and the formation of bilateral relations with Japan, as follow-up measures stemming from reduced American support.²⁰¹

5.4.3 Park Chung Hee and the Normalization of Relations

The appearance of the military junta opened a new phase for normalization. Three countries reached a concord on economic cooperation. As a surprising change, the U.S. wanted Japan to share or be charged with the burden of the ROK aid, giving up the leadership role in aid of the ROK. The U.S. influence in Asia was gradually being decreased for four reasons: (1) the U.S. lost its strategic superiority as the only superpower because of the achievement of the Russian strategic parity, and China and France became nuclear states, (2) American allies in Europe and Asia were more and more unwilling to submit unconditionally to American initiatives, which forced the principles of collective security to become increasingly less effective, considering the Sino-Soviet split, and economic development and nationalistic concerns of Western Europe and Japan intensified the difficulties of the American economy, (3) American inability in the Vietnam conflict showed the limits of U.S. military power

²⁰¹ Jin-O Kwak, "Normalization between Japan and the Republic of Korea: from Conflict to Reconciliation," 2006, p. 140.

and political wisdom, and (4) the Cuban missile crisis enabled the U.S. and the Soviets to start selective bilateral relations in terms of nuclear non-proliferation, trade and cultural exchange.²⁰² Therefore, the United States wanted to decrease its economic aid to the ROK and in the end, “urged closer cooperation between Japan and South Korea”; furthermore, it highlighted the realization that Korean safety and future progress rested on the revival of congenial relations with Japan.²⁰³ The decline of economic aid to the ROK and the demand of economic cooperation between the ROK and Japan spurred both countries to have closer cooperation.

Regarding the ROK, General Park Chung Hee who graduated from a Japanese military academy changed the Korean position toward normalization. He could speak Japanese and understood Japanese mentality. Park was initially an object of American worry, since the U.S. was strongly opposed to a government founded in 1961 by a military coup and predicted the political instability that ensued. However, Park pursued the same line with the U.S., aiming at gaining his legitimacy; thus, the foremost priority for Park, who took an initiative regarding decision making after the military coup, was to accomplish economic development with Japanese assistance, which was consistent with the American plans.²⁰⁴ Park intended to use the reparation fund from Japan as an alternative source of investment capital in place of the reduced American support and on the way to the U.S. met Prime Minister Ikeda in Tokyo, and took all the necessary diplomatic steps in November 1961 with an assurance that both leaders would willingly consent to expedite the negotiations, taking a flexible attitude toward South Korea’s property claim.²⁰⁵ Therefore, as for Park,

²⁰² Chae-Jin Lee and Hideo Sato, p. 27.

²⁰³ Chong-Sik Lee (1985), p. 44.

²⁰⁴ William J. Barnds, p. 173.

²⁰⁵ Chong-Sik Lee (1985), p. 50.

normalization indicated his legitimacy for political stability and his tool for economic development.

Concerning Japan, the emergence of a military regime in the ROK was a blessing for Japan following the Korean War. The former premier Kishi advised Premier Ikeda that “This is the greatest opportunity since the end of the war to solve the Japanese-South Korean problem. It is because South Korea is undergoing a serious economic crisis now and they need money most urgently. This is the time to haggle down the price.” In addition, Kishi stressed the possibility that the failure of the Park regime could bring communist expansion to the Korean peninsula, which would have grave consequences for Japanese security; thus he urged Ikeda to build South Korea’s economic foundation and to solve the property claims in the shortest possible time. Hence, when the Ikeda and Kennedy meeting took place on the 22nd of June 1961, the former persuaded Kennedy that “Japan and the United States must intensify economic aid to South Korea in order to bring about political stability there.” With this as an incentive, Kennedy invited Park to the White House on November 14, which led to American support for the military regime as a legitimate government.²⁰⁶ Finally, in late 1961, the U.S. worked eagerly to reach normalization behind the scenes, and the normalization of relations meant that South Korean-Japanese leaders knew a bilateral agreement was only a matter of time.

However, there were lots of stumbling blocks. Property claims were the most controversial ones. When the sixth round talks opened in Tokyo on 20 October 1961, Japan was not prepared to finance payments to the ROK. On February 1962, the negotiated settlement divided Seoul and Tokyo into property and claims issues. There was the difference of property claims subcommittee that the ROK informally

²⁰⁶ Ibid., pp. 47-49.

demanded a payment of \$700 million and Japan only suggested \$70 million.²⁰⁷ The emotional explosion and various demonstrations in South Korea resulted from the humiliating diplomacy with Japan, which resulted in the paralysis of Seoul and other major cities. Shortly before the normalization of relations, 10,000 students demonstrated and about 800 went on hunger strike in Seoul. In Japan, the Socialist Party and the left-wing elements took opposing positions to South Korean-Japanese rapprochement, mainly because they were on the side of North Korea in terms of ideology. Accordingly, when the treaty was submitted to the Diet for ratification, the Socialist Party used force to deter the ratification in the Diet. Normalization using economic motives did not come easy.²⁰⁸

The U.S. used the normalization which lasted over 14 years as a catalyst in seeking a settlement. It encouraged both countries to make bilateral negotiation without direct involvement. The American way was evident in the argument of William P. Bundy, Assistant Secretary of State for Far Eastern Affairs:

It was to try to encourage reasonable communication between the parties, but not to inject ourselves directly. We would try to explain Japanese attitudes in Korea, and by the same token try to explain Korean attitude in Japan. But we did not involve ourselves, at any stage ... in the direct negotiations. All we did was to say that we thought normalization would be constructive if it could be achieved on a mutually agreeable basis.²⁰⁹

The U.S. did not involve itself and encouraged both states. The three countries, the ROK, Japan and the U.S worked out normalization together, which resulted from three factors: (1) same security alliances of Soviet-North Korean and Sino-North Korean defense treaties in the summer of 1961 (2) the nuclear explosion

²⁰⁷ Chae-Jin Lee and Hideo Sato, pp. 29-30.

²⁰⁸ Chong-Sik Lee (1985), pp. 53-55.

²⁰⁹ Ibid., p. 30.

in the PRC in 1964, and (3) American involvement in the Vietnam War. Within this atmosphere, in spite of mounting political unrest, especially the South Koreans' popular demonstrations, the 7th round talks begun on 3 December 1964 and reached diplomatic normalization on 20 February 1965; this diplomatic milestone consisted of the seven-article on Basic Relations, other agreements, protocols, and notes on property claims and economic cooperation, fisheries, cultural assets, and the legal status of Korean residents in Japan.²¹⁰ By April 3, all other issues were solved; it was finally accepted in the shape of an economic aid package of \$800 million allotted through a ten-year period (1966-75): \$300 million for grants, \$200 million for long-term low-interest government loans, and more than \$300 million for commercial loans. The Peace Line was drawn by a twelve-mile exclusive fishery zone and Japan agreed to return lots of old Korean books and art works. Furthermore, Koreans who had lived in Japan before August 1945 and their ancestors were given permanent resident status.²¹¹

The signing of the ROK-Japan Treaty in 1965, which put an official end to the history of colonial domination as well as the two decades of anti-Japanese sentiment, was a success of economic cooperation as a solution for hostile bilateral relations. Of course, in comparison to two other normalizations, namely Japan and the Republic of China who came to an agreement in 1952 declared a bilateral peace treaty and establishment of diplomatic relations, and Japan and the Soviet Union, which signed an agreement to open diplomatic relations in 1956, this normalization between the ROK and Japan in 1965 was quite late, which was indicative of the degree of historical enmity between the two nations. However, and more importantly, it also meant that their deep-seated animosity was being unraveled by economic

²¹⁰ Chae-Jin Lee and Hideo Sato, pp. 30-31.

²¹¹ Chong-Sik Lee (1985), p. 54.

cooperation; eventually, the need for security produced the normalization based on economic cooperation between the ROK and Japan. The diplomatic achievements of the ROK were “a landmark in diplomatic history” of Park’s regime.²¹² Whereas anti-sentiment toward Japan would play a less and less important role in shaping the pattern of diplomacy, practical considerations for economic developments became more and more vital.

5.5 South Korean and Japanese Economic Relations: 1961-1965

Both countries decided to solve their security needs through economic cooperation and entered into elementary economic interdependence by themselves without third intervention. However, there was indeed bilateral trade before normalization of relations. 60 major Japanese trading and industrial companies had established offices in Seoul and a lot of businessmen had been visiting Seoul; their movements were expected to make bilateral trade easier, and even more Japanese business leaders fervently pressed on normalization.²¹³ The evolution of economic relations between the ROK and Japan, as an inception of economic interdependence affected South Korean economic growth and in the end, historical enmity was alleviated by economic advantages.

5.5.1 Mutual Economic Interests

Japanese business was concerned about the realization of the dream of the ROK market. Notwithstanding the fact that Japan made great economic progress, more than in its prewar international economic position without South Korean trade, most Japanese businessmen were eager for political obstacles to be removed so that

²¹² Andrew C. Nahm, *Studies in the Developmental Aspects of Korea: Proceeding of the Conference on Korea* (Western Michigan: Western Michigan University Press, 1969), p. 58.

²¹³ Chong-Sik Lee (1985), p. 52.

they could enter the South Korean market. The special reasons could be divided into two areas. Firstly, in the beginning of 1961, Japan faced serious problems of a rapidly expanding economy. Whereas consumer prices rose by 5.3 percent in 1961, prices rose to 7.6 percent in 1963, at a very high rate. The rate of economic growth sharply decreased from 14.4 percent in 1961 to 4.7 percent in 1965. These economic fluctuations led 6,141 small and medium businesses to go bankrupt in 1965. Therefore, Japanese businessmen were eager to expand into the South Korean market. Secondly, Japanese businessmen had various advantages in terms of communication if they traded with South Koreans. As noted earlier, both maintained close cultural ties and could easily catch the subtle differences in tacit gestures and expressions. Many Japanese who were born and raised in Korea during the colonization period knew Korea and had formed personal ties with Koreans; most Koreans especially in the business area spoke Japanese.²¹⁴ The detailed efforts took shape by the Japanese Korea lobbyists and Liberal Democratic Party who usually knew that “Japan is a reformed country that has no desire to recolonize Korea and is able to contribute economically in rebuilding the ROK.” They spent between 500 million yen and 900 million yen respectively; found about 150 national organizations and scattered about 3 million propaganda pamphlets in lots of publicity campaigns in order to ratify the ROK-Japan treaty; in the end, persuaded conservative politicians. In consequence, the South Korean market was very attractive for Japanese businessmen, whose pressure was “one of the decisive factors” in drawing an early conclusion to the ROK-Japan negotiations.²¹⁵

In due course, Korean businessmen were also eager to establish business relations with Japan, apart from political issues. The ROK’s business group was

²¹⁴ Ibid., pp. 52-62.

²¹⁵ Kwang Bong Kim, pp. 89-90.

mainly supported by the Korean Businessmen's Association (KBA), which was originally organized in 1961 and controlled the economy of the ROK. The businessmen belonging to the KBA considered the better Japanese relations an opportunity of shifting the direction of their business from the weak domestic market to invitation of wealthier foreign markets. They hoped that the highly developed Japanese industry including Japanese capital, technology and marketing skills would gradually transfer to the ROK; furthermore, the Korean businessmen also expected that Japan would liberalize its tariff and get rid of other restrictions on the import of Korean products for the purpose of developing the ROK's balance of trade. Thus, economic interest groups pressurized the government to trade with Japan.²¹⁶

In line with Korean and Japanese businessmen, Park considered economic development as a tool of acquiring political legitimacy. Economic development under the Rhee and Chang Myon regimes was unimpressive and was limited by the constraint policy under which imports were strongly restricted; the foreign policy enclosed "irrationality, emotionalism, and isolationism."²¹⁷ Park's regime inaugurated a stabilization program and placed heavy emphasis on an export-oriented policy, which encouraged free imports and led to more liberal policy measures; in addition, literacy campaigns, a new educational structure, and various land reforms ameliorated the labor skill, which was needed for rapid development; in the end, the restructuring or the adoption of new policies accelerated the ROK's economic growth.²¹⁸ These arrangements stemmed from the successful Japanese economic growth model, which included an export-led policy and the competition of the

²¹⁶ Ibid., pp. 87-88.

²¹⁷ Andrew C. Nahm, p. 57.

²¹⁸ Paul W. Kuznets, *Economic Growth and Structure in the Republic of Korea* (New Haven and London: Yale University Press, 1977), pp.86-92.

private firms.²¹⁹ However, despite its qualification and preparation, it was critical that the ROK had very little capital and technology for development, which could be fulfilled by Japan; that is, the Park and Japan were under “a symbiotic relationship.”²²⁰ Therefore, whether Park reached political success depended on the normalization of relations with Japan and an acquisition of Japanese capital.

5.5.2 Japanese Contribution

Japanese aid and modern industrial technology became the primary source in the ROK’s economic development plan. As noted earlier, the ROK adopted the Japanese model of capitalist development. As a representative economic plan, the ROK’s First Five-Year Plan (FFYP) from 1962 to 1966 emphasized too much “austerity,” in order to increase national savings with the purpose of expediting the accumulation of domestic capital. In spite of its rigidity, the sudden increase in imports, and high inflation, it is worthy to note that the plan gave a general direction for the economy, often termed as “a miracle on the Han River.”²²¹ The FFYP was concluded with abundant accomplishments; by the end of 1966, the ROK’s industrial production doubled in comparison with that of 1961; exports increased from \$33 million in 1960 to more than \$250 million in 1966 which far exceeded the target of \$137 million; gross national product (GNP) grew from 1.9 percent in 1960 to 13.4 percent in 1966; thus, the plan led to the prospect of economic development of the ROK.²²²

²¹⁹ Chung H. Lee and Ippei Yamazawa, *The Economic Development of Japan and Korea* (New York: Praeger Press, 1990), pp. 16-17.

²²⁰ Chong-Sik Lee (1985), p. 67.

²²¹ Han, Nae Bok, *Korea: Past and Present* (Seoul: Kwangmyong Publishing company, 1972), pp. 153-174 and Paul W. Kuznets, p.197. The sudden increase of imports threatened to deplete the foreign exchange reserves. Low-income people especially wage and salary earners were destroyed by inflation. However, forced savings made capital accumulation possible.

²²² Andrew C. Nahm, pp. 62-63.

Firstly, Japanese capital would make a huge impact in South Korea and enable it to achieve one of the world's highest rates of growth in GNP. These in addition to private loans amounting to \$300 million constituted a main economic breakthrough. Japanese merchandise flooded the South Korean market, and thereby the ROK built modern factories and purchased the necessary resources to produce export products with loans from Japan; thus its economic reconstruction contributed to the launch of the FFYP, which led the ROK to be sustained by Japan in terms of economy.²²³ For example, Japanese assistance totaled nearly \$630 million in the ROK's FFYP, which amounted to 29 percent of the total foreign capital. What is more, despite its extended time periods up to 1978, Table 6 shows that Japanese companies were evidently more active as investors than American companies who invested \$194 million in 116 cases.²²⁴ It could be said that Japanese loans and investments were the most important elements for the rapprochement between the ROK and Japan.

Table 6. Foreign Investments in South Korea: 1962-1978²²⁵

Country	Number of Cases	Percentage	Amount (in million dollars)	Percentage
United States	116	13.5	193.9	19.2
Japan	665	77.6	583.6	57.9
Netherlands	4	0.5	72.3	7.2
All countries	857	100.0	1,008.4	100

²²³ Motoi Tamaki, p. 352.

²²⁴ Chae-Jin Lee and Hideo Sato, p. 156.

²²⁵ Ibid.

Secondly, Japanese technology was more suitable for South Korean demands. Both countries' industrial circumstances were similar in relation to saving of space, energy and material; in addition, other Japanese elements were regarded as relevant to the ROK's economic structure in the early 1960s.²²⁶ Japanese businessmen were willing to install joint venture operations with ROK, by taking into account that this kind of trade style would easily reduce anti-Japanese feeling in the ROK and make it easier to control Korean workers. They also availed of the geographical proximity, cultural affinity, active government encouragement, and comparable legal systems. For those reasons, as seen in Table 7, Japan made 564 technological-licensing agreements with the ROK; thus, they effectively penetrated into the ROK's 29 specialized industrial complexes and two free trade zones; in particular, Japan built 76 Japanese enterprises in the Masan Free Trade Zone, in comparison with only 4 such American enterprises.²²⁷

Table 7. Foreign Technology Transfer to South Korea: 1962-1977²²⁸

Country	Number of Cases	Percentage	Royalty Paid (in million dollars)	Percentage
United States	209	23.0	46.9	27.3
Japan	564	62.1	89.1	51.9
West Germany	39	4.3	10.8	6.3
All countries	905	100.0	171.6	100.0

²²⁶ Young-ha Shin, *Shinilbon Paekeunchui Wa Hanilkankae* (The Japanese Neo-imperialism, and the relations between the ROK and Japan) (Seoul: Kimyoungsa Press, 1993), pp. 151-154.

²²⁷ Chae-Jin Lee and Hideo Sato, pp. 156-157.

²²⁸ Ibid., p. 156.

Third, bilateral trade created the ROK's trade deficit as a natural consequence. Even though under the recognition that both the U.S. and Japan viewed the economic stability of the ROK as essential to regional security, South Korean-Japanese bilateral achievements such as aid and technology transfer were fruitful, the bilateral economic relations were imbalanced. Japan did not work for nothing when helping the ROK's economic development. The goals of the Japanese government through economic co-operation with the ROK are as follows: (1) to advance Japanese economic interest by promoting exports, securing supplies, and creating a positive climate for commercial business activities in the ROK; (2) to build up and reinforce the South Korean-Japanese relations; (3) to make the political, economic, and social systems in the ROK stable; (d) to set up Japan's status and influence in both regional and global international politics.²²⁹ As a consequence of these factors, the ROK's export-led policy accelerated the promotion of its imports from Japan. Park allowed all Korean firms to import manufacturing equipment on the condition that the import price could not be beyond the values of export earnings. The ROK's low wages which were one-sixth of those of Japan and export-oriented policies were seen as an opportunity by Japanese businessmen.²³⁰ Thus, as seen in Table 8, the promotion of imports with the rise in exports led to a trade deficit. The ROK's trade deficit with Japan amounted to \$123 million in 1965. What is more, the deficits and the continuous desire to expand exports to satisfy debt obligations revealed the ROK to be highly susceptible to the mainstream of international markets; finally, this resulted in high rate of inflation, sudden wage rises, and a lack of consumer goods.²³¹ As can be seen, there were negative side effects of bilateral trade.

²²⁹ Alen Rix, *Japan's Economic Aid: Policy-making and Politics* (New York: St. Martin's Press, 1980), pp. 17-19.

²³⁰ Young-ha Shin, p. 188.

²³¹ Chong-Sik Lee (1985), p. 66.

Table 8. Bilateral Trade between the ROK and Japan: 1961-1965
(In Millions of US Dollars)²³²

Year	Japan		ROK		
	Imports from ROK	Exports to ROK	Imports from Japan	Exports to Japan	Trade Deficit
1961	22	126	69	19	50
1962	28	138	109	23	86
1963	27	160	159	25	134
1964	42	109	100	38	62
1965	41	180	167	44	123

However, generally speaking, the export-promotion policy brought a very rapid growth of export earnings, which could be evaluated as a successful one. The policy was motivated by the following factors: (1) the failure of restriction policy pursued by former political leaders, (2) poor condition of Korea's natural resource endowment, (3) the decline of the American assistance, (4) a well-motivated labor force with a high educational level and relatively low wages, and (5) Park's will to attain a high rate of growth.²³³ As a result of these factors, South Korea was able to rise from the ashes of the Korean War, and with special reference to exports was widely recognized as an epoch-making success in economic terms. As noted earlier, it was impossible to achieve this but for Japanese aid and technology transfer; the

²³² Ibid., pp. 57-61.

²³³ Anne O. Krueger, *The Developmental Role of the Foreign Sector and Aid: Studies in the Modernization of The Republic of Korea: 1945-1975* (Cambridge: Harvard University Press, 1979), pp. 85-86, 103.

miracle of Han-River was a joint workmanship of the ROK's export-oriented policy and the Japanese capital.

Even though it is hard to evaluate the exact function of the Japanese capital and technology in the ROK's economic growth, there is no doubt that they played a prominent role. It is widely believed that perspectives of both countries were changing from deep-seated animosity to one of mutual economic cooperation. Even though South Korea had a history of past grievances to justify its rigid position and to define the future, its economic need and desire to develop created trust, common interests and a common perspective with Japan for the future. As noted earlier, Japanese economic aid, technology transfer, trade, capital investment and loans enabled ROK to achieve rapid economic growth and to reaffirm a shared strategic outlook. Therefore, there is no doubt that normalization of relations between two countries in the economic structure in 1965 gained a new dimension from that of enemies to that of essential economic and security partners.

In conclusion, given the emergence of PRC and the impending threat of the Soviets, American policy toward Japan changed from one of entire elimination of its economic infrastructure into the rehabilitation of Japan, whereas the U.S. policy toward the ROK was to pursue a wait-and-see policy, putting priority on Japan. However, the Korean War was instrumental in making the U.S. reconsider Japan as a security partner and ROK as its satellite, the Korean peninsula separated the two states, and Japan resuscitated its depressed economic situation and risked reigniting anti-Japanese feelings. Owing to American containment policy against communist expansion, despite the U.S. and Japan's view of diplomatic and economic relations between the ROK and Japan as most vital for the peace and security of East Asia, Rhee's hostility and anti-Japanese demonstrations under the Chang Myon

government meant that normalization of diplomatic relations with Japan started to become unfavorable and even hostile.

With the emergence of Park who was pro-Japanese, the decline of American aid and the influence of ROK, and Japanese businessmen's desire to enter the Korean market opened a new phase for normalization. Internationally, there were two security alliances of Soviet-North Korean and Sino-North Korean defense treaties in the summer of 1961, the nuclear development of the PRC in 1964, and American engagement in the Vietnam War. Internally, the anti-normalization demonstrations were natural since the South Koreans were afraid of a re-emergence of Japanese imperialism and pushed on in their demands relating to poverty and sex slavery claims to the end. However, with the American role as a catalyst in seeking a settlement, Park's economic development policy and the Japanese desire to enter new markets and a cheap labor force, a previously inconceivable normalization was reached in 1965, which lasted for over 14 years.

Overall, economic needs dispensed with deep-seated problems and were inextricably bound up with each other, forming bilateral economic relations. In spite of the ROK's trade deficit, Japanese capital, loans and technology transfer made a huge impact on South Korea and enabled it to achieve the miracle of Han-River. Therefore, as a causal impact on betterment of ROK-Japan relations, trade was significantly regarded as a contributory factor since economic bilateral cooperation was able to eliminate obstacles to the brotherly existence between the two North Eastern Asian countries, by improving their relations throughout the years. This was indeed quite a different path than the one followed by Turkey and Greece despite similarities in the background of dyadic relations. In the following chapter, I will analyze how the historical analyses of the Mediterranean and the North East Asian

cases fit in the previously elaborated theoretical framework of economic interdependence versus political institutionalism.

CHAPTER 6

ANALYSIS OF A RELEVANT THEORETICAL FRAMEWORK FOR THE CASE STUDIES

This chapter seeks to explain, from a theoretical perspective, which kind of theory can best explain the reasons why the joint NATO entry of Turkey and Greece could not help either country to undermine tensions, and why there was little conflict between the two trading partners, South Korea and Japan. I argue and show that economic interdependence theory is more successful in explaining the anomaly than political and security-based institutionalism.

6.1 The Failure after Success in the Mediterranean Case: 1945-1955 versus 1956-1965

The failure of institutional efforts in the decade 1956-1965 after the peaceful period of 1945 to 1955 can be explained using each of the three theories discussed in the literature review chapter. Which one fares better though to explain the Mediterranean case? In accordance with the liberal theory, was it true that the promise of NATO as the only mechanism in the resolution of conflicts between Turkey and Greece would gradually be realized, abolishing suspicious intentions of

the two states? Was it possible that NATO membership, which made an independent contribution to the long-lasting peace in Europe²³⁴ would lead both countries to cooperate one another more easily, and thus develop a confident climate in their region, finally reaching peaceful cooperation and promotion of bilateral relations? From the perspective of social constructivism, could institutions through the dissemination of information make international actors share the same identity from security to cultural domain? For that reason, had NATO helped in the formation of a stronger common identity and mutual trust between Turkey and Greece, and thereby war would prove to be unrealistic and unthinkable? Finally, as realists would claim, was any international institution basically a spokesperson of a superpower, rather than an independent tool to mitigate a Turkish-Greek bilateral conflict? Now, we should have reservations whether collective security will work or not when the chips are down as in this case. Despite the fact that institutionalists seem to be turning their nose up at the insights of realism, the empirical record provides little support for political institutionalism; furthermore, it is of marginal value in promoting peace. Even though it made sense that NATO contributed to the short term success for deterrence, it could not achieve bilateral peace in the long term. In order to analyze this in detail, it is necessary to examine NATO's successes in contrast to its failures.

On the one hand, it is certain that NATO and the American policies made a contribution to the development of forming peaceful relations between Turkey and Greece in the early 1950s. The Marshall Plan, the dispatching of troops to South Korea, and their joint NATO entry propelled Turkey and Greece to become potential friends, hindering them from waging an all-out war. The role of NATO as a helpful medium of resolution to this conflict should not be overlooked during the early

²³⁴John S. Duffield, "Explaining the Long Peace in Europe: The Contributions of Regional Security Regimes," *Review of International Studies*, Vol. 20, No. 4 (October, 1994), pp. 369-388.

Cyprus crisis. In addition to that, NATO showed responsibility in this conflict. Had it not cared about presence of conflict within the alliance and had Johnson's mediation attempts leading to the decision of NATO not generated crisis control, the two countries might have easily vied with each other using military force. Most importantly, NATO thwarted the establishment of a Soviet satellite in the eastern Mediterranean. In this context, it is worth mentioning that NATO was successful in terms of preventing direct military conflict between Turkey and Greece.

On the other hand, in spite of these significant successes, the promise of NATO in collective security remains unreliable. NATO membership could not deliver its promise; shifting foreign policy, drawing multilateral institutional procedure, sticking to the balance of power and self-interests. Hence, Turkey and Greece brought precarious spirals of conflict within NATO, "creating allied adversaries."²³⁵

Firstly, NATO membership, which eliminated the first threat of the Soviets, could lead Turkey and Greece to reflect on their own issues. Notwithstanding the fact that what changed was that Turkey and Greece had been admitted to NATO, it was safe to say that whereas under the shared fear of the Soviet Union before membership in NATO, mutual peaceful relationship made further progress, both states after the joint NATO membership focused their regional concerns on subjects such as the Cyprus question. With respect to Greece, membership in NATO in 1952 enabled Greece to believe that it was capable of pursuing *enosis* policy of union with Cyprus, and long before its entry, Greece which had regarded *enosis* as its longtime dream but had waited for a long time for such an opportunity, officially endorsed *enosis*. However, if Greece had not joined the NATO collective security system,

²³⁵ Ronald R. Krebs, Perverse Institutionalism: NATO and the Greco-Turkish Conflict, *International Organization*, Vol. 53, No. 2 (Spring, 1999), p. 370.

Cyprus would have remained relatively peripheral.²³⁶ Regarding Turkey, before the London Tripartite Conference in 1955, Turkey attempted to show its intense interest in the future of Cyprus, provoking the 6-7 September events; Dulles letters were rejected by both sides. Thereby, meeting the essential security need by an outside party caused both to be interested in their internal issues.

Regarding Johnson and the American perspective, it was hard to understand why two countries that had shared the same threat perception with respect to the Soviet expansion and had been eager to take military, economic aid and security guarantees from the West should start fighting with each other over Cyprus. On top of that, far from reaching a common identity and mutual trust in membership, both were on the brink of war in 1964 which should have been unthinkable due to the members renouncing the thought of violent conflict in NATO; furthermore, the pride and value of NATO as the best equipped military alliance institution were impaired by the imbalanced ratios, which was doubtless sensitive to the demands of both states. Disclosing that social constructivism and liberalism related to institutionalism could not substantiate NATO's ways, we should have reservations as to why the deterrence of the Soviet threats called forth secondary concerns.

This answer can be followed by three steps: security dependence, free riding, and a shift in foreign policy focus. Membership of a multilateral alliance meant that both countries depended less on their own military capabilities for security than on the power and credibility of their larger sponsors; as a result, both removed the security challenge, a shared threat from the Soviet Union, thus becoming free riding states; finally, with the understanding that the U.S. would not give up Turkey and Greece due to their geopolitical importance as well as U.S./NATO's potential costs,

²³⁶ Ibid., p. 360.

which would result from abandoning them, and U.S.'s reputation as a superpower, both states shifted the focus of their foreign policy from global concerns to regional concerns; that is, the two small-state decision makers turned inward shifting threat perception from the Soviets to Cyprus.²³⁷ Even though accession to NATO of Turkey and Greece was not intended to exacerbate tensions between them, NATO membership would have only a minimal impact on peace. Instead, it spurred competitive dynamics into regional issues.

Secondly, NATO membership required multilateral institutional procedure, which complicated finding a solution. US tended to look up to Britain for a solution and at the same time, resorted to the NATO system, leading to further escalation of the dispute. Thus, Turkey and Greece were busy appealing their respective positions to Washington and Brussels without direct bilateral efforts. That is, NATO membership was not a panacea for security as was expected, neither was the political lobbying in the international arena of the two states to get recognition of their rights in Cyprus. The interests and policies of the U.S. based on multilateral institutionalism could not concentrate on Turkey and Greece. More importantly, the U.S. could not keep a watchful eye on both states, and even more, the entrusted NATO with the task of overseeing the friction between the two countries. In the same line, although US had the closest military cooperation with Turkey and Greece, the triangular relations remained open to uncertainty and economic relations saw no progress.²³⁸ Hence, I argue that the more American influence was directed at the decision-making mechanisms, the less credible and less hopeful the resolution of the Turkish-Greek disputes became.²³⁹ What is more, regarding the Cyprus question, U.S. sometimes glossed over the conflict due to the dynamics of the multilateral

²³⁷ Ibid., pp. 350-351.

²³⁸ Monteagle Stearns, pp. 16-17.

²³⁹ Oğuzlu H. Tarik (Spring, 2004), p. 474.

relationship by arguing that NATO could handle the problems. Therefore, NATO's policy became less apparent.

Thirdly, the failure in the Mediterranean case shows that the driving forces were the balance of power not NATO, which was basically a tool of the U.S. committed to thwart the Soviet threat and was not an independent variable. John J. Mearsheimer argues that "NATO was basically a manifestation of the bipolar distribution of power in Europe during the Cold War, and it was that balance of power, not NATO per se, that provided the key to maintaining stability on the continent."²⁴⁰ No matter how NATO forced Turkey and Greece to reach an agreement toward a *modus vivendi*, it could not become a long term solution but a temporary remedy. The Americans did not necessarily create the inculcation of full democratic ideals and promote peaceful bilateral relations; instead, their motives could be caused by almost entirely counter-actions to the expansion of communism.

For example, U.S./NATO adopted an *enosis* policy in fearing that the Soviets would work with the Greek Cypriots and establish a satellite state, and they aimed to get Cyprus under NATO influence. There was another extraordinary instance. The implication of Johnson's letter that NATO might not necessarily and automatically support Turkey against Soviet attacks led to questions regarding the meaning of NATO membership. The letter, taking advantage of NATO to threaten Turkey, was more efficient for the United States and its allies to balance against the Soviets because NATO was stronger than a less formal and more *ad hoc* alliance. Therefore, it can be concluded that the U.S./NATO reacted more in response to the threat of Soviet expansion and in protecting the southeastern flank of the security alliance, rather than promoting peaceful relations between the two countries.

²⁴⁰ John J. Mearsheimer (Winter, 1994-1995), p. 13.

Fourthly, norms of collective security among NATO members depended on national self-interests. When it comes to the Dulles letters, the Greek government reacted by withdrawing NATO maneuvers in Izmir. The Johnson letter coerced the Turkish decision makers to redefine their present security alliance with the U.S., not least because the letter seemed to be a threatening tool of maintaining and lengthening American initiatives. The U.S. achieved its aims through using these letters. Consequently, Turkey started making agreements with the Soviet Union. Hence, as realists would predict, each state in the international system aims to guarantee its own survival and interests. In a similar vein, it can be said that “alliances are only temporary marriages of convenience, where today’s alliance partner might be tomorrow’s enemy, and today’s enemy might be tomorrow’s alliance partner. States operating in a self-help world should always act according to their own self-interest, because it pays to be selfish in a self-help world.”²⁴¹ Therefore in this way, NATO members were hardly limited by this institution.

In conclusion, the fact that after two decades of détente periods and after the joint NATO entry of Turkey and Greece revived a long-standing dispute, deepening their deep-seated rivalry, indicates that realists’ perspectives are correct in explaining their bilateral and triangular dynamics. NATO membership led both states to shift their foreign policy from global issues to regional concerns, and demanded multilateral institutional procedure for a solution. Washington stuck to the containment policy against the Soviet Union, depending on a balance of power. Members within NATO adhered to self-interests by deepening an abiding distrust and enmity. The empirical record shows that the institution was of marginal value in promoting bilateral peace. Although it was possible to say that NATO contributed to

²⁴¹ Ibid., p. 11.

the success of deterrence as a stopgap remedy, it could not lead to peace in the long term. Notwithstanding NATO might be a stepping-stone to the EU in terms of global peace, especially between communists versus capitalists, it was a stumbling-stone to Turkey and Greece in bilateral peace.

6.2 The Success after Failure in North Eastern Asian Case: 1948-1954 versus 1955-1965

From an empirical perspective, it could be said that normalization and the success of economic efforts in the decade from 1955-1965 after the total failure of peaceful relations from 1948 to 1954, can be indicative of the perspective that economic interdependence leads to peace. In accordance with liberals like Keohane and Nye, was it true that the benefits of economic interdependence acted as a major incentive for trade, which encouraged the ROK and Japan to keep peaceful relations, resulting in greater predictability and mutual trust and a removal of suspicious intentions of the two states? On the condition of symmetrical economic relations, did the promise of economic bilateral interdependence as the mechanism in the resolution of conflicts between both countries promote peace? Or dependency theorists argue, were benefits of bilateral trade exploited by the Japanese, postponing the economic development of the ROK? Did the peril of war resulting from economic ties escalate between the ROK and Japan? Otherwise, was the economic interdependence of South Korean-Japanese relations needless, and thereby unrelated to conflict and peace, or at the very least marginal? Theoretical and historical data suggest that trade reduces the proclivity of the ROK and Japan to engage in their bitter past of armed conflict; furthermore that it is of vital value in promoting peace.

In order to see this in detail, it is necessary to analyze the impact of bilateral trade for the East Asian case.

It is certain that the previous empirical analysis finds results contrary to the insights of realism. Realists' argument that economic interdependence would lead one side to be more dependent on another and sooner or later conflict arises was not substantiated. Despite the trade deficit between countries, the perspectives of dependency theorists also turned out to be wrong. This is because benefits of bilateral trade left the Japanese as well as South Koreans in possession, giving an impetus to the economic development of the ROK. In the end, empirical research is in line with economic interdependence perspective of neo-liberalism but not its perspectives on institutionalism, not only because the conflict-reducing effect of bilateral trade effectively worked, but also because it created broad confirmation that trade indeed reduced anti-sentiments and contributed to the realization of economic and security partners, considering the three issues below.

Firstly, the U.S. attitude toward the problems between ROK and Japan was to find an economic solution instead of a political or security organization. American-ROK-Japan security needs reached the same point due to the Korean War, which highlighted the communist threat from the Soviets and PRC. These needs arose three economic interests, which were interrelated: the U.S. wanted to share their economic burdens in the ROK with Japan, ROK especially under Park's regime wanted to be rehabilitated with Japanese support, and Japan expected new opportunities for a new market and a cheap labor force in the ROK. After the military coup in the ROK in 1961, Japanese and South Korean political atmospheres were consistent with each other in line with the American policy. Japanese businessmen were concerned about the realization of the dream of the ROK market, urging their political leaders to

normalize diplomatic and economic relations with the ROK, not only because Japan faced serious problems of a rapidly expanding economy, but also because Japanese businessmen had various advantages in terms of communication with South Korea. Park greatly emphasized economic development for acquiring political legitimacy inside as well as outside, following the Japanese successful model of an export-oriented policy. Therefore, the choice of this economic solution was more than adequate to meet all three states' security needs, and even more, created noticeable effects to ameliorate the bilateral problems between ROK and Japan. The success in North East Asia shows that the driving force was mainly economic.

Secondly, the U.S. set up direct bilateral relations with both the ROK and Japan. The formation of bilateral relations propelled America to care about the ROK and Japan's situation, which was a huge responsibility. Even though the reason why the ROK could get a lot of aid politically, militarily, economically, and culturally from the U.S. was not Korea per se and its importance but rather in the American stand for its containment policy through collective security.²⁴² Then, why did the U.S. attempt to form a bilateral system in East Asia rather than a multilateral one? Washington began to recognize that the multilateral collective security system was not as effective as was expected in Asia, not only because America's potential Asian allies did not have a collective identity but also because they were seen as an "inferior community," which enabled the U.S. to create bilateral relations with Asian states.²⁴³ Hence, the three states could not establish a mutual security alliance, not least because memories of Japanese aggression and the resulting South Korean fear motivated the ROK to be unwilling to organize an alliance system that had Japan as a

²⁴² James W. Morley, p. 52.

²⁴³ Christopher Hemmer and Peter J. Katzenstein, "Why is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism," *International Organization*, Vol. 56, No. 3 (Summer, 2002), pp. 575-578.

member. In the same vein, the U.S. formed individual bilateral relations with the ROK, which emerged in anti-Japanese feelings and Japan instead of multilateral relations, which very strongly led it to care about the South Korean-Japanese relations. What is more, the U.S. did not need to consider the Japanese position when supporting the ROK through military and economic aid, since the three countries did not establish a regional multilateral organization. This direct protection and responsibility would be difficult to put into practice when forming a multilateral alliance.

Thirdly and more importantly, the U.S. strengthened bilateral economic relations between the ROK and Japan. In the early 1960s, American influence declined in the ROK and the decision was made to withdraw its auspices from ROK. Whether the U.S. intended or not, the ROK and Japan had to actively appeal their respective positions to each other with direct bilateral efforts, without a third state or the American mediation. In order to reinforce the anticommunist arc stretching from Japan and ROK to Taiwan, the Philippines, and Indochina in the Western Pacific security, America would support a bilateral solution between the ROK and Japan, strengthening direct diplomacy. For instance, Park directly met Prime Minister Ikeda in Tokyo, intending to use the reparation fund from Japan as an alternative source of investment capital in place of the reduced American support; both leaders struck a conciliatory note. In the same way, with Park taking all the necessary diplomatic steps, Japan also was the first state in Foreign Investments and Foreign Technology Transfer to South Korea, leaving the U.S. as the second state. In the end, Japanese loans, capital, technology and normalization based on economic structure contributed remarkably to the economic improvement of the ROK; thus, the bilateral economic interdependence bore noticeable effects on eliminating historical past animosity.

In conclusion, although this thesis does not aim to fully analyze the effects of Japanese loans and technology transfer, the main findings are that trade generally reduces the historical enmity and thus the likelihood of conflict. We can now state with confidence that the conflict-reducing impact of trade between the ROK and Japan substantiated our theoretical and empirical analyses on economic interdependence. The American economic solution for peace which strengthened bilateral relations with both the ROK and Japan, and the resulting formation of bilateral relations between them considerably contributed to the pacifying effect of trade. Therefore, empirical research shows that trade was the driving force for the South Korean-Japanese relations and resulted in the conflict-reducing effect.

6.3 Lessons from the Analysis of Economic Interdependence

The leading factor about the Mediterranean failure and the North East Asian success depended on American solutions such as institutionalism versus economic interdependence. From the case studies, we can extract two lessons.

Firstly, the economic solution was more effective than the NATO solution. As noted earlier, there were the same security needs from communist threats, which forced the U.S. to get engaged in both areas for containment policy. South Korea was valuable to the U.S. because of the significance of Japan, U.S.'s most important ally in the democratic bloc, just like the Greek entry into NATO was a consequence of Turkey's membership. Due to clear identification of a security linkage between the two countries that experienced a bitter historical animosity, the U.S. had to build peace between the states. Historically, these were two American experiments. Whereas the U.S. employed an institution, NATO in the Mediterranean, in North East Asia it did not follow the same strategy, instead employing bilateral economic

interdependence. As a consequence of this, whereas the NATO solution can be interpreted as a short term goal of deterrence, the economic solution can be regarded as a long term goal for peace.

Secondly, the formation of bilateral relations contributed to the removal of historical enmity and the establishment of peace more than a multilateral solution. Multilateral institutional procedure resulting from NATO membership made the solution more complex. That is, Turkey and Greece without direct bilateral efforts had many misunderstandings, which led them to appeal their respective positions to the U.S and NATO. The U.S. made bilateral relations between the ROK and Japan and was responsible for both states. Formation of direct bilateral relations between them encouraged more open dialogue, eliminating needless suspicions and misinterpretation. Both attempted to meet directly without third party help and coercion and normalization of relations came as a natural decision. Whereas the Mediterranean case reveals that “the problem is that attempts at peace imposed by others may be innately unstable, especially if the underlying differences originally separating the countries remain,”²⁴⁴ willing spontaneous bilateral relations get rid of the long-standing political barriers in South Korean-Japanese bilateral relationship even though there were many difficulties along the way and it took a long time. Therefore, in dyadic level of conflict, autogenous bilateral cooperation gives more valuable insights for solutions than compelled multilateral efforts.

In conclusion, unlike other European countries where the additional power of a multilateral institution would lead to the formation of the European common identity, this was not the case for Turkey and Greece. In this case, the American experiment missed the importance of economic bilateral interdependence. Given the

²⁴⁴ Solomon W. Polachek, pp. 57-78.

fact that the South Korea-Japan relations reached various affinities and trust, and both countries shared common identity in terms of economy and security, now I conclude that rather than multilateral institutionalism, which has only a minimal impact on peace, bilateral economic interdependence makes a contribution to the development of peaceful relations between two states.

CHAPTER 7

CONCLUSION

Both the Mediterranean and the North East Asia dyads ended up at different terminus from the same situations during the period from 1948 to 1965. Even though both cases faced some commonalities such as historical enmity resulting from colonial and imperial periods, external security threat from the Soviet Union and the strategic interests of alliances with the U.S., starting from 1965 they took different paths. Therefore, the primary research aim of this thesis was to reveal the reason why the states in the North Eastern case has come to a 'more peaceful' convergence and the states in the Mediterranean case has reached a 'more conflict type' of divergence. In order to analyze this, in terms of American solutions to both cases, two types of theories were employed: institutionalism in the Mediterranean and economic interdependence in North East Asia.

In the Mediterranean, unlike liberals and social constructivists, realists had a more reasonable assessment that the institution as the tool of great powers was much less successful in the promise of NATO for the resolution of disputes between Turkey and Greece. On the contrary, if liberals were to be believed, the promise of NATO in the resolution of conflicts between Turkey and Greece would gradually be

realized, eliminating suspicious feelings, since institutions were mechanisms for putting into practice cooperation and peace. It follows that both NATO members would cooperate more easily, and thus develop a peaceful climate in their region. Otherwise, if the perspective of social constructivism was reasonable, owing to the distribution of information and NATO converging states in a strong identity, it would foster trust between Turkey and Greece, thus prevent them from viewing each other as threats, and finally war would turn out to be unrealistic and unthinkable. However, the historical approach used in this thesis showed that liberalism and social constructivism could not substantiate their institutional promises.

NATO and the American way, which contributed to the development of forming peaceful Turkish-Greek relations in the early 1950s and the prevention of all-out war, could not guarantee NATO's promise in respect of four factors. Firstly, as NATO membership freed both countries from the main threat of the Soviets, Turkey and Greece tended to shift from a global viewpoint to their bilateral issues. Given the situations before and after joint NATO entry, both countries followed three steps, security dependence, free riding, and a shift in foreign policy focus. Secondly, NATO membership required multilateral institutional procedure, which made a solution more complex, mainly because efficient decisions for the U.S. stipulated constant high-quality institutional vigilance on the Cyprus question. Thirdly, NATO was basically a tool of the U.S., committed to frustrating the Soviet threat. Thus, it could not become a long term solution but a temporary remedy. Fourthly, norms of collective security among NATO members depended on national self-interests. Dulles letters resulted in Greece withdrawing NATO maneuvers in Izmir and Johnson letters coerced Turkey to start a security alliance with the S.U. witnessed that today's alliance partner might be tomorrow's enemy, and today's enemy might

be tomorrow's alliance partner, making the Turkish and Greek sides view each other as an enemy. Therefore, whereas NATO contributed to the success of deterrence as a short term goal, it could not lead to long term peace; even more, it was an obstacle to the Turkish-Greek rapprochement.

In North Eastern Asia, the empirical analysis allows me to concur with neo-liberals. There is significant evidence that bilateral economic relations lead to peace. Firstly, the U.S. regarding the ROK-Japan problems chose an economic solution not an institution. American-ROK-Japan security needs were harmonious due to the Korean War, which highlighted the communist threats from the Soviets and PRC and the danger of the South Korea becoming an outpost. By 1961, these needs had three common economic interests: (1) the U.S. wanted to entrust their economic burdens in the ROK to Japan who was expected to perform a leadership role in Asia, (2) Park's regime wanted to be rehabilitated with Japanese support, and (3) Japan expected new opportunities for a new market and cheap labor in the ROK. Secondly, the U.S. installed direct bilateral relations with the ROK and Japan, which propelled U.S. to care about the ROK and Japan's situation and to take responsibility for it. Furthermore, the U.S. supported the ROK through military and economic aid to whatever extent was needed, not considering the Japanese position, not only because the three countries did not found a regional multilateral organization but also because the U.S. was more responsible for, and cared about, the ROK under a bilateral structure.

Thirdly and more importantly, the U.S. strengthened bilateral economic relations between the ROK and Japan. In the early 1960s, American influence declined in the ROK and the decision was made to withdraw from ROK, for four reasons: (1) the U.S. lost its position as the only superpower not only because of the

achievement of the Russian strategic parity, but also because of nuclear development of China and France (2) American allies in Europe and Asia as a result of economic development and nationalistic concerns began to take a different outlook to the U.S. (3) American inability in the Vietnam conflict, and (4) the Cuban missile crisis changed American attitude toward the Soviets, commencing selective bilateral relations in terms of nuclear non-proliferation, trade and cultural exchange. Reinforcing bilateral economic relations between ROK and Japan spurred both to have closer cooperation. Even though it is hard to evaluate the exact function of Japanese capital and technology in the ROK's economic growth, it is certain that they played a significant role. Japanese economic aid, technology transfer, trade, capital investment and loans enabled ROK to achieve rapid economic growth and rehabilitation, and to reaffirm a shared strategic outlook. Thus, the historically wary relations between the ROK and Japan showed signs of improvement which could feasibly be enhanced further with dialogue on the normalization in 1965.

It may be that the conflict between Turkey and Greece is more about real strategic and economic matter, such as the Aegean and Cyprus, whereas the conflict between ROK and Japan is more about history, psychology and prestige. For instance, Turco-Bulgarian relations were similar: Bulgarian psychology was anti-Turkish and anti-Ottoman. But, apart from the minority issue, there was hardly anything that separated the two countries. And, when Bulgaria realized that Turkey had no intention to use that minority against the territorial integrity of Bulgaria, the bilateral relation improved quickly in the 1990s, resulting in Bulgaria's membership of NATO through Turkish support.

In conclusion, this thesis contributes to the international relations literature with two main findings: (1) the economic solution was more effective than the

NATO solution for conflict, and (2) the formation of bilateral relations contributed to the removal of historical enmity and the establishment of peace instead of multilateralism. Thus, when comparing both cases it makes sense that Turkish-Greek relations based on institutionalism lost its claims about the peace-causing effects of institutions, whereas South Korea-Japan relations reached various affinities and trust, and after all, normalization of relations. Therefore, I conclude that instead of a multilateral institution, which has only a minimal effect on peace as a short term goal for deterrent, bilateral economic interdependence makes a contribution to the development of peaceful relations as a long term goal. Given that history cannot be rewritten, what can be written from now on should be the pages of the future for peace by using economic interdependence.

SELECT BIBLIOGRAPHY

Books

- Acheson, Dean. 1971. *The Korean War*. New York: W.W. Norton & Company.
- Alexandris, Alexis. 1983. *The Greek Minority of Istanbul and Greek-Turkish Relations 1918-197*. Athens: Center for Asia Minor Studies.
- Ataöv, Türkkaya. 1970. *NATO and Turkey*. Ankara: Sevinç Printing House.
- Athanassopoulou, Ekavi. 1999. *Turkey-Anglo-American security Interests 1945-1952*. Great Britain: MPG Books Ltd, Bodmin, Cornwall.
- Axelrod, Robert. 1985. *The Evolution of Cooperation*. The United States of America: Basic Books.
- Bahçeli, Tozun. 1990. *Greek-Turkish Relations Since 1955*. Boulder, San Francisco, & London: Westview Press.
- Ball, George W. 1982. *The Past Has Another Pattern*. New York: W.W. Norton & Company.
- Barbieri, Katherine. 2002. *The Liberal Illusion: Does Trade Promote Peace?* The United States: The University of Michigan Press.
- Barnds, William J. 1976. *The Two Koreas in East Asian Affair*. New York: New York University Press.
- Bolukbasi, Suha. 1988. *The Superpowers and the Third World: Turkish-American Relations and Cyprus volume 15*. Lanham: University Press of America.
- Cheong, Sung-Hwa. 1991. *The Politics of Anti-Japanese Sentiment in Korea: Japanese-South Korean Relations Under American Occupation, 1945-1952*, Westport: Greenwood Press.
- Cho, Soon-sung. 1983. *Hankook Pundansa (Korea in World Politics)*. Seoul: Hyungsungsa, Hyungsung Shinseo.

- Cho, Soon Sung. 1967. *Korea in World Politics 1940-1950: An Evaluation of American Responsibility*. Berkeley and Los Angeles: University of California Press.
- Chung, Chin-wee and et al. 1985. *Korea and Japan in World Politics*. Seoul: Seoul Computer Press.
- Clogg, Richard. 1992. *A Concise History of Greece*, New York: Cambridge of University Press.
- Comélieau, Christian. 1985. *Interdependence and Patterns of Developmet*. Paris: the Organization for Economic Co-operation and Development (OECD).
- Cooper, Richard N. 1980. *The Economics of Interdependence: Economic Policy in the Atlantic Community*. New York: Columbia University Press.
- Couloumbis, Theodore A. 1966. *Greek Political Reaction to American and NATO Influences*. New Haven and London: Yale University Press.
- Delaisi, Francis. 1927. *Political Myths and Economic Realities*. New York: The Viking Press.
- Dodd, Clement H. 1996. *Kıbrıs Meselesi: Güncel Bir Bakış* (The Cyprus issue: A current perspective). Ankara: Turhan Kitabevi.
- Frazier, Robert. 1991. *Anglo-American Relations with Greece: The Coming of the Cold War, 1942-1947*. London: Macmillan Academic and Professional Ltd.
- Gürel, Şükrü S. 1993. *Tarihsel Boyutları İçinde Türk-Yunan İlişkileri (1821-1993)* (Turkish-Greek relations in the historical dimensions 1821-1993). Ankara: Ümit Yayıncılık.
- Hale, William. 2000. *Turkish Foreign Policy. 1774-2000*, London: Frank Cass.
- Han, Nae Bok. 1972. *Korea: Past and Present*. Seoul: Kwangmyong Publishing Company.
- Harris, George S. 1972. *Troubled Alliance: Turkish-American Problem in Historical Perspective, 1945-1971*. Washington D.C: American Enterprise Institute.
- Jr., Paul G. Pierpaoli. 1999. *Truman and Korea: The Political Culture of The Early Cold War*. Columbia and London: University of Missouri Press.
- Kegley, Charles and Eugene Wittkopf (eds.) 1995. *The Global Agenda: Issues and Perspective*. (4th ed.) New York: McGraw-Hill.
- Keohane, Robert O. and Joseph S. Nye. 1989. *Power and Interdependence*. (2nd ed.) New York: Longman.

- Keohane, Robert O. 1989. *International Institutions and State Power*. Boulder, Colo.: Westview.
- Kim, Kwang Bong. 1971. *The Korea-Japan Treaty Crisis and the Instability of the Korean Political System*. New York, Washington, London: Praeger Publishers.
- Krueger, Anne O. 1979. *The Developmental Role of the Foreign Sector and Aid: Studies in the Modernization of The Republic of Korea: 1945-1975*. Cambridge: Harvard University Press.
- Kuznets, Paul W. 1977. *Economic Growth and Structure in the Republic of Korea*. New Haven and London: Yale University Press.
- Lee, Chae-Jin and Hideo Sato. 1982. *U.S. Policy toward Japan and Korea: A Changing Influence Relationship*. New York: Praeger Publishers.
- Lee, Chong-Sik. 1985. *Japan and Korea: the political dimension*. Stanford California: Hoover Institution Press.
- Lee, Chung H. and Ippei Yamazawa. 1990. *The Economic Development of Japan and Korea*. New York: Praeger Press.
- Lee, Ki-baik. 1984. *A New History of Korea*. Seoul: Ilchokak Publishers.
- Miscamble, Wilson D. 1991. *George F. Kennan and the Making of American Foreign Policy, 1947-1950*. New Jersey: Princeton University Press.
- Morley, James W. 1965. *Japan and Korea: America's Allies in the Pacific*. Westport, Connecticut: Greenwood Press.
- Muir, Ramsay. 1933. *The Interdependent World and Its Problems*. Washington, London: Kennikat Press.
- Nahm, Andrew C. 1969. *Studies in the Developmental Aspects of Korea: Proceeding of the Conference on Korea*. Western Michigan: Western Michigan University Press.
- Phillips, Cabell. 1966. *The Truman Presidency: The History of a Triumphant Succession*. New York: The Macmillan Company.
- Psomiades, Harry J. 1968. *The Eastern Question: The Last Phase*. New York: Institute for Balkan Studies.
- Reischauer. "The United States and Japan." In Lee, Chae-Jin and Hideo Sato. *U.S. Policy toward Japan and Korea: A Changing Influence Relationship*. New York: Praeger Publishers, 1982.
- Richer, Andrew. 1994. *Reconsidering Confidence and Security Building Measures: A Critical Analysis*. Toronto: York University Press.

- Rix, Alen. 1980. *Japan's Economic Aid: Policy-making and Politics*. New York: St. Martin's Press.
- Rosecrance, Richard N. 1986. *The Rise of the Trading State: Commerce and Conquest in the Modern World*. New York: Basic Books.
- Sezer, Duygu. 1972. "Kamuoyu ve Dış Politika," (Public Opinion and Foreign Policy) Ankara: Ankara Üniversitesi. In Bolukbasi, Suha. *The Superpowers and the Third World: Turkish-American Relations and Cyprus* volume 15. Lanham: University Press of America, 1988.
- Shaw, Stanford J. 2000. *From Empire to Republic: The Turkish War of National Liberation 1918-1923 A Documentary Study*. Ankara: Türk Tarih Kurumu Basımevi.
- Shin, Young-ha. 1993. *Shinilbon Paekeunchui Wa Hanilkankae* (The Japanese Neo-imperialism, and the relations between the ROK and Japan). Seoul: Kimyoungsa Press.
- Sonyel, Salahi R. 1997. *Cyprus: The Destruction of a Republic and Its Aftermath, British Documents 1960-1974*. Ankara: the Eothen Press.
- Stavrinides, Zenon. 1976. *The Cyprus Conflict: National Identity and Statehood*. Nicosia: Starvinides Press.
- Stearns, Monteagle. 1992. *Entangled Alliances U.S. Policy toward Greece, Turkey, and Cyprus*. New York: Council of Foreign Relations Press.
- Stephan Krasner. "Structural Causes and Regime Consequence: Regimes as Intervening Variables." In Krasner, Stephan (ed.) *International Regimes*. Ithaca: Cornell University Press, 1983.
- Veremis, Thanos. 1982. *Greek Security: Issues and Politics*. Great Britain: Adlard & Son Ltd Bartholomew Press.
- Wilde, Jaap De. 1991. *Saved from Oblivion: interdependence theory in the first half of the 20th century*. Hampshire: Dartmouth Publishing Company.

Journal and Book Articles

- Abbott, Kenneth W. and Duncan Snidal. 1998. "Why States Act through Formal International Organizations," *The Journal of Conflict Resolution* 42(1): 3-32.
- Barbieri, Katherine. 1996. "Economic Interdependence: A Path to Peace or a Source of Interstate Conflict?" *Journal of Peace Research* 33(1): 29-49.
- Bölükbaşı, Süha. 1993. "The Johnson Letter Revisited," *Middle Eastern Studies* 29(3): 505-525.

- Buzan, Barry. 1984 "Economic Structure and International Security: The Limits of the Liberal Case," *International Organization* 38(4): 597-624.
- Cha, Victor D. 2000. "Globalization and the Study of International Security," *Journal of Peace Research* 37(3): 391-403.
- Cossa, Ralph A. and Jane Khanna. 1997. "East Asia: Economic Interdependence and Regional Security," *Asia and the Pacific* 73(2): 219-234.
- Duffield, John S. 1994. "Explaining the Long Peace in Europe: The Contributions of Regional Security Regimes," *Review of International Studies* 20(4): 369-388.
- Flynn, Gregory and David J. Scheffer. 1990. "Limited Collective Security," *Foreign Policy* 80: 77-101.
- Gartzke, Erik and Quan Li. 2003. "Measure for Measure: Concept Operationalization and the Trade Interdependence-Conflict Debate," *Journal of Peace Research* 40(5): 553-571.
- Glaser, Charles L. 1993. "Why NATO is Still Best: Future Security Arrangements for Europe," *International Security* 18(1): 5-50.
- Gleditsch, Kristian Skrede. 2002. "Expanded Trade and GDP Data," *The Journal of Conflict Resolution* 46(5): 712-724.
- Gochman, Charles S. and Zeev Maoz. 1984. "Militarized Interstate Disputes, 1816-1976: Procedures, Patterns, and Insights," *The Journal of Conflict Resolution* 28(4): 585-616.
- Grieco, Joseph M. 1988. "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," *International Organization* 42(3): 485-507.
- Hahn, Bae-ho. 2002. "Issues and National Images in Korea-Japan Relations," *The Journal of Asisatic Studies* 21(1): 217-235.
- Hatzivassiliou, Evanthis. 1995. "Security and the European Option: Greek Foreign Policy, 1952-1962," *Journal of Contemporary History* 30(1): 187-202.
- Hemmer, Christopher and Peter J. Katzenstein. 2002. "Why is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism," *International Organization* 56(3): 575-607.
- Holsti, Kal J. 1986. "Politics in Command: Foreign Trade as National Security Policy," *International Organization* 40(3): 643-671.
- Hurd, Ian. 1999. "Legitimacy and Authority in International Politics," *International Organization* 53(2): 379-408.

- Jervis, Robert. 1982. "Security Regimes," *International Organization* 36(2): 357-378.
- Kemfert, Claudia. 2004. "Climate Coalitions and International Trade: Assessment of Cooperation Incentives by Issue Linkage," *Energy Policy* 32: 455-465.
- Keohane, Robert O. and List M. Martin. 1995. "The Promise of Institutional Theory," *International Security* 20(1): 39-51.
- Keohane, Robert O. 1986. "Reciprocity in International Relations," *International Organization* 40(1): 1-27.
- Krebs, Ronald R. 1999. "Perverse Institutionalism: NATO and the Greco-Turkish Conflict," *International Organization* 53(2): 343-377.
- Kwak, Jin-O. 2006. "Normalization between Japan and the Republic of Korea: from Conflict to Reconciliation," 133- 156.
- Lake, David A. 2001. "Beyond Anarchy: The Importance of Security Institutions," *International Security* 26(1): 129-160.
- Lee, Chong-Sik. 1962-1963. "Japanese-Korean Relations in Perspective," *Pacific Affairs* 35(4): 315-326.
- Lee, Young-hee. 1975. "The Spiritual Aspect of Korea-Japan Relations: A Historical Review of Complications Arising from the Consciousness of Peripheral Culture," *Social Science Journal* 3: 20-45.
- Mansfield, Edward D. and Brian M. Pollins. 2001. "Interdependence and Conflict: An Introduction," Parts of this essay appeared in an earlier form in, "The Study of Interdependence and Conflict: Recent Advances, Open Questions, and Directions for Future Research," *Journal of Conflict Resolution* 45:1-28.
- Martin, Lisa. 1997. "An Institutional View: International Institutions and State Strategies. Prepared for the Conference on International Order in the 21st Century, McGill University," In Oğuzlu H. Tarık, "The Role of International Institutions in Identity Transformation: The Case of Turkish-Greek Conflict within The European Union and NATO Frameworks," PhD diss., Bilkent University, 2003.
- McMillan, Susan M. 1997. "Interdependence and Conflict," *Mershon International Studies Review* 41(1): 33-58.
- Mearsheimer, John J. 1995. "A Realist Reply," *International Security* 20(1): 82-93.
- , 1994-1995. "The False Promise of International Institutions," *International Security* 19(3): 5-49.
- Modelski, George. 1986. Review of "After Hegemony: Cooperation and Discord in the World Political Economy," by Robert O. Keohane, *The American Political Science Review* 80(2): 724-726.

- O'neal, John R. 2003. "Measuring Interdependence and Its Pacific Benefits: A Reply to Bartzke & Li," *Journal of Peace Research* 40(6): 721-725.
- Oda, Shigeru. 1967. "The Normalization of Relations between Japan and The Republic of Korea," *The American Journal of International Law* 61(1): 35-56.
- Park, Tae-Gyun. 2000. "U.S. Policy Change toward South Korea in the 1940s and 1950s," *Journal of International and Area Studies* 7(2): 89-104.
- Philippou, Stavroula. 2007. "On the Borders of Europe: Citizenship Education and Identity in Cyprus," *Journal of Social Science Education* 6(1): 68-79.
- Polachek, Solomon W. 1980. "Conflict and Trade," *Journal of Conflict Resolution* 24(1): 55-78.
- Rosecrance, Richard. 1979. Review of "Economic Issues and National Security," by Klaus Knorr and Frank Traeger, *The American Political Science Review* 73(3): 945-946.
- Ruggie, John Gerard. 1998. "What Makes the World Hang Together? Neo-utilitarianism and the Social Constructivist Challenge," *International Organization* 52(4): 855-885.
- Sakak, N. 1949. "Turkey faces the Soviets," *Foreign Affairs* 27(3): 449-461. In Ekavi Athanassopoulou, *Turkey-Anglo-American security Interests 1945-1952*, Great Britain: MPG Books Ltd, Bodmin, Cornwall, 1999.
- Snidal, Duncan. 1991. "Relative Gains and the Pattern of International Cooperation," *American Political Science Review* 85(3): 701-726.
- Tamaki, Motoi. 1974. "Close But Distant Neighbors," *Japan Quarterly* 21(4):349-355.
- Tarik, Oğuzlu H. 2004. "The Promise of NATO in the Construction of Cooperative Turkish-Greek Relations," *The Review of International Affairs* 3(3): 458-478.
- Wagner, R. Harrison. 1988. "Economic Interdependence, Bargaining Power, and Political Influence" *International Organization* 42(3): 461-483.
- Wolfers, Arnold, "National Security as an Ambiguous Symbol," *Political Science Quarterly*, 67(4): 481-502. In Wolfers, *Discord and Collaboration: Essays on International Politics*, Baltimore: Johns Hopkins University Press, 1962 in Keohane, Robert O., "Reciprocity in International Relations," *International Organization* 40(1), 1986.
- Karamanlis, Kostas. 2008. "Greece and Turkey: Looking to the Future." Paper presented at the Conference held in Bilkent University, Ankara, Turkey.

Müller, Harald. 2008. "The Decay of Security Communities with an Application to NATO." Paper presented at the Conference held in Bilkent University, Ankara, Turkey.

Memorandum by Overseas Planning committee, 31 May 1945, FO371/48790 R9748/9748/44. In Ekavi Athanassopoulou, *Turkey-Anglo-American security Interests 1945-1952*, Great Britain: MPG Books Ltd, Bodmin, Cornwall, 1999.

Krugman, Paul. 1993. "Empirical Evidence on the New Trade Theories: The Current State of Play." *New Trade Theories: A Look at the Empirical Evidence*, Report of a conference organized by CEPR and Centro Studi sui Processi di Internazionalizzazione (ECSPRI) at Bocconi University in Milan.

Sir Clifford Norton (British Ambassador in Athens) to FO, 3 April, FO 371/72348 R4261/3668/19. In Athanassopoulou, Ekavi, *Turkey-Anglo-American security Interests 1945-1952*, Great Britain: MPG Books Ltd, Bodmin, Cornwall, 1999.

The Department of State Memorandum for Records concerning Rhee-Dulles meetings held in August 1953 (declassified in 1974). In Lee, Chae-Jin and Hideo Sato, *U.S. Policy toward Japan and Korea: A Changing Influence Relationship*, New York: Praeger Publishers, 1982.

Newspaper Articles and Web Sources

"Leedaetongryon mirae jiyang hanil gwangye jaekangjo (President Lee's re-emphasis on Future-Oriented Korea-Japan Relations)," Donga Ilbo (Korean daily), Sec. Politics, March 1, 2008.
<http://www.donga.com/fbin/output?rss=1&n=200803010228>.

"South Korea Foreign Direct Investment," Financial Times.
http://www.fdimagazine.com/news/fullstory.php/aid/1029/South_Korea.html.

"The Ministry of Foreign Affairs of Japan," Part V. Annexes.
<http://www.mofa.go.jp/region/asia-paci/korea/fta/report0310-14.pdf>.

"Zurich and London Agreements - The Constitution - The Treaties," *The World of Cyprus*, http://www.kypros.org/Cyprus_Problem/p_zurich.html.

Cadena, Lucas. 1998. "Greek-Turkish Tensions." *Princeton Journal of Foreign Affairs*.
<http://www.princeton.edu/~foreigna/winter1998/turkey.html>.

Gerth, Jeff and Tim Weiner. "Arms Makers See Bonanza In Selling NATO Expansion." *New York Times*, Sec. World, June 29, 1997.
<http://query.nytimes.com/gst/fullpage.html?res=9A06E4D81131F93AA15755C0A961958260>

Kaplan, Robert D. "Salonica, City of Ghosts: Edge City." *New York Times*, Sec. Books, May 8, 2005.
<http://www.nytimes.com/2005/05/08/books/review/08KAPLANL.html?page=wanted=all>.

Milliyet, Istanbul, 9-14 March 1964. In Bolukbasi, Suha, *The Superpowers and the Third World: Turkish-American Relations and Cyprus* volume 15, Lanham: University Press of America, 1988.

New York Times, February 23, May 6, June 2, 1964. In Harris, George S., *Troubled Alliance: Turkish-American Problem in Historical Perspective, 1945-1971*, Washington D.C: American Enterprise Institute, 1972.

Working Papers

Waltz, Kenneth N. "The Balance of Power and NATO Expansion," University of California, Berkeley Center for German and European Studies, Working Paper 5.66 October 1998.

APPENDIX A

ROK-JAPAN ECONOMIC TREATIES AND RELATED AGREEMENTS, 1967-1991

	1967-71
Content:	Civil Aviation (1967) Technical assistance(1967) Trademarks(1968) Tax exemption (1969) Double taxation (1970) Agriculture/fishery (1971, ¥ 7.2 billion loan) Small/medium firms (1971, ¥ 10.8 billion loan) Kumoh technical training center (1971, ¥ 130 million grant) ^a Kumoh technical training school (¥ 390 million loan) Rail/subway construction (1971, ¥ 27.2 billion loan)
Aggregate total:	12
Adjusted total:	10
	1972-74
Content:	Telecommunications (1973, ¥ 6.2 billion loan) Export-industry promotion (1973, ¥ 15.4 billion loan) Kumoh technical training center (1974, ¥ 563 million grant) Agricultural technological cooperation (1974) Rural development (dam) (1974, ¥ 19.4 billion loan) Laboratory equipment (1974, ¥ 500 million grant)
Aggregate total:	9
Adjusted total:	6
	1975-79

Content:	Pukpyong port (1975, ¥ 12.4 billion loan) Seoul National University laboratory equipment (1975) Taejon training institute (1976) Seoul National University laboratory equipment (1976, ¥ 1 billion grant) Telecommunications development (1976, ¥ 6.6 billion loan) Agricultural development (1977, ¥ 12.6 billion loan) Electricity transmission lines (1977, ¥ 6 billion loan) Wheat and barley research (1977, ¥ 100 million grant) Medical equipment (1977, ¥ 600 million grant) Continental shelf (1978) Continental shelf II (1978) Medical equipment (1978, ¥ 440 million grant) Agricultural and medical equipment (1978, ¥ 14 billion loan) Language laboratory equipment (1979, ¥ 15 million grant)
Aggregate total:	16
Adjusted total:	15
1980-88 ^b	
Content:	Sewage treatment (1980, ¥ 19 billion loan) Hospital and educational facilities (1981, ¥ 19 billion loan) Development loan (1983, ¥ 45 billion loan) Development loan (1984, ¥ 49.5 billion loan) Double taxation (1985) Development loan (1985, ¥ 54.4 billion loan) Scientific and technological cooperation (1985) Development loan (1987, ¥ 44.6 billion loan) Development loan (1988, ¥ 27.2 billion loan)
Aggregate total:	12
Adjusted total:	9
1989-91	
Content:	Development loan (1989, ¥ 7.6 billion loan) Maritime science/research (1990) Nuclear energy (1990) Development loan (1990, ¥ 99.5 billion loan) Development loan (1985, ¥ 54.4 billion loan)
Aggregate total:	6
Adjusted total:	4

SOURCE: Compiled from MOFA, Taehan min'guk choyakjip: yangja choyak (Bilateral treaties and agreements of the Republic of Korea), government publication No. 17000-25100-17-9459, vols. 2-14 (Seoul: Republic of Korea, Ministry of Foreign Affairs, International Treaties Division, 1962-91) quoted in Victor D. Cha, *Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle* (Stanford, California: Stanford University Press, 1999), pp. 237-238

NOTE: Figures do not include 1965 normalization treaty or related agreements/amendments. Enumerated agreements are those listed under the adjusted total. Adjusted totals were calculated by subtraction from aggregate totals those agreements that were amendments or revisions of earlier agreements.

a Agreement signed in 1972 but negotiated during the 1967-71 period.

b Development loan agreements for 1983-87 are annual installments of the original 1983 \$4 billion loan agreement.

APPENDIX B

LETTER FROM THE U.S. SECRETARY OF STATE DULLES TO THE GREEK PRIME MINISTER PAPAGOS, SEPTEMBER 18, 1955.

I have followed with concern the dangerous deteriorations of Greek-Turkish relations caused by the Cyprus question. Regardless of the causes of the disagreement, which are complex and numerous, I believe that the unity of the North Atlantic community, which is the basis of our common security, must be restored without delay.

Since the time, almost a decade ago, when Communist expansion first posed a serious threat to the free world, the close and friendly cooperation of Greece and Turkey has proved a powerful deterrent to Communist ambitions in the eastern Mediterranean. In Korea, Turkish and Greek troops fought valiantly, side by side, to repel the Communist aggressors.

I cannot believe that in the face of this record of common achievement, any problem will long disrupt the course of Greek-Turkish friendship. Nor can I believe that the unhappy events of the past two weeks will reverse policies of cooperation

which were initiated twenty-five year ago under the far-sighted leadership of Eleftherios Venizelos and Kemal Ataturk.

Since 1947 the United States has made very considerable efforts to assist Greece and Turkey to maintain their freedom and to achieve greater social and economic progress. We have extended this assistance - and extend it now – because we believe that the partnership of Greece and Turkey constitutes a strong bulwark of the free world in a critical area.

If that bulwark should be materially weakened, the consequences could be grave indeed. I urge you therefore to make every effort to assure that the effectiveness of your partnership is not impaired by present disagreements.

I am confident that the spirit of close cooperation that Greece and Turkey have so often demonstrated in the past as fellow members of the United Nations, the North Atlantic Treaty Organization and the Balkan Alliance will enable you to transcend immediate differences in the interests of free world unity.

Source: Text reprinted from Paul E. Zinner, ed., *Documents on American Foreign Relations: 1955* (New York: Council on Foreign Relations, 1956), p. 167. The text of the letter from the secretary of state to the prime minister of Turkey (Menderes) is identical this letter, except that the two countries are named in reverse order in quoted Monteagle Stearns, *Entangled Alliances U.S. Policy toward Greece, Turkey, and Cyprus* (New York: Council of Foreign Relations Press, 1992), pp. 154-155.

APPENDIX C

LETTER FROM THE PRESIDENT JOHNSON TO THE TURKISH PRIME MINISTER İNÖ NÜ , JUNE 5, 1964

Dear Mr. Prime Minister,

I am gravely concerned by the information which I have had through Ambassador Hare from you and your Foreign Minister that the Turkish Government is contemplating a decision to intervene by military force to occupy a portion of Cyprus. I wish to emphasize, in the fullest friendship and frankness, that I do not consider that such a course of action by Turkey, fraught with such far reaching consequences, is consistent with the commitment of your government to consult fully in advance with the United States. Ambassador Hare has indicated that you postponed your decision for a few hours in order to obtain my views. I put to you personally whether you really believe that it is appropriate for your government, in effect, to present an ultimatum to an ally who has the United States for Turkey. I must, therefore, first urge you to accept the responsibility for complete consultation with the United States before any such action is taken.

It is my impression that you believe that such intervention by Turkey is permissible under the provisions of the Treaty of Guarantee of 1960. I must call your

attention, however, to our understanding that the proposed intervention by Turkey would be for the purpose of supporting an attempt by Turkish Cypriot leaders to partition the island, a solution which is specifically excluded by the Treaty of Guarantee. Further, that treaty requires consultation among the guarantor powers. It is the view of the United States that the possibilities of such consultation have by no means been exhausted in this situation and that, therefore, the reservation of the right to take unilateral action is not yet applicable.

I must call to your attention also, Mr. Prime Minister, the obligations of NATO. There can be no question in your mind that a Turkish intervention in Cyprus would lead to a military engagement between Turkish and Greek forces. Secretary of State Rusk declared at a recent meeting of the ministerial council of NATO in The Hague that war between Turkey and Greece must be considered as “literally unthinkable.” Adhesion to NATO, in its very essence, means that NATO countries will not wage war on each other. Germany and France have buried centuries of animosity and hostility in becoming NATO allies; nothing less can be expected from Greece and Turkey. Furthermore, a military intervention in Cyprus by Turkey could lead to direct involvement by the Soviet Union. I hope you will understand that your NATO allies have not had a chance to consider whether they have an obligation to protect Turkey against the Soviet Union if Turkey takes a step which results in Soviet intervention without the full consent and understanding of its NATO allies.

Further, Mr. Prime Minister, I am concerned about the obligations of Turkey as a member of the United Nations. The United Nations has provided forces on the island to keep the peace. Their task has been difficult but, during the past several weeks, they have been progressively successful in reducing the incidents of violence on that island. The United Nations Mediator has not yet completed his work. I have

no doubt that the general membership of the United Nations would react in the strongest terms to unilateral action by Turkey which would defy the efforts of the United Nations and destroy any prospect that the United Nations could assist in obtaining a reasonable and peaceful settlement of this difficult problem.

I wish also, Mr. Prime Minister, to call your attention to the bilateral agreement between the United States and Turkey in the field of the military assistance. Under Article IV of the agreement with Turkey of July 1947, your government is required to obtain United States consent for the use of military assistance for purposes other than those for which such assistance was furnished. Your government has on several occasions acknowledged to the United States that you fully understand this condition. I must tell you in all candor that the United States cannot agree to the use of any United States supplied military equipment for a Turkish intervention in Cyprus under present circumstances.

Moving to the practical results of the contemplated Turkish move, I feel obligated to call to your attention in the most friendly fashion the fact that such a Turkish move could lead to the slaughter of tens of thousands of Turkish Cypriots on the island of Cyprus. Such an action on your part would unleash the furies and there is no way by which military action on your part could be sufficiently effective to prevent wholesale destruction of many of those whom you are trying to protect. The presence of United Nations forces could not prevent such a catastrophe.

You may consider that what I have said is much too severe and that we are disregarding of Turkish interests in the Cyprus situation. I should like to assure you that this is not the case. We have exerted ourselves both publicly and privately to assure the safety of Turkish Cypriots and to insist that a final solution of the Cyprus problems should rest upon the consent of the parties most directly concerned. It is

possible that you feel in Ankara that the United States has not been sufficiently active in your behalf. But surely you know that our policy has caused the liveliest resentment in Athens (where demonstrations have been aimed against us) and has led to a basic alienation between the United States and Archbishop Makarios. As I said to your Foreign Minister in our conversation just a few weeks ago, we value very highly our relations with Turkey. We have considered you as a great ally with fundamental common interests. Your security and prosperity have been a deep concern of the American people and we have expressed that concern in the most practical terms. You and we have fought together to resist the ambitions of the communist world revolution. This solidarity has meant a great deal to us and I would hope that it means a great deal to your government and to your people. We have no intention of lending any support to any solution of Cyprus which endangers the Turkish Cypriot community. We have not been able to find a final solution because this is, admittedly, one of the most complex problems on earth. But I wish to assure you that we have been deeply concerned about the interests of Turkey and of the Turkish Cypriots and will remain so.

Finally, Mr. Prime Minister, I must tell you that you have posed the gravest issues of war and peace. These are issues which go far beyond the bilateral relations between Turkey and the United States. They not only will certainly involve war between Turkey and Greece but could involve wider hostilities because of the unpredictable consequences which a unilateral intervention in Cyprus could produce. You have your responsibilities as chief of the government of Turkey; I also have mine as President of the United States. I must, therefore, inform you in the deepest friendship that unless I can have your assurance that you will not take such action without further and fullest consultation I cannot accept your injunction to

Ambassador Hare of secrecy and must immediately ask for emergency meetings of the NATO Council and of the United Nations Security Council.

I wish it were possible for us to have a personal discussion of this situation. Unfortunately, because of the special circumstances of our present constitutional position, I am not able to leave the United States. If you could come here for a full discussion I would welcome it. I do feel that you and I carry a very heavy responsibility for the general peace and for the possibilities of a sane and peaceful resolution of the Cyprus problem. I ask you, therefore, to delay any decisions which you and your colleagues might have in mind until you and I have had the fullest and frankest consultation.

Sincerely,

LYNDON B. JOHNSON

Source: Monteagle Stearns, *Entangled Alliances U.S. Policy toward Greece, Turkey, and Cyprus* (New York: Council of Foreign Relations Press, 1992), pp. 156-159.

APPENDIX D

THE SUMMARY TEXT OF KOREAN PROPERTY CLAIMS

1. About 250 million grams of gold bullion and some 67 million grams of silver bullion that Japan removed to Japan through the Bank of Chosen [Korea] during the period 1909-1945.

2. Various postal savings, insurance, and pension funds, etc., that the Japanese Government-General of Korea owed to Korean nationals as of August 9, 1945.

3. The bank deposits drawn by Japanese nationals from banks in Korea and monies transferred or remitted from Korea to Japan since August 9, 1945.

4. Properties of the Tokyo office of the Government-General of Korea, the properties in Japan possessed by any legal corporation that had its main office in Korea, and various assets held in Japan by the banks with their main office in Korea as of August 9, 1945.

5. Claims for negotiable notes, Japanese currencies, unpaid salaries, pensions and compensations (of the conscripted Korean workers), dividends, etc., that the Japanese Government and Japanese nationals owed to Koreans.

6. 668 vessels that Japan removed from Korean harbors after August 9, 1945.

7. Art objects that Japan removed from Korea during its rule.

Source: Kwan Bong Kim, *The Korea-Japan Treaty Crisis and the Instability of the Korean Political System* (New York, Washington, London: Praeger Publishers, 1971), pp. 54-55.