Japan-South Korea conflict intensifies

Nick Beams
17 August 2019

Japan and South Korea are locked into a deepening economic and political conflict which shows no sign of ending, despite urgings by the United States to settle the dispute involving two of its crucial allies in North-East Asia.

South Korea announced this week that it had removed Japan from a list of countries that qualify for accelerated supply of South Korean products, after Tokyo had imposed a similar measure against South Korea on August 2.

Announcing the decision, Sung Yun-mo, South Korea's minister of trade, industry and energy said: "It's difficult to work closely with countries whose practices don't abide by basic principles of the international export-control system and continuously are applied inappropriately."

He said Seoul was open to negotiations with the Japanese government. However, that does not seem likely because the attitude of both sides has been hardening over the course of the dispute.

It first came into prominence in early July when Japan announced it would tighten controls over the exports of three chemicals—fluorinated polyamides, photoresists and hydrogen fluoride—crucial for the production of semi-conductors in South Korea.

The decision brought an immediate response from electronics giant Samsung, South Korea's largest company. "It's one of the worst situations we have ever had," an unnamed senior Samsung official told the *Financial Times*. "Politicians take no responsibility for the mess, even though it has almost killed us."

The Bank of Korea also weighed in, with the central Bank governor Lee Ju-yeol citing Japan's export restrictions as one of the factors behind its decision last month to revise its growth forecast downward from 2.5 percent to 2.2 percent.

"If export restrictions are realised and expanded, we cannot say its impact on exports and the economy is small," he said.

The conflict was set in motion by a decision of the South Korean Supreme Court last October that Japan had to pay compensation to four workers who had been used as forced labour by Nippon Steel during the Second World War.

Japan hit back at the decision saying the question of compensation was covered by a 1965 agreement under which Japan paid $800 million to South Korea. It feared the verdict could open the way for claims by more than 220,000 victims of forced labour and their relatives, resulting in compensation claims that could reach $20 billion.

Concerns were further raised in January when a South Korean court gave the green light for the expropriation of some of Nippon Steel's equity holdings in a joint recycling venture with a South Korean steelmaking firm to fund payments to the four plaintiffs. This raised fears that other Japanese assets could be seized in the future.

Japan did not take immediate action but according to a report in *Foreign Policy*, Prime Minister Shinzo Abe was "highly frustrated with the situation and was looking for a weapon he could use." He settled on action over exports.

The restrictions on the three key chemicals were announced at the beginning of July. The timing of the decision was politically significant as it coincided with the opening for the election campaign for Japan's upper house. Abe was seeking to promote nationalism in order to boost support for his planned revision of the Japanese constitution to overturn Article 9 of the constitution—the so-called pacifist clause.

Japanese officials said some South Korean companies were inadequately managing the chemicals and that some, with military applications, were finding their way to North Korea, without providing any specific examples.

Tokyo then upped the ante earlier this month when it removed South Korea from its list of countries entitled to receive preferential treatment in trade. The measure, which comes into effect on August 28, will impact on the export of more than 1,000 different products.

Japan claimed the restrictions were being imposed on "national security" grounds. The decision brought a

© World Socialist Web Site

strident denunciation from South Korean President Moon Jae-in.

Addressing an emergency cabinet meeting on August 2, Moon said: "We will never again lose to Japan. As we have already warned, if Japan intentionally strikes at our economy, Japan itself will also have to bear significant damage."

The conflict has set off a growing consumer boycott movement of Japanese products involving beer, cars, cosmetics and clothing. The anti-Japanese sentiment is being deliberately encouraged by sections of the Moon administration, which, like Abe, are seeking to whip of nationalism and chauvinism to divert away from deteriorating social conditions.

In a Facebook post, Cho Kuk, who was appointed to the post of justice minister on August 9, said: "Japan's state power is apparently stronger than that of South Korea. But let's not be afraid of this. South Korea's state power has growing up to the level that cannot be compared in 1965 when the South Korea-Japan Treaty was signed."

The ruling Democratic Party of Korea set up a committee to deal with the issue entitled "The Special Committee on Japan's Economic Invasion" and attacked Tokyo for using a "suicide bombing" strategy.

While the August 2 measures were not specifically linked to the wartime compensation question, Abe made the connection in recent remarks on a television talk show.

"South Korea, with its handling of the former Korean wartime labourers' issues, clearly demonstrated that it is a country that does not keep its promises. Naturally, we have to assume that it also fails to keep its promises on export controls," he said.

The Japanese government insists that South Korea should not have allowed the court action to go ahead, as this was in violation of the 1965 agreement that resolved the issue.

The conflict has raised concerns in Washington because Japan and South Korea are key strategic allies in its push against North Korea and above all China.

These issues were reflected in comments by Bruce Klingner, a Northeast Asia expert at the right-wing Heritage Foundation in Washington. Japan and South Korea, he said, "are still arguing over the issues of the last millennium, when we are on to the issues of this millennium, like a rising China and North Korea."

James Schoff, a former adviser for East Asia policy in Office of the Secretary of Defense, pointed to the weakening of US influence under the Trump administration. Under past administrations there had been "regular trilateral meetings… that encompassed anything that risked disturbing relations among us. You definitely don't see that now."

The Trump administration has sought to intervene. Last week the president issued a warning that the dispute was harming Washington's efforts to use its two allies in the US confrontation with China.

"South Korea and Japan are fighting all the time," Trump said. "They've got to get along because it puts us in a very bad position. I'm concerned that they're not getting along with each other."

However, the actions of the Trump administration itself have created conditions where the Abe government has been emboldened to hit out at South Korea.

The use of tariffs on so-called "national security" considerations—previously regarded as out of bounds in international relations—has been pioneered by Washington. It has used "national security" as the rationale for imposing tariffs on steel and aluminium and threatened Mexico with tariffs unless it fell into line behind US demands to halt the flow of immigrants and refugees. It has forced both Japan and the European Union into bilateral trade negotiations under the threat of the imposition of 25 percent auto tariffs, also on "national security" grounds.

Washington's attempts at mediation do not appear to be cutting much ice in Tokyo. Reuters reported on July 30 that a "senior US official" had urged the two sides to sign a "standstill agreement" that would prevent further escalation of the conflict and allow talks to take place. But Japan's chief cabinet secretary Yoshida Suga, dismissed the report saying "there is no such thing" and just days after it appeared Japan turned up the heat with the August 2 measures against South Korea.

The increased assertiveness by Japan extends beyond the dispute with South Korea. While the Abe government continues to maintain that it operates within the framework of the US-Japan alliance, it considers that the US cannot be relied on and it is increasingly seeking to promote its own independent interests as a "great power" within the region and internationally.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site