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For Ass't Sec'y Parsons from MacArthur.

Seoul for Ambassador McNaugthy. [Redacted]

Now that we have prospect of new and democratic regime in
Korea I strongly recommend that as soon as possible we seize
opportunity to try to bring about durable solution to ROK-Japan
dispute. As long as Rhee held power there seemed little chance of
any solution but now we have entirely new situation which could
lead to liquidation of ROK-Japan controversy. Implications of ROK-Japan
dispute just are not bilateral between GOJ and ROK but deeply and directly
involve US and our inescapable responsibilities in Northeast Asia.
As practical matter if reasonable solution is to be found it will
be produced only by our good offices and working closely with both
ROK and GOJ. It is of utmost importance that we identify and
be prepared to move swiftly for solution those specific ROK-GOJ
problems which prevent progress toward basic settlement this

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fester dispute. We do not know what response Communists may make to new ROK regime and it is vital we try to put ROK-GCJ house in order as soon as possible.

While Rhee regime violated most basic tenets of democracy in authoritarian police rule imposed on Korean people, it has also in past done violence to most fundamental principles of international conduct and morality by committing acts of piracy on high seas around Rhee Line and then imprisoning and holding as political hostages Japanese fishermen and by seizing and holding non-Korean territory by force. The uncivilized practice of hostage diplomacy is one of our serious charges against Communist China by ROK and if continued it will be a great liability to a new democratic ROK regime.

I therefore recommend strongly that as soon as new regime is in control in Korea (whether or not it be of interim character) we use all our influence to persuade it (1) to release and return to Japan all repeat all Japanese fishermen hostages (including those who have not completed their sentences) who have suffered so cruelly from Rhee's uncivilized and oppressive acts and (2) to cease practice of seizing Japanese fishing vessels on high seas. This would not only rid new ROK regime of liability of practicing hostage diplomacy.
but also more than anything else would lay foundation in Japan for really fruitful negotiations. At same time I would be prepared to press Kishi and GOJ most strongly that in return for repatriation of all fishermen, Japanese would exercise self-restraint in their fishing operations in Korean Straits until reasonable opportunity had been given for negotiation of mutually agreed ROK-Japan fishing conservation agreement.

In addition to seizing Japanese boats on high seas and practicing hostage diplomacy, Rhee regime also seized by force and is holding illegally Takeshima Island which has always been considered as Japanese territory. This is very serious and permanent irritant in Japan-ROK relations and there can be no over-all ROK-Japan settlement until this Japanese island is returned to Japan. Therefore we should also press new ROK regime to return Takeshima to Japan. If it is unwilling to do so pending satisfactory conclusion of over-all ROK-Japan negotiations, new regime should at least signify a willingness to withdraw from Takeshima as part of mutually other satisfactory settlement of outstanding issues between two countries. While we should press strongly for return of Takeshima to Japan, if by any chance new regime were unwilling to do so we should, as very
minimum, insist that they agree to submit matter to International Court of Justice for arbitration.

Finally, we should inform new regime very clearly that it must be prepared to adjust its relations with Japan on terms of reciprocity, in such matters as diplomatic missions, visits by businessmen and journalists, commercial trade. Japanese have suffered Rhee's occupation-minded approach for eight years and will be unwilling to accept such indefensible treatment from his successor. In its own interests, new regime should start with conformity with normal international standards of conduct, and could most usefully begin (in terms of Japanese and other free world opinion) by permitting Japanese diplomatic mission to enter and function in ROK on same terms ROK Embassy operates here.

If we now move swiftly with new ROK regime which should generally be receptive to our views because of our helplessness, we have initial opportunity, which may never reoccur, to influence its position on Japan-ROK relations. Japanese would certainly welcome warmly and reciprocate fully, measures indicating new ROK regime willing take "new look" at Japan.

MACARTHUR

DMacArthur

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