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FOIA

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28

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions	
83544 MEMO	JAMES KELLY TO FRANK CARLUCCI RE. SOUTH KOREA	2	3/16/1987	B1	B3
83545 CABLE	SEOUL 03341	1	3/23/1987	B1	
83546 CABLE	301040Z MAR 87	1	3/30/1987	B1	B3
83547 CABLE	SEOUL 03671	1	3/30/1987	B1	
83548 PAPER	RE. KOREA	2	ND	B1	
83549 PAPER	RE. KOREA	1	3/31/1987	B1	B3
83550 PAPER	RE. KOREA [ATTACHED TO DOC. 83549; PG. 3]	1	3/31/1987	B1	B3
83551 CABLE	091711Z APR 87	1	4/9/1987	B1	B3
83552 CABLE	SEOUL 04597	4	4/20/1987	B1	

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ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
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Subject 1

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

March 16, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: JAMES A. KELLY *ja*

SUBJECT: Your March 18 Lunch with Senator Rockefeller:
Korea

Suggested talking points and background material are provided for your discussion on Korea with Senator Rockefeller.

RECOMMENDATION:

That you use the attached talking points (Tab A) and materials (Tab B).

Attachments:

Tab A Talking points
Tab B Background material

TALKING POINTS FOR YOUR LUNCHEON WITH
SENATOR ROCKEFELLER ON MARCH 18

KOREA

General

- Several key political, military and economic issues.
- February 1988. End of term for President Chun Doo Hwan. He promises to leave office; effect first peaceful change of government in modern times.
- September 1988. Seoul Olympics: facilities completed; broad attendance including China and Soviet Union expected. Korea's "graduation" into world as a front-rank country.
- North Korea: Closed (extremely) society still under 40-year rule of Kim Il Sung. Closer relations recently with Russians vs China, but highly independent of both. Succession to Kim's son is not a certainty.

Political

- Parliamentary impasse over constitutional modifications. Opposition wants strong president, directly elected. Government party favors parliamentary system.
- Opposition NKDP (New Korea Democratic Party) badly divided. Kim Dae Jung, Kim Yong Sam have largest factions -- about two-thirds of party.

- Government party (DJP - Democratic Justice Party) has not named successor as President. Chun fears lame duck status.
- U.S. policy established by February 6 speech by Assistant Secretary of State Gaston Sigur formed basis for public and private talks during Shultz visit earlier this month. Speech is at Tab B with recent magazine article.

Economic

- Remarkable fast growth. First year of positive trade balance; significant trade surplus with U.S. Large debt well in hand.
- Korean won has stayed weak against dollar.
- U.S. policy: stronger won; removal of Korean tariff and non-tariff barriers to U.S. exports to Korea. Intellectual property; agricultural products are particular problems.

Military

- DMZ is still a tense border. U.S. has one infantry division, plus tactical air. 40,000 U.S. military personnel.
- ROK has 500,000-man army -- competent and well-trained.
- North Korean forces about 800,000.

Korean Politics in Transition



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is an address by Gaston J. Sigur, Jr., Assistant Secretary for East Asian and Pacific Affairs, before the U.S.-Korea Society, New York City, February 6, 1987.

I'm delighted to be here with you today. I've been looking forward to meeting with the U.S.-Korea Society for several months. With scheduling the way it is in our bureau, it often is easier to get to Seoul than to New York. I've had the opportunity to visit the Republic of Korea frequently over the past several years, most recently last November, when I talked with President Chun, Prime Minister Lho, Foreign Minister Choi, and DJP [Democratic Justice Party] leader Rho, as well as NKDP [New Korea Democratic Party] leader Lee and other opposition party leaders. These visits have provided useful insight into the complex political process evolving there, a process which will influence the security and general well-being of the Korean people for generations to come.

Next month, I expect to return to Seoul with the Secretary of State for a brief visit following our mission to China. It will be a good opportunity to gain, first hand, an update on political and security conditions. In the meantime, I want to take this opportunity today to share with you our government's observations on the domestic political process underway in Seoul.

Facing the Challenges

In the past few decades, the Republic of Korea has created a dynamic economic system and is now in the process of creating an equally dynamic political system to carry the nation into the next century. This task is being undertaken amid unique circumstances. The Republic of Korea faces a determined and well-armed foe, committed to reunification of the peninsula on its own terms by whatever means are necessary. South Korea also faces the stresses and strains of industrialization, which developed over a period of generations in the West but which is taking place almost overnight in Korea. In these circumstances, the new political system now debated in Seoul must provide security and dynamism for the continued parallel development of economic, social, and political institutions.

Few countries face as direct and sustained a threat to their very existence as does the Republic of Korea. Over the past 40 years, North Korea's Kim Il Sung has tried virtually every tool available—from all-out war to assassination to "peace offensives"—to destroy or eclipse the Republic. As everyone in this room is well aware, the cost of these misbegotten policies has been tremendous for Koreans, both north and south.

The Korean war exacted a terrible toll in human suffering, and its repercussions are still evident. Today, a band of steel still stretches across Korea's beautiful mountains and rivers from one sea to the other. In the past few decades, the North has doubled the size

of its armed forces and increased its weaponry with vast assistance from the Soviet Union. The threat to South Korea is still very real.

During the same period the South, with U.S. support, has made steady progress toward modernization of its defensive capabilities. The improvements have been largely in equipment and training, neither of which come cheap. South Korea has been devoting some 6% of its gross national product to this effort. Furthermore, this significant investment is being made at the same time that the Republic of Korea has been undertaking one of the world's most impressive programs of economic development and industrialization.

Strong Economic Base

Korea is one of the nations to which the term "newly industrializing country" is aptly applied. Over the past 5 years, the Republic of Korea has maintained an average annual economic growth rate of over 8%, following an earlier decade of equally impressive economic development.

During this time South Korea moved from being a recipient of U.S. aid to America's seventh largest trading partner. Today, the United States has more trade with South Korea than with many of our traditional European trading partners. In 1986, total bilateral trade was some \$19 billion. The United States is South Korea's single biggest market, buying \$13-billion worth of Korean products. Footwear and apparel top U.S.

imports from Korea, but Americans have also become very fond of Korean-made electronic products, from TVs to microwave ovens and small computers. Furthermore, Korean firms have been moving into new areas as well—witness the increasing number of sharp Hyundai automobiles on American roads.

It bears emphasizing that the Republic of Korea is also a major market for U.S. goods and services. The South purchased about \$6-billion worth of American goods, services, and agricultural products in 1986.

Economic success has changed South Korean society in fundamental ways. In 1960, the average per capita gross national product was \$100. Today, it is over \$2,000. In 1975, almost one-third of all South Koreans were engaged in agriculture. Today, that proportion is down to one-fifth. Koreans have moved rapidly to their cities; over half now live in urban areas. Seoul alone accounts for one-quarter of the population.

South Koreans, whose drive for learning is an enviable national characteristic, are better educated than ever before. Today, 98%—one of the world's highest percentages—are literate. Korean colleges and universities enroll more than 1 million students. Korean mothers tell their high school student children that they must study long and hard: "Five hours sleep a night means success; six hours means failure."

New Stresses

The Republic of Korea faces new stresses in many sectors of its society, which will require a political system capable of building consensus through discussion and compromise. On the economic side, South Korea faces many new challenges as it moves into industries based on more sophisticated technologies. Firms like Gold Star, Samsung, and Daewoo are, for example, already producing integrated circuits and computers. At the same time, Koreans realize they must accept certain responsibilities, such as more open markets, commensurate with their new role as an international trader of some consequence. South Korea has earned full membership on the team. With that full membership comes the obligation to help maintain the free trading system from which it has benefited so greatly. Naturally, such profound changes in economic behavior in such a short time are difficult, but they must be accomplished.

Korean society faces a wide range of other challenges deriving from industrialization. Success in meeting these challenges will require a creative,

responsive political system. Seoul needs to decide, for example, on the appropriate amounts of national resources to invest in social capital—schools, medical facilities, and so forth—and how to continue to assure equitable distribution of the benefits of economic success. As the work force becomes more sophisticated, Korea has also to deal with the difficult problems of workers' rights, including safety and labor organizations and the role of unions. Koreans are beginning to address such complex issues. Last year, the National Assembly passed new legislation that permits national labor organizations to participate in individual labor actions. Another effort has begun to establish minimum wages. These issues will not be solved overnight. A more open political system will be a critical part of the solution.

The Move Toward Political Maturity

Everyone understands the fundamental linkage between a nation's domestic political maturity and its general security. The two elements are mutually dependent. The Republic of Korea's security relies as much upon responsive political institutions that promote the aspirations of its people as upon the mighty military capability it possesses. By the same token, of course, political transition must proceed at a pace consistent with harmony and stability. Secretary of State Shultz has pointed out that transitions toward greater democracy are "often complex and delicate, and... can only come about in a way consistent with a country's history, culture, and political realities." We recognize that.

At present, there appears to be a general consensus among South Koreans of various political persuasions that domestic political practices up to now—however well suited they may have been for a simpler, slower moving past—simply are inadequate to meet Korea's complex present and future needs.

First, there is the problem of the peaceful transfer of power from one leader to the next. President Chun Doo Hwan himself has pointed out that the country cannot afford long periods of one-man rule ending in violence and confrontation. Koreans also face the challenge of permanently "civilianizing" their politics—of calling upon the full range of their talent resources to lead an increasingly complex economy and society.

The Korean military has played an important role in various aspects of the

Republic's recent development. But Seoul is now moving into a new era. After the destruction of much of the civilian sector by the Korean war, Korea's military men were a significant group among the relatively small number with experience in administering large, modern organizations. Today, however, many South Koreans have a wealth of experience and have operated successfully in a wide variety of fields to ensure progress in a modern society. Korea's industry and business compete aggressively and impressively on the world stage. Its universities produce world-class scholars.

In addition, new technologies have thrust greater complexities into modern defense efforts. Today's soldier lives in a new era in which Korea's national security demands his full-time concentration and energy to accomplish his vital primary mission: mastering the skills needed for the defense of his country.

Laudable Initiative

President Chun has recognized these trends and moved to implement the changes in the Republic of Korea's political institutions necessary to meet the demands of the next century. He has pledged to break the historical cycle of succession, instability, and uncertainty by peacefully transferring power at the end of his term in February 1988. The President has made a historic commitment toward greater democratization in South Korea: he has said that he will be the first major Korean president to retire from office peacefully, in order to set the pattern for future Korean leaders. He will join a pool of retired statesmen, no longer active in politics, whose counsel and advice will be a valuable national resource. It is now the task of the Korean people to establish a system which will ensure that such peaceful transfers of power continue into the future.

President Chun deserves credit for his promise, and history will praise his service to the nation by making good on it. In keeping this pledge, he also thrusts obligations on all his compatriots: to support a peaceful process while eschewing violence and to deal responsibly with the new phenomenon of a once-powerful president who has retired.

President Chun, the Democratic Justice Party, and the New Korea Democratic Party all deserve credit as well for recognizing the need for and starting the process of constitutional revision. Although political differences must be played out, most outside observers are concerned that, to date, there seems to have been more argument than real discussion and—as a

consequence—more rhetoric than results. It is essential for the future of the Republic of Korea, and for the future of our bilateral relations, that any new constitution, and the laws which support representative government, create a more open and legitimate political system.

A Consensus Process

History demonstrates that to be durable, constitutions must be carefully constructed. They emerge from compromise and consensus among the major political players, not from violence, abuse of physical force, or obstinate confrontation. Lasting constitutions encompass broad principles, such as free and fair elections in an open atmosphere. Agreeing on such principles requires that people work together for the future, putting aside personal ambitions and past accusations and grievances. Put another way, any new system must enlist the constructive energies of all South Koreans, emulating the way that economic development has brought together people of divergent backgrounds and used the talents of every man and woman.

Only if it is created through a consensus process can South Korea's evolving political system have the dynamism and the durability to prosper into the next century. Only in this way will it have the firm support of Korea's people, support which is vital if Korea is to break the tragic cycle of unexpected and violent changes of government. Only popular support can give the stability which the Republic of Korea needs to meet the challenges to its national and its economic security in the future.

The task is not an easy one, but Koreans know the time is ripe for beginning.

First, the combined South Korean and UN Command forces present a formidable shield behind which the process of political change can take place.

Second, the Korean economy did well last year. The Republic of Korea had a surplus in its current accounts for the first time, and this year also promises to be a good one.

Third, and perhaps most importantly, Koreans want change. They are better educated than ever before and have a new self-confidence—a "can-do" attitude—after their success in developing their country's economic strength.

The Republic of Korea's political leaders have committed themselves to a new course. President Chun has pledged to transfer power peacefully and has started the process of constitutional revision. The other major political actors on

both sides are men who know from their own experience the consequences if this chance is missed. They lived through the horrors of the Korean war and past political traumas amidst uncertainty and violence. They know that an orderly system for changing governments is a necessity for their country's security and prosperity. In the hurly-burly of day-to-day political activity, it is easy to lose sight of the big picture; but these men have the breadth of mind to pause and reflect and act constructively, not for narrow partisan interest but for their country.

Regardless of what specific governmental system emerges from the current debate, it surely must reflect elements of openness, fairness, and legitimacy. We would hope for further innovative proposals from participants in this process, proposals which statesmen in both the majority and minority parties will consider with open minds and an eye toward necessary compromise. Innovative ideas can serve as an agenda to move the revision process out of the morass into which it has fallen.

The 1988 Olympics will give South Koreans a chance to show off the results of their hard work to the world. Their country has certainly become a model of economic development, and many nations will be justly impressed. The time remaining before the games also gives South Koreans the opportunity to construct the kind of political institutions, the kind of political model, that they would like the world to see.

Offer Our Support

South Koreans developed their economic system step by step and by their own hard work. They will build a new political system in the same way. The United States can and will support this effort as it did economic development, without interfering in domestic affairs. We shall do so in a number of ways.

First, the United States will continue to work with the Republic of Korea's Armed Forces to maintain and strengthen the military shield which protects the country. The American commitment is firm and will remain so, regardless of changes in the Congress or even in administrations. At the same time, we will support the Republic of Korea in its efforts to reduce tension with the North.

Second, we shall continue to support an open international trade system. This system is the bedrock upon which Korea's present and future prosperity depends. Korea is rich in human resources but lacks many raw materials.

The continuation of free trade between nations is clearly vital to the Republic. One need only observe the stagnation of the North Korean economy to get a good idea of how unproductive that society's go-it-alone approach to development has been. The Reagan Administration will continue to fight for the preservation of this beneficial system. But we will need help from our friends. From this perspective, the present trade negotiations between Seoul and Washington represent not an agenda of so-called American demands but rather our "request for assistance" in maintaining a dynamic and healthy international commercial system. We must pursue this effort in the face of rather strong protectionist forces in the United States and elsewhere that threaten our mutually beneficial trade.

Finally, the United States will continue to encourage all sides in Korea to work together to create a new political framework. The United States wholeheartedly supports the important process of constitutional and legislative reform as the means to this end. In that process, we will provide positive support, not interference. We do not and shall not support any particular proposal by any Korean political party; but we shall continue to urge accommodation, compromise, and consensus. Both sides have made eloquent arguments concerning the virtues of their respective ideas. It is for Koreans, not outsiders, to decide what institutions and mechanisms best fit their country's needs. We urge all sides to sit down and work together toward constructive proposals.

Conclusion

Citizens of the Republic of Korea have a historic opportunity to create with their own hands new political forms to match the vitality of their economy and society. Clearly, old patterns no longer suffice. Equally clearly, creating new ones will require courage and self-sacrifice on the part of the statesmen who undertake the task. We Americans are fully behind the Korean people in this tremendously important effort to create a new political system with the vitality and solid popular support to carry their country successfully into the next century. ■

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FOREIGN RELATIONS

No more Big Brother

Washington's clout in South Korea is less than believed

By John McBeth in Seoul

One of the most intriguing insights into the push and shove world of South Korean politics is the way local commentators view US influence on their internal affairs, highlighted as the debate has been by some recent highly publicised remarks from Assistant Secretary of State Gaston Sigur and the scrutiny that attends the activities of new US Ambassador James Lilley.

It almost seems as if the South Korean press and a large section of the population are convinced Washington has a sleeve full of trump cards which it could use at any time to break the prolonged stalemate here over constitutional reform and what government blueprint should be adopted after President Chun Doo Hwan steps down in 1988.

Much of this attitude is natural enough, given the US role in the Korean War, the 40,000 American servicemen who remain in South Korea to underwrite the country's security and the fact that the US is the country's largest trading partner. Middle-class South Koreans take comfort from the US presence and still appear to look on the US ambassador as something of a pro-consul, imbued with an authority that strangely does not seem to offend any



Lho: moderate veneer.

inherently nationalistic feelings about South Korean sovereignty.

This same generally benign, even expectant attitude does not extend to economic matters. With a trade imbalance running at 2:1 in Seoul's favour, US pressure on South Korea to open its markets and to adjust its exchange rate

Tunnel 'vision': page 24

has met with nationalistic indignation and only a marginal government response. All this hardly tends to support the sort of dependency theories still circulating in South Korean universities — or lend weight to arguments that "big brother" always gets his way.

On top of this has been the intensity of recent anti-American sentiment. Sparked by the perceived US role in the 1980 Kwangju uprising and carried on by newly emergent extremist elements, these feelings may spread as a Democrat-dominated US Congress forges the sort of restrictive trade legislation which could raise the ire of mainstream South Korean society.

Some South Korean politicians agree that the public's perception of US influence is exaggerated, fuelled as it is by historic experience and by what they characterise as a phobia over CIA activity. "Koreans have a sort of inferiority complex, so they believe the US has a strong influence over our military," an opposition New Korea Democratic Party (NKDP) legislator said, "but frankly, I don't think the Young Turks in the military are so maleable."

Classes 16, 17 and 18 of the Korea Military Academy, who comprise the so-called Young Turks, may have done advanced training in the US or seen action in Vietnam, but as the experience in other parts of Asia has shown, this does not necessarily put them in Washington's pocket. The Young Turks include brigadiers, major-generals and lieutenant-generals who hold 50% of the divisional commands — including

Eye on the sky

Military planners look at new fighters

When the St Louis-based McDonnell Douglas Corp. opened an office in Seoul last December to oversee what it said were its growing interests in South Korea, it omitted to mention that it already had something to get its teeth into: the South Korean air force is in the market for the company's twin-engine F/A18A Hornet multi-role strike aircraft, now in service in Australia, Spain and Canada.

South Korean interest in the costly F/A18s has caused some surprise because it is currently taking delivery of 36 American-made General Dynamics F16 fighters, which will assume a frontline strike role from four squadrons of ageing McDonnell Douglas F4D/E Phantoms. But it is understood that air force planners like the Hornet for its FX lead-on programme because of its all-weather, head-on attack capabilities and possibly its ability to launch from short runways.

Fifteen F/A18 squadrons have entered service with the US Marine Corps and Navy since the aircraft became operational in 1983, including two aboard the aircraft carrier USS Constellation. A second carrier, the USS Midway, recently underwent refurbishment for F/A18 flight operations, defence sources said.

Spain is taking delivery of 72 F/A18s, Canada has received more than half of its 138-unit order and Australia will have its full complement of 75 aircraft in service by 1990. Sources said Singapore is now considering whether to change its F16 order to F/A18s, apparently because it sees the advantage of a two-engine fighter for an air force that operates

largely over water. In addition, the F/A18 is technologically more advanced.

The South Korean air force has now received 10 of its 36 F16C and D variants, the most up-to-date of the F16 series, with the last four to be delivered to its Taegu airbase in late 1989. The US Air Force's Kunsan-based 8th Tactical Fighter Wing, which formerly flew Vietnam War missions from Thailand under its familiar Wolfpack designation, is already equipped with 48 F16s.

Although the F/A18s are suited for both air-to-air combat and ground attack, some defence experts independent of General Dynamics believe the air force would be better served by choosing the F16 in its plan to purchase a further 120 frontline jets and looking elsewhere for a cheaper, more specialised close-support aircraft. The latter role is currently filled by 18 squadrons of F5 fighters, which have a limited combat range and lack staying power over an area of conflict.

A decision on whether the South Koreans will go for the F/A18s or add to its F16 fleet is expected in about six months but, whatever deal is worked out, it is expected to involve another 36 aircraft. Meanwhile, tight-lipped McDonnell Douglas executives are working on what has been described as an extremely attractive package under which the F/A18s would be assembled at the Kimhae aerospace facility near the southern port of Pusan.

Although the F/A18 is more expensive than the F16, local assembly and other price complexities probably make costing academic. When the Australians negotiated their contract in 1981, the price tag for the 75 jets was US\$2.2 billion, or roughly US\$30 million an aircraft with spare parts, training and a flight simulator as part of the package.

Well placed sources said the Kimhae facility, run by a

the two attached to the Capital Defence Command. More important, Class 17 provided the muscle for Chun's 1980 power-grab.

Western diplomats feel South Koreans have generally failed to recognise how the US-South Korean relationship has changed, in keeping with Seoul's rapid march towards industrialisation and a related assertiveness in its dealings with the outside world. "[South] Korean army officers have become much more professional and capable and are growing increasingly self-confident as a result — perhaps to the point of arrogance," a diplomat said. A senior Western military source added: "The [South] Koreans are not stooges of the Americans any more."

Important as well is the inevitable linkage drawn between political stability and the external threat posed by North Korea. While South Korea's leaders often use that to justify authoritarian controls and their paranoia of leftist sentiment, the US is caught in the familiar position of having to balance its desire for a more representative South Korean Government against security on the peninsula and its own strategic interests.

A senior South Korean official, with an intimate knowledge of Blue House workings, said that while he believes the US can influence some internal events, evidenced by former ambassador Richard Walker's role in blocking the government's controversial 1986 campus-stabilisation proposal (REVIEW, 29 Aug. '85) he does not feel it has

the leverage to act decisively on crucial issues during periods of change.

"The process of change will not be influenced by what the US says," a Western ambassador said. "It will be influenced by [South] Koreans, by rising prices, by their friends being beaten up by police, or by other Koreans getting rich and spending their money lavishly." And the US ambassador? "Lilley doesn't go to the Blue House and slam his fist on the table," he said. "If he did that, he would probably be carried out of the room."

Where the ambassador could probably put his government's feelings more forcefully is during less formal meetings with Prime Minister Lho Shin Yong, a former career diplomat with an outward veneer of moderation whose dexterity is not always appreciated by South Korea's Foreign Ministry. Similar channels can probably also be found between straight-talking Combined US-Korea Forces commander Gen. William Liv-

sey and his South Korean counterparts.

Seoul would clearly fear a US threat to withdraw its troops from the peninsula and abrogate its 1954 mutual-defence agreement with the South Koreans. But while that is hardly likely to happen at this point — if only because South Korea is a valued link in Washington's western Pacific defences — Seoul has not been idle in modernising its forces and building up a self-sufficient defence industry.

At the semi-official Ilhae Institute, an industry-funded think-tank, work is proceeding on a strategic study examining projections of what South Korea will look like in the year 2000 — apparently predicated on the absence of a US military presence.

Despite a succession of resolutions in the US Congress condemning the recent torture-death of a South Korean university student by police interrogators, officials in Seoul do not appear to believe that human-rights violations and US complaints about Seoul's labour

subsidiary of the Hanjin Group-owned Korean Air, is now almost idle after completing assembly of 68 F5E and F fighters, and about 120 of the air force's 190 McDonnell Douglas 500MD light helicopters. The latter deal was completed by the California-based Hughes Helicopters, which was taken over by McDonnell Douglas in 1984 at about the same time US authorities discovered 87 commercial versions of the helicopters had been diverted to North Korea without the company's knowledge (REVIEW, 26 Feb.).

McDonnell Douglas has refused to comment on reports that the South Koreans may be ready to order a further 55 of the seven-man helicopters. Although the North Korean diversion gave the South a security problem because of the possibility that the North could disguise its 500MDs as South Korean aircraft, Seoul still wants the helicopters largely because they serve as efficient platforms for tank-killing TOW missiles. Troop-carrying helicopters are not seen to have the same priority because South Korean forces along the demilitarised zone would fight from prepared defences.

Apart from the Hanjin Group, South Korea's other major corporations are getting a slice of the contractual defence pie as well. Daewoo is building F16 fuselages for General Dynamics under provisions of the deal attached to the air force purchase. And Samsung Precision Industries includes about 40% local content in its assembly of the F5s' General Electric J85 engine at its facility in the sprawling Changwon industrial complex, west of Kimhae.

McDonnell Douglas corporate vice-chairman James



South Korean and US soldiers: dependency theories.

McDonnell singled out Samsung when he told a news conference last December that his firm was "aggressively" sounding out South Korean companies to produce major aircraft parts and components. There have been reports that Samsung may soon begin overhauling the US Air Force's Pacific-based McDonnell Douglas F15 fighters. Much of the US in-country fleet — which also includes two squadrons of Phantoms, a squadron of OV10 Bronco forward air controllers and 24 A10 Thunderbolt tank-killers — already receive base maintenance at Taegu.

The aerospace component is only part of South Korea's defence industry, which has grown up along the southern coast since the mid-1970s. Benefiting as they have from US grant aid and foreign military sales (FMS) credits, the South Koreans set about building up their self-sufficiency to a point where they are now making foreign-exchange savings — and exporting their own locally manufactured arms and ammunition.

The US suspended its FMS programme to South Korea this year, saying it would be unable to extend a US\$230 million loan which had originally been proposed by the Reagan administration. The suspension was ordered as part of an overall cutback in Washington's 1987 foreign-aid budget and also in light of South Korea's strong economic performance last year, which left it with a US\$4.65 billion trade surplus.

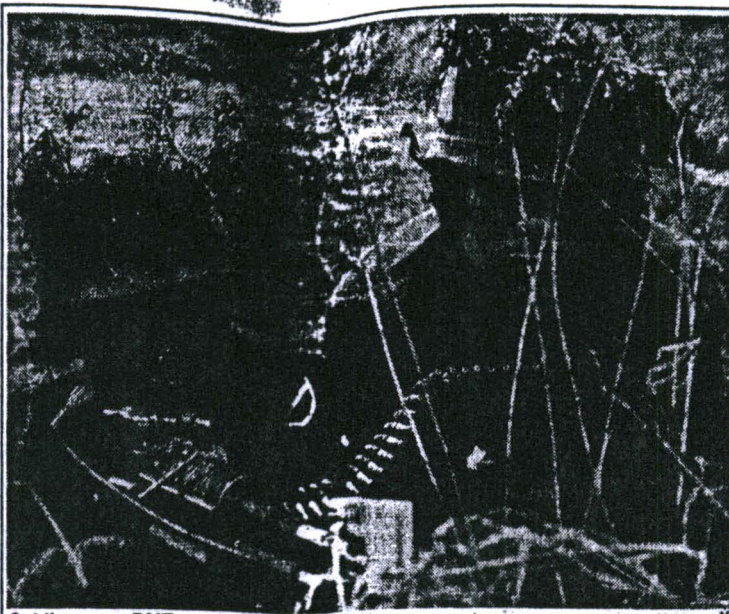
— John McBeth

policies will invite harsher trade sanctions from Washington than those already expected. Instead, they have taken comfort in US Treasury Secretary James Baker's recent senate testimony that, unlike Japan and Taiwan with their bulging foreign-exchange reserves, South Korea's US\$44.5 billion debt qualifies it for special-case status.

Still, the US is clearly exerting a great deal more effort to find a solution to the current political impasse. South Koreans read much into the fact that Walker ignored dissident leader Kim Dae Jung and met only once with Kim's political twin, Kim Young Sam, during his five-year term. Confucian thinking brushes aside the fact that Walker's political staff had close contacts with both Kim's. It was Walker himself who counted in the eyes of most people here, and as far as opposition critics were concerned he was sending a clear signal of the US position — even if his own positive views about Kim Dae Jung, in particular, were well known.

Under these circumstances, it is little wonder that Lilley has been subject to an intense media stakeout, magnified by his recent back-to-back meetings with NKDP president Lee Min Woo and party special adviser Kim Young Sam. Lilley's ambassadorial appointment had attracted more than the usual attention because of his extensive CIA background and the reputation he has as a reflective, politically wise professional. And if South Koreans wanted something else to wink at, it is the seniority of the CIA's Seoul station staff.

South Koreans are now watching to see if the ambassador meets Kim Dae Jung, who is officially banned from taking an active part in politics. Lilley said



Soldiers on a DMZ exercise: brinkmanship.

not long after his arrival that he planned to talk to all figures in the political spectrum. A suggestion government authorities could not have been happy about. Kim has sent a letter to Lilley proposing a meeting, but he has yet to get a response.

A part from Lilley's activities, perhaps the best illustration of US sentiment and South Korean reaction was Sigur's 6 February speech in New York, in which he linked political reform in the country to US-South Korean relations. Sigur said: "It is essential for the future of the Republic of Korea, and for the future of our bilateral relations, that any new constitution and the laws which support representative government create a more open and legitimate political system."

The speech caused such a stir in Seoul's political and business circles that the ripples are still being felt. South Korean Foreign Affairs Vice-Minister Park Soe Gil, however, did not see it as an intervention in internal affairs. "The US is concerned about our security so we take what he says as friendly ad-

vice," he said. "We do not see it as a change in US policy." Nevertheless, many prominent South Koreans interpret Sigur's address to the US-Korea Society as an attempt by the Reagan administration to distance itself from the Chun government.

Some Seoul-based diplomats are not so sure about the emphasis South Korean observers place on Sigur's call for the "civilianising" of the government in Seoul. "All he appeared to be doing was making the basic Western statement on democratic theory," a senior envoy said. "That got a lot of attention because the opposition sees advantages in it — even if there is an element of wishful thinking. For Kim Dae Jung, the most important role the US could play would be to neutralise the military."

Chun's military background aside, government officials are quick to point out that the 22-man South Korean cabinet contains only three retired generals — Defence Minister Lee Ki Baek, Home Minister Chung Ho Yong and Transportation Minister Cha Kyu Hon.

Unlike some other Asian countries, where serving military officers are openly involved in political life, South Korea's secretive army officers have a tradition of keeping very much in the background.

What Sigur underlined was US frustration with the inability of South Koreans to compromise — an art in Buddhist countries, but decidedly a weakness in the Confucian South Korean context. "Although political differences must be played out, most outside observers are concerned that to date there seems to have been more argument than real discussion and, as a consequence, more rhetoric than results," he said.

Tunnel 'vision'

Sensors are placed on DMZ to pinpoint Pyongyang's digging

American and South Korean military technicians have completed installation of a string of sensors along the 248-km-long DMZ which will soon be capable of pinpointing continuing North Korean tunnel operations with such a degree of accuracy it may eliminate underground infiltration as a viable communist strategy.

Linked to a central computer, the 300 sensors are buried about 20 m below the surface of the ground and are spaced in a pattern that will allow technicians to

plot the source of subsurface activity. Up to now, detection crews have only been able to tell where tunnelling is going on to within a kilometre and have had problems with sound interference on the surface.

Little else is known about the system, but it is understood the sensors still have to be properly surveyed-in — the crucial element in ensuring the accuracy of triangulation measurements. A source said once that has been accomplished, the North Koreans "won't

be able to put a spade in the ground without us knowing about it." The measurements are calculated on the time-delay each sensor in a given area picks up a sound travelling from a single source through the dense granite formations that make up the DMZ's underlying geology.

South Korea and its allies have evidence that work is proceeding on up to 17 tunnels, some of which penetrate 200 m beneath the surface. Sources said that apart from trying to maintain secrecy, the North Koreans may have gone down that far with the intention of trying to tunnel under waterways or underground rivers.

Recent reports indicate the tunnel-

Sigur could probably not have put it better. The ruling Democratic Justice Party (DJP) is adamant that it wants to replace the current electoral-college system with a modified Westminster-style system, where the head of state is elected by parliament, after Chun steps down. The NKDP refuses to budge from its call for direct presidential elections, the only chance it sees of gaining power, and claims that under a DJP proposal, Chun will merely continue to pull the strings from behind the scenes.

But if the weakly structured NKDP finds itself stymied by an administration prepared to deploy all the instruments of state to stay in power, the DJP is also in a dilemma. As things stand now, it must have a consensus to ensure the sort of legitimacy Sigur refers to. By either sticking to the current constitution or unilaterally pushing its proposed blueprint through the national assembly, it may be sowing the seeds of perhaps a much more serious political crisis as it prepares for the 1988 Olympic Games.

Washington claims it is not supporting one side or the other, and is outwardly perplexed at the sort of attention and speculation that has attended recent developments. One case in point was Lee Min Woo's recent offer to consider the DJP's formula in exchange for seven basic reform measures — a move quickly aborted by the two Kims and which most South Korean commentators are convinced was cooked up by Washington.

Although the same quid pro quo formula was in fact mentioned to a REVIEW correspondent by a ranking US State Department official in mid-1985, US officials strongly deny they were behind the overture. "People are coming up with all sorts of conspiratorial theories, but all he [Lilley] is doing is reiterating US policy," a US Embassy spokesman said. "It's their country. They've got to do their own thing."

What that is can best be described as brinkmanship. And right now, the uncompromising South Korean politicians are hanging by their fingertips.

They have been using chemical rock-fracturing agents in their efforts to avoid detection. Three tunnels uncovered by UN forces in the 1970s were all dug with drills and hand tools, and varied in depth from 50 m to 160 m, extending up to 1.2 km south of the demarcation line running through the centre of the DMZ. The new sensing equipment indicates the development of technology previously unavailable to the 500-man tunnel-detection force. But it does not come as a surprise. US defence and other government agencies, working in collaboration with industrial and academic experts, have spent years seeking a way to home in accurately on tunnel-work sites. — John McBeth

DEFENCE

Self-reliant security

New Zealand announces new, post Anzus-rift policy

By David Barber in Wellington

Two-and-a-half years after New Zealand's Labour government came to power with uncompromising anti-nuclear policies which provoked the withdrawal of three decades of American protection under the Anzus umbrella, it has finally produced an independent defence strategy. The White Paper on Defence, tabled in parliament on 26 February, spells out the job ahead for a small remote country in preserving its security outside the superpower alliance.

It defines New Zealand's area of direct strategic concern as ranging from Antarctica in the south to Kiribati on the Equator and from Western Australia to the Cook Islands in the east — some 16% of the globe. In addition, New Zealand has an exclusive economic zone of 1.4 million square nautical miles — one of the world's largest.

With total military forces of only 13,000 and a less than booming economy, New Zealand clearly cannot go it alone. And, for the record, the white paper reaffirms the government's rejection of armed or unarmed neutrality, non-alignment or an isolationist defence policy as viable options. It said New Zealand remained committed to the Western alliance, but saw its role as helping to promote collective security in its own region.

It pledged continued membership of Anzus through conventional, non-nuclear means, and the Five-Power Defence Arrangement, linking New Zealand, Britain and Australia with Singapore and Malaysia — despite the already announced pull-out of New Zealand's 740 troops from Singapore by the end of 1989 (REVIEW, 8 Jan.).

The key to the new strategy is what the government calls "a greater self-reliance for our armed forces with the capacity to operate independently." Self-reliance does not mean self-sufficiency, it adds, stressing close cooperation with Australia while disavowing any thoughts of a dependent relationship. The white paper puts the focus of New Zealand's future defence on the South Pacific region, formally marking the end of traditional forward-defence thinking which saw New Zealand troops fight in two world wars, Korea, Malaya and Vietnam.

Prime Minister David Lange described it as the most fundamental change in defence policy since World War II, adding: "It's time to break the shackles of thought that have tied our defence needs to those of distant countries. It's time to put New Zealand's interests first in the context of the South Pacific region."

In fact, the long-awaited document contained little that was new. The thrust of the policy and most of the details had already been spelled out during debate over the anti-nuclear stance which led the US to declare the Anzus treaty inoperative.

The white paper acknowledged that Washington's withdrawal of military co-operation and intelligence, in retaliation to the anti-nuclear policy, had hurt

New Zealand's armed forces and, together with the drive for greater self-reliance, would involve additional defence spending.

Lange said the government did not plan to increase the current level of defence expenditure, at just over NZ\$1 billion (US\$555.6 million) — about 2% of gross domestic product. He said additional costs would have to be met, but some could be offset by savings

the Singapore withdrawal, axing of some planned capital equipment purchases and the possible disposal of some redundant military bases on prime land.

The government had already announced the purchase of an oil tanker and a supply ship for the navy, new rifles and field guns for the army and NZ\$140 million to upgrade the air force's Skyhawks.

Lange pledged the retention of a blue-water navy and the replacement of the current four Leander class of frigates in the 1990s with vessels better suited to Pacific Ocean conditions.

The white paper was attacked as anodyne and lacking in specifics by opponents of the government's policies, who hanker for the old days of Anzus protection and said New Zealand now had a reduced defence capability at a much higher, and as yet unspecified, cost.

Zone of denial: page 26



Lange: shackles.

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Korean Politics in Transition



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is an address by Gaston J. Sigur, Jr., Assistant Secretary for East Asian and Pacific Affairs, before the U.S.-Korea Society, New York City, February 6, 1987.

I'm delighted to be here with you today. I've been looking forward to meeting with the U.S.-Korea Society for several months. With scheduling the way it is in our bureau, it often is easier to get to Seoul than to New York. I've had the opportunity to visit the Republic of Korea frequently over the past several years, most recently last November, when I talked with President Chun, Prime Minister Lho, Foreign Minister Choi, and DJP [Democratic Justice Party] leader Rho, as well as NKDP [New Korea Democratic Party] leader Lee and other opposition party leaders. These visits have provided useful insight into the complex political process evolving there, a process which will influence the security and general well-being of the Korean people for generations to come.

Next month, I expect to return to Seoul with the Secretary of State for a brief visit following our mission to China. It will be a good opportunity to gain, first hand, an update on political and security conditions. In the meantime, I want to take this opportunity today to share with you our government's observations on the domestic political process underway in Seoul.

Facing the Challenges

In the past few decades, the Republic of Korea has created a dynamic economic system and is now in the process of creating an equally dynamic political system to carry the nation into the next century. This task is being undertaken amid unique circumstances. The Republic of Korea faces a determined and well-armed foe, committed to reunification of the peninsula on its own terms by whatever means are necessary. South Korea also faces the stresses and strains of industrialization, which developed over a period of generations in the West but which is taking place almost overnight in Korea. In these circumstances, the new political system now debated in Seoul must provide security and dynamism for the continued parallel development of economic, social, and political institutions.

Few countries face as direct and sustained a threat to their very existence as does the Republic of Korea. Over the past 40 years, North Korea's Kim Il Sung has tried virtually every tool available—from all-out war to assassination to “peace offensives”—to destroy or eclipse the Republic. As everyone in this room is well aware, the cost of these misbegotten policies has been tremendous for Koreans, both north and south.

The Korean war exacted a terrible toll in human suffering, and its repercussions are still evident. Today, a band of steel still stretches across Korea's beautiful mountains and rivers from one sea to the other. In the past few decades, the North has doubled the size

of its armed forces and increased its weaponry with vast assistance from the Soviet Union. The threat to South Korea is still very real.

During the same period the South, with U.S. support, has made steady progress toward modernization of its defensive capabilities. The improvements have been largely in equipment and training, neither of which come cheap. South Korea has been devoting some 6% of its gross national product to this effort. Furthermore, this significant investment is being made at the same time that the Republic of Korea has been undertaking one of the world's most impressive programs of economic development and industrialization.

Strong Economic Base

Korea is one of the nations to which the term “newly industrializing country” is aptly applied. Over the past 5 years, the Republic of Korea has maintained an average annual economic growth rate of over 8%, following an earlier decade of equally impressive economic development.

During this time South Korea moved from being a recipient of U.S. aid to America's seventh largest trading partner. Today, the United States has more trade with South Korea than with many of our traditional European trading partners. In 1986, total bilateral trade was some \$19 billion. The United States is South Korea's single biggest market, buying \$13-billion worth of Korean products. Footwear and apparel top U.S.

imports from Korea, but Americans have also become very fond of Korean-made electronic products, from TVs to microwave ovens and small computers. Furthermore, Korean firms have been moving into new areas as well—witness the increasing number of sharp Hyundai automobiles on American roads.

It bears emphasizing that the Republic of Korea is also a major market for U.S. goods and services. The South purchased about \$6-billion worth of American goods, services, and agricultural products in 1986.

Economic success has changed South Korean society in fundamental ways. In 1960, the average per capita gross national product was \$100. Today, it is over \$2,000. In 1975, almost one-third of all South Koreans were engaged in agriculture. Today, that proportion is down to one-fifth. Koreans have moved rapidly to their cities; over half now live in urban areas. Seoul alone accounts for one-quarter of the population.

South Koreans, whose drive for learning is an enviable national characteristic, are better educated than ever before. Today, 98%—one of the world's highest percentages—are literate. Korean colleges and universities enroll more than 1 million students. Korean mothers tell their high school student children that they must study long and hard: "Five hours sleep a night means success; six hours means failure."

New Stresses

The Republic of Korea faces new stresses in many sectors of its society, which will require a political system capable of building consensus through discussion and compromise. On the economic side, South Korea faces many new challenges as it moves into industries based on more sophisticated technologies. Firms like Gold Star, Samsung, and Daewoo are, for example, already producing integrated circuits and computers. At the same time, Koreans realize they must accept certain responsibilities, such as more open markets, commensurate with their new role as an international trader of some consequence. South Korea has earned full membership on the team. With that full membership comes the obligation to help maintain the free trading system from which it has benefited so greatly. Naturally, such profound changes in economic behavior in such a short time are difficult, but they must be accomplished.

Korean society faces a wide range of other challenges deriving from industrialization. Success in meeting these challenges will require a creative,

responsive political system. Seoul needs to decide, for example, on the appropriate amounts of national resources to invest in social capital—schools, medical facilities, and so forth—and how to continue to assure equitable distribution of the benefits of economic success. As the work force becomes more sophisticated, Korea has also to deal with the difficult problems of workers' rights, including safety and labor organizations and the role of unions. Koreans are beginning to address such complex issues. Last year, the National Assembly passed new legislation that permits national labor organizations to participate in individual labor actions. Another effort has begun to establish minimum wages. These issues will not be solved overnight. A more open political system will be a critical part of the solution.

The Move Toward Political Maturity

Everyone understands the fundamental linkage between a nation's domestic political maturity and its general security. The two elements are mutually dependent. The Republic of Korea's security relies as much upon responsive political institutions that promote the aspirations of its people as upon the mighty military capability it possesses. By the same token, of course, political transition must proceed at a pace consistent with harmony and stability. Secretary of State Shultz has pointed out that transitions toward greater democracy are "often complex and delicate, and . . . can only come about in a way consistent with a country's history, culture, and political realities." We recognize that.

At present, there appears to be a general consensus among South Koreans of various political persuasions that domestic political practices up to now—however well suited they may have been for a simpler, slower moving past—simply are inadequate to meet Korea's complex present and future needs.

First, there is the problem of the peaceful transfer of power from one leader to the next. President Chun Doo Hwan himself has pointed out that the country cannot afford long periods of one-man rule ending in violence and confrontation. Koreans also face the challenge of permanently "civilianizing" their politics—of calling upon the full range of their talent resources to lead an increasingly complex economy and society.

The Korean military has played an important role in various aspects of the

Republic's recent development. But Seoul is now moving into a new era. After the destruction of much of the civilian sector by the Korean war, Korea's military men were a significant group among the relatively small number with experience in administering large, modern organizations. Today, however, many South Koreans have a wealth of experience and have operated successfully in a wide variety of fields to ensure progress in a modern society. Korea's industry and business compete aggressively and impressively on the world stage. Its universities produce world-class scholars.

In addition, new technologies have thrust greater complexities into modern defense efforts. Today's soldier lives in a new era in which Korea's national security demands his full-time concentration and energy to accomplish his vital primary mission: mastering the skills needed for the defense of his country.

Laudable Initiative

President Chun has recognized these trends and moved to implement the changes in the Republic of Korea's political institutions necessary to meet the demands of the next century. He has pledged to break the historical cycle of succession, instability, and uncertainty by peacefully transferring power at the end of his term in February 1988. The President has made a historic commitment toward greater democratization in South Korea: he has said that he will be the first major Korean president to retire from office peacefully, in order to set the pattern for future Korean leaders. He will join a pool of retired statesmen, no longer active in politics, whose counsel and advice will be a valuable national resource. It is now the task of the Korean people to establish a system which will ensure that such peaceful transfers of power continue into the future.

President Chun deserves credit for his promise, and history will praise his service to the nation by making good on it. In keeping this pledge, he also thrusts obligations on all his compatriots: to support a peaceful process while eschewing violence and to deal responsibly with the new phenomenon of a once-powerful president who has retired.

President Chun, the Democratic Justice Party, and the New Korea Democratic Party all deserve credit as well for recognizing the need for and starting the process of constitutional revision. Although political differences must be played out, most outside observers are concerned that, to date, there seems to have been more argument than real discussion and—as a

consequence—more rhetoric than results. It is essential for the future of the Republic of Korea, and for the future of our bilateral relations, that any new constitution, and the laws which support representative government, create a more open and legitimate political system.

A Consensus Process

History demonstrates that to be durable, constitutions must be carefully constructed. They emerge from compromise and consensus among the major political players, not from violence, abuse of physical force, or obstinate confrontation. Lasting constitutions encompass broad principles, such as free and fair elections in an open atmosphere. Agreeing on such principles requires that people work together for the future, putting aside personal ambitions and past accusations and grievances. Put another way, any new system must enlist the constructive energies of all South Koreans, emulating the way that economic development has brought together people of divergent backgrounds and used the talents of every man and woman.

Only if it is created through a consensus process can South Korea's evolving political system have the dynamism and the durability to prosper into the next century. Only in this way will it have the firm support of Korea's people, support which is vital if Korea is to break the tragic cycle of unexpected and violent changes of government. Only popular support can give the stability which the Republic of Korea needs to meet the challenges to its national and its economic security in the future.

The task is not an easy one, but Koreans know the time is ripe for beginning.

First, the combined South Korean and UN Command forces present a formidable shield behind which the process of political change can take place.

Second, the Korean economy did well last year. The Republic of Korea had a surplus in its current accounts for the first time, and this year also promises to be a good one.

Third, and perhaps most importantly, Koreans want change. They are better educated than ever before and have a new self-confidence—a "can-do" attitude—after their success in developing their country's economic strength.

The Republic of Korea's political leaders have committed themselves to a new course. President Chun has pledged to transfer power peacefully and has started the process of constitutional revision. The other major political actors on

both sides are men who know from their own experience the consequences if this chance is missed. They lived through the horrors of the Korean war and past political traumas amidst uncertainty and violence. They know that an orderly system for changing governments is a necessity for their country's security and prosperity. In the hurly-burly of day-to-day political activity, it is easy to lose sight of the big picture; but these men have the breadth of mind to pause and reflect and act constructively, not for narrow partisan interest but for their country.

Regardless of what specific governmental system emerges from the current debate, it surely must reflect elements of openness, fairness, and legitimacy. We would hope for further innovative proposals from participants in this process, proposals which statesmen in both the majority and minority parties will consider with open minds and an eye toward necessary compromise. Innovative ideas can serve as an agenda to move the revision process out of the morass into which it has fallen.

The 1988 Olympics will give South Koreans a chance to show off the results of their hard work to the world. Their country has certainly become a model of economic development, and many nations will be justly impressed. The time remaining before the games also gives South Koreans the opportunity to construct the kind of political institutions, the kind of political model, that they would like the world to see.

Offer Our Support

South Koreans developed their economic system step by step and by their own hard work. They will build a new political system in the same way. The United States can and will support this effort as it did economic development, without interfering in domestic affairs. We shall do so in a number of ways.

First, the United States will continue to work with the Republic of Korea's Armed Forces to maintain and strengthen the military shield which protects the country. The American commitment is firm and will remain so, regardless of changes in the Congress or even in administrations. At the same time, we will support the Republic of Korea in its efforts to reduce tension with the North.

Second, we shall continue to support an open international trade system. This system is the bedrock upon which Korea's present and future prosperity depends. Korea is rich in human resources but lacks many raw materials.

The continuation of free trade between nations is clearly vital to the Republic. One need only observe the stagnation of the North Korean economy to get a good idea of how unproductive that society's go-it-alone approach to development has been. The Reagan Administration will continue to fight for the preservation of this beneficial system. But we will need help from our friends. From this perspective, the present trade negotiations between Seoul and Washington represent not an agenda of so-called American demands but rather our "request for assistance" in maintaining a dynamic and healthy international commercial system. We must pursue this effort in the face of rather strong protectionist forces in the United States and elsewhere that threaten our mutually beneficial trade.

Finally, the United States will continue to encourage all sides in Korea to work together to create a new political framework. The United States wholeheartedly supports the important process of constitutional and legislative reform as the means to this end. In that process, we will provide positive support, not interference. We do not and shall not support any particular proposal by any Korean political party; but we shall continue to urge accommodation, compromise, and consensus. Both sides have made eloquent arguments concerning the virtues of their respective ideas. It is for Koreans, not outsiders, to decide what institutions and mechanisms best fit their country's needs. We urge all sides to sit down and work together toward constructive proposals.

Conclusion

Citizens of the Republic of Korea have a historic opportunity to create with their own hands new political forms to match the vitality of their economy and society. Clearly, old patterns no longer suffice. Equally clearly, creating new ones will require courage and self-sacrifice on the part of the statesmen who undertake the task. We Americans are fully behind the Korean people in this tremendously important effort to create a new political system with the vitality and solid popular support to carry their country successfully into the next century. ■

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THE WHITE HOUSE
WASHINGTON

March 18, 1987

Dear Jay:

I enjoyed the chance to have lunch with you.

Enclosed is a short list of Korean political figures who you may have occasion to meet during your visit. No doubt you will not see them all, and I recommend Ambassador Jim Lilley's judgment as to which may be best. However, the enclosure can provide a little program for identifying those to whom you are introduced.

Sincerely,

1/2 Frank

Frank C. Carlucci

*Lee Min Woo is the one
we discussed.*

The Honorable John D. Rockefeller, IV
United States Senate
Washington, D.C. 20510

Enclosure

*Not a letter
but a memo
to the
Ambassador
in my report.*

Informal Notes: Some Leading Korean Political Figures

Democratic Justice Party (Government)

Roh (sometimes pronounced "No") Tae Woo.
Party leader; possible presidential successor. Retired general; classmate of President Chun; influential in 1980 coup. Sometimes shows independence of President, however. Brought Olympics to Korea.

Lee Chong Chan
Moderate member of National Assembly; former military officer and diplomat; articulate.

New Korea Democratic Party

Lee Min Woo
Party President. Veteran moderate politician without national leadership pretensions. Rebuked by Kim's (party faction leaders) for suggested constitutional compromise.

Kim Dae Jung
Leader of large (approximately 35%) faction in NKDP. Presidential candidate 1971; long leading oppositionist. In United States 1981-1985. Under court restrictions for political activity.

Kim Yong Sam
Leader of other large NKDP faction. Has less appeal to radical elements than Kim Dae Jung. May be willing to accept constitutional compromise, but has made no commitment.

Korea National Party

Lee Man Sup
Veteran skilled politician and leader of third party (10-15% strength). Valuable as experienced and articulate commentator and representative of moderate opposition.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

March 18, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: JAMES A. KELLY 

SUBJECT: Senator Rockefeller's Visit to Korea

Per your request, I have put together a small attachment that provides a short roster of government and opposition politicians in Korea whom Senator Rockefeller may see.

RECOMMENDATION:

That you sign the letter to Senator Rockefeller at Tab I.

Approve _____ Disapprove _____

Attachment:

Tab I Carlucci ltr to Rockefeller w/attachment

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Leader of large (approximately 35%) faction in NKDP. Presidential candidate 1971; long leading oppositionist. In United States 1981-1985. Under court restrictions for political activity.

Kim Yong Sam
Leader of other large NKDP faction. Has less appeal to radical elements than Kim Dae Jung. May be willing to accept constitutional compromise, but has made no commitment.

Korea National Party

Lee Man Sup
Veteran skilled politician and leader of third party (10-15% strength). Valuable as experienced and articulate commentator and representative of moderate opposition.

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83545	CABLE SEOUL 03341	1	3/23/1987	B1

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83546	CABLE	1	3/30/1987	B1
	301040Z MAR 87			B3

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83547	CABLE SEOUL 03671	1	3/30/1987	B1

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

UNCLASSIFIED *wt*
~~CONFIDENTIAL ATTACHMENT~~

March 30, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: JAMES A. KELLY *JK*

SUBJECT: Your March 31, 1:30 p.m. Meeting with Richard V.
Allen: Korea

Suggested talking points and background material are provided for
your discussion on Korea with Dick Allen.

RECOMMENDATION:

That you use the attached talking points (Tab A).

Approve _____ Disapprove _____

Attachments:

Tab A Talking points & background note

UNCLASSIFIED *wt*
~~CONFIDENTIAL ATTACHMENT~~

RW
1-27-10

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83548	PAPER RE. KOREA	2	ND	B1

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83549	PAPER RE. KOREA	1	3/31/1987	B1 B3

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83550	PAPER RE. KOREA [ATTACHED TO DOC. 83549; PG. 3]	1	3/31/1987	B1 B3

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 2, 1987

ACTION

MEMORANDUM FOR GRANT S. GREEN, JR.

FROM: JAMES A. KELLY *jak*

SUBJECT: Schedule Proposal: Courtesy Call on President by
the Republic of Korea Minister of National Defense

Secretary Weinberger has recommended a courtesy call on the President by his Korean counterpart, Minister Lee Ki Baek. Mr. Carlucci, in a r/s note, supports the idea, even to the point of using 10 minutes of his time.

Paul Thompson concurs.

RECOMMENDATION:

That you forward the Schedule Proposal at Tab I to Fred Ryan.

Approve _____ Disapprove _____

Attachments:

Tab I Schedule Proposal
Tab II Weinberger memo to Carlucci

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SCHEDULE PROPOSAL

TO: FREDERICK J. RYAN, Director
Presidential Appointments and Scheduling

FROM: GRANT S. GREEN, JR.

REQUEST: Courtesy call on President Reagan by Korean Minister of National Defense Lee Ki Baek.

PURPOSE: To reaffirm our defense commitment to Korea and to afford us an opportunity to emphasize the importance of a peaceful political transition in Korea.

BACKGROUND: An annual Security Consultative Meeting is held between our Secretary of Defense and his Korean counterpart. Minister Lee Ki Baek is attending his first Washington meeting as Defense Minister. Secretary Weinberger strongly supports the call, and notes that Lee is "a great friend to the President and the U.S." In 1983, U.S. medical attention saved Lee's life after he sustained serious wounds during the North Korean terrorist bombing of the South Korean presidential delegation during a State visit to Burma.

PREVIOUS PARTICIPATION: None; the Minister was introduced to the President during the 1984 visit.

DATE AND TIME: May 6 (afternoon) or May 7 (after 3:45pm) or May 5 (after 3:00pm)

LOCATION: Oval Office

PARTICIPANTS: Minister Lee Ki Baek, Korean Ambassador Kim Kyung Won, Vice President, Chief of Staff Baker, Frank Carlucci, Caspar Weinberger, James Kelly, interpreter.

OUTLINE OF EVENTS: Courtesy call; President may present letter to President Chun.

REMARKS REQUIRED: None; talking points to be provided.

MEDIA COVERAGE: Press pool coverage.

RECOMMENDED BY: Secretary of Defense Weinberger, James A. Kelly

OPPOSED BY: None



THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

19 MAR 1987

Small

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS

SUBJECT: Courtesy Call on President Reagan by the ROK Minister
of National Defense

I would like your help in arranging a short call on President Reagan by the Minister of National Defense of the Republic of Korea, Lee Ki Baek. Minister Lee will be in Washington during May 5-7 for the annual Security Consultative Meeting. On May 8, he will address the Center for Strategic and International Studies. A short call on the President would give us a chance to reaffirm our defense commitment to Korea and afford us an opportunity to comment on our hopes for a peaceful political transition. I recommend that our staffs work together to draft a letter from the President to Chun Doo Hwan that Minister Lee could carry back to Seoul.

If you or your staff would like further details on this, please give Rich Armitage a call.

Sept


*I want the 10 men whose life was saved
by bringing them to our hospital after
the Burma Bomber attack on the Korean
Coastguard - He is a great
friend of the President & the US*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 8, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: JAMES A. KELLY 
SUBJECT: Requested Call on You by Our Ambassador to Seoul,
James Lilley.

Ambassador James Lilley will be in Washington for consultations the week of May 4, and he has requested a call on you. I strongly support his request.

You may recall that Jim Lilley was a career CIA officer who retired about 1978. He served on the NSC staff early in the Administration and later was our representative in Taipei, as well as a Deputy Assistant Secretary at State. Lilley is very close to Vice President Bush and is a solid professional in a key spot.

Since Korea is coming into its most critical period, recommend 20-30 minutes for the Ambassador to spell out how he sees things developing. I will also be meeting with Lilley at some length.

RECOMMENDATION:

That you meet with Ambassador Lilley during the week of May 4th.

Approve _____ Date: _____ Time: _____

Disapprove _____

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83551	CABLE	1	4/9/1987	B1
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file Korea 35

SH-2 HELICOPTERS FOR REPUBLIC OF KOREA

Program

- ROK requires 12 Naval helicopters to perform coastal anti-submarine warfare and anti-ship warfare from both ship and shore bases.
- Helicopters will support wartime requirements to protect maritime shipping resupplying South Korea.
- ROK budget planned through current Force Modernization Program includes ASW helicopters.
- U.S. Navy has pushed the ROK to improve organic ASW capabilities.
- ROK has requested delivery of 1st 4 helicopters within 18 months to support increased security for 1988 Olympics.

Status

- Contenders are:
 - U.K.- Westland Lynx (WG-13)
 - French - Aerospatiale Dauphine (SA-365N)
 - U.S.- Navy's Kaman Seasprite (SH-2F)
- ROK Defense Procurement Agency (DPA) expected to complete commercial negotiations early May 1987.
- ROK Navy acquisition review expected end of May 1987.
- Ministry of Defense (MND) recommendation expected June 1987.
- Final selection award expected July 1987.
- ROK MND/JCS completed technical review this past August, rating U.S. Navy SH-2 most capable; however, other contenders can marginally do job.
- U.K. Government has supported Westland proposal by allowing four U.K. Navy operational Lynx assets be sold in order to meet ROK 18 month delivery schedule.
- U. S. Navy has taken the position that ROK can have 4 SH-2 helicopters off Navy Line first part of 1988, with U.S. Navy taking delivery later.

Government Support

- White House Staff, during President Reagan's November 1984 visit, requested ROK buy U.S. Navy equipment to enhance joint forces interoperability and improve trade balance.
- Congressional support has been obtained (attached letters).
- Assistant Secretary of State for East Asia, Gaston Sigur has taken active interest during the last month and Ambassador Lilly is now starting to actively intervene.
- Secretary Baldridge reportedly raised issue with President Chun during Easter week meeting in Korea.

Decision Process

- DPA will forward recommendation to MND Staff.
- Staff will probably forward to Minister Lee a position which includes 2 contenders, U.S. and U.K.
- Defense Minister Lee probably will not make a firm recommendation/selection to President Chun. He is expected to present acceptable "Political" options. Latest read is that Lee will forward both U.K. and U.S. positions to President Chun.
- President Chun will make a purely political decision based on political IOUs etc. Program will be scoped to meet budget.

Requested Action

- Remind MOD that since this is to be a commercial sale the figures will impact on trade balance.
- More importantly make the point that the advantage of fleet interoperability with U.S./Korea assets should be of paramount importance when the Koreans select a weapon system.

NAVAL HELICOPTER COMPARISON

	Aerospatiale <u>S-365N</u>	Kaman <u>SH-2F</u>	Westland <u>WG-13</u>
Max Gross Weight (Lbs)	8,600	13,500	10,750
Useful Load (Lbs)	3,023	6,460	3,820
Length	12.11M	11.68M	11.92M
Width	3.21M	3.73M	3.75M
Height	3.99M	4.14M	3.48M
Simultaneous Mission Capability	NO	YES	NO
Marinized	NO	YES	YES
Hover Oge (Ft)	5,740	15,400	7,400
Rate of Climb (Ft/Min)	1,515	2,440	2,170
MGW Hot Day/High Altitude Power	NO	YES	NO

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83552	CABLE SEOUL 04597	4	4/20/1987	B1

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83553	CABLE SEOUL 04833 [W/NOTATION]	2	4/28/1987	B1

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