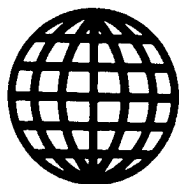


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KOREA

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EMBASSY IN PRC HOLDS PRESS CONFERENCE

SK160324 Pyongyang Domestic Service in Korean 1100 GMT 12 Aug 87

[Text] A press conference was held at our embassy in China yesterday regarding the new flexible proposal advanced by our country's Olympic Committee which is designed to break the deadlock created in the tripartite talks in Lausanne and realize a co-hosting of the 24th Olympic Games between the North and the South.

A portrait of the great leader Comrade Kim Il-song was respectfully placed on the front wall at the press conference.

Participating in the press conference were reporters from Chinese newspapers, news agencies, and broadcasting systems; functionaries in the publication and press sector; secretaries in charge of publication at the embassies of many countries in China; and correspondents. Sin In-ha, our country's ambassador to China spoke at the conference.

He first noted the delivery of a letter by the chairman of our country's Olympic Committee to the chairman of the International Olympic Committee [IOC] on 10 August--a letter containing our new proposal which shows the greatest sincerity in realizing Olympic co-hosting--and introduced the contents of the letter in detail.

He pointed out: As is manifested in the letter, this proposal of ours is a tolerant and flexible one that reflects the earnest desires to successfully hold the 24th Olympics according to the expectations of the people of the world and to the Olympic idea.

He continued: This proposal has reflected the Korean people's demand that the 24th Olympics be held in accordance with the national aspirations of the Korean nation--which, as one nation, has lived with a single history from time immemorial and has a single culture--to unify the country on the principle of independence, peace, and grand national unity.

He added: This new proposal is an expression of our earnest efforts and sincerity designed to realize the Olympic co-hosting at any cost after seeking every possibility to overcome the difficult situation created, even by largely reducing the number of sports events to be held in the northern half of the Republic.

He finally extended thanks to the governments and peoples of socialist countries, including China, and many other countries for having made great efforts to realize our co-hosting proposal while actively supporting it and expressed his firm belief that they will continue to extend their support and cooperation for it in the future.

/6662

CSO: 4110/226

TWO KIMS CALL FOR 4-WAY MEETING WITH CHON, NO

SK170551 Seoul YONHAP in English 0539 GMT 17 Aug 87

[Text] Seoul, Aug. 17 (YONHAP)--Opposition leaders Kim Yong-sam and Kim Tae-chung Monday called for a four-way meeting involving President Chon Tu-hwan, Democratic Justice Party (DJP) President No Tae-u and themselves or a party presidents' meeting to discuss major political issues facing the country.

The two Kims who head the main opposition Reunification Democratic Party (RDP) asked that Chon and No discuss the release of political detainees and their full-fledged amnesty, a halt to the search for those suspected of political offenses and an end to forced military conscription for dissident students, according to RDP spokesman Kim Tae-yong.

The spokesman said in the wake of the two Kims' exclusive bilateral meeting that they also talked about a wide range of issues concerning the selection of a single RDP presidential candidate, party policies regarding the constitutional revision talks with the ruling camp and the labor situation.

The two Kims, however, could not hammer out any decision with regard to the selection of a single presidential candidate from the RDP and the political timetable involving the timing of the national assembly elections. They decided to discuss those matters again after the eight-man political meeting between the DJP and RDP scheduled for Tuesday and a subsequent intraparty political affairs meeting, the spokesman said.

Kim Yong-sam, party president, reportedly proposed in the meeting that a presidential candidate be selected by the start of next month while Kim Tae-chung, the permanent adviser to the RDP, insisted that the candidate be selected after the plebiscite on constitutional revision scheduled for later this year.

The spokesman said in an announcement, the two Kims, however, pledged to select only one presidential candidate under any circumstances.

Regarding the labor situation, the two Kims called upon the workers to seek compromises with management in a nonviolent and orderly manner. At the same time, opposition leaders asked the government and employers to allow workers to establish democratic labor unions and that workers be provided with a proper level of wages.

In a three-point announcement issued after the meeting, the two Kims called on both management and labor unions to seek grounds for coexistence through dialogue and compromise to soothe the concerns prevalent among the general public. They pointed out that a majority of the people are concerned about the possibility that anti-democratic elements might take advantage of the current labor disputes.

/9716

CSO: 4100/0303

DAILY URGES RIVAL PARTY LEADERS TO MEET MORE OFTEN

SKI90332 Seoul CHOSON ILBO in Korean 18 Aug 87 p 2

[Editorial: "Are They Afraid of Meeting for Talks? -- Are They Still Harping the Same Tune That They Are Laying the Groundwork for No-Kim Talks?"]

[Text] In addition to the main attraction of the grand march for national reconciliation, sponsored by CHOSON ILBO and held last Sunday, 16 August, the unplanned meeting among such political leaders as No Tae-u, Kim Yong-sam, and Kim Tae-chung was a matter of great interest. Although it rained heavily that day, the eyes of the news media were riveted on the meeting among the three and on the words they exchanged.

The great concern among the people about their meeting leads us to this question: Why are we so hungry for meetings among political leaders, why are those who exercise great influence on political affairs so reluctant to meet with each other, and what authority do they think they have? Such questions only chill our minds.

It has already been a month since we began to hear news that preparations were under way for No Tae-u-kim Yong-sam talks. It is understandable that the two have many things to resolve between them before their meeting. Nevertheless, it is more than a symbol of the backwardness of our politics that those who control the ruling party and the main opposition party in our country have not tried to get together for formal talks, not even once since 29 June, in particular, for unknown reasons. Is there any other country in the world where meetings between the leaders of rival parties, let alone the news that preparations for their talks are under way, get as much public attention as they do in our country?

Why do they not meet with each other? Are they in a position where they cannot meet with each other? Some say that influential political leaders are accustomed to letting their men prepare the dinner table for them and to eating by lifting the knife and fork, and that their men have not been able to reach agreement. Some say that such meetings between political leaders tend to generate undeserved misunderstanding and fail to produce anything substantial. However, such reasoning is not persuasive. If political issues can be resolved by the men who prepare the dinner table for their superiors, there is no place for their superiors when it comes to

settling political affairs. Meetings among influential political leaders are useful simply because they can create an atmosphere, sound out the opponents' opinion, and ultimately prepare a dinner table that their men are unable to prepare.

Is there anything more substantial than this that can be produced by meetings among influential political leaders? We see a good example in the frequent meetings between Kim Tae-chung, advisor to the Reunification Democratic Party [RDP], and Kim Yong-sam, the party's president. Sometimes, their views can be more sharply divided over some political issues than the rival parties. This notwithstanding, the two manage to iron out their political differences through their frequent meetings, thereby smoothly controlling the cacophonous discord that descends upon their party from time to time.

It is not just the leaders of the rival parties that show reluctance to meet with each other. In the past, the owners of businesses in our country have tended to be adverse to meeting with the working people, thinking, probably, that in meetings with the working people, they would have to hear their demands, something they can avoid if they stay away; therefore, the best policy is to avoid meeting with them. Such being the case, it is no exaggeration to say that such an aversion to meeting with the working people on the part of business owners has led to today's labor disputes. Business owners can be said to have lost their authority, face, and income at a single stroke because, to date, they have avoided meeting with the working people in the belief that their meeting with them would undermine their authority, face, and income.

The importance of meetings is eloquently demonstrated by the fact that some business firms have managed to emerge unscathed from the recent fierce labor disputes and resolve problems with the working people through the discussion of problems, dialogue, and compromise between the employers and employees.

It is our prayer that the leaders of the rival parties will draw a lesson from such examples, that meetings will always open ways to things. Even if no immediate solution comes along, there is no need to carry on so. Besides, how wonderful an experience will be a meeting between two people or among many parties in which the participants size up and fathom the opponents! It is a shame that the political leaders have not tried to introduce themselves to each other in meetings, while politicians in foreign lands appear in televised political debates. The desirable situation is that meetings between leaders of rival parties no longer become front-page headlines.

/12624
CSO: 4107/240

2 KIMS DISCUSS RDP CANDIDACY, OTHER ISSUES

SKI72353 Seoul THE KOREA TIMES in English 18 Aug 87 p 1

[Text] Kim Yong-sam and Kim Tae-chung began yesterday a substantive discussion on who should be the opposition party's presidential candidate.

After an hour-long meeting at the head office of the major opposition Reunification Democratic Party [RDP] the two opposition leaders said that they had "broadly" discussed the presidential candidacy issue and understood each other's position to a considerable extent.

It was the first official confirmation that the two Kims discussed the candidacy issue since Kim Tae-chung became permanent advisor to the RDP, he and Kim Yong-sam have met several times. But they did not indicate whether or not they debated the candidacy issue.

The two leaders reaffirmed that the major opposition party will put forward one single presidential candidate "without fail."

But they did not reveal when the candidate will be chosen.

Nor did they comment in what way the candidacy issue will be settled. But they said that they will continue to negotiate the candidacy issue in the future.

The two opposition leaders also suggested that they want to meet with President Chon Tu-hwan and Democratic Justice Party President No Tae-u to discuss the release of political prisoners.

If the four-man meeting is too difficult to schedule for any reasons, they agreed, the meeting between Kim Yong-sam and No, president of the rival political parties, must be held soon to discuss the release of those still in prison for political reasons.

The ruling party agreed to hold a meeting between the heads of the two parties whenever necessary to discuss all political issues, including the freeing of political prisoners, DJP spokesman Yi Min-sop said yesterday.

However, the DJP is not in a position to comment on a meeting of Chon, No and the two Kims, the spokesman added.

Touching on the growing labor unrest, the two Kims urged the government to permit workers to form free, democratic labor unions, to accommodate the demand of workers, to disband the pro-management labor unions and to guarantee "reasonable wages" for the workers.

"We regard the workers' claim to set up democratic unions and to seek wage hikes as reasonable and rightful," the two Kims added.

However, the two Kims called on the workers to realize their demands through "peaceful and non-violent means," adding that the spreading labor unrest is feared to be seized upon as way to block and stop the democratization by those who harbor suspicion against the democratization move. The two Kims told the RDP members to form three ad-hoc committees to deal with the labor dispute and to set permanent policy alternatives in order to promote the sound labor-management relationship.

The three committees will dispatch panel members to several workplaces in the country to help settle the labor dispute through broad contacts with employers and employees, Kim Tae-chung and Kim Yong-sam said yesterday through the party spokesman.

The two Kims are scheduled to meet tomorrow or Thursday to iron out major differences on the content of the new constitution, thus paving the way for the four-member RDP negotiation team to reach a compromise with their counterparts by Aug. 20.

/9716

CSO: 4100/0303

YONHAP EXAMINES 2 KIMS' ROLE IN FIELDING RDP CANDIDATE

SK080530 Seoul YONHAP in English 0504 GMT 8 Aug 87

[Text] Seoul, Aug 8 (YONHAP)--Kim Tae-chung's joining the main opposition Reunification Democratic Party (RDP) is widely taken as a meaningful factor conducive to fielding a single presidential candidate from the opposition party which has been constantly ridden with internal discords under its dual system of leadership.

Numerous obstacles, however, still confront the RDP before an accord can be reached on the matter. Even so, most political observers cautiously observed that Kim Tae-chung and party president Kim Yong-sam will seek to avoid giving any advantage to the ruling Democratic Justice Party (DJP) by running separately in the upcoming presidential election.

For the opposition party, there appears to be three options for presenting a single candidate--a compromise between the two rivaling factions, an intraparty vote and mediation by a third party.

Highly placed sources in the two factions both speak optimistically of the possibility that the two Kims would finally come to terms on the matter. Their optimism rings somewhat hollow though, considering the strength of the two Kims' aspirations to become president, and the tight intraparty balance of power.

Both camps have yet to take a step back regarding the issue of the single standard-bearer as they keep an even balance of power inside the party. But sources close to the two Kims say that the so-called twin towers of the opposition would somehow find a way to hammer out a compromise to cope up with the wishes of voters.

They fear that separate candidacies by the two Kims might stimulate possible discordant sentiments between the Cholla provinces, Kim Tae-chung's power base, and the Kyongsang provinces where Kim Yong-sam is regarded to be more popular.

Those political insiders who support the possibility of an intraparty showdown vote, predict that the two factions will not concede to each other. Neither faction has shown any sign of retreating from the presidential race and both

have already undertaken various preparatory steps for an eventual showdown vote, according to the party sources.

One party source said, even if one of the two Kims wants to step aside, his party followers would not agree to it, adding, in that case, the two Kims would resort to a vote showdown as the only way to convince their own followers with the results.

The third possibility can be foreseen should the two Kims fail to compromise. The National Coalition for a Democratic Constitution and other opposition groups could exert influence in determining who will be the opposition's candidate.

Meanwhile, some political analysts say that the two factions might try to divide up party roles between the two Kims--such as separating the roles of party president from presidential candidate, sharing the right to recommend legislative candidates or adopting a running-mate system for the presidential election.

Political observers say the two factions harbor widely differing views concerning the timing of the candidate selection and the date for the National Assembly elections. They also point out that the two factions would face a serious problem with respect to the establishment of 36 district chapters of the party, because it will substantially tip the factional balance of power.

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CSO: 4100/299

CHUNGANG ILBO INTERVIEWS KIM TAE-CHUNG

SK261308 Seoul CHUNGANG ILBO in Korean 25 Aug 87 p 2

[Interview with Kim Tae-chung, co-chairman of the Council for the Promotion of Democracy, by Song Pyong-uk, director of the CHUNGANG ILBO Editorial Department; Kim Yong-pae, deputy director of the Political Department; Sin Song-sun, deputy director of the Economic Department; Kwon Yong-sun, deputy director of the Social Department; and Pak Kum-ok, deputy director of the Cultural Department--date and place not given]

[Excerpts] [Question] So far, the country's traditional opposition party has been viewed as a conservative opposition party. These days, however, we see many progressive aspects in its policy and assertions. At the same time, there is an assessment that you are radical. Where do you think you belong: conservatism, progressivism, or medium?

[Answer] Maybe, I belong to medium to some degree. Maybe, I can be viewed as something like one of the liberals of the Democratic Party of the United States.

[Question] In 1980, then U.S. Ambassador to Korea Gleysteen was reported as saying about three Kims that one is corrupt, the second is incompetent, and the third is dangerous.

[Answer] At that time, it was confirmed that Gleysteen had made no such remarks. The U.S. Embassy also denied it instantly. Since the introduction of the Yusin constitution, the dictatorial regime has carried out evil propaganda against me for 15 years, particularly in connection with the ideological question. Here I make it clear that under heaven and on the earth, Kim Tae-chung has nothing to hide as far as his ideology and personal history are concerned. Everything is fabrication. They say this and that about the fact that I worked for the Preparatory Committee for Founding the State for 10 months when I was 20. But they never consider the fact that I was captured by North Korean puppets and narrowly escaped death during the Korea War.

So, due to all kinds of evil propaganda that had continued for 15 years, there can be misunderstanding, particularly among soldiers who are strongly anticommunist.

Now, on a different subject: blaming the competition among the three Kims in 1980 for the failure in seeking democratization at that time is entirely

groundless. What was wrong was the coup d'etat. What's wrong with sound competition?

[Question] What is your opinion about the Kwangju incident?

[Answer] This is a very difficult problem. In probing into the truth, maybe, one can focus on determining who did wrong or one can try to determine how unreasonably the Kwangju citizens suffered. We prefer the latter case. Their honor must be restored by wiping out the stigma as communists and rebels. In this course, it can be disclosed how and by whom the wrong was done. But everything will be fine if there will be no reprisal against any person. Without probing into the truth, it is impossible to settle the question.

[Question] There is lots of talk about your idea for unification--a confederal republic--maybe, because it reminds one of the Confederal Republic of Koryo proposed by North Korea.

[Answer] My idea is the result of a great deal of study. Thus, even American scholars assess it as the most credible and feasible idea. The main point of the idea is to plant peace between the North and South. This is to restore the homogeneity of the nation by placing the peace-planting work under surveillance and seeking the exchanges in the press, academic, cultural, and sport areas and the exchanges of families by establishing a mechanism or government by the representatives of the two sides on the condition that we will not use violence against the North, and the other side will firmly recognize the Republic of Korea. Kim Il-song's proposal for the Confederal Republic of Koryo is to establish a unified state at once. But mine is to recognize the present independent governments as they are by the two sides. Thus, the main points of the ideas are different. Our government's idea for the voting in proportion to populations is also unrealistic. This is something like opposing the unification. Paving the way to mutual exchanges is our responsibility, and the next generations will do what is subsequently required. This is my assertion. If one neglects to carry out such fundamental tasks as opening the door, this is something like opposing unification.

[Question] The question of singularizing the presidential candidate is, of course, the matter of our greatest interest. Will a single presidential candidate really be selected, and if yes, how?

[Answer] A single candidate will be selected. Let's wait a little while and see.

[Question] I think that workers and students are moving forward in a right direction. Only a handful of people are advocating the establishment of a revolutionary government and the formation of a constituent national assembly. But they are not supported by the majority of the people. As for the recent statement of the National Council of Student Representatives, it is not different from the stand of the National Coalition for a Democratic Constitution and of the RDP. It supports the revolution via elections. The press is overconcerned about labor disputes. The main points of workers are the withdrawal of reptile labor unions, the establishment of democratic labor unions, and the guarantee of due wages. Thus, their demands are natural. The ongoing labor disputes must be taken as an opportunity to turn a misfortune into a blessing.

DAILY REBUTS KIM TAE-CHUNG PROPOSAL FOR CONFEDERATION

SK200724 Seoul SEOUL SINMUN in Korean 19 Aug 87 p 2

[Editorial: "Stop Discussing Unification Issues in an Irresponsible Manner"]

[Text] During the days that followed the 19 April Revolution, radical students, excited by the thought of freedom and democratization, ultimately turned out into the streets calling for South-north reunification. The slogans shouted by the students at that time reading "Who is the master of this land and why can't we come and go freely" and "Let us go up to the North; Come down to the South; and meet at Panmunjom" could have appealed to some ears. Nevertheless, they were dangerous slogans. Recollections of what has happened to the North-south talks over the past 15 years since the North-south Red Cross talks were held in 1972 serves as an indication of how irresponsible and dangerous the discussion of reunification conducted by the radical students was.

Nevertheless, some people have again caught us unprepared with their irresponsible discussion of unification by taking advantage of the recent excitement about democratization. Last May, the Reunification Democratic Party [RDP] platform on reunification stirred a social uproar by asserting that "national reunification is the priority national task imposed by history that transcends political ideologies and systems. It was natural for us to take issue with the RDP platform because it forces us, who assume liberal democracy as the principal national policy, to give up our ideology to make room for communism, the opposite ideology. On 15 August, the 42nd anniversary of national liberation, Kim Tae-chung stirred a controversy among intellectuals by referring to the idea of forming a confederation between the North and South.

Of course, Kim Tae-chung stressed that his idea on a North-south confederation is different from the North's proposal for creating a confederal republic. However, not only is Mr Kim's idea about a North-south confederation different from our country's policy concerning reunification, which we have pursued and insisted the North accept, in terms of its spirit and the way of approaching it, but it also creates room for misunderstanding such that Mr Kim's idea about a confederation could become identical to the North's call for a confederal republic over the course of its logical development. Whereas the North's idea of a confederal republic for the North and the South

is to have regional governments within the framework of a unified government, Mr Kim's idea about a confederation insists on allowing the North and the South have independent governments under a confederal system, a largely symbolic system. However, the two ideas about confederation can become identical to each other in the longer run if the confederal government comes to have greater power.

We are opposed to North Korea's proposal for a confederal republic because, domestically, it appears to be something that might lead to realizing the people's aspirations for national unification, but is, in reality, two-faced and vague in nature, as it is so worked as to create the impression that a confederal republic is an idea for peaceful coexistence. The North Korean side cites the withdrawal of the U.S. forces and the removal of the Republic of Korea as preconditions for forming a confederal republic. Although Mr Kim Tae-chung explains that his proposal for a confederal republic is completely different from that of North Korea by differentiating the functions of the confederal government and the governments in the North and the South, the two systems, nonetheless, run the risk of diluting the people's ideas about unification by their similar nature and of creating chaos in our consistent policy concerning reunification.

Mr Kim Tae-chung also referred to a guarantee by the four major powers in this system, but it seems that he misunderstands the role of the four major powers. Essentially, the goal of the proposal for quadripartite talks and six-way talks our country submitted to the United Nations in the mid-1970's, after consulting with the United States, is a far cry from Mr Kim Tae-chung's proposal. What we sought in the proposal for quadripartite talks and six-way talks was to hold preliminary bilateral talks between the North and South, with the United States and Communist China as observers or advisers, and to develop them into quadripartite talks if the talks turned out to be successful. If the participants of the quadripartite talks were to reach agreement on concrete issues, we would have sought to develop these talks into six-way talks with Japan and the Soviet Union participating to guarantee any agreement. Where there is no agreement between the North and the South, what can the neighboring countries guarantee?

/12624

CSO: 4107/240

KIM TAE-CHUNG'S VIEWS ON MILITARY EXAMINED

SK0090123 Seoul THE KOREA TIMES in English 9 Aug 87 p 2

[Article by Political Editor Kim Myong-sik]

[Text] Kim Tae-chung and his colleagues appear these days determined to do something about the unfriendliness of the military.

One major issue to be taken up by the "Tonggyo-dong" people during the current extraordinary House session is the controversial remarks by Army Chief of Staff Gen. Pak Hui-to reportedly rejecting Kim as a presidential candidate.

In a three-stage action, the opposition will first ask for the general's explanation and apology. If the Army chief does not comply, they will demand his removal and then will seek the dismissal of the defense minister in case of no response.

The plenary session tomorrow will certainly have some noisy scenes as the opposition members loyal to Kim Tae-chung will preach the principle of political neutrality of the military and admonish the top brass for their alleged prejudice against Kim.

Kim Tae-chung himself put great emphasis on the non-interference of the military in politics in his speech yesterday at a ceremony welcoming his entry into the main opposition Reunification Democratic Party. He also warned against politicians' attempt to make use of the military.

In an attempt to clear suspicion among officers about his policies, Kim let his spokesman deny a foreign newspaper report that he is favor of slashing military budget. "Mr. Kim supports a strong security system more than anybody else," the spokesman said.

Despite the weeks of opposition clamor about Gen. Pak's prophecy of "something unhappy" as a consequence of Kim Tae-chung's presidential candidacy, there was no public reaction from inside the military.

There were only some efforts of the members of the Democratic Justice Party to explain that the NEW YORK TIMES report was inaccurate and Gen. Pak in fact expressed his personal impression of the opposition politician in a private setting.

"We oppose raising a political issue with a candid remark made during a private conversation, regardless of who said that," said Rep. Yi Tai-sun, the DJP floor leader.

Gen. Pak or his colleagues may have something to say about the controversy, but the mass media cannot effectively serve as an open channel of communication between the military and civilian communities in this country.

The Military Secret Law, enacted in 1972, prohibits publicizing military activities except for those released officially through the information officers. Assignments below the level of the vice chiefs of armed services are classified as confidential.

The general public is not supposed to know who commands which division or corps. When the presidential unit citation is given to an outstanding military outfit, it is identified only with its code number and not with its proper unit designation.

While the rigidity of the rule has effectively blocked military information from being disseminated to the reaches of the adversaries, it at the same time created some detachment between the civilian community and military barracks.

There are differing theories on the political effect of such a system, but some analysts argue that it can cause unnecessary misunderstanding between the two basically unalienable sectors of society in a country like Korea.

Some personal ideas can be magnified as a corporate principle in this setting and any mistrust can persist in the absence of an open channel of communication, they point out.

The distance between Kim Tae-chung and senior military officers, whether imagined or real, may have deep roots as many attribute it to Kim's campaign pledges during the 1971 presidential election.

Kim harshly criticized the inefficiency of the Homeland Reserve Force, which had been activated in 1968 as a militia organization of two million in the wake of North Korea's seizure of USS Pueblo and the commando raid in Seoul earlier that year.

At one point he called for a drastic reduction in the training requirements for its members or an outright abolition of the unit itself.

In addition, Kim favored a significant cutback in the military strength for economic reasons, while proposing a "four-power guarantee" of peace on the Korean peninsula.

The record of Kim's brief affiliation with a pro-communist organization in his hometown shortly after the 1945 liberation helped military officers strengthen their suspicion, it is also noted.

A decade and a half has passed since the last direct popular presidential election, but Kim spent much of the intervening years in jail, in exile or under house detention.

There was no chance for Kim to have social contacts with members of the military community. He had no opportunity of explaining through personal conversation any changes in his ideas.

Gen. Pak, informed sources said, had simply confided that he could not find any sign of change from Kim Tae-chung from the way he speaks and behaves.

It is yet to be seen how much effect the "offensive" to be launched by Kim Tae-chung's men in the House session will have in "taming" the military as they avowed. What is more important and desirable than rhetoric rapprochements on the Assembly floor, it seems, is genuine efforts to "understand and let them understand."

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CSO: 4100/299

DJP PROPOSES DRAFT BILLS TO REPLACE PRESS LAW

SK100601 Seoul YONHAP in English 0533 GMT 10 Aug 87

[Text] Seoul, Aug 10 (YONHAP)--The ruling Democratic Justice Party (DJP) Monday proposed two draft bills designed to relax government control of the mass media. The bills, to replace the existing basic press law, are intended to secure freer registration of periodicals, newspapers and news agencies, and enhance the neutrality of broadcasting networks.

The DJP also decided to close the press policies bureau at the Culture-Information Ministry, which has been criticized for its alleged control of news reporting, and decontrol religious circles' operation of broadcasting facilities.

Of the two bills adopted Monday by the party's central executive committee, the law on periodical publications relaxes to a great extent regulations on registration and their revocation. While the existing law allows the culture-information minister to order the revocation or suspension of publications, the draft bill empowers a committee of judges to assess the legality of those actions.

The periodical draft bill would also limit the conditions for revoking registrations to cases whereby publishers resort to an unfair or fraudulent manner for registration or when they repeatedly violate the purpose of publication. The conditions for suspension will also be relaxed, affecting instances of arbitrary change of registered conditions of publication, failure to maintain publication facilities at a standard level or unauthorized introduction of foreign capital. The period of suspension will also be reduced to six months from the previous one year.

The bill stipulates that business conglomerates cannot hold more than 49 percent of news media's shares while also preventing newspapers, news agencies and broadcasting networks from operating other types of media. It forbids nepotism by regulating the proportion of publishers' close relatives on boards of directors to less than one-third.

The other bill, titled the law on broadcasting networks, states that the share equity of a business corporation or an individual cannot exceed 49 percent. Under the bill, the existing broadcasting deliberation committee will be replaced by a broadcasting committee empowered to consider matters concerning

the operation of broadcasting networks or programming and to rectify broadcast content or call for sanctions.

The broadcasting committee would also have the right to forward recommendations to members of the board of directors at the Korean Broadcasting System (KBS) and determine the TV viewers' fees.

The DJP also decided to amend the existing KBS law to the effect that KBS will assume the right to recommend a person for the spot of the KBS president--a right currently held by the culture-information minister. The nation's president, however, would still appoint the KBS president.

The DJP also proposed reshaping the Munhwa Broadcasting Company (MBC) into a public corporation and for KBS to turn over to the new corporation some of the MBC shares it now holds, currently reaching 70 percent of equity.

Meanwhile, DJP sources said Monday that the ruling party is carefully considering whether to allow Buddhist and Catholic circles to operate their own broadcasting networks.

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CSO: 4100/299

NO TAE-U APPOINTS HO SAM-SU TO DJP PARTY POST

SK110131 Seoul THE KOREA TIMES in English 11 Aug 87 p 2

[From the "Press Pocket" column]

[Text] Ho Sam-su, former senior presidential secretary for inspection affairs, was appointed yesterday as a member of the National Policy Evaluation Committee of the ruling Democratic Justice Party (DJP).

Ho, 51, player of a key role in founding the current Fifth Republic government as a close aide to President Chon Tu-hwan, returned home last February after four years' stay in the United States.

Presenting a letter of appointment to Ho, DJP president No Tae-u asked him to make the best use of the knowledge and experience he has gained during his overseas study. No then told chief policymaker Rep. Nam Chae-hui to give Ho "a lot of assignments."

Meeting with reporters, Ho who was responsible for various experiments in social reforms in the period, said, "I will fully exert myself to achieve democratization."

He then said that he has met with DJP president No three times since his return home and that it was three days ago that he was directly approached by the party over joining the party.

Ho said he felt there has been no particular change between the initial state of the current government and that at the present, in a period characterized by popular democratization demands. He stressed that the current Fifth Republic government has strived to develop democracy through the realization of a just society.

The June 29 democratization formula, suggested by DJP leader No, helped the current government to take steps in a reasonable way, Ho said.

Asked if he would run for the next parliamentary elections, Ho did not give an instant answer, merely saying that the matter is one to be considered further when there is sufficient time.

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CSO: 4100/299

DJP, RDP DIFFER ON MAJOR CONSTITUTIONAL REVISION

SK120029 Seoul THE KOREA TIMES in English 12 Aug 87 p 2

[Text] The rival political parties have showed no sign of compromising their differences over the term of the president and [sentence incomplete].

The majority Democratic Justice Party and the main opposition Reunification Democratic Party [RDP] were more flexible on the basic rights and other contents of the projected new constitution.

Four delegates from each party began discussing the power structure Monday afternoon.

The major opposition RDP insisted on four years as the presidential term with reelection permitted just once while the ruling DJP stuck to a single six-year term. The opposition demand for the installation of a vice president was also rejected by the ruling party.

Delegates of the DJP asserted that the condition of five-year continuous domestic residence should be set as a requirement for the eligibility to the presidency, strongly opposed by their RDP counterparts.

Opposition leader Kim Tae-chung may be subject to the provision as Kim returned home on Feb. 8, 1985 after his two-year stay in the United States.

The opposing parties also showed their differences over the presidential candidacy of independents. The DJP draft amendment allows the independents to seek the presidency but the major opposition RDP insisted that only those who are nominated by political parties be allowed to run for president.

As for the presidential power to impose martial law, the RDP delegates claimed that martial law should lose its validity when the president fails to get the approval of the National Assembly within seven days.

The RDP draft amendment provides that where the National Assembly demands the lifting of the martial law by the consent of a majority of its members, the president should retract it.

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CSO: 4100/299

RDP CAMP SPLIT OVER CANDIDATE SELECTION TIMING

SK140403 Seoul THE KOREA HERALD in English 14 Aug 87 p 2

[Text] Opposition leaders Kim Yong-sam and Kim Tae-chung yesterday differed over the timing of the selection of a single opposition presidential candidate.

Kim Yong-sam, president of the Reunification Democratic Party [RDP], demanded that the issue of a single presidential candidate from the opposition camp be settled "by early next month at the latest."

"The sooner, the better," he said while discussing a political timetable with reporters at his party office.

He asserted that the early selection of a single opposition candidate would give relief to people who want democratic reform.

Kim Tae-chung, permanent adviser to the main opposition RDP, opposed the demand. "There is no need for selecting a single opposition presidential candidate at an early date," he said.

"It is desirable for the opposition to select a single candidate after late next month when a new Constitution is expected to be finalized through a national referendum," he added in a meeting with reporters at his home.

Neither of the two opposition leaders, who share power in the RDP, has declared his candidacy. They have said they will never go against the people's aspirations to have one opposition candidate pitted against ruling Democratic Justice Party's standard-bearer No Tae-u in elections expected later this year.

The two Kims continued to disagree over the presidential term to be stipulated in the new Constitution.

Kim Yong-sam Wednesday suggested a single five-year term for the president.

In yesterday's meeting with reporters, he explained, "Our party calls for a four-year term allowing for reelection. Eight years of reign might be considered a long rule. A single six-year term advocated by the ruling party

seems long. If the five-year term is adopted, the people would understand it."

Kim Tae-chung said, "There is no change in my belief that a four-year term allowing for reelection is preferred."

Referring to the date of the presidential election, Kim Yong-sam said that it is desirable to hold the election in late October or early November. "But there would be no problem if it is held in late November or early December," he added.

The two Kims are scheduled to meet Monday for discussions on their differences over the timing of the selection of a single opposition presidential candidate and other matters.

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CSO: 4100/299

DJP, RDP ACCELERATE CONSTITUTIONAL REFORM TALKS

SK150001 Seoul THE TIMES in English 15 Aug 87 p 2

[Text] With just a week ahead of the initial deadline, delegates of the ruling Democratic Justice Party and the main opposition Reunification Democratic Party [RDP] are speeding up negotiations on the constitutional reform.

However, striking differences on the contents of the preamble and some other sticky issues are likely to force the "political conference" to extend its session until the end of this month at the shortest.

The eight-member panel will finish the first-phase study of the other party's draft today, planning to wrestle with major contrasting issues next week to put forth a unified draft.

The matters at stake are the RDP's demands for the lowering of minimum suffrage age, mentioning of the bloody Kwangju incident and civil rights to resist an illegitimate regime, a four-year presidential tenure and the installation of a vice president.

In seven sessions during the past 14 days, they reached accords or almost agreed on 21 of the less tough issues including the guarantee of labor rights and arraignment.

Rep. Choe Yong-choul, a DJP-side member and spokesman for the political talk, said, "We will not stick to insignificant matters having already conceded to a great opposition call for the adoption of a direct presidential election."

RDP President Kim Yong-sam also made it clear that his party would give up "trifle matters," proposing a five-year single presidential tenure Tuesday, a sudden compromise overture. The RDP has asserted on the revision of the tenure to a four-year formula with a single re-election, while the DJP has clung to a single six-year term.

The pending issues are all related with core interests of each party and the senior delegates deferred their debates till next week.

The ruling party has turned down the stipulations of the opposition party's draft concerning the franchise age, presidential tenure and the vice presidency.

Whether the talk will complete a unified draft within the deadline will now largely depend on the RDP's stand, said a ranking DJP official, "for we have to keep our basic posture on those matters."

If Kim Yong-sam succeeds in persuading Kim Tae-chung to accept his "personal idea" on the presidential tenure, he will give a high-powered impetus to the talk without which it is expected face a considerable obstacle next week.
[sentence as published]

A senior RDP post-holder said, "We will not persist in our demand for the reduction in the suffrage age by two years to 18 if the DJP does not agree with us." "We are in the same position on the installation of vice presidency."

The hard-line opposition party is widely believed to enjoy higher popularity among the younger generation. Those aged 18 and 19 are estimated at 1.8 million.

The Monday meeting between the two Kims will decide on the progress of the eight-member talk, observers said.

Kim Tae-chung, new permanent advisor to the RDP, is reportedly in disagreement with Kim Yong-sam's strategy to swiftly settle the constitutional amendment in connection with the early selection of a single RDP presidential candidate.

The advisor favors nominating the presidential candidate at most two months before the election in strong favor of a four-year tenure with the permission of a single extra term.

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CSO: 4100/0303

DAILY ON DJP DRAFT FOR PRESS LAW REVISION

SK140107 Seoul HANGUK ILBO in Korean 11 Aug 87 p 2

[Editorial: "To Galvanize the Press"]

[Text] Our entire society has agreed on the principle that democratization is impossible without freedom of the press and that freedom of the press is a bedrock of national development.

"The Press Galvanization measure" which the DJP has finalized and released on 10 August shows the ruling party's plan to deal with the most fundamental question in implementing the policy of democratization. In a nutshell, its ingredients are to supersede the basic press law and to revise the government press policy according to the new situation.

According to the measure--if it supersedes the basic press law--jurisdiction over newspapers and magazines which is presently entrusted to the minister of culture and information, will be given to the arbitration committee to be formed with less than 10 personages of various circles, including many jurists. The measure envisages that the committee will arbitrate such matters as the prohibition of publication and the cancellation of registration. In addition, the measure seeks to enhanced the function of the press mediation committee, ease the conditions to control the press and the conditions for the registration of press organizations, and curb the stock ownership of the press industry by a large business group.

In general, it is true that conditions will be greatly eased, if they are compared to those of the basic press law which are mainly focused on control. Basically, however, it seems that the DJP maintains the stand that a mechanism like the basic press law is inevitable.

How to form the arbitration committee to handle the matters for the cancellation of registration and the prohibition of publication is a problem; but, an even more serious problem is how to cancel registrations and prohibit publication without going through the courts. The facilities standard is technically infeasible or meaningless. If local autonomy is impracticable without a local press, a fixed standard for facilities is technically impossible.

In addition, if our social condition is taken into consideration, the mushroom of news media organizations subsidized by large business groups is likely to pose problems, not the mushroom of small ones which will be unable to meet the facilities standards. This means that setting facilities standards is meaningless. Even "the training of journalists" is one of the remnants of the old days when the press was counted as a state agency., It must be clarified by whom and how the training would be conducted. Theoretically, if the principle of a free society is considered, special legislation cannot be allowed. The situation in our society, however, indicates that it might be necessary to establish a press arbitration vehicle, along with a minimum systematic mechanism to prevent the control by large business groups and to control the inflow of foreign funds. Accordingly, if the DJP proposal is accepted as transitional, drastic work to revise the basic press law eventually will be inevitable.

The nature of a transitional proposal has not been overcome in the area of broadcasting, also. The main contents of the proposal are to form a directorate, which will be a supreme policy-making vehicle. The directorate is to be formed by enhancing the broadcasting committee's function and revising the broadcasting corporation law and, through the broadcasting committee's recommendation, by making the Munhwa Broadcasting Company a special public corporation.

Basically, a comprehensive plan has not been put forth on the future of the broadcasting industry and, in particular, on establishing a cable broadcasting system. In other words, the only significance of the proposal, if there is any, is that the present broadcasting committee of the government monopoly will be reorganized and the Munhwa Broadcasting Company will become a special corporation. A vivid example of this is that the nature of the basic press law which defines the religious broadcasting as an individual special medium, not as one of the news media organizations, will remain intact.

If the DJP seeks true freedom of the press and its self-government, we cannot but say that the DJP proposal is insufficient in many aspects. The public interest and the freedom are not contradictory. They are reciprocal. We expect prudent debates.

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CSO: 4107/237

DAILY DESCRIBES DEMOCRATIZATION AS SECOND LIBERATION

SK170307 Seoul TONG-A ILBO in Korean 15 Aug 87 p 2

[Editorial: "With Determination for the Second Liberation"]

[Text] We again greet the 15 August Liberation Day with the country still divided into the North and the South. It has already been 42 years since the liberation. Every year when we greet this day, we recall the strong emotion the liberation brought to us and at the same time feel the painful division of the country. Liberation Day this year, however, has special significance.

The reason is that we are now preparing for "the Second Liberation," after an elapse of 42 years since we restored our country. By the Second Liberation we mean the processes of democratization we have undertaken. Looking to the past, we note that we accepted political democracy, using the Samil uprising as a turning point; since the liberation on 15 August 1945, we have endeavored for over 40 years to build an exemplary democratic state, at least in South Korea. Our invariable desire has been to achieve democracy in South Korea first, then realize national reunification with the strength formed on that basis. In other words, we work to build a base for democratic reunification in South Korea and eventually embrace North Korea in the bosom of the democratic fatherland.

Nevertheless, we have not been able to make this dream come true. We have had a number of opportunities for democratization, but all we could do was take a few steps forward, then be forced back to where we had been, always failing to build a democratic base.

Now, at long last, we are in a position to look forward to the fruition of the long-cherished national desire. The people's persistent yearning for democratization has made the government and the ruling party bring forth the grand conceptional change put forward by the 29 June declaration.

Through developments in June, the ROK has demonstrated at home and abroad its confidence that it is capable of achieving political development comparable to its success in economic development. In the 42 years since the liberation, we have finally come to possess the capability and foundation to achieve democratization on our own.

In this respect, we note that the ongoing ruling-opposition party negotiations for constitutional revision, the extensive labor-management disputes, and the reforms in the press are concrete cases that test our democratic ability. If we find by ourselves ways to solve these problems in a democratic and autonomous manner, we will be able to bring the overall democratization of our society to fruition.

Conversely, if we fail to exert our own autonomous abilities and resort to violence to solve problems, we may lose the hard-won opportunity for the second liberation.

We find further significance this Liberation Day in that the Independence Memorial Hall, which was built with the contributions of fellow countrymen, opens today. The Independence Memorial Hall, the construction of which was initiated in approximately 40 years after the liberation, prompted by the national indignation touched off by the Japanese distortion of the contents of their textbooks, opens today after a year's delay of its original schedule as a result of a strange fire last year.

The significance of opening the Independence Memorial Hall is not only that we have an exhibition site to see the living data of the history of our independence movement, but also that we have a drill hall that awakens our independence spirit and national soul. The Liberation Day we greet this year on the threshold of democratization is all the more significant in that we are furnished the opportunity to resolve to restore national spirit with the opening of the Independence Memorial Hall.

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CSO: 4107/240

DAILY ENCOURAGES RECTIFICATION OF POLITICAL EXTREMISM

SK200807 Seoul CHOSON ILBO in Korean 20 Aug 87 p 2

[Editorial: "What Must Be Done First and What Can Be Done Later When It Comes to Democratization -- The Need for Off-stage Opposition Forces Across the Country To Rectify their Lines"]

[Text] At present we are in a very delicate position. It is, therefore, natural for off-stage opposition forces to be embroiled in a controversy over adopting lines -- what must be done first and what can be done later in the interest of democratization. Some radicals may insist on the outright removal from the scene before the elections those responsible for the 17 May [military coup d'etat], while some may insist on moving ahead, without delay, with even socio-economic democratization, in addition to political democratization. Some may insist on embarking down the road toward reunification, in addition to democratization; this being the case, it is not right to sit together with the ruling party to work out a constitution for coexistence based on compromise or engage the ruling party in a game called elections within the framework outlined by the 29 June declaration. Some may also insist on establishing a new system, relying only on our own force and nothing else to push those who hold real power out of the center.

However, it is not certain if such a force really exists. If it does, it should heed the words of Reunification Democratic Party [RDP] President Kim Yong-sam, who, at a meeting arranged by the Inchon chapter of the National Council of Churches, said: Let us first realize the establishment of a democratic government, then achieve socio-economic democratization through elections.

The best and wisest possible strategy for the cause of democratization is to complete the negotiations on revising the Constitution to favor a direct presidential election system and the election law at an early date, whatever the cost, so as to establish a legitimate democratic government on our own. This is the most pressing matter. This means putting socio-economic democratization on a backburner and tackling it later under the new government, as called for by President Kim.

We do not believe that genuine democratization will be completed by simply carrying out political democratization. True democratization is a process of rectifying the imbalance in all sectors of society so as to increase the rights and interests of alienated isolated minority sectors.

Nonetheless, socio-economic democratization needs political democratization as a precondition. Such being the case, there is no need to reject political democratization as though it were something detrimental to socio-economic democratization. Rather, socio-economic reform being carried out with political democratization excluded often runs the risk of becoming an undemocratic and authoritarian dictatorial revolutionary theory.

Despite this, some seem to rashly lay more stress on the theory that all social reforms must be carried out at a single stroke, without realizing political democratization, the paramount aspiration of the entire population, while denouncing the negotiations between rival parties over constitutional revision for coexistence as a reformist compromise.

We are convinced that such a rash and radical theory is a childish doctrinist error that may ruin everything we have sought to achieve and that such a stand is folly that will not so much provide an excuse for right-wing extremists and make the hard-line position they find themselves with seem favorable, as work against democratization.

In this sense, we consider President Kim Yong-sam's saying that we must distinguish between what must be done first and what can be done later in the interest of democratization to make democratization a success -- the first stage of democratization being to hold elections to usher in a democratic government and the second being to promote aspects of socio-economic democratization one at a time -- and his urging that we need to have the courage to be patient in this process, to be correct.

We earnestly hope that DJP President No, RDP President Kim, and adviser to the RDP Kim will remain the defenders of this common stand -- under any circumstances there must be elections -- in the broad sense while competing with each other. Otherwise, the three political leaders are warned that they will sink together as a result of a joint offensive by right-wing conservative extremists and left-wing radical extremists. Most important is to make political reform the priority task, while holding the two polarized forces in check.

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CSO: .4107/240

DAILY ON ROLE OF TELEVISION IN POLITICAL DEBATE

SK191141 Seoul SEOUL SINMUN in Korean 16 Aug 87 p 2

[Editorial: "Possibility of Political Debate on Television"]

[Text] It has been a long time since television became one of the daily necessities of people living in this modern era. It is said that there are approximately 9 million TV sets in the country, which is 1 per household.

Along with the increase in the number of TV sets, their impact on our daily life is also increasing. There has long been a controversy over the favorable and adverse functions of television. In our case today, the problem of television service for the public good, in connection with the recent political situation in particular, has become a political issue.

Under such circumstances, the Korean Broadcasting System [KBS] and the Munhwa Broadcasting Corporation [MBC] recently have televised programs of open discussions and interviews on constitutional revision. This draws our attention, because such programs are a new attempt to expand the role of television that not only the television broadcasting networks themselves but also our viewers have never experienced thus far. In particular, the "Interview on the Current Political Situation" program, with the presidents of the DJP and the Reunification Democratic Party, which was televised by KBS television network recently, can be evaluated as an active attempt which suggests a drastic change in the pattern of our country's politics in the future. The fact that Presidents No Tae-u and Kim Yong-sam, who represent the ruling and opposition camps, respectively, appeared on public television under the same conditions and expressed their political belief and ambition to the people is not only an epochal event in the history of our politics, but also constitutes a good precedent in arousing the people's interest in the role of a public television broadcasting system. The reason for our particular interest in this program was that through it we have come to confirm the possibility of the favorable function that television will contribute to major political events in the future, such as the presidential election and the elections of national assemblymen. Our politics thus far have been the continuation of screaming slogans and engaging in physical clashes, rather than the continuation of dialogue and discussions.

Such being the political circumstances, various types of elections in the past were unswerving in making noisy but hollow campaign speeches, without calm debates and presentation of political views.

Experiences in the advanced countries have shown that television is an excellent device for rectifying such political backwardness and such abnormal way of elections. Actually, TV debates by politicians have the advantage of giving voters "direct" information by which they can judge which party's platform is proper and which candidate is competent and conscientious.

Perhaps, some politicians still adhere to the past manners of election. The heated atmosphere that prevailed on the Han River side and the Changchundan park where over 1 million people gathered and the heated political fever caused by political agitation among the masses were a typical pattern of past elections.

Today, the level of our people's consciousness is so high that it is impossible to hold such elections. Moreover, the changes in our social structure have reduced the significance of large-scale election campaigns and have gone so far as to regard it as being dangerous. The method for election campaigns as a substitute for this can be sought by utilizing the mass media, especially television.

We support the thorough state management of elections and the utilization of public television. This can serve to minimize all social and political confusions that may be caused by overheated election campaigns. The recent interviews with the presidents of the two political parties were conducted as separate programs. However, we hope that a program can be developed for persons concerned -- interviewees -- to appear in the same program and to hold man-to-man debates between them.

It is also desirable to have TV advertisements for those who are running for the upcoming presidential election and the elections of national assemblymen.

We recommend that the ruling and opposition parties discuss the problem of utilizing television in election campaigns when they enter full-dress negotiations for the revision of the current election laws after the ongoing negotiations for constitutional revision are completed.

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CSO: 4107/240

MINISTER STRESSES LOYALTY OF MILITARY TO ELECTED PRESIDENT

SK140059 Seoul THE KOREA TIMES in English 14 Aug 87 p 1

[Text] Defense Minister Chong Ho-yong said on behalf of the armed forces yesterday that the military would be loyal to the next president chosen by the people in accordance with the new constitution.

He told lawmakers at the National Assembly Defense Committee, "It is natural for the military to perform its mission and offer loyalty to the next president according to pertinent laws if he is chosen by the people under the new constitution."

He revealed that the military "fully" supports the "democratization" declaration by No Tae-u, on June 29 by the then chairman of the ruling Democratic Justice Party.

Minister Chong vowed to instruct all military officers "again" not to express political views even in private settings.

Baring his solid conviction that the military should not intervene in politics under any circumstances, he said, "I don't think it is necessary for the military to promise political neutrality on a special occasion."

"All officer firmly swear that they would not intervene in political affairs when they join the military. Political neutrality is their obligation as it is provided in the Constitution and related laws," he added.

"I share an identical opinion that the military ought not to meddle in politics in the progress of democracy," said the former Army chief of staff who served in the military for 35 years until retirement in 1986.

He clarified that he would not seek reprimand against the three senior Army officers, including Chief of Staff Gen Paq Hui-to, who were reported to have given strong warning against Kim Tae-chung's presidential ambitions.

During their interpellations, opposition lawmakers strongly demanded that the military make a firm commitment to political neutrality and a public pledge of loyalty to the next president to be elected under a new constitution.

They urged the minister to get a few general s to retire assuming responsibility for their political remarks directed against Kim Tae-chung.

Six opposition legislators took to the podium on the second day of stand committee sessions to denounce controversial utterances by the Army chief of staff and other commanders rejecting Kim Tae-chung as a presidential candidate.

Gen Pak Hui-to was reported in a NEW YORK TIMES article to have said that "something unhappy" would happen should Kim Tae-chung run for presidential candidacy. The commander of the Defense Security Command and the head of the Army Security Command are also said to have expressed deep antagonism against the opposition leader.

Rep Kim Dong-yong of the major opposition Reunification Democratic Party [RDP] urged the minister to reprimand the generals if the reports should prove true.

He stressed that the neutrality of the military in politics is essential for the progress of democracy as represented by the constitutional amendment, elections and power transfer.

Taking several South American countries as examples, Kim, one of the six RDP vice presidents, said military coups have always ended in failure from the long-term perspective.

Another RDP vice president, Yi Yong-hui, called on the minister to retire the generals "with honor," order commanders not to make such controversial remarks, and get all the armed forces to make a public pledge of loyalty to a new government.

In the meantime, Finance Minister Sakong Il told the Finance Committee that the government would promote the independence of the Bank of Korea by revising a pertinent law governing the central bank.

The finance minister will also reduce loans, arranged for government policies, and vitalize the function of the Monetary Board, the chief monetary policy-making body, as part of ways to guarantee the central bank's independence.

He, however, said, "It is not feasible for the central bank to be changed into a constitutional institution out of control by the government." "The independence of the central bank will be enhanced through cooperative mechanisms of the government."

Sakong said that central bank [word indistinct] hoping to be granted rights to set its own budget and restructure its organization in an autonomous manner.

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CSO: 4100/299

FAILURE OF MILITARY REGIMES NOTED

Seoul CHOSON ILBO in Korean 15 Jul 87 p 3

[Article by columnist Hong Sa-chung: "The Weight of 27 Years"]

[Excerpts] It has been 27 years since we lost civilian government. Today we are at the end of that long period of uninterrupted rule by military men. And I believe the rancor and demands accumulated over 27 years have reached the limit. When we talk of the Fifth Republic, we are not just thinking of the past 7 years. Into the reckoning go an accumulation of revulsion and antagonism concerning the image of the power elite, which is stained with the past 27 years of dictatorship, oppression, misgovernment, and corruption. Accordingly, the burden that the ruling camp must shed by the time of the presidential election is not limited to the image of the Fifth Republic of the past 27 years [as published]. In the same way, the recent cabinet change that occurred in the midst of demands for a neutral cabinet has probably only served to increase suspicions of the ruling group's sense of reality.

The public's greatest dissatisfaction with the current regime is not simply that most of the power elite are of military origin. Nor is it with corruption or frequent misgovernment. As far as that goes, at least in the economy, there has been no lack of praiseworthy achievements--success in holding down the inflation that had plagued the common people's lives, sustaining a high rate of growth, and so on. However, no matter how well government is conducted, these things alone cause the government not to be trusted and prevent it from drawing close to the people. Those who rule should at least be capable enough to secure the people's trust.

In this respect, the current regime has completely failed. The people have only grown more estranged from the government as time has gone by.

This cannot simply be explained by the fact that the current government is lacking in legitimacy. "It is far more difficult to maintain a new monarchy than a hereditary monarchy accustomed to the rule of a monarch of legitimate blood," noted Machiavelli. However, Egypt's Nasser, although he was merely a Major even to the end, was able to enjoy absolute power and rule the country. That was because of his superior ability to grasp exactly what the Egyptian people wanted, and to give his all to attain it. Above all else, he took as his guide the following words of Rousseau: "Even the strongest man, if he cannot convert strength into rights, and submission into duty, can never be strong enough to be master."

Another reason the current regime has become so weak as to make one doubt whether it has perhaps lost the ability to rule is that it has been unable properly to recognize how far removed it is from the people.

Korea in the spring of 1987--with a per capita income of more than \$2,000 and a middle class comprising about 70 percent of the population--is quite different from Korea in the spring of 1980. It is totally different from Korea in the spring of 1961, when per capita income was \$120. Now there the people will not put up with a relative lack of freedom if only they can just get enough to eat to go on living. As Samuel Huntington stated, rapid economic growth increases a thirst for freedom, and is likely to bring political unrest. The power-holding group has not been able to recognize this greatly changed situation. So it felt that the same kind of forceful political techniques used to handle people in the 1960's could be applied in the 1980's as well. Meanwhile, this group took the people to task for not being grateful to the government for having enabled them to live well.

Even with more than 100,000 students filling up the large street from South Gate to Kwanghwamun, there were no untoward events. When students demonstrated, the city people on the streets ignored the violent slogans, and applauded the student demonstrators who displayed moderate slogans. Even in violent demonstrations that seemed as if they would shake the whole country, we could see a new pattern in the posture of the soldiers, who were careful not to interfere.

Just as we have a certain image that has been associated with the current regime for the past 27 years, so too do we look with distrust at established politicians.

No matter how capable a ruler may be, he cannot satisfy all the people at once. Accordingly, the important thing is how wisely political priorities are decided--which interest of which group will receive the initial focus, and which problems will be resolved first. At such times, capacity to rule is precisely the questions of how to resolve the inevitable discontent of some of the people without using irrational force.

From 13 April [1987, when President Chon Tu-hwan suspended further discussion of constitutional revision] until 29 June [when Democratic Justice Party chairman No Tae-u announced his eight-point plan of compromise with the opposition] the strength shown by the students has been truly great. The students unquestionably are a group strong enough to demand that the government follow a particular policy. Of course, they cannot become the main actors in politics. In the end, those who have the leading role in politics are the politicians. The images we find of these kind of politicians are the ones that begin with the politicians of the Chang Myon Government period [in 1960-1961], who through their stupid and sordid struggles for power brought on the accursed [military coup of] 16 May [1961]. Regrettably, this image of parties--as not based on principles or on policies, but as interest-ridden, constantly dissolving and reforming factional groupings of politicians--is one that we also find in today's politicians. There are many who even look at the politicians suspiciously, wondering if at times they are getting a free ride on the students' backs, at times are being dragged along behind the students, or at times are egging the students on. Now it is the politicians' turn to act. From here on in, it is the politicians who bear the responsibility.

Now we are not simply testing whether, or to what extent, we can struggle for democratization. We are testing the extent to which we have the qualifications and capabilities to enjoy democracy.

DISSIDENT STUDENTS STAGE 'FIERCE' DEMONSTRATION

SK15130 Seoul Domestic Service in Korean 1200 GMT 15 Aug 87

[Text] Approximately 4,000 college students belonging to dissident student organizations, including the Struggle Committee for National Democracy against U.S. Imperialism and the Military Fascists [MINMINTU], who participated in a rally marking the anniversary of the 15 August national liberation that was held today in Seoul under the auspices of the National Coalition for a Democratic Constitution, staged a fierce street demonstration after the rally, beginning at [1940 GMT] shouting slogans.

After the rally, the students staged a demonstration at the rally site, the former location of Seoul High School. The students then marched from there to the Kwanghwamun intersection, occupying the road connecting them.

The students shouted the slogans "We Oppose the United States which Supports the Dictatorship" and "Let Us Establish a Democratic Government through a Democratic Constitution."

The police fired tear gas at the demonstrators and dispersed them at 2000 [1000 GMT]. However, the students continued to demonstrate intermittently after avoiding the police in side streets.

Earlier, the students not only placed placards containing antigovernment slogans at the rally site, but also painted walls, trash cans, and other objects at the rally with slogans opposing referring a new constitution for which negotiations are under way between the DJP and the Reunification Democratic Party to a referendum. They also hung some 30 placards containing various slogans calling for the establishment of a revolutionary government.

/12624

CSO: 4107/240

POLITICAL

SOUTH KOREA

POLITICAL PRISONERS NOT INCLUDED IN AMNESTY

SK130643 Seoul YONHAP in English 0629 GMT 13 Aug 87

[Text] Seoul, Aug 13 (YONHAP)--The government will parole a total of 1,305 model prisoners Friday in commemoration of the 42nd anniversary of South Korea's liberation from Japan's colonial rule, which falls on August 15, the Justice Ministry announced Thursday.

No political prisoners will be included on the list of those to be released.

Inmates to be paroled include 1,117 convicted of various crime,s including espionage activities for North Korea, and 188 juvenile delinquents.

Of the 1,117 convicts, 68 have been serving a prison term of more than 10 years, including four espionage agents for North Korea, while 172 have acquired various vocational qualifications during their confinement and 17 have passed qualification examinations for advanced education, a ministry official said.

To be released on parole, prisoners must have acted in an exemplary manner during prison life, have showed repentance for their past crimes, be rated as probable non-repeat offenders, and have qualifications to resume life in society at large by means of the various vocational certificates they acquired while serving prison terms, according to the official.

Those convicted of rape or burglary, as well as drug users and traffickers, and members of organized crime rings, will be excluded from government leniency measures, the official said.

/6662

CSO: 4100/299

MINISTRY OF LABOR TO REVISE LABOR LAW

Scheduled Completion

41070225 Seoul HANGUK ILBO in Korean 11 Jul 87 p 10

[Article: "A Draft of Amendment of Labor Related Laws Will Be Made Public at End of the Month: Ministry of Labor"; "Collecting and Reviewing Views of Various Circles in Order from the 16th [of July]; Industrial Labor Union Plan May Become Point at Issue"]

[Text] The Ministry of Labor has decided to set forth a draft of the amendment of labor related laws, including the labor union act, by the end of July.

Yi Hon-ki, labor affairs minister, said on 10 July that "in connection with the current political situation, it is necessary to revise labor related laws." He then announced that "views of various concerned groups will be collected and reviewed in order from 16 July and a draft of amendment will be made public at the end of the month."

Minister Yi further stated that "the ROK General Federation of Labor petitioned the National Assembly on 7 July for a draft of the amendment of the constitutional provisions related to labor and of the labor related laws, and a request for revision of laws governing work sites. A reviewing process is already underway at the business level regarding the draft." He then went on to say that "views of the parties concerned, including workers' organizations such as the ROK General Federation of Labor and the General Federation of Managers, and labor related articles which the Democratic Justice Party and the Democratic Party will propose in their drafts of the constitutional amendment will be reviewed by 18 July; views of the academic circles involved with labor and the economy, and academic circles with interest in labor laws will be collected and reviewed in order by 20 July; and then the Ministry of Labor will present its final draft."

However, Minister Yi made it clear that, although the draft of the amendment by the Ministry of Labor would be finalized after views of various concerned groups are collected and reviewed in order, the basic direction would be set forth in line with economic conditions of our country and the common sense governing the actual sites of labor and management. Thus he suggested that

further investigation would be made regarding the issue of newly establishing the constitutional right to equal distribution of profits proposed by the General Federation of Labor.

Furthermore, the Ministry of Labor viewed that [establishing] the industrial labor union that is strongly proposed by the General Federation of Labor, too, would become a point at issue in connection with the organization of labor unions. Thus it is foreseen that the portion of the work of preparation of the draft of amendment related to this issue will cause difficulty.

Facts To Consider

41070225 Seoul MAEIL KYONGJE SINMUN in Korean 13 Jul 87 p 2

[Editorial: "The Direction of Revision of Labor-Related Laws"; "To Establish Material-Gain-Oriented Labor-Management Relations"]

[Text] 1.

The work of democratization has recently been rapidly pushed forward among various groups. Among the tasks of democratization, the one which is most directly linked with popular livelihood and which is most difficult to solve may be the democratization of labor-management relations.

It may be a more difficult and harder task than that of political democratization. This is because labor-management relations represent an economic problem functionally related to politics.

In fact, regarding the problems of political democratization, the people have had experience and experts have had discussions. Regarding labor-management relations, however, there has been a scarcity of experience because it was considered a taboo subject. Discussions between labor experts and businessmen have not been sufficient either. Labor laws have been enacted and revised in such a situation as this. In the past, we always revised them while experiencing political change, as an adaptation to circumstances. Even the enactment of the three labor laws of 1953 was a case of that kind.

Even before the roaring of guns of the 25 June war faded out, politicians of that time established an advanced legal system in order to demonstrate that our system was far better than that of the North Koreans, who were loudly telling their people that they lived in a paradise of workers, rather than enacting practical laws for the workers.

However, in reality businessmen failed to observe provisions of those laws designed to protect workers and became violators of law; and labor administrators came to neglect their duties. Labor unions became company unions because they failed to bring accusations for violations. Several amendments were made but they were made in a blitz rather than with sufficient discussion or nationwide agreement. Thus those who took a pessimistic view branded them as retrogressive before they discussed whether or not those revisions were logically reasonable.

In order not to repeat the same error made in the past, revision of various labor related laws currently being made amid the waves of democratization of today must be made reasonable in comprehensive consideration of voices of labor, management, leaders of labor movements outside the establishment sphere, and even consumers. If not and if the revision of labor laws should be employed as a lure in electoral polls, such empty checks of promises would only invite more distrust from the workers.

It is hoped that every political party will take a stand to responsibly make revision of the law under which it would serve as a government party.

2.

Taking this opportunity, we would like to give advice to the parties involved in labor-management relations, workers and employers, and the government regarding their roles in order to be of benefit in the forthcoming revision of labor laws.

First, to cite roles of the government, it is imperative for the government to reflect regarding why such a strong request was made for revision of the law designed to guarantee three [major] rights of workers. Provisions about that are clearly laid down in the Constitution, the labor union act, and the the law governing the arbitration of labor disputes. Still there were frequent unjustifiable labor actions that obstructed organization of labor unions. The right to collective action has never been exercised in the way it should be. The administrative branch of the government must be primarily responsible for that; such a situation as this should not be solely attributed to insufficient provision of the law, as we believe.

Although the right was guaranteed in the law, lawful exercise of the right was feared; and consequently lawful exercise of the right was obstructed. Thus we have come to request unconditional revision of the law. Labor-management relations are similar to those of husband and wife; so it is imperative for us to understand the truth that the less the government, which is playing the role of mother-in-law, intervenes, the better.

The only thing the government has to do is to conduct arbitration so that violent acts, such as destruction and bloodshed, may be prevented. Of course, we must not think that the Ministry of Labor Affairs should be solely responsible for that. It is often the case with those who are in charge of establishing economic policies that they think that the weaker the activities of labor unions, the better, because of the policy of economic development designed to give priority to exports and the logics of growth first and distribution next.

However, we must understand that unless growth and distribution take place simultaneously, they may cause social unease and lessened domestic demand. Now that advanced nations, nations to whom we export, refuse to buy those goods manufactured while labor unions are oppressed, we must understand that democratic vitalization of labor unions is an unavoidable task and should not be dodged.

3.

Second, employers must not rely on the government any more and must not reject righteous demands of labor unions; they must not regard the labor union's activities themselves as a waste of business enterprise. Workers of today are different from those of 30 years ago. Not only their standard of education but also their consciousness of economy, management, and culture have been tremendously heightened. It is hoped that employers will cast off the management style of the early developing period of "let them work as instructed and let them be paid whatever may be given to them" and will prepare "a new bag for new decoration."

They [workers] want to take part in management themselves. They are not necessarily seeking the right to participate in the management of the joint decision making system provided by law: they are seeking to participate in management through collective agreement.

Finally, what both workers and their leaders must think about is that establishing a legal system at the level of advanced nations does not necessarily mean that it will always be profitable for workers. Instead of killing and eating a duck that is laying gold eggs, you must continue to raise it so that it may lay more gold eggs; and you just have to distribute those eggs efficiently. The fundamental idea of the free labor union is in the practical enhancement of workers' rights and interests and the improvement of working conditions: it is not in the construction of a Utopia. Political activities designed for workers to protect their rights and interests must be guaranteed in the dimension of collectively exercising voting rights. However, political forces of any form which attempt to use labor unions as a political tool must be rejected. Therefore, the earlier the democratization of organizations of labor unions comes, the better it would be. In this context, the plan for abolishing the system of indirect election of chairman of the labor union, which is currently under discussion, is right and proper.

However, in view of the fact that relaxing requirements for establishing labor unions may cause the emergence of numerous labor unions, it must be followed by the development of a system of electing a single collective bargaining representative. If not, it may not be possible to put an end to the trend that workers brand any representative whom they do not like as one under company patronage.

7989

CSO: 4107/225

DAILY ON GROWTH RATE, DISTRIBUTION OF WEALTH

SK190819 Seoul SEOUL SINMUN in Korean 18 Aug 87 p 2

[Editorial: "Efficiency and Equilibrium Should Be Balanced"]

[Excerpts] The fixed idea -- or rather conception -- that high economic growth and its balanced development are not compatible has begun to discolor in the wake of the labor disputes that have sprung up like mushrooms after a rainfall. Without peace for industries, it is warned, economic growth runs the risk of going back to a fiction; and the number of people who conceive a fair distribution of wealth to be the driving force behind and sufficient condition for the high economic growth is now increasing.

According to the tentative computation of the gross national product in the first half of this year released by the Bank of Korea and an analysis of the economic activities of the business firms listed on the stock exchange in the same period of time, our economy is on a track of high economic growth. However, the Korea Development Institute says that the growth rate will be 5.8 percent in the latter half of this year and will drop to such a serious level as 5 percent in 1988 should the labor disputes continue to escalate for a long time. With the real economic growth rate reaching 15.3 percent in the first half of this year, the highest since 1979, businesses listed on the stock exchange have recorded as much as a 70-percent increase in their net profits in the first half of this year, compared to the same period last year.

The question concerning the distribution of wealth accumulated thanks to the high growth that has continued since 1986 and drastic increase in real profits -- all a result of "three lows" -- coupled with public demands for a fair distribution of wealth expressed in the course of democratic development has sharpened such pending economic issues as growth and balanced income.

The gaps between the growth of different types of businesses and between manufacturing industries are indicative of the inequality between urban and rural communities and between big and small businesses as well as between export industries and domestic industries. Since the estimated GNP in the first half of this year has failed to include statistics on the distribution of income, it is hard to guess the degree of inequality concerning the distribution of income. However, the fact that the net profits by businesses listed on the stock exchange have more than tripled compared to the same period last year is very demonstrative to us.

In the course of grappling with the labor disputes that have flared up recently, the majority of businesses regard workers' demands for wage increases of more than 10 percent to be unreasonable. However, the businesses' reasoning that a 10-percent wage increase is unreasonable is also hard to accept, in view of the growth rate of the manufacturing industries and the net profits of the businesses listed on the stock exchange in the first half of this year. Our idea is that since peace cannot be provided for industries unless distribution of income corresponding to improved productivity is achieved, thereby leading to a serious phase, we put into perspective what the GNP growth in the first half of this year really means.

What we mean to say is that the government, businesses, and houses need to refresh their views on and logic concerning the economic growth on the principle of balanced efficiency [improved productivity] and equality [a fair distribution of income] and then develop them jointly. Our assertion is that reconciliation of efficiency and equilibrium is a pressing demand and is the driving force behind the crysoalization of national energy for continued economic takeoff, not the polarization that a fair distribution of wealth and public welfare can play second fiddle to growth or that growth can be sacrificed for the sake of a fair distribution of income.

/12624

CSO: 4107/240

. FINANCIAL AID FOR EXPORT INDUSTRIES TO BE PHASED OUT

SK150035 Seoul THE KOREA HERALD in English 15 Aug 87 p 6

[Text] The government plans to carry out active currency management policies, focusing on a drastic reduction in financial assistance to conglomerates and the foreign debt servicing ahead of schedule, government officials said yesterday.

In line with the plan, the government will phase out its financial support for the exportation and expansion of production facilities by export-oriented industries to hold the total money supply growth rate to the targeted 18 percent. New loans will also be halted until the end of this year.

Moreover, the large enterprises will be encouraged to repay their loans and foreign debts in advance, since they seem to have ample funds through increased export, the officials said.

In return for the reduction of financial aid to the conglomerates, the officials said, the government will support the efforts of large enterprises to raise funds in direct financial markets, including stock markets.

Meanwhile, the government will offer more financial support to small- and medium-sized firms, provincial companies, and farming and fishing villages beset with difficulties due to the escalating labor disputes and recent heavy floods.

The government's plan reflect rising concern that the total money supply increase rate for this year may exceed the targeted 18 percent, since the money supply from foreign sectors continues to increase and the government has already released some 500 billion won (about \$617 million) with the supplementary budget to assist flood victims.

The recent nationwide labor disputes are also forcing businesses, 'pinched for funds, to raise their employees' wages, the officials explained.

The currency management policies, it is estimated, will reduce financial assistance to conglomerates by some 2.6 trillion to 2.7 trillion won (about \$3.2 to 3.3 billion), the officials said.

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CSO: 4100/0304

GROUPS INVEST 3.47 TRILLION WON IN SISTER FIRMS

Seoul THE KOREA TIMES in English 28 Jul 87 p 6

[Text] The combined total investment of 509 companies of 32 business groups in their sister firms amounts to 3,474 billion won based on book value, 43.9 percent of their total net assets.

The net assets of a company are gross asset excluding stock acquisitions from sister companies and state subsidies.

Of this, 1,300.1 billion won worth of stocks that 155 firms hold, should be disposed of within five years, in principle, in accordance with the revised Monopoly Regulation and Fair Trade Law.

The cross investments, which are regarded as falsified capital increase by business firms, totals 137 cases by 25 groups, the amount involved totalling 397,957 million won in the larger sector and 76,471 million won in the smaller sector.

Six groups have no cross investment among their subsidiary firms. They are Daelim, Hyosung, Dongbu, Hanbo, Korea Shipbuilding and Engineering Corp., and Samwhan.

The Economic Planning Board (EPB) yesterday revealed the subsidiaries of 32 business conglomerates which do have over-the-limit stock acquisitions after analyzing investment statements submitted to it in the period up to April 1.

Banking and insurance companies, which account for 101.7 billion won of the 3,474 billion won invested, should repeal voting rights in board of directors meetings held by their sister companies according to the revised monopoly regulation law.

The two categories comprise 40.4 percent of the combined total investment exceeding the given limit.

The revised Monopoly Regulation and Fair Trade Law put into effect April stipulates that companies of business groups are banned from acquiring stocks of other sister firms exceeding 40 percent of their respective net assets.

According to the revised law, cross stock acquisition is entirely banned in the 32 business groups, excluding banking and insurance firms.

Of the 1,300.1 billion won worth of stocks to be disposed of, 1,103.2 billion won or 84.8 percent worth is obligatorily to be sold in five years and the remaining 196.9 billion won worth, possessed by state-invested firms should be disposed of in 7-8 years.

Hyundai Group placed first in cross investment amount with 119.6 billion won in larger sector and 24 billion won in smaller sector in 18 separate cases.

Korea Explosives came next with 61.1 billion won in the larger sector and 6 billion won smaller sector in 19 cases, Kia recorded 42.7 billion won in larger sector and 3.6 billion won in smaller sector in five cases.

Lucky-Goldstar Group marked 36.8 billion won in the larger sector and 6.9 billion won in the smaller sector in 16 cases. Ssangyong registered 25.6 billion won and 400 million won, respectively, in four cases.

Of the firms holding investments exceeding the 40 percent limit of net assets, Daewoo Group hold the most, followed by Hyundai, Daelim, Korea Explosives and Sunkyong. The combined total in excess of the top five groups amounts to 826 billion won.

The over 40 percent investments of the 6-10 ranking group, composed of Kumho,

Shindongah, Doosan, Lucky-Goldstar and Samsung, total 22.5 billion won.

Sammi, Kukdong Construction, Ssangyong, Dongkuk Steel Mill and Lotte are bracketed 11-15 in the ranking group, their excess investment being scaled at 154.1 billion won.

The 16-20 ranking group is composed of Hanil Synthetic Textile Fiber, Haitai, Kolon, Halla and Pan Ocean Shipping whose combined total excess investment stands at 66 billion.

Dong-Ah Construction, Kia, Hyosung, Dongbu and the Korea Shipbuilding and Engineering Corp. ranked 21st through 25th with excess investment totaling 28.5 billion won.

Kohap, Hanyang, Miwon and Samwhan are ranked 26th-29th with the excess investment totaling 5 billion won.

Life, Hanjin and Hanbo have never recorded excesses over the criteria of 40

percent limit of net assets although they have possessed stocks acquired from their respective subsidiaries.

The Fair Trade Commission of the EPB plans to guide business conglomerates into disposing of excess investment over the five years to March 31, 1992, and cross investment over the three years to March 31, 1990.

Hyundai and Doosan have already disposed of 3 billion won of cross investments — one investment for Hyundai and five investments for Doosan, the EPB said.

The government expects that a considerable amount will flow into the stock market.

The revised Monopoly Regulation and Fair Trade Law aims at preventing business conglomerates from expanding business lines through excessive investment or cross investment.

Ratio of Investment to Net Assets	
Ratio	Business Conglomerates
50% or more	Daewoo, Ssangyong, Korea Explosives, Daelim, Dongkuk Steel Mill, Doosan, Kukdong, Kumho, Kohap, Halla (10)
30-49%	Hyundai, Samsung, Sunkyong, Hanil Synthetic Fiber, Kia, Kolon, Life (7)
10-29%	Lucky-Goldstar, Hanjin, Lotte, Hyosung, Dongbu, Miwon (6)
Less than 10%	Hanyang, Hanbo, Samwhan (3)
Debt of net assets of Invested to others	Dong-Ah Construct., Pan Ocean Shipping, Sammi, Haitai, Shindongah, Korea Shipbuilding and Engineering Corp. (6)

Excess Investment by Big Firms		
(billion won)		
Ranking	Business groups	Excess investment
1-5	Daewoo, Hyundai, Daelim, Korea Explosives, Sunkyong	826.0
6-10	Kumho, Shindongah, Doosan, Lucky-Goldstar, Samsung	220.5
11-15	Sammi, Kukdong Construction, Ssangyong, Dongkuk Steel Mill, Lotte	154.1
16-20	Hanil Synthetic Fiber, Haitai, Kolon, Halla, Pan Ocean Shipping	66.0
21-25	Dong-Ah Construction, Kia, Hyosung, Dongbu, Korea Shipbuilding and Engineering Corp.	28.5
26-32	Kohap, Hanyang, Miwon, Samwhan Corp., Life, Hanjin, Hanbo	5.0
Total	32 groups	1,300.1

Cross Investment by Business Groups

(unit: 1 million won)

Business Groups	Cases	Amount	
		Larger party	Smaller party
Hyundai	18	119,607	24,041
Daewoo	9	17,473	3,572
Samsung	6	3,579	731
Lucky-Goldstar	16	36,840	6,929
Ssangyong	4	25,610	453
Hanjin	5	2,333	686
Sunkyong	1	1,500	1,110
Korea Explosives	19	61,146	6,006
Daelim	-	-	-
Lotte	4	5,108	546
Dong-Ah Construction	4	4,045	1,434
Hanil Synthetic Textile	2	1,498	385
Kia	5	42,781	3,643
Doosan	8	4,739	1,011
Pan Ocean Shipping	1	477	419
Hyosung	-	-	-
Dongkuk Steel Mill	7	19,370	3,588
Sammi	1	49	-
Hanyang	3	1,553	655
Kukdong Construction	1	5,072	1,234
Kolon	2	11,610	25
Kumho	9	891	508
Dongbu	-	-	-
Kohap	1	3,000	272
Hanbo	-	-	-
Haitai	6	9,297	1,179
Miwon	1	1,124	212
Korea Shipbuilding & Engineering Corp.	-	-	-
Life	1	450	9
Samwhan Corp.	-	-	-
Shindongah	1	15,305	14,948
Halla	2	3,500	2,875
Total	137	397,957	76,471

* Amount is based on book value.

* The Statistics is based on April 1 figure.

/13104

CSO: 4100/305

LABOR UNREST MAY CAUSE LOWER 1987 GROWTH RATE

SK150317 Seoul THE KOREA TIMES in English 15 Aug 87 p 6

[Text] The nation's economic growth rate during the latter half of this year is forecast to remain at 5.8 percent, down 3.7 percentage points from projected goal, if the current labor dispute continue and result in additional 5-6 percentage point wage hike.

The disputes will also affect next year's economic growth rate to five percent from the projected 8.5 percent.

The Korea Development Institute (KDI) yesterday submitted a report on the influence of the current labor-management disputes to overall economy and counter measures containing these to the 10th civil-government economic and social consultation committee meeting.

The state-run institute forecast that the disputes, if persist [as published], will bring the jobless rate to 4.9 percent during the latter half of this year from estimated 3.4 percent and unemployment population will increase by 235,000 additionally.

The unemployment rate will further be deteriorated to 5.5 percent next year, resulting in additional 300,000 jobless persons next year on average, the KDI forecast.

The state-run think tank said that the nation's economic growth rate should increase 7-8 percent on average a year to absorb 370,000 persons of new workfire to be newly created every year.

The disputes are also expected to hit a critical blow to the exports and current account surplus in the latter half and next year, the KDI said.

Additional 5-6 percent wage hike let alone the 10 percent rise settled early this year and prolonging will pull down the exports to \$20.5 billion in this year's second half from projected \$23.6 billion and the imports to \$19.6 billion from \$20.3 billion, resulting in \$900 million trade surplus, the KDI said. [sentence as published]

Next year, the exports will further decline to \$44.8 billion from projected \$51 billion.

As a result, the current account surplus will remain at \$1.7 billion in the latter half from projected \$4.3 billion, pulling down the total to below \$5 billion from estimated \$8 billion for this year.

The surplus will also decline to \$3 billion next year from \$6 billion project.

The KDI feared that the current account surplus would reverse to deficit in 1989 if the current labor disputes persist. The reduction of surplus will also damage the foreign debt repayment program of the government, it said.

Commodity and service prices are also forecast to rise to 3.3 percent in wholesale sector and 4.2 percent in consumer sector from projected 1.5 percent and 2.5 percent, respectively in the latter half.

Next year, the prices will further rise to 5.5 percent in wholesale division and to 6.6 percent in consumer division from 2.5 percent and 3.5 percent projected by the government.

The think tank presented a six-point recommendation to the government to solve the prevailing labor disputes.

The recommendations are improvement of income distribution, ease of economic concentration, overall increase of wage level, reduction of wage differences by industries and education background, improvement of labor condition, expansion of basic welfare system and enhancement of participation will of laborers in enterprises.

In the economic operation aspect, the government should discourage enterprises to reflect wage hike in commodity price rises to stabilize prices. [as received]

Monetary and budgetary policy should be tightened, also aimed at stabilizing prices, and appreciation of won against U.S. dollar should be curbed.

The government was also recommended to promote industrial restructuring to sophisticated sector and enhanced productivity.

The controversial interest rate readjustment should remain untouched as the interest rate increase might hurt frugality and saving mind rather than help enterprises in solving the wage hike, the KDI said.

Meanwhile, the Labor Ministry said that it would make efforts to improve various labor-related laws to activate labor union's activities soundly.

But the ministry is determined that violations of social orders such as out-of-company demonstration, destruction of public facilities will face stern punishment.

/9716

CSO: 4100/0304

REPORTAGE ON LABOR-MANAGEMENT DISPUTES

Managers Vow Open Policy

SK140341 Seoul THE KOREA HERALD in English 14 Aug 87

[Text] The nation's business managers yesterday resolved to open their business performance to the public to ensure fair distribution of corporate profits as well as higher wages and larger welfare benefits for the employees.

"The management will neither turn away from the righteous demands of workers nor force their obedience to managerial assertions," they said. "We will also continue to develop democratic labor-management cooperation with legally established labor unions."

These and other points are contained in "the message to 10 billion laborers" the managers adopted in an emergency board of directors' meeting of the Korea Employers' Federation held at the Seoul Hilton International Hotel.

In regard to the ongoing labor disturbances throughout the nation, the employers said, "In workplaces which have yet to set up labor unions, the representatives of employers with decision-making rights will participate in labor-management consultative meetings to solve all problems in dialogue."

"The management will abide by all labor-related laws, including the Labor Standard Law, and do our utmost to increase the laborers' rights and interests, such as through lawful personnel management and better working conditions," the message said.

The employers' representative body requested the workers to "seek to settle their demands one by one through dialogue while continuing normal operation with the understanding that they should realize workers' welfare through developing their companies and voluntarily save their own workplaces."

"The labor-management troubles are basically the problems between the two parties, and should be solved in self-regulatory consultation between them in each business enterprise," they said.

The message also said, "The government should do its best to maintain order by preventing any intervention by external factors to obstruct the attempts to settle matters in self-controlled consultation between labor and management."

It also asked the government to "prevent corporate insolvencies and mass unemployment by extending special emergency funds in low lending rates to firms put under operational suspension and allowing them tax exemption and reduction."

In an appeal to striking workers, the message said that it is estimated that a single worker's strike will bring about the daily loss of 100,000 won and the accumulated losses resulting from the subsequent labor unrest amount to between 150 billion won and 200 billion won.

Both the labor and management, which must be well aware of the unhappy outcome from the prolonged labor unrest, will seek measures for co-existence through cooperation, the message said.

Demands Force Closure

SK140219 Seoul THE KOREA TIMES in English 14 Aug 87 p 3

[Article by Yi Chun-hui]

[Text] Changwon, Kyongsang-namdo--A provincial branch of Sanyang Foods Co. in Yangsan-gun, near here, was voluntarily closed down Thursday in response to the days-long sit-in demonstration for salary hike by its employees.

A spokesman for the company said the shut-down was inevitable as the demands of the workers were too strong to meet.

The workers have been staging a sit-in demonstration since Tuesday, calling for a 30 percent salary increase plus 400 percent hike in bonuses and other allowances.

It is the first time that a workshop was closed down by the management since the recent outburst of a series of labor disputes across the country.

The voluntary close-down is the only means of protest on the part of the management. The management cannot resort to the measure unless the laborers initiate disputes.

Unlike business suspensions, the voluntary close-down takes effect as soon as it is reported to the authorities, the Kyongsang-namdo provincial administration in this case. As long as the workshop is closed, no salary or allowances are paid to the employees.

Restraint in Resolving Transport Unrest Urged

SK140253 Seoul THE KOREA TIMES in English 14 Aug 87 p 2

[Editorial: "Role of Public Transport"]

[Text] Representing part of the lingering labor disputes that have swept over most industrial complexes across the country, bus drivers in the metropolitan

region of Seoul threatened Wednesday that they would go on strike on Aug. 24 if their demand for a 28 percent hike in wages was not met.

Coinciding with the wage-hike demand by Seoul chapter leaders of the National Automobile Union, drivers of our bus companies in the capital city, responsible for more than 230 buses on 10 routes, temporarily went on strike the same day, pressing for a wage increase.

Meanwhile, strikes by bus and taxi drivers have spread to 12 cities and three towns across the nation, paralyzing public transportation in urban areas partially and even totally.

Particularly as the auto unionists in Seoul warn of a general strike setting their deadline, the labor trouble in transportation sphere seems to have taken on a graver aspect.

Unlike other labor troubles a mass protest by transportation workers would immediately inflict great inconvenience on the livelihood of citizens as a whole, particularly those residing in large cities.

Even partial strikes may well bring about extreme confusion in urban functioning, with industrial and office workers being unable to reach their workplaces at the proper time.

In consideration of the serious consequences as such, both management and labor engaged in mass transport are urged to refrain from going too far in the course of wage negotiations, exercising restraint to the last possible moment in their search for a compromise.

Probably in anticipation of proper wage increase for bus drivers to be effected, the Transportation Ministry is reportedly weighing a 10-won hike for city bus fares in Seoul, possibly beginning next month, instead of a drastic increase which may destabilize price structures.

Hopefully, labor-management negotiation over wage hikes will result in a reasonable formula, remembering the integral role of public transport in the nation's economic circumstances.

Call for Worker, Management Restraint

SK120041 Seoul THE KOREA TIMES in English 12 Aug 87 p 8

[Editorial: "Steps To Ease Labor Crisis"]

[Text] Calls for dialogue and compromise have long been addressed to political actors seeking their reasonableness in the roles they play in the nation's democratic development and, more immediately, in averting a political

crisis that was about to come after prolonged feuding over the constitutional amendment.

As the rival parties have begun full-fledged negotiations for a compromise constitutional revision, the same calls are now addressed to industrialists and their employees who are embroiled in ever-worsening labor disputes, threatening to cripple the national economy and consequently create far-reaching sociopolitical unrest.

In a sense, the labor disputes may be seen as the inevitable outgrowth of the long suppression of basic labor rights, restoration of which was promised by the ruling camp only recently in its extensive democratization scheme.

However, the impact of the snowballing disputes between labor and management is already regarded as detrimental to the nation's industrial and economic performance, as many of its key industries have been affected producing wide-ranging ripple effects.

A striking feature of the recent labor crisis is the rashness of the workers who staged strikes supposedly the last recourse of labor, without making efforts to solve problems through dialogue, often resorting to violence and vandalism.

Accordingly, the government authorities and leaders of both the ruling and opposition parties renewed their appeals to the striking workers this week to refrain from committing violence and radical acts in the course of pushing their demands, while entrepreneurs were asked to make their best efforts to honor workers' requests.

At the same time, business leaders under the umbrella of the Federation of Korean Industries issued a joint statement, expressing their determination to accept all "rational and justifiable" demands of workers to the maximum possible extent and calling on the workers for peaceful behavior allowing a "fair coexistence" between labor and management.

Of course, it is yet to be seen to what extent industrialists will actually accede to the workers' demands, depending on the financial situation at each enterprises and, for that matter, the entrepreneur's integrity. Yet, the workers, however impatient and insecure, are advised to pay close heed to the joint pledge, which the business leaders apparently made from a grave resolve under the prevailing acute circumstances.

Restraint on the part of workers is indeed as greatly needed as the willingness of industrialists to meet their demands. Without fair resolution of labor disputes, the national economy will plunge into a chaotic situation jeopardizing not only economic progress but also political development now enjoying a rare momentum.

Hyundai Motor Shuts Down

SK111219 Seoul YONHAP in English 1205 GMT 11 Aug 87

[Text] Ulsan, South Korea, Aug 11 (YONHAP)--The Hyundai Motor Co., Korea's largest automaker, again went into a full suspension of operation indefinitely Tuesday afternoon because of discontinued supply of parts and components caused by prolonged labor disputes with the suppliers.

The suspension came only 24 hours after the Korean automaker resumed its operations on Monday from its four-day paid leave given to workers since Aug. 6 due to the labor conflicts.

More than 20 companies which supply parts and components to Hyundai have suspended operations since Aug. 5 due to labor conflicts which erupted in this industrial complex in the southwestern port city of Ulsan.

The Hyundai officials said they were forced to suspend the manufacture of all kinds of automobiles, both foreign and domestic demands because of supply shortage of parts and components.

It is uncertain when the suspended supply of parts and components will be resumed, thus making it unclear when Hyundai's resumption of operations will be made, the officials said.

A senior official in charge of car exports at Hyundai was quoted as saying that his company will be virtually unable to meet this year's target of exporting 430,000 vehicles to 11 countries including the United States and Canada, adding only 180,000 units have been delivered so far to foreign dealers.

Striking Giants Affect Small Suppliers

SK090011 Seoul THE KOREA TIMES in English 9 Aug 87 p 1

[Text] Labor-management disputes are spreading like wildfire to a large number of industrial and transportation firms and even coal mines across the nation, stifling the nation's export and other economic activities to a growing extent.

Strikes in such major industrial firms as Hyundai Motor and Hyundai Heavy Industries are triggering suspension of operations at their small- and medium-size suppliers.

What is most worrying government officials and businessmen, though, is the partial stoppage of movements of import and export goods in an out of major ports, a result of strikes by longshoremen, because of its potential to paralyze Korean export industries.

The labor dispute-torn workshops are located in a total of 21 cities nationwide including Seoul, Pusan, Ulsan, Changwon, Pohang, Kwangju, Chonju, Inchon, Puchon, Anyang, Taebaek, Yongwol, and Munhyong.

The ministry said that 49 fresh labor disputes occurred on Friday alone, while feuds were settled at only 15 firms.

Strikes at major automobile, shipbuilding and heavy industrial companies are having a domino effect as a large number of small firms which have been supplying their mother companies with parts and other raw materials have been forced to stop production.

Due to the suspension of operations at Hyundai Motor, Daewoo Heavy Industries and Korea Heavy Industries, more than 500 small- and medium-sized firms have reportedly had to suspend operations either partially or totally.

Strikes in a factory cause ripple effects at other sister workshops. In the case of the Daewoo Heavy Industries which has plants in Changwon, Inchon, Anyang and Yongdungpo, strikes at the Changwon plant triggered disturbances at the other three, completely paralyzing the operation of the heavy industrial firm.

Coal mines are not safe from strikes, either. Thousands of coal miners at coal mines in Kangwon-do have been on strike since early last week, demanding wage hikes and better working conditions.

About 2,000 coal miners at the Togye Coal Mine in Samchok went on strike beginning Friday afternoon, forwarding various demands including the freedom to organize a democratic labor union.

More than 400 coal miners at the Oryong Coal Mine in Taebaek yesterday staged demonstrations on the streets of the workers' village confronting a riot police force.

Approximately 1,600 miners of the Hwangji Coal Mine in Taebaek also staged a sit-in protest at the mine office yesterday, demanding bonus hikes and payments of allowances.

Bus and taxi firms in major cities are also in the throes of disputes.

In Chonju, a total of 27 taxi companies have stopped business because of the strike by their cabbies who have urged the firms to reduce the amount of their obligatory daily turnover and to increase payment of allowances.

About 250 taxi drivers staged a violent street demonstration Friday afternoon. They were dispersed by riot police.

Fifty bus drivers of the Sobu Transportation Co. in Seoul also went on strike yesterday morning, demanding better working conditions and payment of monthly

allowances. Due to the strikes, citizens using the buses of the firm suffered inconvenience.

In the meantime, Pusan port authorities reportedly commissioned several transportation firm sin the port city yesterday to move containers piled up at the dockyards where strikes are going on. The step was designed to tide over the crisis caused by the strikes by workers of the Korean Expressway and Han Jin Transportation Cos.

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CSO: 4100/300

GOVERNMENT OUTLINES ANTIFLOOD MEASURES

SK090056 Seoul THE KOREA TIMES in English 9 Aug 87 p 1

[Text] The government will build 15 medium-sized dams across the country and move dwellers in flood-prone areas to the upper land as part of measures to prepare for flood damage.

Construction Minister Yi Kyu-hyo said yesterday at the National Assembly that the government will also provide speedy financial aid to farmers and fishermen to help them repair their houses, which were devastated by the recent floods and typhoon.

Agriculture-forestry-fisheries Minister Kim Chu-ho said that the government will implement an import liberalization program of farm products in a cautious manner so as not to put additional burden on farmers who were battered by recent downpours and typhoon.

Economic Planning Minister and Deputy Premier Chong In-yong said that the government will take a variety of steps to relieve flood victims in addition to extending 500 billion won in supplementary budget.

He estimated that the nation sustained about 760 billion worth of damage in property and arable land due to the recent natural disasters.

He said it is difficult for the government to make full compensation for all flood victims in view of a tight budget.

Premier Kim Chong-yol pledged that the government will introduce an insurance system for flood damage in the rural areas on a step-by-step basis before full implementation in 1990.

Opposition lawmakers harshly criticized the administration yesterday for alleged failure in taking precautionary measures and neglect in rehabilitation in the recent natural disasters.

A main opposition Reunification Democratic Party [RDP] member even demanded the resignation of all cabinet members, including the prime minister.

On the second day of the extraordinary session of the National Assembly, they asked the government to grant due compensation to the victims and bereaved family members expeditiously.

Members of both ruling and opposition parties called on the government to map out comprehensive, long-term countermeasures against natural disasters.

Seven lawmakers from the government and opposition parties stood on the podium yesterday to interpellate the cabinet members, focusing on the cause for the heavy damage and plans for rehabilitation.

Opposition lawmakers urged the government to increase the supplementary budget, now scaled at 500 billion won, to make full compensation for the farmers and fishermen, who were battered by the recent downpours and typhoon.

Before the interpellation, opposition lawmakers Yu Song-hwan took the floor to speak on his personal situation. The RDP lawmaker had been jailed on charges of anti-state offence in connection with his floor speech.

Premier Kim Chong-yol told the Assembly that the government will use the 500 billion won supplementary budget to finance relief and rehabilitation programs in flood-stricken areas.

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DAILY URGES RESTRAINT TO QUELL RUMORS

SK110029 Seoul TONG-A ILBO in Korean 8 Aug 87 p 2

[Editorial: "Freedom, Rights, and Order--Temperance and Wisdom Are Required To Subdue a 'Rumor on Crises'"]

[Text] There is apprehension we will greet a fruitful fall. Subsequent to the tremendous typhoon and flood damage, we are confronted with the grave impending danger of a sharp increase in damage by green leafhoppers, blight, and other insects and of the dissemination of plagues, including encephalitis originating in Japan. In addition, labor disputes are disturbing the peace in industry. In the wake of the turmoil in the Ulsan industrial complex and the Changwon industrial complex, labor disputes have developed to the extent that the functioning of the port of Pusan--a portal of exports--has been partly paralyzed. Furthermore, even the normal operation of intracity buses, the main means of transportation of citizens, are suspended. The entire trinity--heaven-sent opportunities, natural advantages, and the harmony of human beings--is not ominously unfavorable, but it is true that nearly 100 enterprises have become entangled in labor disputes, and a multitude of other ordeals have befallen us at the same time.

Amid these circumstances, rumors of crises in September or October has been set afloat recently. The rumors are roughly outlined as foreshadowing that when the campuses begin a new semester and students get together again in throngs, uncontrollable chaos may arise and consequently lead to catastrophe, thus apprehensively paving the way for a regulated order of control to pop up again.

Answering a reporter's question on crisis rumors in September and October, DJP President No Tae-u reportedly stated that "Should left-leaning and procommunist forces ever cause trouble, it would function as the center of a typhoon." We are really nervous about this.

Amid everything being measureless, there is only one thing we can talk clearly about. The answer to the question as to whether or not crises will betide to us in September or October, and thus, will we regress to the tunnel of darkness in which "reasoning" is breathlessly stifled and "power" is wielded is clear-cut and concise. In other words, the answer depends on how we act. If the people faithfully adhere to the logic of reasoning and "words," a bright road to democratization will open and crises will not face them; if

they are attracted and allured by personal interests, avarice, and the logic of "power" and blinded by them, they will fall into the abyss of reaction and darkness.

In this way, the explicit answer is simple. Such crises are not extraneous national woes like the Japanese invasion in 1592 and the occupation of this land by the Japanese imperialists. Whether or not crises face us entirely depends on our attitude toward countering our own crises--a matter of our faith and attitude. We should check to see if business enterprises or the administration takes the attitude of seeking to remain secure by dealing with matters on the peace-at-any-price principle and by shelving problems in preparation for reversing fortunes in September or October. We should alert ourselves to the behavioral pattern of striving to survive and enjoy power inside with any party both in the era of democratization and in an era counter to it--the "Fouche-type" behavioral attitude of seeking survival and wealth by modeling after the chameleonic way of enjoying power before, during, and after the French Revolution. To say honestly, those who take this attitude are the most malignant tumors of democratization. The clairvoyance of analyzing the ulterior motive of the "rumor on crises" is also required. To say by employing the theory of tactics, a surprise attack seems to be considered the best way, we must be aware of the dread of the Fabian tactics. We do not always need to view crisis rumors from the angle of tactical, but we must be alert to the recent hysterical and self-abandoning tenor in our society, though found among an extremely minor number of people.

Of course, the supreme goal of democratization is to perfectly guarantee freedom and rights and their abundant fruition. However, even the basic rights in the Constitution should be guaranteed and embodied in a proper order.

It is better to more frequently exercise and more widely guarantee academic and cultural rights, the rights of the press, working rights, and educational rights. This is what we call "the more, the better." However, only when the inevitability of the right to demonstration and assembly, the right to collective bargaining, and the right to collective action is presupposed can these rights be exercised in contributing to social justice and development. The "June resistance" eloquently verified that when freedom of the press was blocked, demonstrations and assembly should follow. Also, when rights to survival and labor are in jeopardy, rights to collective bargaining and action should be thoroughly guaranteed as a final means. Even over the course of political talks on constitutional revision, the parties have discussed that this fact cannot vary in different industrial fields.

The burden, suffering, and cost imposed on the state and society when this freedom is indiscriminately abused while transcending the boundary of a final guarantee even in an inevitable case should be taken into account. This is not necessarily a message only to some workers. On the contrary, the employers and the government should pay closer attention to this message, which advises them not to cause a situation in which the exercise of rights is inevitable, but to improve all conditions beforehand. When the resourcefulness of the people is mobilized, crises are inconceivable. Even though crises befall to us, there is nothing to fear because they will be weathered.

Completion of Nuclear Power Units 7, 8 Reported

41070215 Seoul MAEIL KYONGJE SINMUN in Korean 23 Jun 87 p 3

[Article by reporter Pak Kum-muk: "Continuous Development of Nuclear Energy Opens a New Age"]

[Text] Completion of the nuclear power units 7 and 8 on 23 June carries a significance in the history of power resources development in Korea. The power generation capacity of nuclear power plants is now raised to 30.1 percent, surpassing that of petroleum power plants (25.3 percent) for the first time. In terms of actual power output, rather than the plant capacity, the nuclear power now takes up 50.5 percent. This, in fact marks the end of the "oil-first-coal-next" age and marks the beginning of the "nuclear-first-coal-next" age.

Internal and External Investments of 2.04 Trillion Won

Construction of the nuclear power units 7 and 8, which began in March 1980 and took 7 years and 4 months to complete, was a large-scale project that cost 2,044.37 billion won.

These units consumed 300,000 cubic meters of concrete, which is equivalent to 5 times the size of a 63-story building, and 24,000 tons of steel, which is also equivalent to that needed for 5 times the size of a 63-story building. The total length of electrical wires amounted to 4,100 kilometers or 10 times the distance between Seoul and Pusan. Considering that construction of the Chungju Dam took 7 years and consumed 520 billion won, and that construction of the Kwangyang steel mill took 2 years and 6 months and consumed 1.6 trillion won, we can see that the construction of the nuclear power units 7 and 8 was by far the largest domestic project in terms of the investment size and construction time.

The power generation capacity of each unit is 950,000 kilowatts, and both units can simultaneously generate 1.9 million kilowatts of power. Thus, the total nuclear power output capacity in Korea has increased to 5.716 million kilowatts, which represents an increase to 30.1 percent from the previous 26.4 percent of the total power generation capacity (19,014 million kilowatts). On the other hand, the power generation capacity of petroleum power plants fell to 25.3 percent from 28.5 percent, losing its premier position. In other

areas, coal power plants, LNG power plants and hydroelectric power plants take up 919.5 percent, 13.4 percent, and 11.7 percent, respectively.

Petroleum Power Plants Fall to 8.2 Percent

In terms of actual power generation, nuclear power plants provide a far greater portion of the power supply. Construction of the nuclear power units 7 and 8 enabled nuclear power plants to take up 50.5 percent of power supply, an increase from 43.8 percent in 1986. On the other hand, petroleum power plants fell to the lowest position except hydroelectric power plants. The power output by petroleum power plants, which was 34.4 percent in 1985, fell to 21.5 percent last year when construction of the nuclear power units 5 and 6 was completed, and fell further to 8.2 percent upon construction of the nuclear power units 7 and 8. This is lower than coal power plants (23.2 percent) and LNG power plants (12.0 percent), but is still somewhat higher than hydroelectric plants (6.1 percent).

The ratio of actual power output by nuclear power plants is relatively higher than that of the plants' capacity because the petroleum and coal power plants maintain a large number of idle facilities, whereas nuclear plants operate in full capacity except for the period of repair [and maintenance].

The nuclear power is frequently called "the third fire" or "the fourth energy." This is because the nuclear power has risen to the status of the best substitute energy for petroleum because of its strengths in economic and practical use.

Counterplan for International Energy Crisis

Above all things, the nuclear fuel is inexpensive and its supply is rather stable.

For example, in order for the nuclear power units 7 and 8 to generate power continuously for 1 year, it takes 50 tons of nuclear fuel, worth only \$50 million, without an additional supply of the fuel. A petroleum power plant with a similar capacity would consume about \$290 million of oil. Moreover, additional supplies of oil will be needed from time to time. Therefore, the cost of generating nuclear power is far less expensive than that of other methods. And the nuclear energy is less vulnerable to energy embargo that might arise from an international dispute.

For example, the actual costs of power output per kilowatt-hour in Korea in 1986 were as follows: 29.41 won for nuclear power plant, 32.76 won for bituminous coal power plant, and 51.29 won for petroleum power plant.

Furthermore, the cost of generating the nuclear power itself is stable. This is due to a relatively high rate of its fixed cost which is part of the total cost of generating power. While other thermoelectric power plants have a ratio of 40 to 60 for fixed cost and fuel cost respectively, the ratio for nuclear power plants is 80-20. Thus, nuclear power plants are less vulnerable

to the rise and fall of the fuel cost than other thermoelectric power plants are.

In terms of practicality, no other petroleum substitutes thus far have been commercialized like nuclear power.

Thanks to such strengths, the nuclear power has now become an important energy source worldwide.

At the end of 1986, there were a total of 378 nuclear power units in operation worldwide, generating 265.8 million kilowatt-hours of power, which is equivalent to 15 percent of total power generated worldwide.

The United States is the leader with 97 units, followed by France with 45 units and the Soviet Union with 44 units. Great Britain, Japan, and West Germany has 38 units, 33 units, and 17 units, respectively.

Probability of Accident Is 1 to 250,000

Korea has been active in construction of nuclear power plants since it entered the age of nuclear power in 1978 when the nuclear power unit 1 (with capacity of 587,000 kilowatts) was built in Kori. In 1983, construction of the Kori unit 2 (with capacity of 650,000 kilowatts) and the Wolsong unit 3 (with capacity of 679,000 kilowatts) was completed. And in June last year, construction of the Kori units 5 and 6 (with capacity of 950,000 kilowatts each) was completed. Followed by completion of the units 7 and 8 this year, the Wijin units 9 and 10 (with capacity of 950,000 kilowatts each) will be built in September 1988 and in September 1989, respectively. Construction of the Youngkwang units 11 and 12 (1 million kilowatts each), contract of which was signed in April, will be completed in March 1995 and 1996, respectively.

Indeed, the nuclear energy is now spotlighted as "the third fire" worldwide, but is not without problems.

First of all, disputes over its safety issues persist. Concerned experts steadfastly emphasize the probability theory to defend safety of the nuclear power. It is said that the probability of inflicting injuries on 10 people or more caused by a melting reactor is 1 to 250,000, whereas the probability of death for 10 people or more caused by fire or typhoon is about once a year. However, as seen in the accidents of Three-Mile Island in America and Chernobyl in Russia, accidents do occur regardless of the probability. In Korea, too, some experts have expressed their doubts about the nuclear power plant sites of Kori and Wolsong in connection with their ability to withstand earthquakes.

Construction Costs More Than 600 Million Won per Day

The opportunity cost of the construction investment has always been in dispute, too. For example, the total construction costs for the nuclear power units 9 and 10 will amount to more than 2.44 trillion won, including foreign

loans of \$1.178 billion and domestic investment of 1.598 trillion won. This is equivalent to one-fifth of the national budget in Korea. A one-day difference in construction schedule makes a difference of some 630 million won including management expenses and interests.

Consequently, any adjustments in the construction schedule of nuclear power plants not only affect the national budget but also have a direct impact on the management of foreign loans. That is why the subject of construction schedule for nuclear power plants is always the issue among the concerned departments.

Operating Costs in Dispute

Construction of nuclear power plants also presents problems in load management. Once in operation, nuclear power plants must operate continuously 24 hours a day in full capacity without adjustments in power output. The petroleum and coal power generators can adjust the power output, but the nuclear power generators cannot do that. Therefore, the larger the nuclear power generation capacity gets, the higher the power reservation rate gets. Considering that completion of the nuclear power units 7 and 8 will cause the power reservation rate to rise beyond the 40 percent level, we can see why some experts have cool reactions to the construction of nuclear power plants.

Besides, the economics of the "myth of nuclear power" is under attack. This is because the declining price of bituminous coal in various countries makes operation of bituminous coal power plants less costly than nuclear power plants.

Despite these facts, the government is determined to carry out its plans for continual construction of nuclear power plants.

The government plans to raise the nuclear power capacity to 48.2 percent by 1996. This means that the government has learned a lesson from the first and second oil shocks and that it wants to diversify the energy source in order to minimize any impact that might result from future energy crisis. No other alternative measures seem to exist. This is in line with policies of such resource-poor countries, particularly those without an oil field, as France and Japan, which continue their expansion of nuclear power generation capacity despite the antinuclear movements.

In addition, in its continuous pursuit of nuclear power, the government plans to develop the nuclear power technology into a promising export business in the future.

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CONTRACT AWARD FOR NUCLEAR POWER PLANTS CANCELLED

Contract Procedure Questioned

Seoul TONG-A ILBO in Korean 13 Jul 87 p 2

[Text] The government canceled a noncompetitive contract awarded by the Korea Electric Company [KECO] to Hyundai Construction Company to carry out civil engineering, building construction, and mechanical and electrical installations in nuclear power plants 11 and 12. The total amount of this contract was 280 billion won. The government decided to award the contract through an open competition.

On 13 July, In-yong Chong, the Deputy Prime Minister and Minister of the Economic Planning Board, met the Minister of Trade and Industry Ung-bae Na and the Minister of Energy and Resources Chang-nak Choe at the Chamber of Commerce Club and announced that the noncompetitive contract awarded by KECO to Hyundai Construction would be cancelled.

Deputy Prime Minister Chong pointed out that the contents of the civil engineering, building construction, and mechanical and electrical installation contract to construct nuclear power plants 11 and 12 were found to be legally correct, but the government deemed it more desirable to place such an order through competition. Hence, the government has decided that KECO should handle this contract by open bidding. Affected agencies have been notified accordingly.

KECO awarded a noncompetitive contract to Hyundai Construction on 30 June for civil engineering, building construction, and mechanical and electrical installations for nuclear power plants 11 and 12 to be built in Yonggwang, Cholla-namdo. Construction will begin in June 1989 at a total cost of 3,322.8 billion won. Of this amount, 280 billion won was awarded to Hyundai. This contract was vigorously opposed by Korea Heavy Industries, which had already been awarded contracts for the major equipment of these nuclear power plants amounting to a total of 750 billion won.

Korea Heavy Industries is still considered to be the main contractor (according to a decision made in July 1983 by the Industrial Policy Council) in the manufacturing and installation of power-generating facilities, an area that is regarded as investments in heavy chemical industry being controlled by the government, despite the fact that all other controls on such investments

were removed last July when the Industrial Development Act took effect. Based on this decision, Korea Heavy Industries is the main contractor for constructing nuclear power plants 9 and 10 (in Ulchin, Kyongsang-pukto), whose construction began in March 1981.

KECO stated that it awarded the contract to Hyundai Construction because (a) Hyundai was the sole contractor for nuclear power plants 1, 2, 3, 5, 6, 7, and 8, and it was a subcontractor for nuclear power plants 1, 2, and 3; thus, Hyundai Construction had had much experience in nuclear power plant construction and advanced technology, (b) since nuclear power plants 11 and 12 will be built at the same site as plants 7 and 8, which were built by Hyundai Construction, it will be better for compatibility and responsibility to have the same company build them, and (c) the instructions from the Ministry of Trade and Industry to award the contract to Korea Heavy Industries were not compulsory.

However, Korea Heavy Industries claims that (a) it has the capability and technology required to build nuclear power plants [11 and 12], as is being demonstrated by its work on plants 9 and 10, which are under construction by Korea Heavy Industries, (b) it is more efficient for Korea Heavy Industries to carry out civil engineering and installations because the company is also under contract to provide the main equipment such as power reactors, and (c) it is unfair to award such a contract to a specific company without competition.

Hui-kap Mun, the Vice Minister of the Economic Planning Board, said that he would examine further whether the Industrial Policy Council's decision in July 1983 to award main contracts for the manufacturing and installation of nuclear power generating facilities to Korea Heavy Industries has been voided by the Industrial Development Act or other legal actions that took effect later.

President of KECO Intends to Resign

It was announced that Chong-ki Pak, president of KECO, indicated his intention to resign when he met Chang-nak Choe, the Minister of Energy and Resources, in the morning of 13 July.

Pak is resigning to accept the responsibility for causing difficulties by awarding a noncompetitive contract to Hyundai Construction for civil engineering, building construction, and mechanical and electrical installations in nuclear power plants 11 and 12.

Further Reportage on Cancellation

Seoul MAEIL KYONGJE SINMUN in Korean 14 Jul 87 p 7

[Article by Pak Kam-muk]

[Text] A noncompetitive contract for nuclear power plants 11 and 12 is attracting a great deal of attention. Not only has the government canceled the contract, but the president of KECO, Chong-ki Pak, has also indicated his willingness to take the responsibility by resigning.

In view of past history, cancellation of this contract is a shocking event. There were hardly any precedents in which the government forced a public corporation under its control to cancel a contract.

Similarly, Pak's willingness to resign his post is also an extremely interesting development. This incident was, as is already known, caused by KECO awarding a noncompetitive contract to Hyundai Construction to carry out part of the construction of nuclear power plants 11 and 12.

Roughly, the construction of a nuclear power plant is divided into major equipment such as the reactor and turbine generators, design engineering services, auxiliary equipment, civil engineering (site preparation, construction of major buildings), and mechanical and electrical installations. Of the total cost of 3,323 billion won for these Yonggwang nuclear power plants 11 and 12, 631.3 billion won has been set aside for major equipment alone.

In addition, the budget for design and engineering services is 332.3 billion won, that for manufacturing auxiliary equipment is 664.6 billion won, and 315.6 billion won has been set aside for civil engineering and mechanical and electrical installations. The remainder is for indirect expenses.

The parts that are causing these difficulties are the civil engineering and mechanical and electrical installations. On 27 June, Hyundai Construction won a noncompetitive contract worth 286 billion won in these tasks, 90.6 percent of the scheduled budget. Subsequently, a formal contract was signed on 30 June.

As soon as this news became public, Korea Heavy Industries began to criticize this noncompetitive contract. Korea Heavy Industries' protest is based on "rationalization standards for the generating-facility manufacturing industry." These standards were adopted by the Industrial Policy Council in July 1983. The main requirement of these standards is "to let Korea Heavy Industries participate as the main contractor for manufacturing main and auxiliary equipment and their installation in all power plants ordered by KECO." This was done to extend the control of investments in heavy chemical industry originally adopted in 1980.

Korea Heavy Industries believed that this preference for its role had been reaffirmed last July when the government replaced the control of investments in heavy chemical industry with the selection of business types for industrial rationalization [government ordered each firm what to manufacture], based on the Industrial Development Act. At that time, the government selected only four areas as the types of business to be rationalized out of the seven areas that are subject to controlled investment in heavy chemical industry. These are: automobiles, heavy construction equipment, diesel engines, and heavy electrical equipment. Government controls were removed from copper refining and the manufacturing of electronic switchboards; all controls were removed from investments and manufacturing in these two areas. At the same time, the "rationalization standards for the generating-facility manufacturing industry" of 1983 were reaffirmed.

Although Korea Heavy Industries was not explicitly named as the preferred firm as a result of this rationalization, it was allowed to continue to be the main contractor for power plants ordered by KECO. This action was taken since "it was deemed inevitable to provide continued support to Korea Heavy Industries so that the company could achieve financial independence. Korea Heavy Industries is a subsidiary of KECO (which owns 38 percent of stocks of the former) and the former is still operating in deficit." Thus, Korea Heavy Industries claims that it should get contracts for civil engineering and equipment installations, although it has already received contracts for manufacturing major equipment worth 558 billion won.

KECO refutes these claims by Korea Heavy Industries on two points. KECO asserts that its contract with Hyundai Construction is legally justified and that Korea Heavy Industries may not have the capability to carry out such a contract.

First of all, KECO disagrees with the charge that its contract [with Hyundai] is legally flawed. KECO interprets that it has no legal obligation to support Korea Heavy Industries as a result of the Industrial Development Act, which took effect on 1 July 1986, since the power-generating equipment industry was not selected as one of those to be rationalized [controlled].

Although it is natural for a government-invested, public corporation to follow suggestions made by the government, it is not illegal to disregard such suggestions.

Aside from the legality question, concerned [KECO] officials state that the basic reason that KECO awarded a noncompetitive contract to Hyundai Construction is because of the worry or distrust of Korea Heavy Industries' ability to carry out such a contract.

KECO has already selected Korea Heavy Industries as the main contractor for nuclear power plants 11 and 12 and awarded a contract worth 558 billion won for the manufacturing of the main equipment. Also, a sizable portion of the 377 billion won budgeted for the manufacturing of various auxiliary equipment will be awarded to Korea Heavy Industries.

Hence, it was judged that it may be too difficult for Korea Heavy Industries to carry out more contracts for civil engineering and mechanical and electrical installations. KECO supports its claims by pointing out that Korea Heavy Industries distributed civil engineering and mechanical and electrical installations of nuclear power plants 9 and 10 to Tong-a Construction through subcontracts.

In contrast, KECO's estimation of Hyundai Construction's capability is very high. Hyundai Construction has ample manpower and technical competence through its experience in civil engineering and mechanical and electrical installations in nuclear power plants 1 through 8. Also, it is true that a certain degree of vested right was recognized, since Hyundai Construction was in charge of civil engineering and mechanical and electrical installations in nuclear power plants 8 and 9, which are on the same site as plants 11 and 12.

Some doubts remain even if we fully accept KECO's explanation in this incident. Why did KECO award a noncompetitive contract to Hyundai Construction in spite of the fact that there were three companies (Korea Heavy Industries, Hyundai Construction, and Tong-a Construction) qualified to receive contracts for civil engineering and mechanical and electrical installations in nuclear power plants?

On July 13, the Deputy Prime Minister and other related ministers met together and declared that "KECO's president is entitled to award such a contract and the contract is legal, but we do not consider this to be the best procedure. We prefer to respect the principle of free competition." They voided the contract, and this action can be interpreted as a recognition [of the fact that there is more than one company that can carry out such a contract.]

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CSO: 4107/0226

Enactment of New Intellectual Property Rights Law Reported

41070216 Seoul HANGUK KYONGJE SINMUN in Korean 1 Jul 87 p 5

[Article by reporter Yi Kun: "Revised Copyright Act;" reporter Kim Kyong-sik: "Substance Patent;" and reporter Choe Jong-u: "Program Protection Act"]

[Text] Revised Copyright Act--Now that the 30-year old copyright act has been fully revised, the domestic cultural circles will face an entirely new environment beginning in July.

In particular, the revised copyright act specifies protection of foreign copyrights, based on the principle of mutual consent in connection with the Universal Copyright Convention (UCC), which Korea is scheduled to join as of 1 October and the Geneva Convention as it relates to phonograph records. As a result, all the cultural circles, including those in publishing, music, drama, film, painting, photographic art, advertising, newspaper, broadcasting, magazine publishing, and education, will have to carry a tremendous burden in order to protect foreigners' copyrights.

In addition, the Korean-American agreement on intellectual property rights, separately from any other Korean agreements to international conventions, prevents Korean industries from distributing American publications published since January 1977.

In addition to the protection of foreigners' copyrights, the revised copyright act extends the copyright period to 50 years after the copyright holder's death, while extending the area of protection of all creative works of a literary, scientific, or artistic nature.

The new law also provides exceptions so that the use of copyright can be restricted where such exceptions might render public benefits, while providing for establishment of the Copyright Evaluation Committee and a copyright administration agency to facilitate mutual convenience between copyright holders and users.

However, the major significance of the revised copyright act is in its intent to provide extended rights and interests of the copyright holder. Accordingly, the new law strengthens punitive measures against infringement of copyrights. (Infringement of a copyright is subject to imprisonment of no more than 3 years or a fine of no more than 3 million won.)

The cost of becoming a "culturally advanced country" is certainly not insignificant for the domestic cultural circles.

During 1986 alone, the domestic publishing circles published 145,106,138 books in 37,411 types, which are worth some 630 billion won. About 30 percent of these are foreign publications. In addition, reprinting of foreign books amounts to over 8,000 types per year, which are worth 23 billion won.

Should this trend continue, the domestic publishers will have to pay 43-90 billion won per year after October 1987 for using the foreign copyrights.

In the case of drama, about 50 percent of some 200 works per year that are produced on stage are foreign. In this case, the theatrical circles will have to pay about 80 million won per year for using the foreign copyrights.

Because the law is effective retroactively for 10 years for all American publications, the reprint circles, too, cannot get rid of their tremendous inventory. The Korean Publishers' Council for Foreign Publications, which is an association of reprint businesses, has been reorganized as a corporation and is negotiating with the American Publishers' Association in order to extend the time needed for inventory clearance and to secure reproduction rights thereafter.

Besides, large publishers, such as Kumsong Publishing and Sisa-yong-o-sa, have established their own departments specializing in copyrights, while small and medium size publishers are struggling to devise their own counterplans centered mostly on committees formed by partners. In addition, Translit Agency, Interco Copyright Planning and Sinwon Planning are preparing to register as copyright brokers.

Moreover, the music, theatrical, film, and painting circles, too, are trying to come up with survival plans that are suitable for the new environment brought on by the revised copyright act, but they are all confused because of their insufficient knowledge of the law.

The Ministry of Culture and Information plans to create a new department that will specialize in copyright affairs. However, even the government authorities, who have rushed with the revision of the copyright act, are hardly prepared for the new environment. For example, revision of the Enforcement Ordinance was confirmed at the last minute of the effective date of the law.

In the case of drama and films, which require evaluation by the government authorities, all the hard work for obtaining permission to use the copyrighted work could go to waste if the performance or showing is disapproved or if part of the content is either revised or deleted. Thus, concerned officials contend that the government should either adapt its current evaluation procedure to the new environment or greatly ease the evaluation standards.

The revised copyright act is not all that negative for domestic cultural circles. The measures call for greater expectations of increasingly independent and creative activities among domestic cultural circles. This could become an opportunity for such underdeveloped areas as music and photographic art, which have been highly dependent on foreign works thus far, to improve significantly.

In order for the revised copyright act to be fully effective, it is most important to develop copyright experts.

Enactment of the revised copyright act has come as a shock to the cultural circles. Although its warning period has been sufficient, we do not seem to be fully prepared yet. Thus, a lot of trial and error seems inevitable for a long while after the enactment.

Substance Patent

The substance patent system provides a patent right to a single substance itself, such as aspirin, urea, and parathion, which can be produced by chemical methods.

Under this system, utilization of the same patented substance requires the patent holder's permission, regardless of manufacturing methods, usage, source, and volume.

Accordingly, domestic companies are expected to carry a greater burden since they will now have to pay fees for using the technology when using new products developed by foreigners.

The patent period, which was 12 years from the date of public notice but no more than 15 years from the date of application, will be extended to 15 years from the date of public notice, and the restriction in relation to the date of application will be superseded.

Even if a newly invented material is granted a patent, it takes a long time for inspection and testing until commercialization of the substance. In order to compensate for the lost time, a time recovery system will be implemented.

An extension can be granted up to 5 years when it is proven that manufacturing and sales have been delayed because of the examination and inspection procedures required by the law.

However, not every invention is subject to this rule, which is applicable only to those currently covered by the patent act in Korea or those that have completed preparation for patent.

Introduction of this system, in effect, significantly extends the previous patent period of 12 years to 20 years.

If a patented invention is either ineffective or inadequately protected under the domestic law, the patent right may be enforced by another person through an arbitration system without consent of the [original] patent holder.

In the case of materials recorded currently as new in the list of manufacturing process patent applications pending as of 1 July, which is the effective date of the revised law, under the bilateral agreement between Korea and the United States, patent applications by Americans are processed upon receipt of applications for revision.

Materials, such as medicine and agricultural chemicals, whose patents have been granted in America since 1980 but have not yet been marketed as of 1 July will be protected by administrative measures as prescribed by the domestic law of pharmaceutical affairs and the agricultural chemicals administration law.

The United States will reportedly enjoy the privilege of the retroactive law applicable to more than 330 items, including over 300 items for revision and over 30 items not in the market.

Concerned authorities point out that such a retroactive enactment of the law will, in fact, result in advancing the import date of the substance patent by 5 years or so.

In particular, Japan and the European Community (EC) have shown their intent to file a lawsuit on the ground that this rule violates the GATT regulations since it applies only to the United States. Concerned authorities are worried that this might cause another international dispute.

It is expected that some of the domestic companies, which have thus far copied foreign products, and produced them through research for improved manufacturing process, particularly in the areas of precision chemical engineering, such as agricultural chemicals and medicine, and genetic engineering, will be required to pay additional royalties of some \$60 billion per year.

In particular, the industry points out that the increased burden of royalties will inevitably cause a price increase of products and that the lagging technology of the small and medium size enterprises might force the domestic industry to relinquish control to more advanced countries.

In response, the government says that such a burden is not imminent because once a patented substance is imported, it takes about 8-10 years for patent examination (3-4 years), inspection of toxicity, and so on, until it become eligible for manufacturing and marketing.

The introduction of the substance patent act is expected to prove effective in acceleration of research and development of new materials, strengthening of imports of foreign technology, promotion of rational management, and prevention of patent disputes.

Although the opinions of the government and industry differ significantly, we might say that introduction of this law might be premature at this time, considering that its intent is to nurture the precision chemical industry, which is a highly value-added industry requiring top-flight personnel.

The government has formed Comprehensive Policy committee for Substance Patents in order to administer as many issues of the concerned industry as possible through such organizations as Civilian Council for Substance Patent.

In addition, the government has decided to invest a total of 21 billion won by 1990 to establish an active element test center and safety test center, which will be used to develop new materials, at the Chemical Research Institute and the National Health Institute. It has also decided to establish a technology information network for development of new materials.

The Patent Bureau has formed a joint civilian-government task force to administer the substance patent system. At the same time, it has prepared inspection standards, established an expert committee for inspection of substance patents, and established International Patent Training Institute.

Concerned industries, too, are actively pursuing establishment of technology development systems and increased investment for research and development, while forming research cooperatives to develop new medicine and agricultural chemicals.

Program Protection Act--The computer program protection act is designed to protect those created by Korean citizens and those created by foreigners for the first time in Korea, or those for which Korea assumes the responsibility of protection by the international agreement.

Although this law goes into effect beginning on 1 July, foreign programs will not be protected until sometime in October when Korea joins the Universal Copyright Convention (UCC).

The law, however, does not protect everything that is related to a program.

Excluded from the coverage are programming languages, syntax and compilation methods, which are used in the process of creating programs or as a means of expression.

In recognition of the value of creative work, program authors will be given rights to proclaim ownership, display author's name and maintain the identity.

The law also states that program authors will be entitled to such property rights to reproduce, revise, translate, distribute, and publish.

A program's copyright becomes effective immediately after its creation and will remain effective for 50 years.

Upon transfer of a programs' copyright becomes effective immediately after its creation and will remain effective for 50 years.

Upon transfer of a program's copyright from the author or with permission from the author, either partially or entirely, the program may be used by people other than the author.

In addition, if a program's author is unknown, the program can be used after permission is granted by the Ministry of Science and Technology, and after posting a deposit as specified by the minister of science and technology.

A program's copyright will be nullified when the program's author dies without a successor to the program's copyright, or when the program is assigned to the national treasury by the civil law when the copyright holder organization is dissolved.

This law also contains articles for registration procedures designed to promote circulation of programs and to prevent duplicate investments.

Registration is taken at the Ministry of Science and Technology, and the following information must be specified: name or title of program, author's nationality, author's real name, author's residence, date of creation, and description of the program.

A program's author must submit a copy of the program to the minister of science and technology, and the officials handling the material must not disclose the information obtained as part of their duty.

Anyone who proclaims, publishes, revises, translates, or distributes another person's copyrighted work without a lawful right will be regarded as committing infringement on the copyright, whether the act was intentional or negligent.

Importing a program whose copyright has been violated is also considered as infringement except for those imported for personal use.

This law does not apply to those which have already been copied before the effective date of the law, or to those currently in use for educational purposes.

The law specifies that violation of the copyright act is subject to imprisonment of no more than 3 years, or a fine of no more than 3 million won.

However, those who change and conceal the author's real name or alias, those who change a program's title, and those who submit a false copy of a program will be sentenced to imprisonment of no more than 1 years or a fine of no more than 1 million won.

While stressing these as main points, this law differs from that of foreign countries where the copyright law, rather than a separate law, covers this area.

Establishment of such a separate law is seen as recognition of particular characteristics of software, such as the close relationship between protecting and nurturing the software, advantages of nurturing the domestic software industry, flexibility of such a law that can accommodate changing conditions, necessity to accelerate circulation of programs, and necessity to ease shocks that follow the open door policy.

Officials of the software industry think it is premature to enact such a law, but some expect the new law will go far toward accelerated development and improvement of related technologies through cooperation with well-known foreign companies in software technology.

However, the enactment of this law carries a high cost for the industry right now.

The size of domestic software market is about \$130 million, of which \$20-30 million (excluding recreational and games software are accounted for illegal copies.

Accordingly, the industry must pay \$20-30 million in royalty, which is expected to increase because of the lagging technology if the growth of future software market would be centered on core software.

The domestic software market is expected to grow to \$210 million in 1988 and \$400 million in 1990, while the world market is expected to grow to \$300 billion in 1988 and \$800 billion in 1990.

Thus, it is pointed out that Korea should pursue the world market while trying to minimize the aftermath of this law through expansion of the government procurement, financial support and introduction of credit system for the software industry, and a joint development of high-quality software.

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DAILY ON STUDY OF KIM CHONG-IL DOCUMENT

SK160500 Pyongyang Domestic Service in Korean 2133 GMT 6 Aug 87

[NODONG SINMUN 7 August editorial: "Let Us Thoroughly Establish a Revolutionary Ethos of Study in the Entire Society and Continue To Deepen the Study of Party Documents"]

[Text] Today, the entire party and society are enveloped in an unprecedentedly elevated revolutionary atmosphere of study. All party members and working people are vigorously carrying out the work to deeply study and thoroughly implement dear Comrade Kim chong-il's document "On Several Problems Arising From Indoctrination on the Chuche Idea."

Through the study of this document, we must establish a revolutionary spirit of study in the party and society and further deepen the study to arm party members and working people with the party's ideology and theory.

Studying the document properly is, above all, an important task to nurture party members and working people as true chuche-type communist revolutionaries who struggle with the chuche idea as a firm faith.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has noted: By remembering deeply that we can continue to glorify our political life only by deeply studying and learning the leader's immortal chuche idea, we must consistently study the chuche idea.

The chuche idea is the most precious ideological and spiritual nutrition of those who carry out the revolution. The document "On Several Problems Arising From Indoctrination on the Chuche Idea" is a great revolutionary document which has displayed the greatness and truth of the chuche idea and has profoundly elucidated the new principles of the chuche idea.

By studying the document well, party members and working people, with a belief that they know no other ideology but the chuche idea, can prepare themselves as true chuche-type revolutionaries who will unyieldingly protect and defend the chuche idea and struggle to the bitter end for its final victory.

Studying the document well is also a firm guarantee for effecting a revolutionary turn in our party's ideological indoctrination. Intensifying the party's ideological indoctrination is an important mission facing our

party today. The document "On Several Problems Arising From Indoctrination on the Chuche Idea" is a programmatic guideline which illuminates the future of our party's ideological indoctrination. The document elucidates the question of carrying out all of our party's ideological indoctrination work as a part of the chuche idea indoctrination and the principles and ways of the chuche idea indoctrination.

By deeply studying and thoroughly embodying the document, party organizations and functionaries can improve and strengthen the party's ideological indoctrination according to the intent of the party and fully display its might.

In particular, the document elucidates, along with the realistic demand of our revolution, the fundamental guidelines which should be constantly maintained for the consummation of the chuche revolutionary cause. Therefore, party members and working people, by deeply realizing that the study of the document is an important work for the present and the future as well, must ceaselessly deepen the study of the document.

The document "On Several Problems Arising from Indoctrination on the Chuche Idea Indoctrination: is arousing great response at home and abroad and displaying endless vitality and attraction.

The spirit to study the document is growing among party members and working people and many experiences are being gained. We must further promote such a revolutionary atmosphere of study that is prevalent in society. By so doing, we must further deepen the study of the document.

In studying the document, it is important to deeply realize the basic ideas of the document as well as its profound contents. The document importantly stresses that the chuche idea indoctrination is our party's unitary ideological indoctrination and, thus, all indoctrination work should contribute to the chuche idea indoctrination.

The chuche idea is a revolutionary theory which shows the most scientific way to human liberation. Thus, the chuche idea is the only leading ideology for our revolution; there can be no other ideology for our party; and all people must think and act only according to the demand of the chuche idea. This is one of the document's invariable ideas.

The document profoundly elucidates that the chuche idea is the only leading ideology for our revolution in the viewpoint of the relations of the working class with other revolutionary ideology as well, and that, in the viewpoint of the relationship with the forms of other ideological indoctrination, too, that chuche idea indoctrination is our party's unitary ideological indoctrination.

The document pronounces that what is most important in the chuche idea indoctrination is to make party members and working people have a revolutionary outlook on the leader with a correct stand toward the main force of the revolution. It profoundly elucidates the theoretical and practical

problems arising from making them deeply realize the source of the loyalty to the party and the leader in principle.

We must correctly realize the basic ideas of the document and study its contents comprehensively. While placing emphasis on preparing ourselves as true communist revolutionaries who take the chuche idea as the only faith and who have a firm revolutionary outlook on the leader, we must ceaselessly deepen the study of the document.

Today, in deepening the study of the document, it is most important to establish the revolutionary spirit of study in the party and society.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has noted: To defend the superiority of the socialist system and consummate the chuche revolutionary cause, indoctrination on the chuche idea must be conducted even more deeply and comprehensively and, to this end, the revolutionary spirit of study should be established in the party.

Establishing the revolutionary spirit of study in the party is our party's invariable policy. Our reality, in which we have been bestowed with the document "On Several Problems Arising From Indoctrination on the Chuche Idea Indoctrination," calls for us to establish the revolutionary spirit of study more thoroughly than ever and further deepen the study to arm ourselves with the idea and theory of the party.

By taking advantage of the ongoing study of the document, we should create a strong wind of study in the party, the people, and the army, thus preparing the party members and working people politically and ideologically and effecting a new turn in socialist construction.

To establish the revolutionary spirit of study in the society, it is important that party members and working people realize that arming themselves with the idea and theory of our party is a vital task and adopt a self-conscious and earnest attitude and stand in study.

Our party is the organizer and promoter of all our people's victories, and the idea and theory of our party are the only guiding principles which lead the era and the revolution. Without the knowledge of our party's idea and theory, talking about chuche-type communist revolutionaries and thinking about success in implementing party policy is inconceivable.

Our deepening and developing revolutionary practice calls for all people to develop their abilities. In developing our abilities, it is essential that we learn the idea and theory of the party. Without learning the idea and theory of the party, it is impossible to catch up with the developing reality, avoid ideological retrogression, live a rewarding life, and glorify the political life along the road of upholding the party and the leader.

Revolutionaries must continue to uphold the leadership of the party and the leader until they die, and, to this end, they must continue to study until they die.

It is the idea and theory of our party and their synthesis, the document of dear Comrade Kim chong-il, that show the principles of the revolution and the way to victory. By realizing that arming oneself with the idea of the document is the way to glorify one's political life and vigorously accelerate our revolution, we must conduct the study of the document substantially.

Study is the work to prepare oneself as a true chuche-type revolutionary. Therefore, the key to being successful in study is one's self-consciousness and zeal, and the intensification of self-education is most important.

All party members and working people should set individual plans to deeply study the document of the party and continue to study. By so doing, all people should become self-educating people and fully acquaint themselves with our party's idea and theory.

It is essential to study the text of the document.

The document of dear Comrade Kim chong-il is a basic textbook of study which we should take as a guiding principle. Only when we study the text of the document can we deeply realize the profound idea and theory of the document and correctly grasp the intent of our party.

All functionaries, party members, and working people deeply study the document by the chapters and systems of the document. Only then can they clearly realize the truth of the idea and theory of the party and enjoy to study.

At the same time, the study of the document must this time be conducted in conjunction with the study of other documents of dear Comrade Kim chong-il such as "On the Chuche Idea."

In order to establish the revolutionary spirit of study and deepen the study of the document, the role of the party organizations should be enhanced. No task is more important or vital for our party, which struggles to achieve the cause of the chucheization of the society, than arming the party members and working people with the chuche idea. All tools and means of the ideological indoctrination of the party should serve to this end, and the ingredients and forms of the ideological indoctrination should also serve to intensify the chuche idea indoctrination according to the spirit of the document.

Part organizations at all levels should substantially offer guidance over the study of the document. According to the level of those who participate in the study, the party organizations should broadly organize the study of the

document in various forms such as collective study, lecture, discussion, and debate.

Conducting study in a debate form is an adequate way substantially to conduct the study of the document. Practice has shown that debate is good for establishing the spirit of study as well as for grasping content.

All sectors and units should work out adequate ways to substantially organize the study of the document in debate form and, in particular, should enhance the roles of the party organizations and senior lecturers. To this end, by making adequate preparations in advance, all people should be made to broadly participate in debate and put forth suggestions to deeply grasp the idea of the document.

The present reality, in which we should intensify the study of the document and propaganda, demands that the ideological functionaries of the party display even stronger enthusiasm than ever and aggressively and actively work.

Today, when we have been bestowed with the document, the propaganda functionaries of the party have many things to do. They should even more highly display the revolutionary spirit of doing things voluntarily.

In particular, according to the spirit of the document, all ideological indoctrination work should be conducted in relationship with the principle of the chuche idea. By so doing, the work to carry out the document in practice should be conducted actively and aggressively.

Among the masses, the propaganda functionaries should conduct the work aggressively to profoundly elucidate and propagandize the document.

In particular, based on the method of discussion, a debating class should be organized substantially; a self-conscious spirit of study should be established among the masses; and study should be linked with practice. Thus, new methods and ways should be sought to conduct the study of the document substantially.

The study of the document should be closely linked with revolutionary practice. Party organizations should adequately conduct the indoctrination to make party members and working people deeply realize the idea of the document along with our proud reality which has been created through the embodiment of the chuche idea.

At the same time, they should be made to deeply study and seek the way to implement the task put forth by the document. By so doing, the result of the study should be displayed in practice to accelerate the march of the eighties and fulfill the Third 7-Year Plan ahead of the schedule.

It is our great pride to have and study the great document. With this great pride, by establishing the revolutionary spirit of study even more thoroughly

and continuing to intensify the study of the document, let us all prepare ourselves as chuche-type revolutionaries with the revolutionary outlook on the leader and vigorously step up the revolution and construction under the banner of the chuche idea.

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CSO: 4110/224

KPA UNIT WELCOMES DEMOBILIZATION ORDER

SK090932 Pyongyang KCNA in English 0803 GMT 9 Aug 87

[Text] Pyongyang August 9 (KCNA)--A soldiers' meeting was held on August 8 at the unit of the Korean People's Army to which Comrade Choe Song-nok belongs to accept and welcome the order of the supreme command of the KPA.

Delivering a report to the meeting, officer Paek In-hyon said the order of the supreme command of the Korean People's Army on demobilising 100,000 KPA officers and men from all services and arms by the end of this year and send them to socialist construction sites is a bold and just measure to straighten out the present acute situation and actively open a new phase for the peace of the country and its peaceful reunification. Expressing full support to and approval of this order, the reporter continued:

The United States and the South Korean authorities should affirmatively respond to our sincere proposal, admitting that it is a most important and urgent matter to ease the tension and guarantee peace on the Korean peninsula at the present juncture.

Speeches were made at the meeting. The speakers stated that our arms reduction step is an eloquent token of the peaceful efforts of our party and the government of the republic proceeding from the principled stand that military equilibrium between the North and the South should be kept not by arms buildup but by arms cut and complete disarmament should be realized by phased reduction of armed forces and only then can the aggravation of tension be prevented and acute military confrontation be defused on the Korean peninsula.

Stressing that it is required at present to heighten revolutionary vigilance as never before, the speakers noted all the soldiers of the unit would devote themselves to their service in the army and defend every inch of the country as firm as a rock.

They said the demobilized soldiers who would return home according to the order of the supreme command should invariably maintain the unbounded loyalty to the party and strong will cultivated during the military service and actively participate in the fruitful struggle to fulfill the Third Seven-Year Plan ahead of schedule at the new posts of socialist construction.

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CSO: 4100/297

CIVILIAN-MILITARY UNITY IN FIELD EXTOLLED

Pyongyang NODONG SINMUN in Korean 29 Jun 87 p 4

[Article by Ki Pyong-yin]

[Text] Kim Chong-il, member of the Presidium of the Politbureau and secretary of the Central Committee of the Workers' Party of Korea, pointed out:

"All soldiers are the successors to the traditional, beautiful custom of the anti-Japanese guerrilla units and must thoroughly protect the people's benefits and be correctly indoctrinated to make sure that damage to the people's property, even to the extent of the end of a hair, does not take place."

The benefit of the people is always placed first, in thought and in action. The noble character of the soldiers of our people's military, indoctrinated in the traditional, beautiful custom of civilian-military units, aims at protecting the life and property of the people, engaging in the struggle with full devotion.

Even among the soldiers of the Korean People's Army's Red Flag Vanguard Unit, to which Min Kum-hui belongs, the beautiful custom of civilian-military unity is broadly flowering.

The day we visited that military unit, farmers of the surrounding villages came to see the soldiers of the unit with support goods which they prepared with a sincerity that would evoke tears.

We met the commander of the military unit, Comrade Min Kum-hui, and listened to him to learn the heart-warming reason why, on such an ordinary day that was not even a festival, the farmers came to visit the soldiers of the military unit.

Last 11 June, at about midnight, Comrade Corporal Kang Kyong-hui, having gone to the sentry post for duty, sensed the wind and detected a strange sound among the various sounds he heard. Some distance from the sentry post, there was the sound of water coming from a place where the water canal bends. That was not the friendly water sound of ordinary times that flowed and whispered about an abundant harvest year.

"Perhaps the water canal dam had burst?"

Right at that moment, Comrades Cho Son-ok and Sim Hyon-suk and a senior officer comrade who were on their way back to their office after completing their liaison duty came running short of breath when they heard the water sound. Staying awake all night, protecting the people as they soundly sleep, our People's Army sentries sensed the wind and listened to the strange water sound even from among other audible sounds and discovered that the dam had burst. The large canal was filled to the brim and the water pressure against the dam caused it to burst, and there was a possibility the rice paddies would be swept away. Had there been some delay, the recently completed rice planting of scores of chong bo of rice paddies would have become damaged.

Right at that time the leaders and soldiers of the military unit came running and without hesitating jumped into the water. And furthermore, the force of the water relentlessly thrust them under. Leader Comrade Kang Yong-hui called out:

"Comrades, control the burst water canal; it is our duty to protect the farmers' property! Press forward as one body and let us block the water!"

Following behind their leaders, comrade soldiers Cho Son-ok, Kim Kwang-ok, Lim Kyong-soon, An Bong-son, Chang Mi-hua, Lee Chong-nyon, and Shim Hyon-suk moved shoulder-to-shoulder into the water. Starting with Comrade O Song-hwa, the soldiers of the military unit swiftly brought sandbags and logs. This news traveled to the soldiers of a nearby military unit also, where Comrade Kim Hyon-sop was stationed.

There, beginning with the commander, Comrade Kim Un-bong and gunners, Comrades Ch'oi Chong-su, Cho Yong-bok, Ch'oi Soon-ho; Comrades O Chong-nam, Pak Ch'on-sok, Kang Hyong-lyul, and Kim Ch'ol-nam joined the effort. From the time the water canal dam burst, for 4 hours, the soldiers stayed up all night and finished controlling the break in the canal and restored the dam to its original condition.

"Truthfully, were we not comrade soldiers, how would it have turned out? Even so, while saying that the comrade soldiers did as a matter of course what had to be done, they did it courageously and with good faith. Thus, there probably does not exist a military that is for the people in the same way our military is," said farm work party leader, Comrade Kim Man-kil.

Then, along with comrade soldiers, we toured around the sentry post. Just at that time, the political affairs functionary, Comrade Kim Chong-yol, came to the unit and pointed out to us a vegetable garden in front of the nearby infirmary that the soldiers of the unit cultivate and told us this story.

Some years before, it was spring. The leaders of the military unit were engrossed in thought after receiving the first vegetables of the season which the farmers did their utmost to harvest.

"Although we cannot help the busy farmers in farm work, the conditions being such as they are, we do owe them something; otherwise, how can we be called a People's Army. Let us indoctrinate team members with the spirit of the anti-Japanese guerrilla unit members who manifested a self-sacrificing spirit of public service for the people."

In this way, at that military unit, political work was launched realistically to indoctrinate members in the traditional, beautiful custom of civilian-military unity. This sort of political work brought about many good benefits and changed the empty land in front of the infirmary into a vegetable garden, while along the path between the sentry post and the water canal dam, a plot of squash appeared. Here, the soldiers harvest many vegetables every year which not only fulfill local demands but also are sent all the way to the families of the Peoples' Army at farms in the rear area.

Listening to this story, of how, when the people were sound asleep that night the water canal dam burst, the entire military unit came (fell out) to save the farmers' fields, we felt warm regards for these heroes and their beautiful deeds.

The leader of that military unit, Comrade Min Kum-hui, said:

"The soldiers of our unit always cherish in their hearts the words of the dear leader Comrade Kim Chong-il about embodying in one's life the motto of the anti-Japanese guerrilla units that says: 'as fish cannot survive out of water, guerrilla units cannot survive without the people.'" We have always done this and will also do it in the future, in accord with the dear Comrade Kim Chong-il's meaning, so that the traditional, beautiful custom of civilian-military unity is going to flower more broadly."

This is the constant position of the soldiers of our People's Army. The military is for the people and the people are for the military. The traditional, beautiful custom of civilian-military unity is spread in the entire society and reflects every design of the fatherland accordingly and our sentry capable of one-a match-for-100. Precisely, this accordingly each of our sentries is "one a match for 100," and is the proud image of all our soldiers at their sentry posts.

13400/9716
CSO: 4110/202

KCNA CITES DEVELOPMENT IN LOCAL INDUSTRY

SK141530 Pyongyang KCNA in English 1513 GMT 14 Aug 87

[Text] Pyongyang August 14 (KCNA)--The production capacity of local industry in Korea is on a steady increase.

More than 400 factories under local authority have taken shape and the existing ones laid solid material and technical foundations over the last seven years.

Last year provinces, cities and counties covered their financial needs for the development of local economy and culture while delivering 683,700,000 won to the state.

Local industry is a major component in the independent national economy of Korea; it accounts for more than a half of the production of consumer goods.

Each province, city and county meet with local products the whole demands for foodstuffs and nearly all the needs for daily necessities.

Local industry in Korea has made a rapid progress since the plenary meeting of the Central Committee of the Workers' Party of Korea in June 1958.

The great leader President Kim Il-song at the meeting laid down a unique policy of combining the large-scale central industry and minor local industry in the production of consumer goods and took measures to build locally-run factories through a mass movement.

A few ensuing months saw the appearance of more than 1,000 local industrial factories.

Local industry entered a higher stage, occasioned by the Changsong joint meeting of local party and economic officials held in August 1962 and the national meeting of local industrial workers held in February 1970.

Some 2,000 new factories of local industry came into being. These factories in each county now serve as a production centre for consumer goods to meet the needs of its population.

Every province has factories that produce sodium carbonate, caustic soda, hydrochloric acid and other basic chemicals.

The technical equipment of local factories has been markedly improved with effective assistance of central industry.

During the Third Seven-Year Plan local industry aims to increase its output more than 2.5 times by modernizing the production processes and equipment of the existing factories and consolidating local bases of raw material.

/6662

CSO: 4100/301

DAILY URGES INCREASE IN ELECTRICITY PRODUCTION

SK281202 Pyongyang Domestic Service in Korean 2140 GMT 23 Jul 87

[NODONG SINMUN 24 Jul editorial: "Let Us Further Increase Production of Electricity"]

[Text] One of the most important tasks we face in expediting fulfillment of the grand Third 7-Year Plan, unfolded by the great leader Comrade Kim Il-song, ahead of schedule by more than 1 and 1/2 years is to decisively increase the production of electricity.

The great leader Comrade Kim Il-song has taught: To successfully realize the new prospective goal of socialist economic construction, the republic needs to concentrate great effort on developing the electric power industry.

The electric power industry, as well as the railway transportation industry, are pilots of the national economy. When the production of electricity is rapidly increased, it is possible to normalize production at a high level in all sectors of the national economy and smoothly supply the demand for electricity, which is expected to be epochally increased during the new long-range plan.

The Third-Year Plan is a plan designed for overall technical remolding of the national economy and a grand plan that can be possibly implemented only when the capacity of production in major industrial sectors is increased.

Only when the electric power industry--a pilot of the national economy and the most important sector in major industrial sectors--is given more priority than that of other sectors, is it possible to further develop science and technology and epochally enhance the people's standard of living. In addition, only when greater priority is given to the production of electricity, is it possible to successfully spur the construction of major plants designed to increase the capacity of production in major industrial sectors, including the mining, metallurgical, and chemical industries.

Epochally increasing the production of electricity is indeed one of the most important tasks in carrying out the new long-range plan. Therefore, our party urgently demands that all the people across the country vigorously rise up in the general march designed to expedite fulfillment of the new long-range plan ahead of schedule by more than 1 and 1/2 years and that they decisively

increase the production of electricity by concentrating more efforts on constructing power stations according to the new feats and miracles being performed every day on each battlefield.

It is a goal presented by our party for us to prepare strong power bases of our own by building power stations on a large scale and to have the total production of electric power reach 100 billion kWh during the new long-range plan.

The republic needs to decisively increase the production of electricity not only to realize this grand goal presented by the party ahead of schedule, but also to make the determination of our working class bear brilliant fruits--our working class, which has established the high struggle goal of fulfilling the new long-range plan ahead of schedule by 15 April of 1992, which will become the most significant and felicitous year in the history of our fatherland.

We should uphold the programmatic teachings recently set forth many times by the great leader Comrade Kim Il-song to call for an increase in electricity production and further vigorously wage the struggle to implement these teachings.

In implementing these teachings, it is most important for all working people and functionaries to concentrate their prior efforts on developing the electric power industry after deeply understanding our party's intent that the electric power industry is a pilot of the national economy. All working people and functionaries in all sectors of the national economy should give first priority to the problems that arise from developing the electric power industry and responsibly resolve these problems, correctly understanding that, without giving priority to the electric power industry, it is impossible to develop science and technology, and thus, to realize high growth in production and the grand goal of the Third 7-Year Plan.

At present, the energies of the entire party, the entire country, and all the people should be concentrated on capturing the goal of creating the capacity of this year's electricity production presented by the party.

Our party, based on scientific analysis of the realistic possibility of the increased production of electricity, has presented a goal for electricity production that should be attained this year through the concentration of effort on the construction of power stations which are in the final stage. In this context, it is important most of all to rapidly produce electricity by accelerating the construction on power stations which are in the final stage, such as the Taechon and Wiyon power stations.

All related sectors should work to smoothly carry out the construction of power stations by producing and supplying in a timely manner without fail equipment and materials, particularly dovetailed plant equipment, steel materials, and cement.

Korean People's Army soldiers and builders mobilized for construction should actively spur the construction of dams and the assembling of equipment for electric power production by highly demonstrating the self-reliant and arduous struggle spirit and by fully mobilizing and using inner reserves.

The related sectors connected with the construction of power stations should continuously and vigorously spur the construction of large-scale hydroelectric power stations, such as the power stations of Kumkangsan, Sichon, Nangang, Kumyakang, and Orangchon, and the preparation work for the construction of these power stations.

Building small and medium-sized hydroelectric power stations on a large scale in every corner of the country is one of the important ways to rapidly increase the production of electricity.

Yanggang and Chagang Provinces, by upholding the party's demand that the construction of large-scale power stations be simultaneously carried out with that of small and medium-sized power stations, have positively accelerated the construction of small and medium-sized hydroelectric power stations and have already attained a great number of achievements.

All provinces, by following this example, should build a larger number of small and medium-sized power stations for themselves wherever there is a reservoir or a river. By so doing, they should expedite implementation of the party's demand ahead of schedule by 1 and 1/2 years--the party's demand that a new capacity of 4 million kWh production for hydroelectric power generation be created during the new long-range plan.

Also, the construction of thermoelectric power stations should be vigorously accelerated. We should rapidly produce electricity by accelerating the construction of power stations that use low calorie coals and thermoelectric power stations that use surplus and waste heat and by concentrating effort on the construction of the Sunchon Thermoelectric Power Station, which as entered the final stage.

In addition, the republic needs to further develop the electric power industry in many directions and prospectively resolve the problem of electricity by building a large number of large-scale nuclear power stations and wind power stations.

Actively realizing the remodeling existing generation equipment and technology in the electric power sector is an important demand that arises from expanding the capacity of the production of electricity and from effectively using produced electricity.

Electric power bases that we have built in a self-reliant and arduous manner are a valuable asset to our people and are placed in an extreme important position in actively accelerating the economic construction of the country. If these bases are successfully remolded according to the current demand when science and technology are constantly, developing it is possible to epochally

expand the capacity of electric power production without building anymore power stations.

All power stations and related sectors should vigorously wage the positive struggle to remold, with modern technology, obsolete equipment for the generation of electricity and other equipment related to power stations.

At present, power stations should produce as much electricity as possible by fully operating the existing equipment for electric power production, mapping out a concrete plan to remold equipment, and thoroughly implementing this plan. Concerning implementation of the plan, related sectors, including the mining industrial sector, should efficiently carry out the work of supplying coal and materials in a timely manner.

It is also important to sparingly use the produced electricity, along with the increase in its production. Party systems and functionaries in all sectors of the national economy should have party members and working people, s masters of national housekeeping, effectively use electricity and thus, save even one kilowatt of electricity.

Plants and enterprises and their branches should constantly lower the level of electricity consumption by further thoroughly organizing cross-production systems and by effecting renovation in technology.

/6662

CSO: 4110/225

YONGYONG COUNTY GENERAL FARM REPORTS BUMPER HARVEST

Pyongyang NODONG SINMUN in Korean 27 Jun 87 p 3

[Article by Company Headquarters Reporter Ho Kyong-ok: "Resounding Prelude to Bumper Crops, Unprecedented Major Bumper Harvest of Barley--At the Yongyong County General Farm"]

[Text] Harvesting bumper barley crops is in full swing these days in the fields of the Yongyon County General Farm that lies along the Yongyon Peninsula which protrudes far into the western sea. In the barley fields where golden grain waves are running high, many harvesters are running through the rows from early morning, reaping bumper barley crops and thrashing barley grains.

Everywhere in the barley fields where machines are running tumultuously, pride and joy in the bumper crop are overflowing.

The Namch'ang Work Team of the Namch'ang Branch Farm, which the great leader himself visited once, harvested barley from its 70 chongbo wheat field. It boasted of having a per chongbo output greater than one expected. Vociferous cheers have come out of the 100 chongbo mechanized field of the Yongjong Branch Farm which had a harvest of 6 tons per chongbo.

According to a summary and analysis of data regarding the wheat harvest, half of which was completed, the per chongbo wheat produce in the county is exceeding that of the highest harvest year.

Wheat is not the only bumper crop. Barley fields of the Yongho, P'yongch'on, Kumi, Sawon, and Hyangch'o Branch Farms, too, have produced a rich harvest.

Bumper barley crops, the first of the double-cropping, the first bumper crop news of this significant year--this is entirely a result of the judicious leadership of the party; it is a proud result of the great chuche-oriented farming method.

For a while ago, the dear leader Comrade Kim Chong-il received a report that the general farm here had an unprecedented bumper harvest of barley crops, the

first crop of double-cropping, and expressed his satisfaction. He then rendered his great hope that the farm might continue to do well in the second crop farming.

The great leader Comrade Kim Il-song taught as follows:

"In order to see to it that all the people will be able to lead a well-to-do life with just a little land, it is imperative that land be effectively utilized, and that a highly intensive method be employed in agricultural production. In order to do so, a great deal of double-cropping must be exercised in all the places possible."

The great leader visited Yongyon County in September 1960 and clearly showed a concrete direction and method designed to efficiently practice double-cropping farming.

The dear leader Comrade Kim Chong-il sent, in compliance with the great leader's instruction, a great number of tractors, general harvesters, and fertilizer so that Yongyon County might efficiently carry out double-cropping farming. He guaranteed all conditions in which farming may be carried out in conformity with requirements for the chuche-oriented farming method.

The party members and agricultural workers at the Yongyon County General Farm, upholding the lofty will of the great leader and the party, forcefully launched the struggle to effect a fresh transformation in double-cropping farming.

The Management Committee of the County General Farm, under the leadership of the County Party Committee, boldly increased this year the area of the first crop farming of barley double-cropping up to more than 3,000 chongbo. It then set forth a hardy target of producing 8 to 10 tons of grain per chongbo in the first and second crop farming of double-cropping.

The party members and agricultural workers in the county who resolved to effect a fresh transformation in the double-cropping of this significant year planted the crops best suited to the land. They made an efficient arrangement of plant breeding in compliance with the principle of the right crop at the right place; and they qualitatively sowed seeds at the right season even under unfavorable conditions.

The party members and agricultural workers in the county fertilized scientifically and technologically in conformity with the requirements for the chuche-oriented farming method and with the growing conditions of barley plants. They launched waterway construction in a blitz and thereby established the water sprinkling system for paddies more firmly.

Consequently, every paddy of the barley field, a vast expanse of land, is full of rich ears, every one of which are loaded with big ripe grains. Thus this year is going to be lighted up as a highest harvest year.

The county general farm actively mechanized all processes of the barley farming, including plowing, sowing, and ferlitzing. Thus the per person

barley management area has been increased up to the level of 35 to 38 chongbo. It is worth being proud of that the per chongbo harvest has been increased while each person is covering 35 to 38 chongbo of barley field.

It is a shining fruition effected thanks to the great leader's early establishment of a double-cropping region and the dear leader Comrade Kim Chong-il's having rendered all conditions and solicitude to bring about comprehensive mechanization in barley farming, and to thoroughly meet the requirements for the chuche-oriented farming method.

With pride and joy in the unprecedented bumper crops they have brought about in their first barley crop of double-cropping, the party members and agricultural workers in Yongyon County General Farm are continuously launching a forceful struggle to bring about bumper crops in their second crop farming also.

7989

CSO: 4110/205

USE OF APPLIED SCIENCE IN ECONOMIC CONSTRUCTION STRESSED

Pyongyang NODONG SINMUN in Korean 2 Jul 87 p 3

[Article by company headquarters reporter Kim Kyong-mu: "Serious Study, Valuable Results of Research"]

[Text] The great leader Comrade Kim Il-song taught as follows:

"The most important problem arising in implementing the Third 7-Year Plan is to develop science and technology, to step up the movement for technological innovation, and thereby to energetically accelerate technological reform of the national economy."

Members of "the 17 February Shock Brigade of Scientists" and "the 17 February Shock Brigades of Scientists and Technicians" who were dispatched to various sectors of the national economy and important construction sites have been continuously enhancing the results of their valuable research.

They had a serious discussion about: how to thoroughly establish chuche in their scientific research work; how to make the national economy chuche-oriented, modernized, and science-oriented; and how to make a more efficient contribution to the materialization of the 10 major prospective targets of socialist economic construction.

Members of "the 17 February Shock Brigade of Scientists" who were dispatched to the field of reclaimed tideland development had a meeting with workers to discuss the issues of how to speed up the work of reclaiming tidelands, and how to increase the height of grain, a new prospective target.

They have already effected great results by discovering a new work method that enables them to reclaim 10,000 chongbo of tideland with a single step.

However, not being content with past results, they are forcefully marching forward toward a higher gain. Therefore, they can never be satisfied with the "annihilation battle" of 10,000 chongbo.

After conducting a serious study, members of the shock brigade of scientists and builders boldly discovered a new work method of reclaiming 30,000 chongbo of land with a single step.

Members of the shock brigade of scientists who took charge of the construction of a test site at which the bold and intrepid work method is to be experimental solved in time those major and minor problems arising in implementing the work. Thus, they successfully finished in a short period of time the construction of the test site which is several thousand square meters in area, and made it possible for the experimental test to be conducted at the proper time.

Members of "the 17 February Shock Brigade of Scientists and Technicians" who were dispatched to the construction site of the Sunchon Vinylon Complex are forcefully launching their active study activities designed to finish construction ahead of schedule.

It happened when they were faced with a problem of building a disposal site of stupendous scale. The construction of the disposal site, which is designed to dispose the gas and dust coming out of the carbide furnace, required not only a great amount of equipment, material, and labor but also a considerable length of time.

How could they solve this difficult problem?

Scientists of the Chemical Engineering Institute of the Hamhung Branch of the Academy of Sciences and members of the shock brigade of scientists and technicians who were chosen from the staff of the Hamhung Chemical Designing Work Institute, helping and encouraging one another, launched boldly and dauntlessly the study activities designed to finish construction ahead of schedule.

Thus they achieved research results which enabled them to dispose, through dry and wet processes, all the gas and dusts that came out of the carbide furnace. Then they did not have to build the disposal site that required a tremendous amount of equipment, material, and labor.

Meanwhile, members of the shock brigade of scientists and technicians, including Associate Doctor Kim Ch'il-song and Comrade Kim Kyu-hwa, a researcher, carried out the research work designed to install a waste water disposal process in conformity with reality. Thus they could reduce the construction site in area and double the construction speed.

The research designed to help finish construction ahead of schedule is forcefully being launched also among the members of "the 17 February Shock Brigade of Scientists and Technicians" who are launching activities in the construction site of the T'aechon Power Plant.

Upholding the party's appeal for quickly finishing the construction of the power plant, they accomplished results in the valuable research designed to improve the quality of dam construction and to increase the dam construction speed. They are actively incorporating these results in the construction.

In this year, they conducted research and made various high efficiency machines that were needed to bind mixed concrete; and they are widely using them in building the dam.

Thus they are effecting an innovation of building several hundred thousand cubic meters of bank [wall] of the dam in a short period of time.

On the other hand, members of "the 17 February Shock Brigade of Scientists and Technicians" who are launching activities in an intermediate test plant at which a certain mineral is being processed comprehensively, rendering a close creative cooperation with producers, are accomplishing a great number of results of research and rationalization plans which enable them to have successful test runs for each process in a short period of time.

Members of the shock brigade of scientists and technicians who took charge of that research task boldly employed a new operation method in improving the process of injecting raw material. They designed a new model ore dressing water storage tank and introduced it. Thus they made it possible to scientifically guarantee the combination and granularity of raw material.

Thus they made it possible to do without so much of the equipment which used to be required in the granularity sorting and coordinating processes. They made it possible to install an assembly-line production process, which represents more advanced production culture.

Furthermore, members of the shock brigade of scientists and technicians developed, as a result of research, a new accelerator from the exudation of ore dressing water. Thus they attained a valuable research result that would make it possible to easily analyze ingredients of a mineral.

In this way, members of the shock brigade of scientists and technicians, are successfully solving scientific and technological problems, and are continuously marching ahead in great force.

7989

CSO: 4110/204

INDUSTRIAL AUTOMATION, USE OF ROBOTS URGED

Pyongyang NODONG SINMUM in Korean 2 Jul 87 p 3

[Article by Kim Yong-chaе]

[Text] At the industrial automation general bureau, the glorious leader, Comrade Kim Il-song gave the following instructions.

"In all areas of the peoples' economy, decrepit and outmoded facilities must be modified to form modern facilities so that the manufacturing process can be mechanized, automated, adapted to robot use, and computerized."

The glorious leader gave a historic policy speech, and in it he emphasized that, during the Third 7-Year Plan period, manufacturing facilities must be mechanized, automated, adapted to robot use, and computerized, and these goals were indicated. The carrying out of these goals was strongly urged.

The brilliant design drawn by the glorious leader makes our peoples' hearts palpitate with great pride and happiness, and we are ready to start an energetic march toward the blossoming of industrialization which is just ahead.

By carrying out the long-term plan through complete mobilization, the militant appeal of the party will be supported; the workers of the industrial automation general bureau, the rank and file workers under the general bureau, and the workers for the revolution have a high target and are full of enthusiasm and eagerness.

These workers recognize that they must be at the forefront of the battle for the immediate realization of the great plan of the party and, with this in mind, they are expanding their effort toward industrial mechanization and the introduction of robotics to manufacturing facilities.

This is the first year of the new long-term plan period and, during this first half of the year, the plan has already been successfully carried out by the general bureau through the production of automation equipment and instruments, which have been sent to industries. This effort has contributed to the automation of manufacturing facilities.

During this period, much of the automation equipment and instruments were sent by the industrial automation general bureau especially to those major

industries which are backed by the party, and those major construction sites which are connected to the general bureau.

Last June, the general bureau manager class workers loaded more than 70 types of measurement equipment, nearly 50 automatic valves and flow control devices, and 8 other pieces of equipment, totaling 1,376 units, onto more than 10 trains, which were headed directly to the Suncheon Vinalon industrial complex and this equipment was delivered there. As the party had hoped, the delivered items contributed to the speedy completion of the modern and automated industrial complex.

The workers of the industrial automation general bureau were tightly organized and exerted a maximum effort not only to produce the needed automation equipment but they also went to the plant site to help with the automation as if they were bosses.

The workers of the industrial automation general bureau took many pieces of equipment, which they had manufactured, to the Taechon power plant, and they worked tenaciously with the workers and the engineers already there to accelerate the automation of the plant. This really helped to hasten construction.

The minds of the general bureau workers and of the construction workers were working in tandem and, in spite of on site difficulties, they created favorable conditions in a creative manner, and they succeeded with the automation of a concrete mixer. This has made the work easy and simple and, at the same time, the quality of the concrete improved enormously.

The general bureau workers and the engineers initiated a new and larger project at a vast dam construction site, and this was the installation of an industrial TV at a central point from which one could span the entire construction site as if one were examining one's own palm. This really sped up the construction by scheduling the work. This work was carried out by the general bureau workers and the engineers who successfully automated the construction at the Taechon dam construction site and the closed TV installation, and drew the attention of many experts, and the work is considered a valuable experience and very important with respect to industrial automation in the construction field.

A tradition of manufacturing automation equipment and devices, as well as helping with the onsite automation, is catching on among the workers in the plants under the general bureau.

Under the guidance of the general bureau, the technicians and engineers from Moranbong automation equipment plant brought automation equipment to the light manufacturing facilities in Pyongyang, Kimchaek, Anju, and other places to automate the major processes. These groups have been working very hard to automate these plants.

The workers from the general bureau and the plant engineers, worked together on the Anju soy sauce plant automation, and they worked so effectively that completion is now in its terminal period.

On the other hand, the general bureau is considering acquiring the necessary equipment to produce industrial robots, and is planning to set up a procedure for installing them in the manufacturing plants.

Test production of various robots has been successful and already the bureau is increasing the number of robots which function for various tasks, and the bureau is planning to introduce them into various industries.

The general bureau, according to the party idea, will completely automate the Sungri Automobile plating plant with robots. This plan is being worked out. Incidentally, production in the automobile plant is increasing.

Engineers and technicians with experience in robot design and robot production are extending their cooperative effort into this project, and the outlook is certainly excellent.

Now, the workers of the industrial automation general bureau and the workers and engineers in their respective plants have made up their minds to contribute to automation and robot installation in manufacturing facilities in the new future plan.

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