

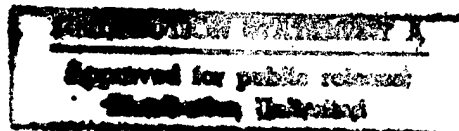
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21 July 1982

Korean Affairs Report

No. 225



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S.KOREA/POLITICS AND GOVERNMENT

'KOREA TIMES' VIEWS 24 JUNE CABINET RESHUFFLE

SK270140 Seoul THE KOREA TIMES in English 27 Jun 82 p 2

[By Cho Pyong-pil]

[Text] The choice of Kim Sang-hyop, president of Korea University, as acting prime minister came as a surprise while the change of the concerned ministers was accepted as a fait accompli amidst rumors concerning the partial cabinet shakeup, including the premier, that have been getting so much circulation.

Shuffling the premier and three other ministers heralds a political step President Chon Tu-hwan has taken to inject vigor into the political and socio-economic milieu, which is now in the doldrums as a result of the loan-bill scandal.

In this connection, an enormous burden fell upon the shoulders of Kim, who stepped into the political spotlight from academic circles, not only because the people appear to have great expectations from his future role but also is supposed to do much more initiating of policies to keep them in tune with popular desires.

The shift of the premier, finance minister, justice minister together with the energy-resources minister, will indisputably contribute to putting an end to political controversy over who should resign as accountable for the loan scandal.

The presidential action is of significance in that he has lived up to the commitment he made during his talks with leaders of three major political parties at Chongwadae June 16. It is thus regarded as a product of "dialogue politics."

Actually, the seats of the premier, finance minister and justice minister were in for change as they found it hard to steer clear of strong demands from political parties for their resignations to help still the popular feelings.

In the case of outgoing Justice Minister Chong Chi-kun, who served as prosecutor-general in charge of the investigation of the true picture of the scandal, he was fated to resign about a month after he was promoted to minister.

This is perhaps because the president might have taken full into account the public criticism of the prosecution in the course of its investigation of the fraudulent loan dealings.

Immediately after the cabinet shakeup, the minority Democratic Korea Party [DKP] and the Korea National Party [KNP], which have engaged in an unremitting struggle to "unseat" the premier, the deputy premier-economic planning minister, the finance minister and the justice minister, expressed regret over the fact that Deputy Premier Kim Chun-song retained his cabinet portfolio.

Political sources indicated that the urgent need to maintain consistency in the execution of stability-oriented economic policies might have saved Kim.

With Thursday's cabinet reshuffle, 16 ministers of the total 22 have been changed since May 21 when 11 cabinet members were affected.

As a savvy scholar of high calibre, Kim whose premiership will be formally approved by the parliament as stipulated in the constitution, came to politics late but his function will be greater than that of his short-lived predecessor Yu Chang-sun.

First, he may be required to show political flair as a problem-solving person, adopting the arts of communicating by the people to do away with causes of distrust and conveying dissenting views directly to the chief executive, who is prepared to listen to opinions contrary to his own.

Secondly, there is a likelihood that his cabinet will be characterized as a "buffer cabinet" between the ruling and minority camp as he has neither been affiliated with any political party in the past nor has he served as a government official in recent years. He just worked as Education Minister for a short time in 1962.

Following the selection of Kim as acting premier, political offensives by either the DKP or the KNP against the administration are unlikely.

However, they may expect the newly-appointed premier to do something for the solution of the political issues they raised during the Chongwadae talks such as the lifting of the political ban on former politicians.

CSOP 4120/329

S.KOREA/POLITICS AND GOVERNMENT

AGRICULTURE MINISTER ANSWERS LAWMAKERS ON POLICY

SK290118 Seoul THE KOREA TIMES in English 29 Jun 82 p 1

[Text] Agriculture-Fisheries Minister Pak Chong-mun said yesterday that the government's purchase price of this year's summer crops (barley and wheat) would be decided on in such a way as to ensure the farmers' production cost without hampering the stabilization of prices.

He testified before the National Assembly Agriculture Committee that all amounts of the crops farmers wanted to sell would be purchased by the government for 47 days from July 1.

Answering questions by lawmakers, he also said that the government would determine whether to implement the "Agricultural Disaster Insurance System" by 1984 after experimental enforcement in 24 counties across the nation.

He further said that the government would forward an amendment to the law concerning the preservation and utilization of farming lands to the regular assembly session in September to protect tenants.

Earlier in the session, Minister Pak reported on the government's antidrought measures to the House panel. He said that 1.8 billion won of the total of 2.5 billion won in subsidies had been released to the farmers who were fighting drought in Kyongsang-Pukto, Cholla-Namdo and Cholla-Pukto.

During the session, minority camp lawmakers claimed in their respective interpellations that the government purchase price of summer crops should be increased drastically to guarantee the farmers' production cost of the grains.

The Democratic Korea Party members insisted on an increase of 30.3 percent, while the Korea National Party members asked for 25.5 percent.

CSO: 4120/329

S.KOREA/POLITICS AND GOVERNMENT

ONE-YEAR JAIL TERM SENTENCED TO ASSEMBLY LAW VIOLATOR

SK070059 Seoul THE KOREA HERALD in English 7 Jul 82 p 8

[Text] Pusan--A 23-year-old youth, arrested in March on charges of antigovernment activities, yesterday was acquitted on a charge that he violated the national security law.

The Pusan District Criminal Court found the youth, Yi Ho-chol, guilty of violation of the non-defunct martial law and of the law on assembly and demonstration. Judge So Sok-ku sentenced Yi to one year in prison on charges of violation of those laws.

The judge sentenced a codefendant, Chong Kwi-sun, 21, a woman, to a suspended 8-month prison term on charges of harboring or helping Yi to escape while the youth was being sought for his role in an on-campus demonstration in this city last year.

Yi was working as a waiter at a beer hall in Myongdong in Seoul when arrested March 30. He was held while police were seeking suspects in the March 18 burning of the American Cultural Center in Pusan in an extensive search.

Judge So withheld a sentence against a third codefendant, Sol Kyong-hae, 23, a woman.

The judge stated that the charge that Yi made statements criticizing government policy cannot constitute a violation of the national security law.

He said he made the lenient decisions for the three defendants because leniency is a strong point of democracy.

The prosecution had demanded 10 years' imprisonment against Yi on charges of violating the national security law, the now-dead martial law and the law on assembly and demonstration. It had asked that the other codefendants be sentenced to 5 years in prison each.

CSO: 4120/329

S.KOREA/POLITICS AND GOVERNMENT

CHON INSPECTS DROUGHT-HIT SOUTHEASTERN REGION

SK070104 Seoul THE KOREA HERALD in English 7 Jul 82 p 1

[Text] Yongdok, Kyongsang Pukto--President Chon Tu-hwan, while inspecting drought-hit areas in this southeastern region of the country yesterday, instructed relevant government officials to work out all available measures to fight the drought, including the repairing of ponds and reservoirs.

"Preserving rain (in ponds and reservoirs) in anticipation of a drought is a scientific way of farming," the president said.

He gave these instructions when he stopped in the Yongyang and Hyongju County offices where he received administrative briefings.

The president instructed the officials to "intensively" develop rural communities by paving roads, constructing a piped water supply system and developing the livestock and horticultural industries.

If such projects are successfully carried out, the president said, rural communities will have a standard of living equal to that of urban towns.

"Taking this year's experience as a lesson," he told the officials, "we should work out a rice seedling transplantation plan from early in spring each year."

Concerning the execution of government policies, the president said, "once the government adopts policy programs after consulting pertinent specialists, the people should render concerted cooperation efforts in an affirmative manner."

He added that "all public servants should have a sense of authority to formulate policies appropriate for condition in their respective areas and carry them out steadily even when the heads of their offices are changed."

The president, accompanied by Minister of Home Affairs No Tae-u and other officials, arrived at a dried stream near here in the morning, giving words of encouragement to farmers from underground sources for paddy fields often miles away.

He then helicoptered to another place to observe farmers taking part in various antidrought projects.

The president shook hands with local residents and asked them to do their utmost to fight the drought.

Other officials accompanying the president were Minister of Agriculture and Fisheries Pak Chong-mun, Minister of Construction Kim Chong-ho, Gov Chong Chae-chin of Kyongsang Pukto and Kim Mun-hun, director of the Office of Rural Development.

The president returned to Seoul late in the afternoon.

CSO: 4120/329

S.KOREA/POLITICS AND GOVERNMENT

BRIEFS

LAWMAKER'S 'STATUS' SUSPENDED--The disciplinary committee of the Democratic Korea Party (DKP) yesterday decided to suspend the "status" of Rep Yun Ki-tae for two months after charging him with the use of violence against another fellow lawmaker recently. The decision is subject to approval by a party leaders' meeting today. Under the ruling, Yun will be unable to undertake official party functions during the period, including speeches at official party meetings. Yun, 52, allegedly beat Rep Kim Won-ki, 46, of the same DKP, in the face with fists over remarks Kim made at a party meeting last Tuesday. The committee also decided to recommend to the party president that Rep Kim should make a public apology because he, failing to exercise self-restraint, damaged the party image in one way or another. [Text] [SK290119 Seoul THE KOREA HERALD in English 29 Jun 82 p 1]

CSO: 4120/329

S.KOREA/MILITARY AFFAIRS

BRIEFS

U.S. F-16 AIR CRASH--Seoul, 6 Jul (YONHAP)--An F-16 aircraft of the United States Air Force crashed Tuesday on the outskirts of the southern provincial city of Chonju, the U.S. Forces Command here announced. The announcement said the airplane was on a regular flight mission at the time of the accident. The condition of the one-man crew and the reason for the crash were not immediately available. [Text] [SK060840 Seoul YONHAP in English 0830 GMT 6 Jul 82]

FISHING BOAT ESCAPES NORTH--Seoul, 6 Jul (YONHAP)--A South Korean fishing boat with 38 crew members aboard narrowly escaped an abduction attempt by a North Korean patrol boat Monday while fishing on the high seas some 352 kilometers northeast of Ulung Island in the East Sea, South Korean authorities announced Tuesday. The Office of Fisheries said the South Korean boat "Songjin No 5" was ordered to halt by a North Korean patrol ship Monday at around 17:30 KST (8:30 GMT). It refused to stop, the announcement said, the North Koreans opened fire, shattering the window in the boat's steering room. Four North Korean seamen and naval officers then boarded the boat, threatened the crew at gunpoint, and ordered the captain to steer the boat northward. There were no casualties and the boat is returning to Mukho port, Kangwon Province, according to an announcement by the Office of Fisheries. The announcement said that when the South Korean crew refused to comply with the order, the North Koreans seized three pieces of signal equipment and returned to their patrol boat. As soon as the North Korean boarding party left, the South Korean boat sped south and was joined by another South Korean fishing boat at 19:50 KST, which radioed South Korean marine police for help. [Text] [SK060332 Seoul YONHAP in English 0323 GMT 6 Jul 82]

CSO: 4120/329

S.KOREA/ECONOMY

DAILY REVIEWS GOVERNMENT'S ECONOMIC POLICIES

SK290051 Seoul THE KOREA HERALD in English 29 Jun 82 p 1

[Text] With the latest set of economic prescriptions, the government appears to be seeking some deviation from the past four years of retrenchment policy to put greater emphasis upon growth.

The underlying idea is that this year up to June 15, the inflation rate registered only a year-to-year 2.6 percent on the wholesale price basis and 4.4 percent on the consumer price basis.

During the first five months of the year, Korea's current account also produced a relatively small \$500 million deficit, which is in stark contrast with last year's comparable \$2.5 billion.

Against this background, it seems, the government is going to pursue the policy emphasis turn. Another consideration is apparently the present economic condition in the nation.

Despite the three rounds of stimulus packages taken earlier this year, the economy has generated no definite signs of recovery as yet.

Fundamentally, the latest steps differ sharply from their predecessors largely oriented toward stability. That's why some call the latest version "shock therapy."

The drastic slash in bank interest rates by a maximum four percentage points compares with the four rounds of just one percentage point cut since last November.

With a prolonged business slump reigning, local businesses have been badly hurt. This was what Deputy Prime Minister Kim Chun-song had in mind when he said that the nation is not going to see any decisive economic vigor or the much talked-about "second economic take-off" in the 1980s without revitalizing business activity first.

The major reduction in bank interest rates, matched by a sizable cut in corporate tax rates, should be viewed in this perspective.

The nation's economic troubles now comes mainly from two sides--continuous slowdown in exports and the worsening financial shape of local businesses.

Of the bottlenecks, the government has not much to do to boost the sagging export performance, so long as the world economy itself is deep in slump.

So the business relief package focuses on the other problem with intensity, never seen in recent years. It calls for lightening the financial cost of the business, which has been accumulated under the influence of the persistent recession.

In this respect, the new policy direction might as well be called "epochal" as the deputy prime minister put it. In the past, the government rather showed hesitancy to that kind of seemingly pro-business measures, chiefly due to the consideration to the difficulty involved in getting national consensus.

But now, many agree that time has arrived when something has to be done urgently to basically restructure the economy and shore up the competitiveness of domestic industries, having suffered under ever-weakening financial position.

Furthermore, when the severe fund shortage following the recent curb-loan scandal is counted together, such efforts may not be delayed any longer.

The interest rate cut, meanwhile, is expected to save the business some 400 billion won altogether in one year.

In connection with this, some observers express worry about the possibility that the rate slash may drive funds out of bank accounts to sparkle real-estate speculation.

The government is required to keep close watch to guard against the recurrence of the economic ill, enough of which the country has experienced in the past.

CSO: 4120/329

S.KOREA/ECONOMY

DAILY VIEWS EPB'S 1983 BUDGET PROJECT

SK080130 Seoul THE KOREA TIMES in English 8 Jul 82 p 7

[Text] The Economic Planning Board (EPB) has projected next year's budget scale at 10,300 billion won-10,695 billion won, an 8.5-11.7 percent increase over this year.

The moderate increase is due to a drastic tax deficit, which is expected to top about 600 billion won this year.

The June 28 economy-invigorative measures, characterized by drastic cutbacks in bank interest rates and tax rates, are estimated to cause a 370 billion won tax deficit next year.

These figures were revealed in the EPB's guidelines for the 1982-1983 fiscal operation.

The likely 600 billion won tax deficit for this year, according to the fiscal projection, breaks down to 360 billion won stemming from the economic recession and stable prices; 210 billion won from import declines; and 30 billion won from the June 28 measures.

Accordingly, the EPB has decided to reduce or reserve 210 billion won worth of nonurgent public projects in the year's second half.

Under these circumstances, the EPB is considering raising the 1983 public project budget by a moderate 300 billion won over this year or freezing it at this year's level.

The 300 billion won increase, according to the Prime Economic Ministry, means an 11.7 percent increase in the 1983 budgetary scale as compared with this year.

At the same time, the freezing of the public project budget works out to an annual 8.5 percent increase.

The board tallied the available revenue for next year at 10.119 billion won, representing only a 5.6 percent rise over this year. And the tally underlines the 27.6 billion won-57.6 billion won in red ink in the 1983 budgetary program.

CSO: 4120/329

S.KOREA/ECONOMY

DAILY GIVES DETAIL ON REVISION OF TAX LAWS

SK240124 Seoul THE KOREA HERALD in English 24 Jun 82 p 1

[Text] Sweeping changes in the business-related tax system are to be pursued in a direction as to strongly support the consolidation of capital stock by businesses, while taxing the returns on financial assets more heavily.

In a package proposal for the planned revision of tax laws, the Ministry of Finance said yesterday that a provisional tax preference is under study to deduct 5 percent of additionally invested equity shares from the global tax for each shareholder. The proposed measure is meant to be in effect till the end of next year.

In another significant initiative, the Finance Ministry seeks to impose two times as high a tax on the interest income from anonymous bank deposits as that on named deposits. At present, the rate is uniformly 10 percent (15 percent, when educational tax included). The new rate is 20 percent (25 percent in the case of anonymity).

The discrimination against anonymity, which the ministry wants to implement from July 1, 1983, also aims at stock dividends, bonds and discounted promissory notes. Residential cards will provide [word indistinct] for this purpose.

These and other guidelines proposed for the tax reform requires to rewrite at least three laws--the law on tax exemption and reduction, corporate tax law and income tax law.

The ministry plans to submit the tax measures before the National Assembly, likely to meet for an extraordinary session sometime in July. During the course, the ministry proposals could go through some changes.

And if the National Assembly is not in session as expected, ministry officials said, the revised drafts will go to the forthcoming regular session in September.

The ministry proposals also call for unifying the corporate tax rates to 36 percent, regardless if it is a publicly listed company or not. The current rate is 33 percent in the case of publicly listed business and 38 percent otherwise.

Only when a firm's tax base, on which tax assessment is made, does not exceed 50 million won, the present single rate of 22 percent would remain unchanged.

As the "presumptive tax on dividends," the ministry proposed to hike the legally provided level of adequate internal retention rate to encourage the business to increase its capital stock.

Presently, the adequate retained surplus level is set at 50 percent of the taxable corporate earnings and the retained amount in excess of that limit is taxed as corporate income tax, while the shareholders are paying more as dividend tax than they should.

The Finance Ministry plans to allow the corporations to choose the reference retention level from between the current 50 percent and the 5 percent of their [word indistinct] capital (this sum, however, cannot exceed 10 billion won).

In brief, a ministry official directly in charge of tax affairs, said, "We are going to make it more profitable for the business to pour its own money than to borrow from outside."

He also disclosed that no consideration has been given to the cause of increasing the government revenue.

Overall, the proposals consist of four parts, respectively designed to: better the climate for investment activity and shore up the financial position of the business; play up the principle of market competition; stimulate the economy on the taxational side; and reduce the existing restraints on normal business operation.

In the package, the ministry also proposes to:

--Extend the deadline for the temporary tax break for additionally made investment from the end of 1985 (to be eligible, the additional investment should be made before the end of 1983, instead of the end of 1982 as was set earlier.)

--Redefine the scope of small shareholders to tighten the eligibility for the present taxational benefit (at present, a shareholder who has 1 percent or less interest in equity capital or whose stocks total 100 million won in combined par value is subject to separate tax rates on his dividends, instead of global tax rates).

--Lighten by half the taxational burden on anonymous curb loans (at present, additional tax is levied on the corporate representative, separately from the withholding tax on such interest payment).

CSO: 4120/329

BRIEFS

DROUGHT DAMAGE MEASURES URGED--President Chon Tu-hwan said yesterday that the government and pertinent local administrations should work out measures designed to minimize damages caused by chronical floods and droughts as much as possible. For this, the government and the provincial administrations should maintain close yet steady cooperation, the president said after he was given the monthly economic briefing at the Economic Planning Board. Pointing out that certain districts in the southern provinces are stricken by a long drought at present, the president called for national efforts to overcome difficulties presented by the prolonged dry spell. Those who are out of the drought-stricken areas should also be sympathetic of those who suffer from the drought by making such gestures as economizing on the consumption of water. The president then called on the government to facilitate the supply of loans to smaller companies. He said pertinent government offices and banks should be active in supplying the loans, saying, "They should locate small and medium-size companies that need funds and provide money needed." [Text] [SK250111 Seoul THE KOREA HERALD in English 25 Jun 82 p 1]

ANTI-DROUGHT CHEAP ELECTRICITY--Kwangju--The branch of the Korea Electricity Power Corp. (KEPCO) here yesterday decided to drastically lower the rates for electricity to be used for the operation of water pumps in order to help farmers in Cholla Pukto overcome the prolonged drought conditions plaguing most of the country. The facilities necessary for the supply of electricity will be installed free of charge to help farmers draw electricity to their paddies. The rate for 150 kw hours will be decreased by 62.4 percent from 11,700 won to 4,400 won if farmers utilize electricity from houses. In the case of drawing electricity from factories, the charge for 200 kw hours will be lowered by 76.2 percent from 17,100 won to 470 won. Officials from the branch of KEPCO will be stationed at Haenam'gun where the drought has hit the hardest in order to provide electric service to the farmers rapidly. [Text] [SK070131 Seoul THE KOREA HERALD in English 7 Jul 82 p 8]

CSO: 4120/329

S.KOREA/SOCIAL CONDITIONS

'YONHAP' REPORTS 5 JULY SESSION OF PUSAN ARSON TRIAL

SK051303 Seoul YONHAP in English 1230 GMT 5 Jul 82

[Text] Pusan, Korea, 5 Jul (YONHAP)--Catholic Father Choe Ki-sik Monday admitted most of the charges against him in connection with the recent arson of the American Cultural Center in this port city.

Choe of the Wonju Diocese, accused of harboring codefendant Kim Hyun-chang, 32, and two other key suspects in the case, made the admission under questioning from the prosecution during the fourth trial session at the Pusan District Criminal Court.

One of the 16 defendants standing trial for the arson attack on the American facility on March 18, Choe admitted providing shelter for Kim for 22 months at the Wonju Catholic Training Institute with the knowledge that he had been wanted by police in connection with the Kwangju civil disturbance.

He also acknowledged that he had conveyed more than 500,000 won (some 680 U.S. dollars) in cash to Kim through co-defendant Mun Kil-hwan when Kim was being searched for.

Choe, however, denied that he knew of the indoctrination courses Kim allegedly conducted for students recruited across the country during the period of March 1981 and February 1982.

He contended that he perceived during the period that the students only read some books and studied their subjects.

Meanwhile, Mun, 37, custodian of the training institute, also confessed that he had transmitted the cash of 500,000 won to Kim under the direction of Father Choe.

Monday's trial was attended by an estimated 100 spectators including family members of the defendants and Catholic priest.

The arson claimed the life of one Korean student, and injured three others.

The prosecution ended all of its questioning of the defendants Monday and the defense counsel will conduct cross-examination at the next and fifth session of the trial scheduled for July 12.

CSO: 4120/329

S.KOREA/SOCIAL CONDITIONS

BRIEFS

POPULATION GROWTH MEASURES--Seoul, 5 Jul (YONHAP)--South Korea's Health and Social Affairs Ministry will step up a drive to curb population growth, by strengthening social benefits for families with two children or less. The measure is prompted by an expected sharp population growth caused by men and women who, born during the baby boom after the 1950-53 Korean war, are now entering their peak reproductive years. According to the ministry's plan, families with two children or less will enjoy social security benefits and taxes will favor families with fewer children. The ministry also plans to improve family planning services, including education and the supply of recently developed contraceptive devices. In another move, the ministry will widen employment opportunities for women by revising labor laws which prohibit the employment of women in some professions. This measure is expected to discourage the tendency of some families to continue reproducing until a son is born, reflecting Korea's traditional preference for males. The ministry hopes to reduce the population growth rate from the current 1.57 to zero percent by the year 2050. [Text] [SK050236 Seoul YONHAP in English 0226 GMT 5 Jul 82]

PUSAN ARSON TRIAL--Pusan, Korea, 5 Jul (YONHAP)--The Pusan District Court Monday conducted its fourth session in the trial of the suspects involved in the March 18 arson of the American Cultural Center (ACC) in this port city. Kim Hyong-chang, a key suspect in the case, acknowledged that co-defendants Mun Pu-sik and Kim Un-suk had attended indoctrination courses he conducted at the training institute of the Wonju Catholic Cathedral, but denied that he had instructed Mun to set fire to the ACC building. The prosecution also questioned Father Choe Ki-sik of the Wonju Diocese. Choe is accused of harboring Kim in Wonju. The prosecution alleged that Choe knew of the indoctrination courses conducted by Kim at the training institute in his diocese, but did not report it to the diocese authorities. Monday's trial was attended by an estimated 100 spectators including family members of the defendants and Catholic priests. A total of 16 suspects were indicted in connection with the arson, which claimed the life of one Korean Student and injured three others. [Text] [SK050742 Seoul YONHAP in English 0729 GMT 5 Jul 82]

KWANGJU ARSONISTS JAIL TERMS--Seoul, 5 Jul (YONHAP)--The Seoul District Criminal Court Monday sentenced Chong Sun-chol, 27, to five and a half years in jail for setting fire to the American Cultural Center in Kwangju, South Cholla Province, for attempting to smuggle himself into Japan and for violating martial law and the firearms and explosives control law. Chong was convicted of masterminding the arson at the American Cultural Center on December 9, 1980,

following the bloody anti-government demonstration in the southern provincial capital in May of the same year. The court also gave one year sentences to Chong Chin-yol, 31, a former bank official, and Kim Pong-chin, 35, a former religious organization leader. They were convicted of harboring Chong when he was sought by police. The court sentenced Pak Key-tong, 30, a former student at Korea University, to one and a half years imprisonment for violating martial law and trying to illegally leave the country. Pak allegedly played a key role in anti-government demonstrations at Korea University. Both Chong and Pak went into hiding after their attempt to smuggle themselves into Japan was discovered by police early this year. They were arrested in March as suspects in the Pusan American Cultural Center arson which occurred March 18. The prosecution had demanded 10 years in jail for Chong and four years for Pak last months. [Text] [SK050743 Seoul YONHAP in English 0740 GMT 5 Jul 82]

CSO: 4120/329

S. KOREA/SCIENCE AND TECHNOLOGY

ROK PROMOTES TECHNOLOGICAL DEVELOPMENT

Seoul THE KOREA HERALD in English 5 Jun 82 p 1

[Article: "Loans, Tax Benefits Due for Technology"]

[Text] Minister of Science and Technology Lee Chung-oh said that his ministry will drastically strengthen support for private businesses which are engaged in development of new technology.

In his report to President Chun Doo Hwan at the second technology promotion conference at the Capitol yesterday, the minister said the support will include loan and tax benefits. The conference was also attended by 230 individuals from government agencies, newspapers and businesses including Prime Minister Yoo Chang-soon and all cabinet members.

The science and technology minister said the special excise tax for those products developed by new technology will be lowered and is expected to contribute to the nation's technological innovation.

He said at present, such products are levied special excise tax amounting to 10 percent of the basic tax rate for the first two years after they were developed and 40 to 70 percent for two to four more years.

But the tax rate is still high for those businesses which have invested heavily in technology development. The Ministry of Science and Technology has consulted with the related government agencies and agreed to levy a new goods special excise tax amounting to 10 percent of the basic tax rate for the first four years and to increase the percentage by 30 percent each year from the fifth year.

The minister said until now, 50 percent of the facilities set up by private businesses to develop technology has been free from tax. The exemption was granted as an allowance for depreciation cost. The ministry will exempt tax for 90 percent of such facilities from now, Lee said.

Customs tax for all equipment and facilities imported by private research institutes for technology development research will be exempted. Previously only the equipment imported by state-run research institutes has been exempted from customs tax. Private institutes have been allowed to pay the customs tax in three to five-year installments.

Minister Lee said the ministry plans to provide a total of 800 billion won in government loans to businesses from 1983 to 1986 to promote technology development. The loans will be available for businesses at eight to nine percent annual interest as in the case for credit export financing loans.

He said his ministry also plans to gradually increase credit loans for those firms which cannot benefit from the government loans due to mortgage difficulties.

When government agencies purchase goods from private firms, the cost of technology development will be included in the purchase price paid by the agencies, the minister said. The government will put greater emphasis on the quality than on price in making purchases, he said.

Dr. Chae Yong-bok, president of the Korea Research Institute of Chemical Technology said that private government companies will jointly invest an estimated 100.7 billion won on 200 projects related to the fine chemical industry from 1982 to 1986. The total breaks down to 58 billion won from the government and 42.7 billion won from the private sector.

Those fine chemical projects include developing technology for manufacturing color film, agricultural chemicals, medicines and dyes, he said.

President Chae said the development of the fine chemical industry is necessary for nations like Korea with limited natural resources because the industry consumes less energy and brings higher additional value, compared with other industrial products. He said the development of the fine chemical industry requires highly sophisticated technology.

Chae said his institute and the Ministry of Science and Technology will attempt to produce \$4.8 billion worth of fine chemical products in 1986, about 35 percent of the total products to be manufactured in Korea. Approximately \$2 billion worth of fine chemical products were produced in 1981, which was about 20 percent of the nation's total products, he said.

Meanwhile, three businesses that contributed greatly to the nation's technological development were acknowledged at the technology promotion conference.

The three were Tong Il Industry Co., which succeeded in developing a computer numerical control machining center, Hankuk Diesel Kiki, Co., which developed a fuel injection equipment for diesel engine and Anjon Chemical Co., which produced Halon 1301 fire extinguisher.

Kim Chan-doo, president of the Kankuk Diesel Kiki Co., was awarded the Order of Industrial Service Merit, Bronze Tower, by the President for the development of a fuel injection equipment.

Dr. Lee Yun-yong, head of the Chemical Engineering Equipment Laboratory of the Korea Advanced Institute of Science and Technology, was awarded the Order of Civil Merit, Dongbaek, for manufacturing the Halon 1301 fire extinguisher.

President Urges Industry Effort to Renovate Know-How

President Chun Doo Hwan yesterday said that the government will extend maximum "financial and taxational" support to help industrial firms carry out technical renovation.

He called on private business firms to exert maximum effort to that end.

The Chief Executive said that business firms will not be able to overcome the present economic hardship unless competitiveness is strengthened through technical renovation, quality improvement and business rationalization.

President Chun made those remarks at a regular science promotion conference held at the Capitol also attended by pertinent cabinet ministers and officials.

"The time has passed when the nation can depend heavily only on labor-intensive industries, enjoying industrial competitiveness with low wages," Chun said.

As a step to help accelerate technical renovation, he added, the government will try to purchase domestic products as much as possible. He emphasized that business firms should follow suit even though the quality of local goods may not match that of foreign products to some extent.

Stressing that a government-led economy can no longer be as successful as in the past the President said businessmen and industrialists should exert creative efforts to intensify competitive power through technical renovation.

The President asked business to refrain from making excessive investments into certain specific areas as they did so in the past.

CSO: 4120/301

S.KOREA/SCIENCE AND TECHNOLOGY

DAILY NOTES LOCALIZATION OF N-POWER PROJECTS

SK250139 Seoul THE KOREA HERALD in English 25 Jun 82 p 2

[Text] Localization ratios of the nation's nuclear power projects are projected to climb to around 36 percent by 1989 from the present eight percent.

This was disclosed by the Korea Electric Power Corp., the nation's sole electric power company, yesterday.

"Localization is a national policy in the Republic of Korea," said KEPCO President Song Nak-chung, while addressing the Eight Foratom meeting on nuclear energy in Switzerland Tuesday. "Therefore the industries involved in nuclear power business are obliged to localize as much work as possible without jeopardizing quality," Song said.

The government has already designated Korea Heavy Industries and Construction Co. (KHIC) to localize major mechanical equipment for power plants, while naming Hyosung Heavy Industry as supplier of major electrical equipment.

According to the KEPCO, the localization ratio was and will be about eight percent for the nuclear power plant No 1; 13.8 percent for plant No 2; 10 percent for plant No 3; 29.2 percent for plants No 5 and 6; 35.5 percent for plants No 7 and 8; and around 36 percent for plants No 9 and 10.

The localization ratio for future projects will be gradually increased along with stated government objectives, Song said.

The share of nuclear power, according to the government's long-term energy program, is to go up to around 41 percent in 1991 from the current level of six percent, while the role of oil-fired power plants will be decreased to roughly 15 percent from the present level of 74 percent.

The first nuclear unit of 587 mega watts (mw) known as Kori Nuclear Power Plant, is a Westinghouse-built two loop pressurized water reactor with a turbine generator supplied by General Electric Co of Britain.

Since it went into commercial operation April 29, 1978, it has produced 13 billion kilowatt-hours of accumulative generation. Actual plant performance

ratios were higher than planned except in 1981 when a fuel element problem caused the refueling operation to take longer than anticipated, said Song.

He said that the operational performance was 46 percent in 1978, 61.3 percent in 1979, 67.4 percent in 1980 and 56.3 percent in 1981.

The second nuclear plant unit of 650 mw is under construction. Currently pre-operational tests and startup tests are under way. The predicted completion date is the end of June 1983. The primary system was also supplied by Westinghouse and the secondary system by GEC.

The third plant is a 687 mw Candu reactor. Atomic energy of Canada supplies the primary system and the turbine generator unit by Brown Boveri Howden of Canada and Neil Parsons of Britain. Startup activities are ongoing. The unit is expected to reach full power by the end of this year.

The nuclear power units Nos 4, 5, 6, 7, 8, 9 and 10 are under construction.

CSO: 4120/329

S. KOREA/FOREIGN RELATIONS

FORMER AMBASSADOR HAM PYONG-CH'OL DISCUSSES ROK-U.S. RELATIONS

Seoul HANGUK KYONGJE SINMUN in Korean 25 Apr 82 p 5

[Interview with Ham Pyong-ch'ol, former ROK ambassador to United States, by Yi Tong-hun, chief of political and economic affairs department of HANGUK KYONGJE SINMUN, on such issues as national security, history of Korean-U.S. relations, and Korean-U.S. sentiment; date and place not specified]

[Text] Chief Yi: This year is the 100th anniversary of the opening of relations between Korea and the United States, and the two countries are well into the various ceremonies marking the occasion. The U.S. Vice President George Bush is visiting Korea as part of the ceremonial events.

It is a fact that the United States has been the mainstay of Korean security and that the so-called alliance of blood has been maintained.

That is to say, Korean-American relations have had a profound influence on Korea's existence and will continue to do so in the future; therefore I think it very important that we consider the direction in which the two countries' relations are developing, while reviewing the present and the past of Korean-American relations.

First, shall we reflect on what kind of real relations have been maintained under the so-called alliance of blood?

Dr Ham: No matter what country, when two countries establish relations those relations are bound to be based in mutual benefit.

Relations can be neither established nor maintained between states under the idea that only one side benefits while the other is used to its detriment.

Korean-American relations are no exception, and I think that it is in this light that we must reflect on the past and present as well as continue to develop relations in the future.

When our ancestors established diplomatic relations with the United States 100 years ago, they had their own calculations and goal consciousness, and it is a fact that we wanted the establishment of relations.

At that time, we were completely surrounded geographically by three powerful countries--China, Russia, and Japan--who repeatedly fought to invade the Korean peninsula and made it a dependency.

The Sino-Japanese and Russo-Japanese wars made our country a battlefield of blood, pain, and destruction.

We were absorbed in various efforts to prevent such sacrifices.

We proclaimed neutrality before the Russo-Japanese War broke out, but we did not have the strength to maintain our position and we were unable to receive protection from international law or from other great powers.

Eventually, we came to think that in order to control China, Russia, and Japan, we should bring in another of the world's powers, America.

This is where we can find the goal consciousness of seeking real advantage in security aspects.

Having suffered greatly at the hands of neighboring countries, our ancestors judged that America, located on the far Pacific shore, would have no territorial ambitions and they thought that aligning themselves with America would help to break through the Japanese encirclement on the east and the south, to enter the international scene.

Our nation had its own political experience based on a unique culture and history different from China, Russia or Japan, and desiring to protect our sovereignty and independence we entered into relations with the United States under the calculation of ensuring Korea's international existence.

At that time the United States did not become involved because it was afraid it would be damaging to get entangled in the three countries fighting so that our ancestor's calculations proved incorrect, but the situation in which aligning ourselves with the United States is absolutely vital to our national security continues even today.

Therefore, if there is a great principle of our foreign policy, it is to have close friendly relations with the United States, using those relations to get help in overcoming the difficulties deriving from the geographical situation of the Korean peninsula.

I believe that this will be the mainstay of our diplomatic policy in the future.

Chief Yi: You said that diplomatic relations are based in the common interests of the two countries involved; what advantages do you see the United States gaining in Korean-U.S. relations?

Dr Ham: I see America as gaining its own advantages. Of course, from the American point of view, they do not attach the importance to Korea that we do. But, the United States does not want any further communization of

Korea and does not want war to break out in the Korean peninsula. That is, current Korean-U.S. relations are maintained because Korea is of help to American interests in terms of national interests in the Western Pacific and strategic advantage.

Therefore we have a mutual security treaty and U.S. soldiers are stationed in Korea.

Chief Yi: With the visit to the United States by President Chun Tu-hwan last year Korea-U.S. security ties were further solidified, and the people are well aware of the fact that we have begun a new era of partnership.

Recalling this, it seems that in the future Korean-U.S. relations must develop further in the direction of not vertical but horizontal relations, i.e., equal relations.

Dr Ham: If any of our people still think that because we are small and the United States is big, because we are weak and the United States is strong we rely on and benefit from the United States, then there can be no partnership relations.

We now speak of Korean-U.S. relations as a partnership; this is strengthened as each and all of the Korean people gain a realistic sense of our relations with the United States.

We must have a realistic sense in international relations; if we get caught up in useless feelings and emotions, proper relations cannot be established. If too much is attached to feelings, it is difficult to establish state relations.

Quite the opposite, the more equal relations are desired, the more it is necessary to look coldly at reality.

It is a fact that we receive help from the United States in security affairs, but we are contributing not only to America's security but to the common interest of the entire free world.

Korea, which nonetheless has the same political ideals and system as the United States, is succeeding in economic development and is devoting itself to self-dependent defense and peaceful reunification in order to prevent war in the Korean peninsula; these are examples of our contributions to world peace.

We too are a mutually supporting country which gives benefits to various other countries.

Korea is not the only country to have mutual security relations with the United States.

Such powers as Japan, West Germany or Great Britain are not American dependencies; but they all have mutual security relations with the United

States while making their various contributions to the common interest of the West. Also, what I doubly desire is that we scrupulously refrain from trying to force state relations to fit emotions, black-white logic, or individual ethics, since those relations can be distorted according to views or interpretations.

Chief Yi: The situation is that with the 70th birthday of Kim Il-song, North Korea is making more bellicose statements toward the South than ever before, and there is also the danger that North Korea will embark on some military adventure in the process of establishing Kim Chong-il's succession.

The arson incident at the U.S. Cultural Institute and the anti-U.S. pronouncements of a few religious figures which could cause a rift in relations with the United States, the country that holds the key to the security of the Korean peninsula among the people at the difficult time.

Dr Ham: It seems that some individuals and tiny minorities are imagining that their emotional views represent the view of the majority of the Korean people; that is a very undemocratic and dangerous way of thinking. The question is whether our people truly have such vicious and anti-American feelings as to set fire to the U.S. Cultural Institute; I definitely do not think so. The basic difference is that the act of arson was done to worsen Korean and American feelings; it was not done as an expression of already bad feeling.

Thus, with regard to the motive and purpose, there is no room for excuses even if we accept a pro-communist interpretation.

Furthermore, this arson incident resulted in murder, making it a more severe problem. Relations between the two countries will grow even closer in the future, and I want to emphasize that they will be of greater help and benefit to Korea.

Chief Yi: Please speak about the anti-American pronouncements of those few religious figures.

Dr Ham: The religious circle itself also revealed that the current incident was done by a handful of people in the education sector and was not the expression of the whole; therefore, I don't want to discuss the issue in terms of relationship between religion and politics. This is because to continue talking about it only escalates the problem. Also, since the background investigation has been completed by the authorities it seems best not to discuss the matter any further.

However, what I can discuss in principle is that I see serious problems in the involvement of religion in politics.

This is especially true because we have not one but many religions.

One thing I would like to add as a person who has been responsible for the conduct of diplomatic affairs is that demanding the recall of a country's

ambassador is the last step before cutting relations, and should not be done lightly.

I don't know if these people realize the seriousness of what they are saying, but to repeat myself, it is the same as asking to sever relations with the United States.

It is one thing to ask that this or that problem be corrected or be properly explained and correctly resolved, but it is absolutely necessary to refrain from asking the dismissal of another country's ambassador.

Chief Yi: Now our country too has emerged economically as a "small giant before the big giants," and it is an undeniable fact that we are a competitive nation in the area of light industrial products.

From our point of view, the recent attempt by U.S. business to export to Korea tainted salmon eggs, or the schemes of American businessmen to export rice have not been very pleasant. I think that when there is a misunderstanding or something needing correction between the two countries we can always express ourselves with etiquette and formality....

Dr Ham: If Americans applied unreasonable pressure to sell rice to us or deliberately tried to sell tainted canned salmon, we should take legal measures and invoke the formalities of social norms to press the issue strongly and receive compensation.

Whether it's because we are introverted people, we keep things inside for a time only to burst forth suddenly; this can cause others to think us strange.

We must press when necessary and speak up when necessary; that is diplomacy.

Although some people might wonder why such an issue should be pressed, Americans think it proper to distinguish misunderstandings or mistakes.

This can be seen as a cultural difference, and I believe that in order to further strengthen Korean-U.S. relations in the future, an effort to understand each other's culture and way of thinking is necessary.

We imported American rice because we had a bad harvest and did not have enough rice reserves, and last year's crop estimates could not be made accurately until after the rice harvest was in.

If all we think about is that Americans made money selling rice when we were the ones who bought it because we needed it, that is a low-level way of thinking.

Therefore, what will we do if after saying we will not import any more rice from the United States we encounter an unexpected bad crop?

This kind of thing is important in international relations.

As for the canned salmon eggs, the U.S. government absolutely did not knowingly permit the export of tainted salmon eggs to Korea.

Also, if the various investigative agencies in the United States had confirmed that the product was tainted, they would have immediately disposed of it.

We must also bear in mind that the United States is not only an exporter; it is also a major importer of Korean goods.

I am repeating myself, but it is a big problem if anybody thinks that because the United States is a big country, a Christian nation and a country that values human rights, it should completely sacrifice its state interests in its relations with us.

Even the U.S. president cannot sacrifice U.S. national interests to aid Korea.

This is because in taking the oath of office, the U.S. president promises his people that he will do his best to promote the national interest.

We must bear in mind that Korean-U.S. relations can grow and develop only in a pleasant atmosphere where the two countries mutually respect each other's national interests and are happy like a loving, newly wed couple.

Chief Yi: The conclusion is that strong Korean-U.S. security relations can only continue under the basic premise of common interest.

Dr Ham: That is correct: It is a big mistake to think that because Korean-U.S. relations were born of an alliance of blood that they will continue unchanged for hundreds of years even if ignored.

I recall the famous words of British Prime Minister Gladstone when he was responding to questions on diplomatic policy in Parliament.

"There is no eternal enemy to the British Empire. Also there is no eternal friend to the British Empire."

"If there is anything eternal to the British Empire, it is only the interests of the British Empire."

State relations are not eternal but state interests are.

Thus it is diplomacy to find where Korean and American interests coincide and foster relations from there; it must be emphasized that today's diplomacy is not something done only by diplomats but by the whole nation together.

If such efforts are continued unfalteringly, Korean-U.S. security relations can continue indefinitely and our national desire of peaceful reunification will someday be achieved.

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S.KOREA/FOREIGN RELATIONS

YI POM-SOK TO VISIT JAPAN NEXT WEEK

SK010812 Seoul YONHAP in English 0734 GMT 1 Jul 82

[Text] Seoul, 1 Jul (YONHAP)--South Korean Foreign Minister Yi Pom-sok, who will visit Tokyo early next week for a meeting with his Japanese counterpart Yoshio Sakurauchi, will also call on Japanese Prime Minister Zenko Suzuki and confer with economic affairs ministers, according to Foreign Ministry officials.

The officials said Thursday Yi will have two rounds of talks with Sakurauchi on Seoul's outstanding request for Japanese loans on Monday, the first day of his three-day visit.

On Tuesday, Yi will meet with Finance Minister Michio Watanabe, International trade and Industry Minister Shintaro Abe, and Toshio Komoto, state minister in charge of economic planning, "as part of Seoul's manifold approach" to resolve the loan issue, the officials said.

Yi will call on Suzuki Tuesday or Wednesday, depending on the latter's schedule, and will also meet with other leading politicians, including former prime ministers Takeo Fukuda and Takeo Miki.

The Korean minister will be joined in Japan by a team of Korean officials including Choi Tong-chin, director-general of the Foreign Ministry's Asian Affairs Bureau, who plan to leave for Tokyo Friday.

Meanwhile, the officials said they had "no knowledge" of a reported trip to Korea by Sakurauchi in September, and dismissed as "groundless speculation" another report published by a Japanese newspaper that South Korea has made a counter-proposal in the loan issue. The paper reported that Korea is willing to accept 2.3 billion U.S. dollars in Official Development Aid (ODA) and another 1.7 billion dollars in commodity loans.

Korea initially requested six billion dollars in ODA loans during a Korean-Japanese foreign ministers' meeting in Tokyo last August. Since then, bilateral negotiations have failed to produce any agreement on the size or nature of the loans.

CSO: 4120/329

S.KOREA/FOREIGN RELATIONS

DAILY PREVIEWS UPCOMING YI-SAKURAUCHI TALKS

SK010052 Seoul THE KOREA TIMES in English 1 Jul 82 p 2

[By Pak Chang-sok]

[Text] A year-old diplomatic row between Korea and Japan on Seoul's bid for \$6 billion in loans from Tokyo seems to be getting to the last stage with the sudden visit to Tokyo of Foreign Minister Yi Pom-sok scheduled for this weekend.

His trip there, albeit unofficial in its nature, is expected to provide a breakthrough in the long-standing controversy in connection with economic cooperation issue through negotiations, on which both sides have locked horns.

The get-together between Yi and his Japanese counterpart Yoshio Sakurauchi, the first of its kind for them, seems to have special importance since it will follow just on the heels of Minister Yi's Washington trip, during which the economic cooperation matter might have been discussed in his meetings with ranking U.S. Government officials and leaders of the Congress.

Minister Yi's Tokyo visit is, to be sure, indicative of a 180-degree turnabout in the method of Seoul's diplomatic approach to tackling the long-festering economic cooperation issue.

The projected foreign ministers' meeting, if it turns out to be smooth and successful, is most likely to pave the way for a summit conference between Seoul and Tokyo, which will help put the current strained ties on the right track, diplomatic observers noted.

The Yi-Sakurauchi meeting may be a crucial turning point to decide the future of Korean-Japanese relations with regard to the economic cooperation problem.

In fact, they have dipped to a low ebb during the past year amidst little tangible progress in the year-long negotiations on the loan issue.

It was in April last year that the government asked for a package loan amounting to \$6 billion in official development assistance (ODA) from Japan to help finance the Fifth Five-Year Socio-Economic Program, which started this year.

Seoul's demand for increased economic cooperation, unparalleled to the amount Japan has so far provided for Korea, was initially raised as a token to bring

the binational ties into a new phase of cooperation based on reciprocity and equality following the birth of a new republic in Korea.

Such a Seoul's request stemmed apparently from the justification of the defense role Korea plays which undoubtedly contributes to the peace and stability in Northeast Asia, including Japan.

Korea now spends about 6 percent of its Gross National Product (GNP) and 35 percent of the total government budget on defense purposes.

However, Japan's defense outlay, drastically low compared to the volume of its economy and no match for that of other industrialized nations, has stayed below 1 percent of its GNP, although it has grown up as a major economic power with its GNP accounting for about 10 percent of the global GNP.

Notably, despite the mounting American pressure to boost Japanese military expenditure, taking its share of responsibility in defending the "free world," the Tokyo government earmarked 0.93 percent of its GNP as defense budget for this year.

This meager budget on Japanese defense is compared to the United States' 5.5 percent and France's 3.9 percent last year.

Diplomatic observers argued that the loans Korea had requested from Japan were also justified by the fact that they should compensate for more than \$21 billion trade deficit which had piled up in Japan's favor since the normalization of relations in 1965.

Despite the Seoul's background briefing on the need for expanded economic cooperation, the Japanese side refused to comply with Seoul's bid for \$6 billion loan in the previous foreign ministers meeting in Tokyo and subsequent ministerial talks in Seoul, on the ground that Tokyo was reluctant to offer what it called security-related cooperation.

With the modification in Seoul's position about the nature of the economic cooperation, a bone of contention in the negotiations was focused on the amount of the loans and method of providing them.

There was no substantial progress in seeking a compromise on the size of the economic cooperation issue in a series of preliminary talks, alternately held in Seoul and Tokyo.

The scope of the economic cooperation Japan envisaged for Korea came to light on April 29 when Japanese Assistant Foreign Minister Kensuke Yanakia conveyed what Tokyo claimed to be a "finally coordinated formula" to former Foreign Minister No Sin-yong.

The amount of loans Japan suggested is roughly \$4 billion, a combination of \$1.5 billion in ODA credits and \$2.5 billion in Japanese Export-Import Bank (JEXIM) loans.

The Japanese Government is also said to be considering an average annual interest rate of about 6 percent for the combined credits to be offered to Seoul as economic cooperation.

Such a Japanese formula is far from Seoul's original demand for \$6 billion in total ODA loans and \$4 billion in JEXIM credits.

The ODA credits are to be repaid over 17 years at an annual interest rate of about 4 percent after a grace period of seven years and are, "united loans" with which loan recipients will be able to purchase goods from third countries besides the money-lending states.

However, JEXIM loans are "tied credits" which bind loan recipients to buy commodities from loan-offering countries and their interest rates are about 9.25 percent in a repayment period of 5 to 15 years.

In a latest meeting with Japanese ambassador to Korea Toshikazu Maeda, Foreign Minister Yi was learned to have shown a somewhat flexible stance on the total amount of loans on Seoul's original demand for \$6 billion with more stress placed on the "quality" of the credits.

Taking into account Minister Yi's perceptions, the coming foreign ministers' meeting in Tokyo may be devoted to seeking a compromise on the terms of loans such as interest rates and nature of loans, diplomatic sources noted.

In a nutshell, their meeting may serve as "all" to decide on the future of Korea-Japan relations as well as the fate of the on-going negotiations concerning the economic cooperation issue, they observed.

They also noted that this month would be a most appropriate time for solution of the economic cooperation issue in the light of busy schedules in the latter part of this year in the two countries.

CSO: 4120/329

S.KOREA/FOREIGN RELATIONS

ROK, JAPAN FOREIGN MINISTERS TO MEET 5-6 JULY

SK301130 Seoul YONHAP in English 1120 GMT 30 Jun 82

[Text] Seoul, 30 Jun (YONHAP)--Foreign ministers of South Korea and Japan will meet in Tokyo July 5-6 to discuss Korea's standing request for six billion U.S. dollars from Japan in public loans, the Foreign Ministry announced Wednesday.

The announcement said Korean Foreign Minister Yi Pom-sok, now visiting the United States, will visit Tokyo for two days at the invitation of Japanese Foreign Minister Yoshio Sakurauchi. Sakurauchi's invitation was conveyed to the Korean Government Monday through Japanese Minister Toshio Goto at the Japanese Embassy here.

To prepare for the meeting, several working-level officials including Director Choe Tong-chin of Asian Affairs Bureau will fly to Tokyo over this weekend.

A diplomatic source here predicted that the forthcoming foreign ministers' conference, the first one in 11 months since last August in Tokyo, will be a crucial turning point in a year-long move to settle the loan issue.

The source also said Sakurauchi might fly into Seoul to put a finishing touch on the loan issue if the forthcoming Tokyo talks would be successful. Negotiations of the two governments on the issue have been deadlocked since the end of April when Japan aired its intention of offering four billion dollars, including 1.5 billion dollars in soft Official Development Assistance (ODA) loans, to Korea. The Korean Government, insisting on the six billion dollars in ODA loans, turned down the Japanese proposal.

During his stay in Tokyo, Yi will also meet with Prime Minister Zenko Suzuki and other Japanese Government leaders in multilateral move to help settle the loan issue.

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S.KOREA/FOREIGN RELATIONS

BRIEFS

ECUADORIAN VICE FISHERIES MINISTER--Seoul, 14 May--Ecuador's Vice Minister for Fisheries Tuly Loor Argote paid a courtesy call on South Korea's administrator of the National Fisheries Administration Kim Chong-su Friday in Seoul to exchange views on matters of mutual concern, including cooperation on fisheries projects. The Ecuadorian official also visited the Korea Deep Sea Fisheries Association to study Korea's ocean fisheries program. Argote arrived in Seoul Thursday for a four-day visit at the invitation of Kim. During his stay here, he will meet with South Korean officials and tour industrial sites. [Text] [SK180302 Seoul YONHAP in English 0059 GMT 14 May 82]

SAEMAUL SEMINAR--Suwon, Korea, 17 May--Ghana's Secretary for Rural Development and Cooperatives Julius Kwaku Ankomah, Vice Secretary Joe Kwasi Amoako and 101 other foreigners from 15 countries arrived at South Korea's Saemaul (New Community) Leaders Institute Monday in the provincial capital of Suwon, 30 km south of Seoul, for a one-week study program. The 14 other countries dispatching participants to the seminar from May 17 to May 22 are the United States, Malaysia, Colombia, Qatar, Kuwait, the Philippines, Sri Lanka, Thailand, Tunisia, Bangladesh, Indonesia, India, Nepal and Pakistan. The trainees will study the theory of the Saemaul movement and ways to introduce the movement into their home countries. They will lodge and board together at the institute during the program, and will also inspect exemplary Saemaul village nearby. The Saemaul campaign was launched more than 10 years ago under the leadership of the late President Park Chung-hui to rehabilitate poverty-stricken farm villages. Last year, the Suwon Institute gave its first education to foreigners, 43 Thais, and then oriented a number of people from other foreign countries, including the Middle East. The movement now plans to train even more foreigners in order to meet the increasing foreign interest in the country's rural development campaign. [Text] [SK180302 Seoul YONHAP in English 0247 GMT 17 May 82]

NEW ENVOY TO SINGAPORE--The government yesterday appointed Kim Kyong-chol, director general for information and culture of the Foreign Ministry, as ambassador to Singapore, succeeding Yi Sang-ok who has been transferred to the Foreign Ministry proper. A graduate of the College of Political Science and Law at Yonsei University, Kim served as consul in Los Angeles and counselor at the Korean Embassy in Tokyo before he became chief of the Bureau of Information and Culture last September. [Text] [Seoul THE KOREA times in English 23 May 82 p 1 SK]

NEW MALAYSIAN ENVOY--Kuala Lumpur (BERNAMA)--The Malaysian Government has appointed its former ambassador to Libya Nik Abdul Majid Mohamed, as the country's new ambassador to the Republic of Korea. He succeeds Moor Adlan Yahayauddin, a Wisma Putra statement said Sunday (June 20). Nik Abdul Majid, a graduate of the University of Malaya, joined the Foreign Service in 1963 and has served in Malaysia's missions in Manila, Jakarta and Addis Ababa. [Text] [SK280647 Seoul THE KOREA TIMES in English 23 Jun 82 p 1]

ROK, SURINAME ECONOMIC AGREEMENT--Korean Ambassador to Suriname Mun Hui-chol and Harvey Harold Naarendorp, foreign minister of Suriname, have signed an agreement on economic and technical cooperation between the two countries, the Foreign Ministry announced yesterday. The seven-point accord calls, among other things, for the formation of a committee to deal exclusively with such matters as joint ventures and joint exploitation of natural resources by businesses from the two sides. [Text] [SK290054 Seoul THE KOREA TIMES in English 29 Jun 82 p 1]

TRADE TIES WITH SPAIN DISCUSSED--Madrid, 28 Jun (YONHAP)--South Korean Commerce-Industry Minister Kim Tong-hwi conferred Monday with Spain's Minister of Industry and Energy Ignacio Bayon Marine and Foreign Minister Jose Pedro Perez-Llorca on ways to step up bilateral economic cooperation, Korean officials said. Kim and the Spanish officials agreed to conclude bilateral agreements on the prevention of double taxation, civil aviation, and economic and technical cooperation "at the earliest possible time," the official said. They also discussed ways to promote joint undertakings in Latin America and Africa, especially in the areas of construction and trade. They agreed to increase the activities of the Korean-Spanish Economic Cooperation Commission, an organization of private sector representatives from both countries, as a means of boosting bilateral economic cooperation. The officials said the Spanish minister of industry and energy has accepted Kim's invitation to visit Korea, and that the visit will be made by the end of the year. [Text] [SK290322 Seoul YONHAP in English 0248 GMT 29 Jun 82]

ROK-JAPAN PARLIAMENTARY LEAGUE--Tokyo (YONHAP)--The Korea-Japan Parliamentary League will hold its annual general assembly here September 7-10, Yi Sang-ik, visiting Korean secretary-general of the league, said Thursday. Now here to negotiate with his Japanese counterpart over the meeting, Yi said an agreement has been made on the schedule. He also said he has discussed with Japanese parliamentary leaders way of supporting government-to-government negotiations over Seoul's request for \$6 billion in loans. Japanese parliamentary leaders have emphasized the need to settle the outstanding issue of economic cooperation as soon as possible, realizing that the two countries are on special terms, he said. In a related development, Ken Yasui, chairman of the Japan-Korea Parliamentary League, will visit Seoul July 9-11 to attend a joint meeting of secretaries of the league. Accompanied by Matsuhei Mori, secretary-general of the league, and four other Japanese lawmakers, Yasui will meet with Minister of Foreign Affairs Yi Pom-sok and other government and parliamentary leaders while in Seoul. [Text] [SK020104 Seoul THE KOREA HERALD in English 2 Jul 82 p 1]

INDONESIAN PUBLIC WORKS MINISTER--Seoul, 5 Jul (YONHAP)--Visiting Indonesian Minister of Public Works Purnomosidi Hajisaroso paid a courtesy call on South Korean President Chun Tu-hwan at the presidential mansion Chongwadae Monday. Also on hand at the meeting were Korean Construction Minister Kim Chong-ho, Indonesian Ambassador to Korea Raden Eddie Suprpto and Chairman Kowara of the Indonesian Contractors' Association. [Text] [SK050750 Seoul YONHAP in English 0725 GMT 5 Jul 82]

ROK-SRI LANKA ECONOMIC COMMITTEE--The Korea-Sri Lanka Sri Lanka-Korea Economic Cooperation Committee will be set up today with the goal of expanding economic cooperation between the two countries. Chong Hon-chun, president of the Hyosung Corp has been designated as the first-term co-chairman of the bilateral economic cooperative body, the KCCI said yesterday. Chong will be formally elected to the post shortly before the inauguration of the economic body today. A group of seven Sri Lanka Government officials came to Seoul July 1 to attend the inauguration ceremony of the economic body. The delegation is led by E.P. Paul Perea, director general of the Greater Colombo Economic Commission (GCEC) which supervises the free trade zone of Sri Lanka. He will also serve as first-term co-chairman of the economic committee for Sri Lanka's part. While in Korea, the Sri Lanka delegation will meet with high-ranking Korean officials to tap the possibility of further economic cooperation between two countries. Among the major figures they have thus far met here are Kang Kyong-sik, minister of finance, Kum Chin-ho, vice minister of commerce and industry and Hah Yeung-ki, governor of the Bank of Korea (BOK). Last year, Korea exported \$83,992,000 worth of commodities to Sri Lanka while importing \$492,221 worth of Sri Lanka commodities, thus leaving Korea with a heavy trade surplus, according to KCCI. [Text] [SK080111 Seoul THE KOREA HERALD in English 8 Jul 82 p 3]

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S.KOREA/FOREIGN TRADE

KTA URGES JAPAN TO OPEN MARKET TO DEVELOPING NATIONS

SK010107 Seoul THE KOREA HERALD in English 1 Jul 82 p 2

[Text] The Korean Traders Association (KTA) has demanded that Japan come up with a third package of market-opening measures which would favor developing countries like Korea as early as possible.

KTA, which encompasses virtually all Korean exporters, has contended that the previous first and second packages of opening the Japanese market to imports are aimed at only the United States and West European countries.

The request was conveyed Wednesday to Japan through Koji Matsumoto, first secretary in charge of economic affairs at the Japanese Embassy in Seoul.

In the third package, KTA said, Japan should increase drastically both the ceiling and number of items being placed under the generalized scheme of preferences (GSP) in favor of developing countries. The country also should give detailed briefings to representatives of foreign companies based in Japan concerning the previous market-opening steps, the association said.

According to the association, Japan has eliminated tariffs on 96 industrial items while lowering customs duties on 119 others only to benefit industrial countries.

In particular, KTA said, the measures are a big blow to semi-industrial nations like Korea which produce home appliances including washing machines, air conditioners and machine tools and parts.

The simplification of 86 kinds of import procedures is "cosmetics" said the association.

In spite of the "market-opening steps" in disfavor of developing countries, KTA charged that Japan is unwilling to transfer technology related to production of video tape recorders and semiconductors to developing countries.

Korea chalked a trade deficit of \$2.9 billion with Japan last year alone.

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S.KOREA/FOREIGN TRADE

SEMINAR ON ROK BUSINESS ADVANCEMENT INTO AFRICA OPENS

SK080115 Seoul THE KOREA HERALD in English 8 Jul 82 p 3

[Text] A seminar on the advancement of Korean business interests into Africa was held yesterday at the conference room of the Korea Chamber of Commerce and Industry (KCCI).

On hand at the one-day function, sponsored by the business forum, were Hong Sun-mo, director-general of African Bureau, the Ministry of Foreign Affairs, Pak Un-so, deputy director general of Bureau of Trade Promotion, the Ministry of Commerce and Industry, Cha Tong-se, senior researcher of the Korean Economic Institute (KIET) and some 88 local businessmen.

The meeting was aimed at discussing ways of increasing the Korean exports to African nations on the occasion of President Chon Tu-hwan's planned state visits to our African nations in August--Nigeria, Kenya, Gabon, and Senegal.

Panelists at the meeting shared the views that a policy emphasis in Korean marketing activities in Africa should be placed on the export on capital goods, resources development projects and construction fields, among other things, in consideration of vigorous economic development program the African countries are now pursuing.

In particular, the government should spare no efforts in helping local private enterprises to advance into the African nations, they stressed, adding that Korean private contractors are advised to push into the African countries in partnership with advanced countries which are already represented in Africa.

Small scale investment in Africa, not to mention large-scale ones, should not be neglected to avoid possible risk in view of the political unrest in some African nations, they argued.

They also said the Korean businessmen should keep in mind that two-way trade between Korean and African nations be developed with a view to mutual benefits, which they alleged, will pay off in the long-term.

Meantime, businessmen attending the meeting requested the government to exert every effort to ease trade barriers of varying kinds taken by the African countries.

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S.KOREA/FOREIGN TRADE

CHON URGES EXPLORATION OF REMOTE EXPORT MARKETS

SK110059 Seoul THE KOREA HERALD in English 11 Jun 82 p 1

[Text] President Chon Tu-hwan yesterday called on elder businessmen to exert redoubled efforts to tide over the present economic hardship while exploiting overseas export markets in such remote areas as the African continent.

Exchanging talks with them over a luncheon at Chongwadae, the chief executive remarked that "it is true the world economy as well as the national economy are in difficult situations, but the government will surely overcome them."

He asked them to cope with the difficult economic situation of today with "firm belief and confidence."

In addition, the nation's big business firms are asked to extend positive support to help develop small and medium industrial concerns, he said.

Exploitation of overseas export markets in advanced countries is important, but as much efforts should be exerted for the exploitation of markets in remote areas of the world, the president said.

He noted that the government of the Fifth Republic has endeavored to expand the nation's export activities with emphasis placed on the increase in industrial productivity, technical renovation and the promotion of quality control.

Among the 21 participants at the luncheon were Kim Yong-wan, former chairman of the Federation of Korean Industries (FKI); Yi Pyong-chol, chairman of the Samsung group; Chong Chu-yong, chairman of the FKI; Pak Yong-hak, chairman of the Dainong Group; Ku Cha-kyong, chairman of the Lucky Group; Cho Chung-hun, chairman of the Hanjin Group; Yang Chong-mo, chairman of the Kukje (ICC) Corp., Chong Su-chang, president of the Korea Chamber of Commerce and Industry and Sin Pyong-hyon, chairman of the Korean Traders Association.

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BRIEFS

IRANIAN OIL PRICE INCREASES--Seoul, 25 Jun (YONHAP)--Iran's state-run National Iranian Oil Co (NIOC) has notified its South Korean business connection, the Ssangyong Oil Refinery Co, that it will raise its oil prices by one U.S. dollar per barrel effective July 1, business sources said here Friday. Ssangyong was informed June 22 that the prices of Iranian light and heavy crude oil will be 31.20 dollars and 29.30 dollars per barrel, respectively. Iran's new price for crude oil is still below the Organization of Petroleum Exporting Countries' (OPEC) base price for comparable quality crude. Korea imported Iranian light and heavy oil at 34.20 dollars and 32.30 dollars, respectively, late last year, in accordance with last year's OPEC unified oil price system. However, NIOC notified Ssangyong of price reductions independent of OPEC on February 5, February 12 and February 21 this year, which cut crude oil prices by an average of four dollars per barrel. At present, Ssangyong imports 50,000 barrels of crude oil a day from Iran, representing 10 percent of Korea's oil imports. NIOC's price hikes will increase Korea's overall average crude import price by 10 cents per barrels, raising the domestic oil price increase factor by 0.3 percent, economic analysts at the Energy-Resources Ministry said here. The analysts added, however, that a 5.4 percent rise in the Korean won-U.S. dollar exchange rate since the beginning of this year is forcing a 3.9 percent increase in domestic oil prices. [Text] [SK250252 Seoul YONHAP in English 0149 GMT 25 Jun 82]

FISH PRODUCTS EXPORT DECREASE--Seoul, 29 Jun (YONHAP)--South Korea's exports of fishery products amounted to 421.67 million U.S. dollars in the first five months of 1982, down 3.6 percent from the comparable period last year, it was learned here Tuesday. National Fisheries Administration statistics showed that the January-May export figure represented 39.3 percent of the target figure of 1,074 million dollars for 1982. Officials at the administration attributed the sluggish performance to a poor harvest of pelagic fish. The statistics showed that during the five-month period, foreign sales of deep-sea fishery products declined 19.1 percent from the same period in 1981 to 141.62 million dollars. Sales of fishing nets fell 19.3 percent to 41.13 million dollars. Exports of live and fresh fish in the period declined by 5.3 percent from last year's level to 58.85 million dollars, while foreign sales of frozen fishery products increased 29.8 percent to 63.41 million dollars, canned marine products rose 31.5 percent to 18.91 million dollars, salted and pickled fishery products increased 1.7 percent to 65.3 million dollars, and other fishery products jumped 45.7 percent to 32.44 million dollars. [Text] [SK290328 Seoul YONHAP in English 0312 GMT 29 Jun 82]

EXPORT INCREASE STATISTICS--Seoul, 2 Jul (YONHAP)--South Korean exports during the first half of this year totaled 10,355 million U.S. dollars, a modest 3.8 percent increase over the corresponding period last year, official statistics showed Friday. According to the statistics available at the Commerce-Industry Ministry, the letter of credit (LC) arrivals during the same six-months reached 8,620 million dollars, a 7.9 percent decrease from the comparable period last year. LC arrivals are considered an advance indicator of export performance. The figures showed exports were more sluggish during the second quarter, registering an increase of 1.2 percent compared with the first quarter's 6.9 percent. They declined 3.6 percent in June, compared with June 1981, the first monthly decline since the beginning of the year. [Text]
[SK020151 Seoul YONHAP in English 0120 GMT 2 Jul 82]

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N. KOREA/POLITICS AND GOVERNMENT

'NODONG SINMUN' EDITORIALS FOR OCTOBER 1981

[Editorial Report: The following editorials appeared in Pyongyang NODONG SINMUN in Korean during July 1981]

1 Oct 81 p 1 upper right: "Let Us Bring New Turn in Higher Education, Upholding Party's Policy": [Summary printed in KOREAN AFFAIRS REPORT No 166, JPRS 79250, 20 Oct 81, pp 26-27: "NODONG SINMUN Observes Kim Il-song University Founding"].

1 Oct 81 p 1 lower left corner: "We Warmly Greet National Day of the People's Republic of China": [Summary published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 190, 1 Oct 81, pp D3-5: "NODONG SINMUN Editorial"].

8 Oct 81 p 1 center: "Let the Whole Party, the Whole Country and the Entire People Turn Out and Vigorously Carry On Grand Nature-Remaking Projects in Response to the Militant Call of the Party": [Summary published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 196, 9 Oct 81, pp D3-4: "NODONG SINMUN Supports Plenum Proposals"].

10 Oct 81 p 1 lower left: "Goodwill Envoy of Palestine People": [Summary published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 198, 14 Oct 81, pp D14-15: "NODONG SINMUN Editorial"].

10 Oct 81 p 3 lower three-quarters page: "A Greater Victory and Glory are Shining on the Future Party of Our People Following the Party's Banner": [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 197, 13 Oct 81, pp D4-9: "Materials on Anniversary of KWP Anniversary: NODONG SINMUN on Anniversary"].

13 Oct 81 p 1 upper right: "Let Us Thoroughly Establish Winter Production Measures in All Sectors of the National Economy": Notes that preventive measures must be taken to counter adverse winter weather conditions, prevent any hindrance to production and construction and assure the development of economic construction at a continued high pace under the capricious influence of the cold front; calls for a particular effort to maintain winter production while concentrating on the extractive, metals, chemical and building materials industries; urges the functionaries to heed the party call to formulate detailed plans and give close guidance to workers at production sites to assure sufficient reserves of fuel and raw materials so that

factories can run at full capacity during the winter months; emphasizes that storage and transportation facilities should take precautions to protect coal and raw materials from damage from cold temperatures and all workers and functionaries should repair and take good care of heating facilities; urges the functionaries in the ministries and committees of the Administration Council and provincial economic guidance committees to take the lead in establishing thorough measures for winter production to normalize production and maintain production and construction at a continual rapid pace.

14 Oct 81 p 1 center: "Let Us Give Fuller Scope to the Advantages of the System of Industrial Guidance Provided by the Great Leader Comrade Kim Il-song": [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 200, 16 Oct 81, pp D1-5: "NODONG SINMUN Views State Guidance of Industry"].

15 Oct 81 p 1 lower left: "Let Us Strengthen Scientific and Technical Guidance of Production": Notes that since industrial production is based on modern machine technology and that the production process proceeds according to principles of technical engineering, the functionaries must give scientific and technical guidance and perform product inspection and evaluation according to the Tae'an Work System, utilizing the successes achieved through the incorporation of the latest scientific technology so as to hasten the achievement of the new 10 long-range goals and the 20 7-Year Plan; calls for equipment management, regular repairs and maintenance in the production process and for technical innovation to lessen arduous labor, increase production, improve production processes and methodology and widely incorporate them into the production process; urges the party organizations and three revolutions teams not to ignore the technical development but to introduce the results of technical innovation into the production process; exhorts the functionaries who direct production to be well-versed in science and technology and to introduce the latest technical and scientific advances into the production process; calls upon the economic guidance functionaries as the core of the party and those directly in charge of scientific and technological guidance to see to it that production will be normalized at a high level and a large transformation achieved in the grand march to realize the new long-range goals.

16 Oct 81 p 1 lower left: "Goodwill Envoy of the Angolan People": [Summary published in Korean Affairs Report No 168, JPRS 79315, 27 Oct 81, pp 121-122: "Papers Welcome Angolan President's Visit"].

17 Oct 81 p 3 three-quarters page with border: "Let Us Continue To Bring to Completion Our Party's Revolutionary Cause Begun Under the Banner of the 'Down With Imperialism League'": Notes that on the occasion of the 55th anniversary of the "Down With Imperialism League" which the great leader, Comrade Kim Il-song, organized on 17 October 1926, the Korean people reflect on the great strides communism has made for the Korean nation in eliminating imperialistic colonialist domination and establishing a strong revolution which portends a momentous future for the new generations; emphasizes that the journey traveled in the past 55 years has been a victorious journey of independence, autonomy and socialist construction brilliantly led by Kim Il-song to crush Japanese and U.S. imperialism and further the cause of *chuche*; points out that

the league has served as a model for the ranks of the revolution to follow with a unified ideological will and determination up to the present under the leadership of the party following the path which Kim Il-song's chuche idea has pointed out to them while solving all problems in revolution and construction in their own fashion; calls for all party members and workers to emulate the young communists of the past and remain loyal to the party and leader and pass on the traditions of loyalty created in the Korean Communist movement, vigorously expedite socialist construction under the banner of the three revolutions, realize the revolutionary line and struggle presented to them at the Sixty Party Congress and accomplish the militant task of remaking nature presented to them by the Fourth Plenum of the Sixty Party Central Committee.

20 Oct 81 p 3 upper half with border: "Historic Congress Which Will Mark Epochal Change in the Development of the Youth Movement in Our Country": [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 204, 22 Oct 81, pp D2-6: "NODONG SINMUN Editorial"].

25 Oct 81 p 11 upper left: "Friendship Forced in Blood": Recalls the great demonstration of revolutionary resolve and a model of the dictatorship of the proletariat which the Chinese People's Volunteers presented to the world 31 years ago, on 25 October 1950, when they came to the aid of their Korean compatriots in the Korean Liberation War; notes that they also revered the leader of the Korean people, Kim Il-song as their leader and the Korean Workers' Party as their party, sparing no efforts to carry out their own leader's instructions to care for the people as their own people, spare the trees as their own, respect the mountains and streams as they would their own, in compliance with the instructions they had received from the great leader, Mao Zedong; emphasizes the assistance rendered by the Chinese Peoples Volunteers in rebuilding the country after the war further developing and consolidating the friendship forged in blood under the leadership of the great leaders, Comrades Kim Il-song, Mao Zedong and Zhou Enlai; stressed the great strides the Chinese people have made along the road to socialism and the dictatorship of the proletariat and in realizing the four great transformations in agriculture, industry, national defense and scientific technology; states that the Korean people have also developed their country in a short time into a strong socialist independent state by achieving great changes in the economy, culture, ideology and morality under the wise leadership of Kim Il-song and are now vigorously engaged in the grand march toward socialist economic construction and the peaceful independent reunification of the country under the leadership of the glorious party center; calls upon all to work toward expelling the U.S. aggressors from South Korea, countering the "two Koreas" policy and maintain the ties of solidarity forged in blood with the Chinese people.

27 Oct 81 p 1 upper three-quarters with border: "The Youth Should Inherit and Carry to Completion the Cause of Chuche Under the Banner of the Party": Notes the achievements of the 7th Congress of the League of Socialist Working Youth (LSWY) which was held recently with representatives from 130 countries from all 5 continents, young reporters and members of the media and which was the occasion for celebration of the militant solidarity among

world youth against imperialism and advocating independence and autonomy; calls for all members of the LSWY to heed the call of Kim Il-song which he gave at the 7th Congress to carry on the cause of chuche, rally around the party as the party's laureate units and honor guard and follow the leadership of the party as their own destiny; exhorts the youths of the new era to follow the party and leader till the end of time; recalls the achievements in the youth movement begun with the "Down With Imperialism League" down through the 1970's culminating with the campaign to implement the decisions of the 6th Party Congress; exhorts the youth to follow the decisions of the 6th Party Congress and the 7th Congress of the LSWY in carrying out the movement to imbue the entire society with the chuche idea and further the independence of the country; calls for absolute loyalty to the leader, Kim Il-song and the party and for all youths to inherit and carry on the cause of chuche to the end; urges LSWY organizations to make the establishment of the unitary ideological system the fundamental bulwark of their organization and to carry out indoctrination in the chuche idea, revolutionary traditions, revolutionary principles, class indoctrination, etc., and give continual guidance in organizational living to their members; exhorts LSWY organizations to organize a mass youth movement for technical innovation and carry out various campaigns including the youth shock brigade movement; urges party organizations to pay greater attention to youth work and inform them regularly of the party line and programs and to instill in the LSWY members a deep understanding of the speech Kim Il-song gave at the 7th Congress so that they will be better able to implement it, put an end to the tragedy of the divided country, bring about the reunification of the country, expedite socialist construction and remain closely allied with world youth organizations, working to bring about the bright future of communism.

31 Oct 81 p 1 bottom half with border: "Programmatic Work Indicating Road of Creditably Inheriting and Completing Revolutionary Cause of Chuche": [Text summarized in FBIS Asia and Pacific DAILY REPORT Vol IV, No 212, 3 Nov 81, pp D2-3: "NODONG SINMUN" Views Kim Il-song's LSWYK Speech"].

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