

044098

JPRS-KAR-85-076

11 December 1985

Korean Affairs Report

19980828 118

DTIC QUALITY INSPECTED 3

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

4
159
A48

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

11 December 1985

KOREAN AFFAIRS REPORT

CONTENTS

INTER-KOREAN AFFAIRS

Radio Views Student Occupation of U.S. Bank in Pusan (Cho Tong-ik; Pyongyang Domestic Service, 14 Nov 85).....	1
KCNA on South Countermeasures to U.S. Pressure (KCNA, 17 Nov 85).....	3
Daily Denounces Shooting of Korean Woman by U.S. Soldier (KCNA, 14, 19 Nov 85).....	4
U.S. Marine Shoots Woman	4
Citizen Denounces U.S. Soldier	5
Commentary Examines South's Strengthening Security (Cho Tong-ik; Pyongyang Domestic Service, 15 Nov 85).....	6
VNS Commentary on Chon Clique's War Preparations (Voice of National Salvation in Korean to South Korea, 16 Nov 85).....	8
Clandestine Report on Japanese Support for Two-Koreas Policy (Voice of National Salvation in Korean to South Korea, 16 Nov 85).....	10
NODONG SINMUN Article on Tactics of DJP (KCNA, 10 Nov 85).....	12
CPRF Denounces Use of Chemical Weapons on Students (KCNA, 14 Nov 85).....	14
LSWYK Denounces South Torture of Dissidents (KCNA, 15 Nov 85).....	15
GFTUK Denounces Suppression of Labor Struggle in South (KCNA, 16 Nov 85).....	17

DPRK Teachers Welcome Japanese Teachers Union Group (KCNA, 19 Nov 85).....	18
---	----

Briefs

Security at Foreign Missions	20
Japanese Restrict Imports From South	20
Service Term Extended	20
Socialist Countries Support Olympics	21
South Garment Worker's Death	21

OLYMPIC GAMES

Police Security Corps Formed for Sports Events (THE KOREA HERALD, 29 Oct 85).....	22
--	----

SOUTH KOREA

POLITICS AND GOVERNMENT

Chon Refers to Peaceful Transfer of Power at 'Saemaul' Meeting (YONHAP, 25 Oct 85).....	23
Effects of DJP Leadership Reshuffle Analyzed (Min Pyong-uk; TONGA ILBO, 3 Sep 85).....	24
ROK, DJP Urge Flexibility in Coping With Protectionism (YONHAP, 29 Oct 85).....	27
Interpellation Skipped Due to Claim of 'Improper Surveillance' (THE KOREA HERALD, 25 Oct 85).....	28
NKDP Completes Constitutional Draft Amendment on Elections (THE KOREA TIMES, 23 Oct 85).....	30
Daily Criticizes Abusive Language of National Assemblymen (Editorial; THE KOREA HERALD, 24 Oct 85).....	31
Justice Ministry Corrects National Security Law (TONGA ILBO, 21 Aug 85).....	32
Chon Urges Domestic Savings for Economic Growth (YONHAP, 29 Oct 85).....	34
Government Prepares for College Ideological Education (Yi Sang-ho; HANGUK ILBO, 9 Aug 85).....	35
Daily on Discussion of Revising Criminal Code (Editorial; CHUNGANG ILBO, 12 Nov 85).....	38

Briefs	
Students Demonstrate on Campuses	40
Two Aides Summoned	40
Students Hold Hearing on Constitution	40
Police Detain Dissidents	41
Dissidents Detained for Questioning	41
SNU To Discourage 'Sammin Festival'	41
Prison Term for Student Upheld	41
Opposition Leaders Meet U.S. Group	42
12-Year Term Demanded for Sammintu Leader	42
Presidential Secretary	42

ECONOMY

Gloomy Economic Performance Predicted (Yi Kye-min; HANGUK KYONGJE SINMUN, 2 Jul 85).....	43
Garment Export Association on Jenkins Bill Impact (YONHAP, 29 Oct 85).....	46
Trade Ministry To Implement Minimum Price System (YONHAP, 24 Oct 85).....	47
Paper Comments on Revised Economic Forecast (Kim Kyong-su; MAEIL KYONGJE SINMUN, 13 Jul 85).....	48
Paper Discusses Foreign Debts and Sluggish Exports (Editorial; MAEIL KYONGJE SINMUN, 16 Jul 85).....	52
Gallup Poll: Foreign Debts Viewed Counterproductive (Pak Chan-sik; HANGUK ILBO, 1 Sep 85).....	55
Labor Minister Reveals Policies of Improving Workers Status (Various sources, various dates).....	60
Labor Research Center To Open	60
Minimum Wage System in Effect in 1987	61
Dispute Settlement Unit, Editorial	62
Labor, Other Ministries Respond to Questioning in Assembly (THE KOREA TIMES, 23 Oct 85).....	64
First Overseas Passenger Car Assembly Plant (Sin Hong-sop; MAEIL KYONGJE SINMUN, 2 Sep 85).....	66
Automobile Exports To Increase (MAEIL KYONGJE SINMUN, 1, 6 Aug 85).....	69
Joint Production, by Sin Hong-sop	69
Hyundai Australian Export Quota	71

Daily Hails Recent International Balance of Current Account (Editorial; THE KOREA TIMES, 25 Oct 85).....	73
Protecting Intellectual Property Rights (THE KOREA TIMES, various dates).....	75
Caution Urged in Protecting Rights	75
Foreign Property Protection	76
Ministry Drafts Legislation	78
Briefs	
End to U.S. Pressure Urged	79
MEDIA AND THE ARTS	
Briefs	
ROK-Japan Journalists	80
SCIENCE AND TECHNOLOGY	
U.S. Patent Request Worries Genetic Engineering Industry (Yun Tok-no; MAEIL KYONGJE SINMUN, 22 Jul 85).....	81
Semiconductor Business Prospects Reported (MAEIL KYONGJE SINMUN, 16 Jul 85; KISUL KWANLI, No 7, Jul 85).....	84
Wafer Fabrication	84
Governmental Promotional Plan, by Chong Chang-sop	85
Semiconductor Business Conditions, Trends Discussed (MAEIL KYONGJE SINMUN, 18 Jul 85).....	90
Government Announces Intelligent Computer Development (MAEIL KYONGJE SINMUN, 28 Jun 85).....	95
Space Science Research Center To Open (Ch'oe Son-nok; SEOUL SINMUN, 6 Aug 85).....	97
Facsimile Industry Discussed (HANGUK KYONGJE SINMUN, 31 Jul 85).....	100
Goals for Advancing Science and Technology Discussed (HANGUK KYONGJE SINMUN, 22 Aug 85; MAEIL KYONGJE SINMUN, 22 Aug 85).....	104
Government Proposal	104
Pure, Applied Research Discussed, by Cho Pyong-ha	105

Recruiting Skilled Overseas Korean (KWAHAK KWA KISUL, Aug 85; KISUL KWANLI, 25 Aug 85).....	110
Job Satisfaction Study	110
Conference on Recruitment	113
KOREANS IN JAPAN	
Briefs	
Chon Meets Businessmen	115
FOREIGN RELATIONS	
ROK Government Conducts Shuffle of Diplomatic Personnel (YONHAP, 28 Oct 85).....	116
New ROK Envoy to Japan Calls for Joint Study of History (THE KOREA HERALD, 25 Oct 85).....	117
USSR, GDR To Attend Seoul Boxing Championship (YONHAP, 25 Oct 85).....	119
Briefs	
ROK-Italy To Hold Joint Meeting	120
FOREIGN TRADE	
Assembly Considering Sending Trade Mission to U.S. (YONHAP, 28 Oct 85).....	121
Reportage on U.S. Antidumping Rule (YONHAP, various dates).....	122
Suit Against U.S. Commerce Ruling	122
Firms Seek To Sell Products Abroad	123
Antidumping Rule Termed 'Unfair', Editorial	124
Cooperation on Dumping Issue	125
Business Circles Criticize Ruling	126
Exports, Investment Pivotal to Economic Revitalization (Chang Chong-haeng, U Hong-je; SEOUL SINMUN, 14 Jul 85)...	128
Economic Mission To Visit Japan To Promote Exports (YONHAP, 22 Oct 85).....	133
Organizations Take Action Against Jenkins Bill (YONHAP, 25, 27 Oct 85).....	134
Trade Union Federation Writes AFL-CIO	134
Textile Workers Union Holds Rally	134

ROK To Proceed With Market-Opening Schedule (THE KOREA HERALD, 27 Oct 85).....	136
ROK Considering Organization for External Trade Affairs (YONHAP, 29 Oct 85).....	138
ROK To Proceed Import Liberalization as Scheduled (THE KOREA HERALD, 29 Oct 85).....	139
Protection of Material Patent Rights Benefit Japan (THE KOREA TIMES, 29 Oct 85).....	141
Briefs Committee on Trade	143

NORTH KOREA

ECONOMY

Benefits of Tideland Reclamation (Chon Bong Hun; KOREA TODAY, Nov 85).....	144
Accomplishments of Machine-Building Factory (Chon Jong Hun; KOREA TODAY, Nov 85).....	149

INTER-KOREAN AFFAIRS

RADIO VIEWS STUDENT OCCUPATION OF U.S. BANK IN PUSAN

SK181017 Pyongyang Domestic Service in Korean 1149 GMT 14 Nov 85

[Commentary by station commentator Cho Tong-ik: "An Eruption of the Rising Anti-U.S. Sentiment"]

[Text] As has been reported, three patriotic South Korean students occupied the office of the Bank of America in Pusan on 13 November, and staged an anti-U.S. sit-in there. Firmly opposing the U.S. imperialists' economic aggression maneuvers against South Korea, they reportedly shouted anti-U.S. slogans such as "The United States must withdraw its capital, which suppresses democracy in South Korea."

After many students from various universities in Seoul occupied the office of the American Chamber of Commerce in Seoul on 4 November and staged a sit-in there, Pusan youths and students occupied a plundering U.S. organization on the spot this time, staging a sit-in there.

This is a shocking incident showing that anti-U.S. sentiment is growing with each passing day in South Korea. Thus, the incident has attracted the people's attention at home and abroad.

The struggle staged by the Pusan youths and students this time is an entirely just and patriotic struggle that shows the desire and will of the South Korean youths, students, and people to end the colonial subjugation and suppression of the U.S. imperialists and to live independent lives.

Through their occupation of South Korea, the U.S. imperialists, by abusing their position as the colonial rulers, are thoroughly subjugating South Korea in the economic field as well as committing all kinds of despotic acts.

Today, South Korea has become an investment paradise, the best market, and a place of unlimited exploitation for the U.S. imperialists. The branch offices of the U.S. banks in South Korea are dominating the money market in South Korea and are earning a tremendous amount of surplus profits. In the case of the Bank of America, it has branch offices in Seoul and Pusan, and the amount of its profits doubles annually.

In particular, the U.S. imperialists have recently been trying to extricate themselves from the economic crisis by intensifying their exploitation of colonies such as South Korea. In this regard, they are increasing, more than ever, the economic pressure upon South Korea. Openly disclosing their true color as colonial plunderers, they are demanding the further opening of the South Korean market to U.S. goods, while further heightening the tariff wall against South Korean goods.

If such a brigandish demand of the U.S. imperialists is satisfied, it is clear that the export-oriented South Korean economy, a submissive colonial economy, will be completely strangled and the South Korean workers and people will suffer even greater disasters.

If one values the national dignity, he cannot but be enraged at the arrogant outrage of the U.S. imperialists, and cannot sit idle before it. The Pusan patriotic students' occupation of the office of the Bank of America is an eruption of the national indignation against the U.S. imperialists, and is a display of the firm will not to allow the U.S. imperialists' despotism.

Nevertheless, dismayed at the struggle staged by the Pusan patriotic students, the traitorous Chon Tu-hwan clique ran amok in suppression by mobilizing a great number of puppet police troops. It committed an atrocity of arresting all those students who waged the struggle by occupying the office of the Bank of America. This is indeed an intolerable challenge to patriots on the part of the traitors.

The South Korean puppet authorities say that the radical students are exploiting the trade friction between the United States and South Korea. This alone is nation-selling logic.

If one followed the puppets' logic, one would always be submissive to the plunderous U.S. pressure, as the puppets are submissive, and not get angry at or protest the pressure. But who would follow such a logic?

The puppets, who have submitted South Korea to the economic aggression and plunder of the U.S. imperialists, who never attempt to protest the brigandish demands of their masters, and who describe the patriotic students opposing the economic aggression of the U.S. imperialists as criminals and suppress them with guns and bayonets, are indeed traitors unparalleled in the world, and are the watch dogs who guard the colonial interest of the U.S. imperialists.

However, guns and bayonets can never strangle patriots. Amid the horrible guard, the South Korean youths and students are continuing to turn out in popular demonstrations and struggle, while shouting "The United States must rescind the pressure for import liberalization," "We oppose U.S. trade imperialism," and "The submissive regime must withdraw." They are continuing to occupy the aggressive organizations of the U.S. imperialists. The facts show this.

As long as the U.S. imperialists' colonial rule continues and the puppets' traitorous crimes continue to adulate them, the struggle of the South Korean youths, students, and people will expand. The U.S. imperialists and the puppets must know this clearly.

INTER-KOREAN AFFAIRS

KCNA ON SOUTH COUNTERMEASURES TO U.S. PRESSURE

SK180431 Pyongyang KCNA in English 1021 GMT 17 Nov 85

[Text] Pyongyang, November 17 (KCNA)--The Chon Tu-hwan puppet clique are working out "countermeasures of related ministries and departments" and "all-round measures" to deal with their American masters who are to fly to South Korea on December 9 under the cloak of "negotiating delegation," according to a radio report from Seoul.

The keystone of their "countermeasures" are to define "the principle of thrashing out matters through a negotiation of give-and-take style" in each trade and each item concerning the market-opening to insurance, literary rights, material patent, and broad-range services including move, tourism, advertisement, transport, vehicle chartering, legal profession, and rent of facilities, and to tobacco, chocolate, auto parts, loudspeakers and other commodities, which is demanded by their American masters.

This is, indeed, "a capital idea" which can be conceived only by the puppets who sell off the country and the nation without hesitation to their U.S. imperialist patrons.

As for the U.S. "negotiating delegation" expected in Seoul, it is a servitor of big monopolies of the United States. It is a supervisor sent to South Korea for forcing the total opening of its market on the spot.

It is crossing the Pacific not to have "negotiation of give-and-take style" with the stooges as their "equal."

The "countermeasures of related ministries and departments" and "allround measures" loudly advertised by the puppets are intended to conceal their true color as traitors. This, in fact, reveals their intention to wholly accept "market-opening in all domains the U.S. side demands" as they themselves mumble.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

DAILY DENOUNCES SHOOTING OF KOREAN WOMAN BY U.S. SOLDIER

U.S. Marine Shoots Woman

SK140537 Pyongyang KCNA in English 0504 GMT 14 Nov 85

[Text] Pyongyang, November 14 (KCNA)--Robert Pound belonging to the Okinawa-based U.S. Marines shot dead a passing Korean woman on November 8 in South Korea. NODONG SINMUN today prints a commentary denouncing this bestial atrocity.

The author of the commentary says: The criminal atrocities committed by the U.S. imperialist aggressors in South Korea are intentional crimes stemming from the nature of the beastly U.S. imperialists who are educated in the ideas of aggression and plunder of other nations, racial discrimination and misanthropy.

Noting that from the first days of their occupation of South Korea the U.S. imperialists have ceaselessly perpetrated never-to-be-condoned murderous atrocities, the daily says.

While stepping up in South Korea the new war provocation manoeuvres, the U.S. imperialist aggressors are bringing there mass destruction weapons including nuclear and chemical weapons in pursuance of a vicious scheme to threaten our people and sacrifice our nation in thermonuclear war, chemical war.

This notwithstanding, the Chon Tu-hwan fascist clique, as a faithful running dog of the U.S. imperialists, is zealously following the master's policy of aggression and war and vindicating the criminal atrocities of the beastly U.S. imperialists and begging for the U.S. imperialist aggression forces' permanent occupation of South Korea.

This time, too, the murderous atrocity of the U.S. imperialist forces' soldier was committed openly in a broad street. But the Chon Tu-hwan group has meted out no punishment to the murderer, thereby revealing once again its true colour as a puppet.

The U.S. imperialist murderer who shot dead the Korean woman must be punished and the U.S. imperialist Marines who crawled into South Korea be expelled from there at once.

Citizen Denounces U.S. Soldier

SK190535 Pyongyang KCNA in English 0523 GMT 19 Nov 85

[Text] Pyongyang, November 19 (KCNA)--Pyongyang citizens held a meeting on November 18 to denounce a soldier of the U.S. imperialist aggression forces for having brutally shot dead a South Korean woman.

Kim Pong-chu, chairman of the Central Committee of the General Federation of Trade Unions of Korea, made a speech at the meeting.

Noting that Robert Pound belonging to the U.S. Marines stationed in Okinawa, Japan, on November 8 bestially shot dead a woman named Kim Yong-cha in a road in Pochon County, Kyonggi Province, while carrying cartridge boxes in a military truck, the speaker said: This atrocity is a graphic instance showing the brutalities of the U.S. imperialist aggressors who are behaving as "guardian" of the South Korean people, styling themselves "defender" of peace.

He noted that the U.S. imperialists who illegally occupied South Korea have enforced an unheard-of suppressive and murderous rule ruthlessly trampling underfoot the national dignity and sovereignty of the South Korea people and totally obliterating all the democratic liberties and rights over this past 40 years.

The murderous criminal acts committed by the U.S. imperialist aggressors in South Korea are mainly attributable to the flunkeyist and treacherous acts of the Chon Tu-hwan puppet clique, he noted, and said: This time, too, the Chon Tu-hwan puppet clique meted out no punishment to the murderer but vindicated the U.S. imperialist aggressors claiming that the accident was caused as he mistook the solid shot for a blank one to reveal once again its dirty colour as stooge.

Then representatives of all circles took the floor.

During their speeches the meeting hall shook repeatedly with loud shouts of slogans vehemently denouncing the murderous atrocity of the U.S. imperialists and expressing the firm determination of our people to drive the U.S. imperialist aggressors out of South Korea, reunify the country and take a hundred-fold, a thousand-fold revenge upon them.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

COMMENTARY EXAMINES SOUTH'S STRENGTHENING SECURITY

SK160534 Pyongyang Domestic Service in Korean 1149 GMT 15 Nov 85

[Commentary by station commentator Cho Tong-ik: "Suppression Order by Those Who Are Seized With Uneasiness"]

[Text] It has been reported that in connection with incidents of occupying offices of foreign institutions and public institutions and the staging of sit-ins by university students, which have taken place one after another in recent days, the puppet Ministry of Internal Affairs instituted a suppression order that the police throughout South Korea must strengthen security for foreign institutions and public institutions. Under this order, the puppet police decided to take various fascist measures like stationing police around foreign institutions, including the U.S. Embassy, and puppets' institutions; organizing new combat police units and stationing them around; and strengthening patrolling. This shows how desperate those who are seized with fear by the bold anti-U.S. and antipuppet advance of the South Korean youths and students are, and this is also another act of writhing designed to maintain their colonial, fascist rule by wielding guns and bayonets.

As is known, in protest against the U.S. imperialists' economic aggression and the puppets' traitorous act of yielding to them, the South Korean youths and students more frequently wage the struggles by raiding and occupying U.S. institutions and the puppets' institutions, even while they hold popular meetings and stage demonstrations. In November alone, following the occupation of the Seoul office of the American Chamber of Commerce, the patriotic students occupied the Pusan office of the Bank of America. In addition to this, the puppets' Central Headquarters of the Saemaul Movement; the DJP's Central Training Center; the office of the DJP's first district of Pusan; and the Suwon and Kwangju offices of the puppet Labor Ministry were attacked or occupied by students. Puppet police boxes were also attacked by students. Attacking and occupying U.S. institutions and puppets' institutions by the South Korean youths and students is an inevitable result of the criminal maneuvers of the U.S. imperialists and the puppets and a due counterattack against aggression, betrayal, and fascism.

It is a well known fact that the U.S. imperialists are unprecedentedly and outspokenly applying economic pressure to South Korea by restricting imports of South Korean-made commodities and forcing South Korea to open its markets for U.S.-made commodities, almost suffocating the South Korean economy, and

that the people are facing the danger of being subjected to a greater catastrophe because of the U.S. pressure. However, far from confronting, face to face, the U.S. burglar-like demand, the puppets are conducting a begging diplomacy, while obsequiously bowing to the U.S. imperialists, and have prohibited even demonstrations against the U.S. economic pressure. Even while currying favor with foreign forces, the puppets are making it a business to engage in all forms of violent, inhuman, and brutal suppression--against the youths, students, and people who demand independence, democracy, and reunification--including terror, violence, torture, and murder. How can the hot-blooded South Korean youths and students who are burning with patriotism and a sense of justice tolerate such a deplorable situation facing South Korea? They, who cannot endure an anger against the imperialists and nation-sellers, have come to wage the struggle by occupying U.S. institutions and puppet institutions and by staging sit-ins there in order to voice their protests. The puppets instituted a special suppression order in an effort to block the righteous advance of the youths and students, while desperately babbling that they will not tolerate the advance. This is a ruckus which can only be raised by those who betray the country and the nation and who survive by betrayal and fascism. Moreover, the puppets are frantically protecting the U.S. imperialists' aggression and exploitation institutions even by stationing police there. This clearly shows the puppets' character as fascist slaves who are protecting the U.S. imperialists' colonial rule with guns and bayonets. They are taking the traitorous suppression measure of protecting the aggressors and plunderers with guns and bayonets, while wielding guns and bayonets against their fellow countrymen who are crying for patriotism. This is an act which only those who are no longer Korean people can commit. The Chon Tu-hwan traitorous clique is attempting to maintain its nation-selling fascist rule, which is rejected by the people, by currying favor with its masters with such suppression measure. However, history shows those who attempt to maintain their survival by betraying the nation and currying favor with aggressors can not stay in power for long. The more frantically the puppets wield guns and bayonets, the greater denunciation and hatred of the patriotic youths and students they will be subjected to and the more violent they will face, hastening self-destruction.

/8309

CSO: 4110/16

INTER-KOREAN AFFAIRS

VNS COMMENTARY ON CHON CLIQUE'S WAR PREPARATIONS

SK190010 (Clandestine) Voice of National Salvation in Korean to South Korea
0300 GMT 16 Nov 85

[Station commentary]

[Text] In this hour, we will talk about Defense Minister Yun Song-min's absurd remarks at the National Defense Committee of the National Assembly.

Testifying before the National Defense Committee of the National Assembly on 14 November, Defense Minister Yun Song-min incited war fever again. In connection with defense policy for next year, he clamored that he will reinforce and develop the defense information system, capabilities for chemical warfare, and irregular warfare operations, and will expand the foundations of an independent weaponry system by increasing (?investment) in the augmentation of combat capabilities.

On 13 November, prior to this, traitor Chon Tu-hwan appeared at an army unit on the central-western front, raved that the situation on the Korean peninsula at present is reminiscent of the situation of the 1930s in which World War II was triggered, and incited war fever while babbling about perfect preparedness and the augmentation of combat capabilities.

While dialogue and contact in various fields to improve North-South relations are ongoing, Yun Song-min raved about the augmentation of combat capabilities at the National Assembly session in the wake of Chon Tu-hwan's incitement of war fever among military officers and men on the front. This is very dangerous and undisguised war agitation.

Chon Tu-hwan babbled that the situation on the Korean peninsula has become extremely strained, reminiscent of the situation of the 1930s when World War II was ignited. If this is true, the extremely strained situation has been caused by the war maneuvers of the Chon Tu-hwan ring under the instigation of the United States.

As you know, the Chon Tu-hwan group has paid lip service to peace and dialogue as if it were interested in peace and reunification on the Korean peninsula. However, in reality it has dreamed a different dream, contradicting its words.

The Chon Tu-hwan ring has mapped out a new offensive strategy under the disguise of the nonexistent threat of southward invasion, has drastically increased military forces, has reorganized the South Korean military forces into offensive-type forces, and has deployed forward 80-90 percent of the overall armed forces near the truce line to use them for offensive operations at any moment. It is no secret that the Chon Tu-hwan ring has formed special units composed of as many as 180,000 men to conduct commando operations against the North and has dug countless tunnels for northward invasion along the truce line.

Also, the Chon Tu-hwan group has extended the period of the active duty of defense call-ups by 4 months, from 14 months to 18 months, and has framed a plan to mobilize human and material resources into war and has been hellbent on exercises for their mobilization. This confirms how discreetly the Chon Tu-hwan group is running wild to provoke a war.

Furthermore, the Chon Tu-hwan group has decided again to drastically increase investment in the augmentation of combat capabilities and to reinforce and develop operational capabilities. This graphically shows that it does not desire a North-South dialogue, the easing of tensions, and reunification, but merely seeks North-South confrontation. The more the Chon Tu-hwan group incites North-South confrontation, the more [word indistinct] as a group of bellicose elements and splittists will be exposed.

If it desires the easing of tensions on the Korean peninsula and the improvement of North-South relations, the Chon Tu-hwan group should not seek the anachronistic line of confrontation, but turn out to the road of removing distrust and misunderstanding between the North and South and promoting national rapprochement and unity.

If it continues to dash along the road of war, the Chon Tu-hwan group will not escape the stern punishment of history.

/8309

CSO: 4110/16

INTER-KOREAN AFFAIRS

CLANDESTINE REPORT ON JAPANESE SUPPORT FOR TWO-KOREAS POLICY

SK170019 (Clandestine) Voice of National Salvation in Korean to South Korea
0300 GMT 16 Nov 85

[Talk by unidentified station commentator from the "Feature Program" Broadcast:
"The U.S. Two-Koreas Line and Japan"]

[Text] The aggressive Japanese policy toward the Korean peninsula is causing further delays in realizing reunification. As is well known at home and abroad, the criminal South Korea-Japan treaty became a starting point from which Japanese influence has become great, detrimentally effecting South Korea's independence and democratization and the reunification of the Korean peninsula. The opening of diplomatic relations between South Korea and Japan, therefore, has become an additional obstacle to the basic obstacle for national reunification, the U.S. forces' military domination of South Korea.

Since the opening of the diplomatic relations between South Korea and Japan, Japan has actively sided with U.S. policy and the South Korean dictatorial powers for the division of the Korean peninsula. With the aggressive idea that the security of South Korea is (?important) to Japan, Japan actively supported the U.S. two-Koreas line, and has become one of the major forces instigating the South Korean dictatorial powers that are scheming to realize superiority over the North through strength on the pretext of maintaining a balance of power on the Korean peninsula. Needless to say, this instigation has been going on since the signing of the South Korea-Japan treaty.

The South Korea-Japan treaty is playing the anti-historic (?role) of extremely aggravating tensions and the confrontation between the North and the South and delaying the reunification of the Korean peninsula on the basis of independence and democracy. The so-called South Korea-Japan summit meetings in 1983 and 1984 clearly showed that since the emergence of the Nakasone regime, Japan's criminal policy has been further strengthened. This is evident from the officially published South Korea-Japan joint statements.

Nakasone then highly valued the so-called defense efforts of the Chon Tu-hwan regime, reaffirming his position to continuously support the arms race, the heightening of tensions on the Korean peninsula, and the [word indistinct] policy of northward invasion.

Nakasone also pronounced that he would support Chon Tu-hwan's policy of national harmony, democratic reunification, and simultaneous UN entry, which are in essence a plot to divide the Korean peninsula, making it clear that he will continuously pursue the policy of perpetuating the division of the Korean peninsula through the two-Koreas plot.

The South Korea-Japan summit meeting in 1984, although it took place after the North proposed the tripartite talks--an epochal alternative plan to ease tensions on the Korean peninsula and to constructively build the preconditions for reunification--intentionally turned away from this proposal. This clearly proven that, although the Nakasone regime babbles about easing tensions, the settlement of peace, and dialogue for North-South reunification, it really adheres to continuation of tension and the fixing of division.

As the facts show, the Japanese South Korean policy is to maintain the South Korea-Japan treaty, which is a system for dividing the Korean peninsula, to dominate South Korea forever, and to use South Korea as an anticommunist bulwark for Japan. The Nakasone regime's South Korea policy shows that the Japanese aspirations and influence in seeking such criminal objectives are becoming more active on a new plane.

Japanese militarism is consistently following its South Korean policy of challenging our nation's aspirations for reunification and running counter to them, gravely encroaching on our national sovereignty, committing an irrevocable crime in our national history.

I think that our national will and efforts for independence, democracy, and reunification can bear fruit by bringing an end to the [word indistinct] and evil hands of the Japanese militarism, as well as the U.S. colonial rule in South Korea and the two-Koreas line.

/8309

CSO: 4110/16

INTER-KOREAN AFFAIRS

NODONG SINMUN ARTICLE ON TACTICS OF DJP

SK101024 Pyongyang KCNA in English 0859 GMT 10 Nov 85

[Text] Pyongyang, November 10 (KCNA)--The South Korean "Democratic Justice Party" is pursuing a double-dealing tactics of seeking the extension of dictatorship in actuality, though it advocates "a popular policy" in words, says NODONG SINMUN in an article Sunday.

Noting that the "Democratic Justice Party" has pursued military dictatorship from its inception, though it appeared on the scene early in 1981 with a "platform" of "opposition to dictatorship" and "creation of a clean political climate," the paper says: The "popular policy" advertised by it is a camouflage for dictatorship and its real aim behind the scene is to realise long-term office.

The "opposition to dictatorship" included in the "platform" of the "Democratic Justice Party" was a fraud from the beginning.

While pursuing a long-term office, they are still resorting to a double-faced propaganda that they will carry out "a peaceful change of power."

If "a peaceful change of power" is to be carried out, the socio-political life must be democratised so that democratic figures might run for "presidential" election and the people be granted the right to participate in the elections. Such rights can be guaranteed only under condition that the freedom of the press and political activities are ensured and a direct "presidential" election system is enforced in South Korea, to say the least.

But the "Democratic Justice Party" opposes both democratisation and a constitutional revision for direct election demanded by the people and opposition politicians.

No Tae-u, its representative member, said that the question of "legitimacy of power" cannot be a subject of negotiation between the ruling and opposition parties and a political climate favoring the debate on such matter must "be strictly rejected."

This is, indeed, a self-righteous mode of thinking. His threatening remarks themselves are manifestation of the will to extend the present dictatorship after 1988.

The "Democratic Justice Party" brought into being at the point of the bayonet, like the previous ruling parties of South Korea, is fated to go out of existence when the dictatorial politics reaches the limit, running up against resistance of the people.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

CPRF DENOUNCES USE OF CHEMICAL WEAPONS ON STUDENTS

SK150517 Pyongyang KCNA in English 0459 GMT 14 Nov 85

[Text] Pyongyang, November 15 (KCNA)--The Chon Tu-hwan military fascist clique have gone the length of using lethal weapons even in the crackdown upon bare-handed students, taking them for guinea pigs of chemical weapons. This offers again a clear glimpse into their true color as murderers in human skin taking no account of fellow countrymen and international law.

The secretariat of the Committee for the Peaceful Reunification of the Fatherland says this in its information No 341 on November 14 denouncing the Chon Tu-hwan military fascist clique for inflicting heavy injuries upon students staging a demonstration against outside forces and dictatorship in Chonju City, south Cholla Province, by firing at them tear-gas shells and new-type gas shells causing blisters.

Recalling that the South Korean fascist hangmen have used this kind of gas shells more than once in secrecy in their suppression of students, causing many students to suffer from a severe poisonous skin disease, the information stresses:

This bespeaks that the puppets wantonly violate even publicly accepted international law in a bid to stifle the righteous patriotic struggle of the students and people which is surging to a new high with each passing day in South Korea.

The Chon Tu-hwan group must know that if it seeks to obliterate the patriotic struggle of the students by using even new-type gas shells and thus realise the U.S. imperialists' permanent occupation of South Korea and its wild ambition of long-term office, it will face curses and denunciation of the whole nation and human conscience.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

LSWYK DENOUNCES SOUTH TORTURE OF DISSIDENTS

SK150535 Pyongyang KCNA in English 0505 GMT 15 Nov 85

[Text] Pyongyang, November 15 (KCNA)--The Central Committee of the League of Socialist Working Youth of Korea and the Korean Students Committee sent a letter to the World Federation of Democratic Youth and the International Union of Students on November 14 calling upon them to pay deep attention to the Chon Tu-hwan group's fascist suppression of the South Korean students.

Noting that sanguinary repression of the South Korean Democratic Youth and Student Organizations by the Chon Tu-hwan puppet clique is becoming all the more truculent day by day, the letter says: The Chon Tu-hwan group recently published the so-called "case of the Committee for the Promotion of Democracy" and branded this organization as a "pro-communist organization profiting the enemy" and has already illegally arrested 26 students in a wholesale arrest campaign against its members.

To wrest "confessions" to "pro-communist acts profiting the enemy" from those involved in the case, the South Korean fascist hangmen put to indescribable tortures 80 students and progressive figures including the chairman of the Youth Federation of the Movement for Democracy and its members who were arrested in February.

Even according to figures released by the South Korean authorities, 302 students were detained and 1,707 taken into custody in the January-October period of this year.

Such outrages of the Chon Tu-hwan puppet clique are unpardonable criminal acts designed to uproot the very source of the ever growing struggle against outside forces and dictatorship in South Korea, gratify their wild ambition for long-term office and hold the 1988 Olympiad without mishap.

We express the hope that the World Federation of Democratic Youth and the International Union of Students which value peace, democracy and social progress will, as in the past, pay deep attention to the repression of South Korean patriotic youth and student organizations and their members and take appropriate steps such as dispatching a fact-finding group to disclose the truth of torture by the fascist hangmen, referring to the international court the Chon Tu-hwan group directly responsible for the arrest, torture, terrorism

and murder and launching an international campaign for the release of the students who are illegally persecuted.

And we express the belief that you will wage a more vigorous international campaign to force the U.S. imperialists directly responsible for the South Korean military fascist clique's policy of suppression to withdraw from South Korea.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

GFTUK DENOUNCES SUPPRESSION OF LABOR STRUGGLE IN SOUTH

SK160434 Pyongyang KCNA in English 0427 GMT 16 Nov 85

[Text] Pyongyang, November 16 (KCNA)---The Central Committee of the General Federation of Trade Unions of Korea sent a letter to the World Federation of Trade Unions on November 15.

Noting that the Chon Tu-hwan fascist clique's suppression of workers' organizations and the labour movement in South Korea is a vicious challenge to the working class of the world. The letter appeals to the WFTU to scathingly expose and denounce it.

The letter says: The South Korean military fascist clique made public the so-called "case of the Committee for the Promotion of Democracy" and charged the organizations involved in the case and their members with "pro-communist acts profiting the enemy," scheming to harshly penalize them by invoking the "National Security Law."

The fascist clique's crackdown upon the labour movement in South Korea has become more brutal than ever before with the publication of the "case."

They arrested four persons including Min Chong-tok, chairman of the Seoul Federation of the labour movement and chairman of the Chonggye Garment Workers Union, and Kim Wang-su, chairman of the Council of the Families of the Detainees of the Taeu Garment Company, on charges of their demand for wage hike and improvement of working conditions, and have subjected them to harsh torture and persecution. And they illegally passed prison terms up to 2 years upon eight workers of the Pupyong factory of the Taeu Auto Company and seven persons including Kim Yong-tae, general secretary of the Chonggye Garment Workers Union, and Yi Pu-hyon of the Hyosong Products Company who called for wage hike and freedom of trade union activities.

For their boycott of unreasonable overtime work more than 70 workers of the Samhwa Woollen Company in Pusan were assaulted and over 40 young girl workers of the Hanju Electronic Company in Chongju were beaten, stripped naked. This is South Korea today, the shocking "hell of labour."

The letter expresses the hope that the WFTU will take international solidarity steps for an unconditional release of the arrested South Korean workers, students and progressive figures and active support and encouragement to the labour movement in South Korea.

INTER-KOREAN AFFAIRS

DPRK TEACHERS WELCOME JAPANESE TEACHERS UNION GROUP

SK191037 Pyongyang KCNA in English 1024 GMT 19 Nov 85

[Text] Pyongyang, November 19 (KCNA)--Teachers in Pyongyang held a meeting on November 18 to welcome the delegation of the Japan Teachers Union headed by Ichiro Tanaka, chairman of the Central Executive Committee of the union. Choe Kum-sun, chairman of the Central Committee of the Trade Union of Educational and Cultural Workers of Korea, said: We are very happy to have close friendly relations with the Japan Teachers Union which has been persistently struggling against imperialist policy of aggression and for peace, justice and democratisation of education.

The speaker expressed thanks to the Japan Teachers Union for having conducted various activities against the formation of a U.S.-Japan-South Korea triangular military alliance and the "team spirit" joint military exercises and actively helped and supported the educational work of the General Association of Korean Residents in Japan (Chongnyon) for the democratic, national education of the sons and daughters of Korean citizens in Japan.

In his speech head of the delegation Ichiro Tanaka said the delegation visited various educational institutions in Pyongyang. We have acquainted ourselves better with the training of teachers to bring up men of chuche type, the excellent contents and methods of education in the Democratic People's Republic of Korea which has applied the chuche idea and with the study-while-working educational system, he noted.

Pointing out that Korea which was totally razed to the ground due to the barbarous bombing of the U.S. imperialists during the past Korean War has today made dazzling development in all domains of the national economy, he said: This has been made possible because President Kim Il-song has always directed deep attention to the educational work and trained a large number of competent personnel.

Referring to the question of Korean reunification, he said that the reunification of Korea should be realised independently by the Korean people themselves, on a democratic principle and in a peaceful way without any outside interference in accordance with the policy of national reunification put forward by President Kim Il-song.

Expressing firm support to all the proposals advanced by the government of the DPRK for the reunification of Korea, he said: Three-way talks involving the Democratic People's Republic of Korea, the United States and South Korea must be realised at an early date.

/8918

CSO: 4100/034

INTER-KOREAN AFFAIRS

BRIEFS

SECURITY AT FOREIGN MISSIONS--Pyongyang, November 14 (KCNA)--The South Korean puppet Home Ministry on November 12 issued a new repressive order to the police all over South Korea, according to a radio report from Seoul. In this order the fascist clique instructed the police to "establish a guard system" and "strengthen self-guard" at each police station to cope with the occupation of U.S. and puppet offices by students, which occurs one on the heels of another. In accordance with it, the puppet police has decided to take a series of fascist measures such as permanently stationing reinforced police force at the U.S. Embassy and other foreign missions and puppet offices, organising and deploying new combat police teams and strengthening patrol. This is part of the desperate schemes of the Chon Tu-hwan puppet clique to check the growing anti-U.S., anti-"government" action of students and people by harsher repression, frightened by it. [Text] [Pyongyang KCNA in English 0432 GMT 14 Nov 85 SK] /8918

JAPANESE RESTRICT IMPORTS FROM SOUTH--Pyongyang, November 15 (KCNA)--The South Korean puppet clique is crying, as the Japanese authorities put restrictions on import from South Korea, while keeping \$3,000 million in the black every year in trade with South Korea, according to a report from Seoul. Japan is directly restricting the import of such goods from South Korea as silk yarn and fabrics and shoes by various means including limitation of import, prior permit of import and prior confirmation of import. The puppet clique is resorting to "below-cost export" at a low price in a bid to pay even a little ever increasing foreign debts. But, owing to the restrictions on import by the U.S. and Japanese masters, only its foreign debts are snowballing year after year. [Text] [Pyongyang KCNA in English 0402 GMT 16 Nov 85 SK] /8918

SERVICE TERM EXTENDED--Pyongyang, November 17 (KCNA)--The Chon Tu-hwan military fascist clique had decided to extend the "service" term of the "defence corps," an army of the puppet army on the active list, according to a radio report from Seoul. The puppet defence minister November 14 appeared at the Defence Committee of the puppet National Assembly and disclosed this decision to extend the service term 1.3 times as from January next year. Raising the trite hue and cry over the "threat from the north," he blared that it had been decided to increase investments in "the replenishment and development of the capacity of chemical warfare" and buildup of mass destruction weapons. These schemings once again show how desperately the Chon Tu-hwan military fascist clique are stepping up war preparations to invade the northern half of Korea

behind the curtain of dialogue. Pyongyang KCNA in English 1033 GMT 17 Nov 85 SK] /8918

SOCIALIST COUNTRIES SUPPORT OLYMPICS--Pyongyang, November 18 (KCNA)--The final communique which was adopted on November 15 at a meeting of chairmen of sports guidance organs of socialist countries held in Hanoi expresses support to the proposal of the Democratic People's Republic of Korea for cohosting the 1988 Olympic Games. The communique demands the International Olympic Committee and the International Sports Federations to seriously examine the DPRK's proposal that the 1988 Olympiad be cohosted by the north and the south and a single team be formed to participate in the games. The communique says that it is necessary to enhance the role of the National Olympic Committees in further strengthening the struggle for the democratization of the International Olympic Committee and the International Sports Federations and settling pending issues in the international Olympic movement. The communique expresses resolute opposition to the commercialization of sports and the policy of racial discrimination in sports. [Text] [Pyongyang KCNA in English 0510 GMT 18 Nov 85 SK] /8918

SOUTH GARMENT WORKER'S DEATH--Tokyo, November 16 (KNS-KCNA)--Japanese workers held a solidarity meeting in Tokyo on November 13 to commemorate the 15th death anniversary of Chon Tae-il, a young garment worker of the Pyonghwa market in Seoul, who immolated himself in demand of the three rights of labor, and so forth. The meeting sponsored by the "Metropolitan Liaison Council for Japan-South Korea People's Solidarity" was attended by the members of the sponsor organisation and a great many young Japanese workers and Koreans under the influence of the "ROK Residents Association in Japan" (Mindan). The reporter at the meeting noted that the struggle of the South Korean workers for the right to live and freedom was rapidly growing in the teeth of brutal repression by the Chon Tu-hwan military fascist clique and it was developing from an anti-"government" struggle to an anti-outside force struggle. He called upon the Japanese workers to expand in scope the solidarity movement for the South Korean workers from the stand and stance: "Let us not allow suppression of the democratic labor movement in South Korea." The attendants saw a drama depicting the struggle of the Taeu garment workers. [Text] [Pyongyang KCNA in English 0414 GMT 19 Nov 85 SK] /8918

CSO: 4100/034

OLYMPIC GAMES

POLICE SECURITY CORPS FORMED FOR SPORTS EVENTS

SK290054 Seoul THE KOREA HERALD in English 29 Oct 85 p 8

[Text] The police security corps which will be assigned to guard major sports facilities and athletic villages for the 1986 Asian Games and the 1988 Seoul Olympics was activated in Seoul yesterday.

Police said the new unit will also protect the personal safety of foreign athletes and cope with possible terrorism and other sabotages by North Korea or international terrorists during the two major athletic events scheduled for Seoul.

The 1,300-man unit was launched in a ceremony held at the Hyochang Stadium in Seoul. The ceremony was attended by Minister of Home Affairs Chong Sok-mo, Pak Pae-kun, director general of the National Police and other ranking police leaders.

The new force, named the Police Security Corps for Olympics, is organized by 10 companies including the corps headquarters company, nine security companies and four regional detachments.

The police said eight of the nine security companies will be assigned to the Seoul Metropolitan Police Bureau while the remaining one will be attached to the Kyonggi-do provincial police. The four detachments will be operational in Pusan, Taegu, Taejon and Kwangju.

Police added that 500 more police officers will be added to the new unit by February next year.

The corps has more than 50 various vehicles and some 60 modern communications equipments.

Corps members will be given antiterrorist training and other education to help them to effectively carry out their duties, police said.

/9604
CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

CHON REFERS TO PEACEFUL TRANSFER OF POWER AT 'SAEMAUL' MEETING

SK250321 Seoul YONHAP in English 0305 GMT 25 Oct 85

[Text] Pusan, 25 Oct (OANA-YONHAP)--South Korean President Chon Tu-hwan said Friday that Korea is now faced with a historic mission of bringing about the first peaceful transfer of power in 1988 and of making the 1988 summer olympics a success. Those two events will be "decisive turning points toward the advancement of Korea," he said.

Chon made the remarks in a speech at the annual convention of Saemaul Undong (new community) leaders at the Pusan indoor gymnasium here.

Considering the mounting confrontation and competition among nations for their respective interests and the serious military developments on and around the peninsula, Chon said that his fellow Koreans must enhance their alertness and preparedness, both at home and abroad.

The Saemaul movement is a national development program initiated by the late President Pak Chong-hui in 1971.

"The movement, which is a driving force in the national take-off, will help Korea in solving its problems, in creating an advanced country and in achieving the peaceful reunification of the peninsula," Chon said.

He also said that the nationwide movement has planted a "positive attitude and confidence" in the minds of the Korean people, replacing the "retrogressive and negative consciousness" they had developed as a result of repeated national ordeals over the past several decades.

The president asked the people to do their best to bring about the balanced development of all the regions of South Korea.

/9604
CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

EFFECTS OF DJP LEADERSHIP RESHUFFLE ANALYZED

Seoul TONGA ILBO in Korean 3 Sep 85 p 3

[Article by Min Pyong-uk: "Ground-Leveling of Substantial Reinforcement of DJP Forces; Political Significance of Major Reshuffle of Party Officials; Representative No, Secretary-General Chong Direct Administration Is Set; Promotion of National Assemblyman Pak Chun-pyong, Chairman of National Policy Committee, Is Noteworthy"]

[Text] It can be said that the 3 September appointments of cardinal officials of the Democratic Justice Party [DJP] are, in a nutshell, a consolidation of "the line of battle" designed to strengthen the operational system of the party that is being led by Representative No T'ae-u and Secretary-General Chong Sun-tok.

In particular, the recent reorganization was designed to strengthen the political function of the party in preparation for the forthcoming 1988 presidential election and in order to counter firmly the non-government party's offensive, including the constitutional amendment controversy which is expected to become hotter and hotter. It can be interpreted as an action that has set up a No-Chong line leadership to replace the dispersed operation of the party which has prevailed so far.

Such an interpretation is based on the following series of events: that after the recent February 12 General Election, Representative No emerged; that on 1 August, the secretary-general and floor leader were changed and thereby the aide posts for Representative No were reinforced; and recently that the deputy secretary-general and head of the policy coordination office, who had so far played a nuclear role in carrying out party affairs and mapping out party policies, have been withdrawn from the frontline setup. Thus the No-Chong establishment has now taken charge of entire party affairs.

In this connection, the significance of the recent personnel reshuffle of the DJP lies in the fact that the central core of the reshuffle was the stepping down of Yi Sang-chae, deputy secretary-general, and Hyon Hong-chu, head of the policy coordination office, and the emergence of National Assemblyman Pak Chun-pyong, who was a nucleus personage in the sailing of the Fifth Republic

and a leading force man of the reform movement, as the chairman of the National Policy Coordination Committee, whose post had been left vacant so far.

Former secretary-general Yi had taken charge of all party affairs since 1981. In particular, he consolidated the organization of the DJP throughout the country. In the case of the former head of the policy coordination office Hyon, he in fact took charge of the whole process of mapping policies and of all the major duties of consultation on the party policies, even though he was under the jurisdiction of the chairman of the policy committee.

In some quarters of the party, a delicate atmosphere was effected in the party operation after Secretary-General Chong took office; and there has been talk about the consolidating of the handling of party affairs.

On the other hand, in the case of the former head of the party policy coordination office, Hyon, it is reported that he put forth a dissenting opinion at the recent turmoil of the Campus Stabilization Law.

Spokesman Sim Myong-po said that "the reshuffle was designed to develop the ideology and forces of the party up a step higher and to get ready for a major national political event." What he said "to develop forces of the party up a step higher" may be interpreted as to imply that "to see to it that the party affairs will be implemented thoroughly in compliance with the intentions of Representative No and Secretary-General Chong, who constitute an establishment of the party leadership."

Furthermore, it means that the party has established a direct administration system--which was already foreseen on 1 August when Secretary-General Chong was appointed with a promotion, and also that the reshuffle is a finishing touch designed to strengthen further the direct administration system.

During the recent general election, various opinions came up in the DJP in connection with the so-called democratization of the party. Thus the party faced with a situation in which one might misunderstand that the party was being split.

Furthermore, after the general election, the organization of the party in major cities was not operated as it should have been and, consequently, the votes went to non-government parties in great quantities. Thus there had been even some voices of dissatisfaction within the party before the reshuffle came.

Therefore, in the long run, the DJP staged a three-step personnel reshuffle after the general election: namely, the change in the representative member; changes in the secretary-general and floor leader; and changes in the deputy secretary-general and head of the policy coordination committee. Thus it established a new establishment. It has become thoroughly entrenched by putting up a line of battle against the non-government party offenses expected to be launched from now on.

Particularly conspicuous in the recent personnel reshuffle was the promotional appointment of National Assemblyman Pak Chun-pyong, who was formerly an army general and who has been a reform force man, to the post of chairman of the

National Policy Coordination Committee, which had been left vacant since it was newly established for a while ago during a reorganization of the party.

When National Assemblyman Pak was elected to become a DJP National Assemblyman of the 12th National Assembly after leaving his previous career, there was a rumor that he "will be placed in an important post sooner or later." Whether or not the recent appointment of him to the committee chairman's post was it still remains to be seen. However, one may have to attach significance above all to the fact that National Assemblyman Pak has come to take charge of the frontline of the party operation.

Although there has been no definite explanation yet of the role which the chairman of the coordination committee should play, strong guesses within the party are that the chairman would be at the position in which final consultations between the party and the government are to be held.

The person who had been carrying out duties similar to those of the chairman of the committee without being in the chairman's post before the chairman was formally appointed was National Assemblyman Kim Yong-chak--Kim withdrew from the party after being criticized because of his former career in a non-government party. Now that National Assemblyman Pak whose weight is far greater than National Assemblyman Kim took the chairman's post in which reality now agrees with the name, it seems that DJP will be in such an establishment in which Secretary-General Chong will take charge of the overall party affairs, including the affairs of the National Assembly floor, Chairman Pak will take charge of major policy decisions and the party-government consultations, and Representative No will take charge of final decision makings.

Meanwhile, it is reported, although it was not made public when the recent reshuffle came, that the DJP is planning to strengthen further the function of the Central Executive Committee and thereby to make the committee a substantial organ effecting final decisions on the party stands. Thus the picture of the division of duties among the nucleus officials of the party may become clear around the time when the Central Executive Committee becomes a substantial organ.

7989/9312

CSO: 4107/295

ROK, DJP URGE FLEXIBILITY IN COPING WITH PROTECTIONISM

SK290806 Seoul YONHAP in English 0747 GMT 29 Oct 85

[Text] Seoul, 29 Oct (OANA-YONHAP)--The South Korean Government and the ruling Democratic Justice Party (DJP) Monday agreed that Korea should "flexibly counter" the growing trend toward protectionism in the United States and the mounting pressure on Korea to open its market more widely to U.S. commodities.

In a policy consultative meeting between the administration and the ruling party, the two sides agreed to resolve the Korean-U.S. trade friction through negotiations involving discussions on flexible ways to counter the U.S. pressure, especially in the areas of insurance, advertising, banking and other service industries, and intellectual property rights. They agreed, however, to "resolutely counter" the U.S. request that Korea open its market to U.S. agricultural products, including beef, wine and oranges.

During the meeting, the government side reported that it had decided to shelve its liberalization timetables for insurance, material patents and other intellectual property rights, because negotiations will be held next year, when the U.S. Government begins investigating the matter.

The Korean Government had originally planned to enact an extraordinary copyright law by the end of this year, in response to the mounting U.S. pressure. Instead, it will work out countermeasures based on the results of future bilateral negotiations, according to the government report.

In response, the DJP strongly urged the government "to be most cautious" in legislating the protection of foreign intellectual property rights. DJP policy planners said that the government should consider the adverse impact that the premature enactment of legislation protecting foreign intellectual property rights would have on the development of Korean technology. They warned of the "grave consequences" that the protection of chemical substance and computer software patents would have on Korean industry.

DJP lawmakers criticized the administration for its failure to cope effectively with U.S. protectionism. They asserted that there was insufficient cooperation between the government and businesses and among pertinent government agencies. The legislators emphasized the need for organized cooperation among ministries and businesses and urged the government to intensify its lobbying activities in the United States.

/9604

CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

INTERPELLATION SKIPPED DUE TO CLAIM OF 'IMPROPER SURVEILLANCE'

SK250025 Seoul THE KOREA HERALD in English 25 Oct 85 p 1

[Text] The interpellation on economic affairs was skipped yesterday due to an interparty dispute over an opposition lawmaker's claim that he has been under "improper surveillance" since he criticized the government in a House speech. After lengthy negotiations between floor leaders, the rival parties decided to make the Assemblymen who were chosen yesterday to speak conduct the interpellation today.

The decision to resume the questioning session today came after the ruling Democratic Justice Party assured that the main opposition New Korea Democratic Party would have Justice Minister Kim Song-ki "voluntarily" testify on Rep Kim Tae-yong's claim.

Rep Kim of the NDP alleged that "intelligence agents" are keeping an eye on him since he queried the administration about political affairs in a House session on 16 October. He also alleged that the assistant of fellow lawmaker Kim Chong-kil was also summoned by the prosecution and a supermarket run by Kim's younger brother in Pusan is under tax investigation.

Supporting Kim's allegation, NDP lawmakers threatened to boycott the session unless the government makes an appropriate explanation.

After Speaker Yi Chae-hyong declared an adjournment of the session, floor leaders started negotiations over the NDP demand.

The ruling Democratic Justice Party had taken issue with the contents of the interpellation of the two NDP lawmakers, which it claimed "are full of slander and false rumors insulting the head of state and endangering national security."

Rep Kim Tae-yong demanded that the government give an explanation he can accept and that the speaker take resolute measures against such things "so as to restore the authority of the Assembly and to guarantee the status of National Assemblymen."

After Kim's speech, Rep Kim Su-han of the NDP took the floor and claimed that surveillance of lawmakers is "a grave signal of jeopardy to parliamentary democracy."

"The speaker should summon the justice minister right now. Otherwise, we will refuse to sit in this chamber," he said.

In the floor leaders' meeting, the NDP claimed that the lawmaker's privilege of exemption from liability for his speech in the House was totally denied.

But, the DJP insisted that the prosecution only intended to question the assistants about the distribution of speech texts of the two lawmakers prior to their interpellation in the House.

/9604

CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

NKDP COMPLETES CONSTITUTIONAL DRAFT AMENDMENT ON ELECTIONS

SK230245 Seoul THE KOREA TIMES in English 23 Oct 85 p 1

[Text] The major opposition New Korea Democratic Party yesterday completed a draft amendment to the constitution which stipulates the direct presidential election system and the installation of a vice president. The draft drawn up by the "Headquarters for the Promotion of Constitution Revision" was reported to the Executive Council, the top decision-making body of the NDP.

According to the revision draft, the president and vice president, to be elected through direct popular vote, will have a 4-year term of office. They are allowed to seek reelection to one more term.

In the case of vacancy in the office of president, the draft said, the vice president is to act as president and if both offices are unoccupied, successors should be elected within 40 to 60 days.

If the remaining term of office of them is less than a year, the by-election would not be held.

The franchise would be given to those who reach the age of 18, instead of 20.

For the rigid separation of the three branches government, the chief justice is to be appointed by the president on the recommendation of Supreme Court justices and with the approval of the National Assembly.

The draft will soon be endorsed by the Executive Council as the official party opinion.

The right of the president to dissolve the National Assembly is abolished and only lawmakers are empowered to propose an amendment to the Constitution.

/9604
CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

DAILY CRITICIZES ABUSIVE LANGUAGE OF NATIONAL ASSEMBLYMEN

SK240127 Seoul THE KOREA HERALD in English 24 Oct 85 p 4

[Editorial: "Unparliamentary Language"]

[Text] The sensational and frequently abusive language employed by some National Assemblymen in the course of recent floor debates was not becoming of a decent legislative chamber representing the will and the integrity of the nation.

The stipulation in the National Assembly Law holding members not liable for statements made on the floor during a house sitting does not mean that they can squander acrid words and call people names with no holds barred.

Criticisms and reproaches should be presented in a logical and sober manner, refraining from agitative and extremist speech. Choice of words and diction ought to be made with maximum discretion and with due respect for the dignity and honor of the parliament that is symbolic of the democratic maturity of the country.

Legislative sessions are different from mass rallies or protest meetings at which speakers may often indulge in fiery, excessive, irresponsible and defamatory oration against one's political opponents and rivals. Particularly, it is out of place to make muckraking attempts to undermine the personal prestige of political leaders or to challenge the established legitimacy of the government of the Fifth Republic of which they are a part.

Besides the contents of speeches, frequent and chaotic boos and catcalls raised not from the gallery but from the floor are very disappointing to the electorate who are led to question the propriety and sophistication of their representatives entrusted to deal with the grave business of statecraft.

It is time that our politicians, especially the honored Assemblymen, depart from the ignoble and unproductive practice of employing overly radical, provocative and insulting language and manners in the parliament.

/9604
CS0: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

JUSTICE MINISTRY CORRECTS NATIONAL SECURITY LAW

Seoul TONGA ILBO in Korean 21 Aug 85 p 1

[Article: "Phrase in the National Security Law 'Corrected' Through the Government Gazette; 'Books and Documents' in the Controlling Clause Is Corrected as 'Books and Drawings'; Office of Legislation Claims That a Typographical Error Was Found in the Government Gazette Published in 1980; Legal Circles Contend That a Separate Step for Revision Must Be Taken"]

[Text] It was learned on 21 August that the government corrected the description, "books and documents," as it appeared in the controlling clause concerning books and documents, and expressive materials related to anti-state organizations as defined in Section 5, Article 7 of the National Security Law to read "books and drawings."

The government carried a public announcement in the Government Gazette Number 10117, dated 17 August: "The description, 'books and documents,' as was used in the revised National Security Law published in the Government Gazette Number 8731, dated 31 December 1980 is an error to be corrected as 'books and drawings '."

This is a rare example that the government has corrected contents of law through the government gazette.

Section 5, Article 7 of the National Security Law (Concerning Extolling and encouragement):

For the purpose of committing acts as defined in Articles 1 through 5, those who manufacture, import, duplicate, possess, transport, distribute, sell or acquire books and documents, and other expressive materials shall be sentenced to punishment stipulated in each clause." (Quoted from the "Collection of Laws," published by H Bookstore and marketed publicly.)

Thus there has been arguments that in accordance with this clause it is not clear to directly control fine art products, drawings, photographs or videos. With the recent correction, the controlling clause has been reinforced.

Laws become effective as they are published in the government gazette. In the Government Gazette Number 8731, dated 31 December 1980, which published the revised National Security Law, the part in question was expressed as "books and documents." Also, the generally circulated collections of laws, this clause carries the expression, "books and documents," based on the description in the government gazette.

The National Security Law was revised on 31 December 1980 by the Legislative Assembly in the form of absorbing and unifying the Anti-Communist Law, and it has been enforced until now for 4 years and 7 months.

A person in the legal circles said: "Correction through the government gazette is an extremely rare precedent," and pointed out: "It would be necessary to find out precisely what kind of expression was used in the legislative process at the time when this was enacted."

One lawyer said: "If at the time when the Legislative Assembly passed the revised National Security Law, if the expression, books and drawings, had not been used, the law cannot be corrected through the correction in the government gazette, and such correction will require a separate law-revision process."

Another lawyer said: "While it is pointed out that 'other expressive materials' is too encompassing, if the recent correction is designed to clarify the controlling rules against the pro-communist drawings and pro-communists videos, some may argue that in the future the controlling rules against pro-communist dances and pro-communist sculptures too must be newly established."

On the other hand, the concerned party of the Office of Legislation explained: "In the original text of the law for publication at the time when the entire National Security Law was revised on 31 December 1980, and the collections of laws compiled by the Office of Legislation, Section 5, Article 7 clearly reads: 'documents, books, and drawings, and other expressive materials.' However, it has been discovered that the government gazette which published this at that time and some published collections of laws circulated publicly had the typographical error as 'documents, books, and expressive materials.' For this reason, the typographical error has been corrected in the government gazette."

10372/9312

CSO: 4107/278

S. KOREA/POLITICS AND GOVERNMENT

CHON URGES DOMESTIC SAVINGS FOR ECONOMIC GROWTH

SK290714 Seoul YONHAP in English 0702 GMT 29 Oct 85

[Text] Seoul, 29 Oct (OANA-YONHAP)--South Korean President Chon Tu-hwan said Tuesday that the time has come for Korea to enhance the use of domestic savings as an investment resource, in order to promote sound economic development. He said that Korea should break away from its dependence on foreign loans [to attain] economic development, even though Korea's economic credibility in the international community is high.

Chon made the remarks in a speech at a ceremony commemorating the 22nd anniversary of the nation's savings day at the Sejong Cultural Center here Tuesday morning.

He said that the Korean people should achieve economic growth through their own efforts. By increasing national savings, they will relieve Korea of its heavy foreign external debt burden, he said.

The ratio of national savings to gross national product was 27.3 percent at the end of 1984. National savings accounted for 92 percent of the total financial resources that Korea used for economic development in 1984.

Chon said that Korea should raise its savings rate to 30 percent, in order to gain independence in the use of investment resources.

To survive the ever mounting pressure on Korea to open its domestic markets more widely and the introduction of an increasing number of protectionist measures by advanced nations, the Korean people should exert all-out efforts to renovate technologies, to promote productivity and to strengthen the nation's international competitiveness on foreign markets, the president said.

He also urged the government and the people to lead the way in thrifty living, in order to raise the national savings rate to 30 percent in a few years.

/9604
CSO: 4100/021

S. KOREA/POLITICS AND GOVERNMENT

GOVERNMENT PREPARES FOR COLLEGE IDEOLOGICAL EDUCATION

Seoul HANGUK ILBO in Korean 9 Aug 85 p 11

[Article by Yi Sang-ho: "Universities Are Busy In Preparation For Stepping Up Ideological Education; Scheduled For Second Term: In Order to Get Students' Response By Means of Substantialization; Courses Will Be Diversified; Class Hours Will Be Increased; Emphasis Will Be On 'Comparative Analysis' Rather Than on 'Unconditional Criticism' Student Discussions Will Be Held In Parallel With Courses--New Teaching Material Will Also Be Developed"]

[Text] From the second term on, universities are going to step up their ideological criticism education greatly.

In view of the alleged fact that students are turning to leftist consciousness and flagrantly wandering ideologically, universities, including Seoul National University, Yonsei University, Koryo University, Ihwa Women's University, and Songgyun'gwan University, taking the situation along a judgment that if the situation is left to take its own course, greater confusion might result, are now busy in making preparations for stepping up ideological criticism education by means of increasing the number of classes, of developing teaching materials, and of holding seminars.

Seoul National University: In view of the alleged fact that ideological criticism education has been ineffective so far due to the negativeness of education policies and the insubstantiality of teaching material, a new teaching material, which includes articles of 11 professors of those courses concerned, is going to be used from the second term.

This teaching material, jointly written by Professors Kim Yong-kuk (political science), Ch'oe Hong-ki (Sociology), Im Hyon-chin (Sociology), and Kim Kwang-ok (anthropology), consists of general outline chapters which deal with "the social transformation (modernization) and the issue of social justice" and of the main content chapters that deal with the processes of modernization and developing ideologies in the ROK, Japan, PRC, and east European countries.

Furthermore, a teaching material which deals with the liberation theology--a radical leftist theory--and neo-Marxism, will be published by the end of this

year; it will be used as text-books or reference material. The course entitled "National Ethics II," which deals with criticism of communism, North Korean issues, and the unification problem, will be strengthened greatly. And discussion type classes and speech lectures to be held by outside personages through invitation will also be held [along with regular classes.]

In view of the alleged fact that students are not responding strongly to the current ideological education, which deals with the criticism of communism, socialism, and the subordination theory during the whole course of the education, Seoul National University is planning to establish courses designed to introduce good points of free democracy and capitalist system along with other courses.

A professor of Seoul National University pointed out that "in foreign countries, courses designed to compare both systems are established; and they are helping students bring up the consciousness of wholesome criticism." He then added that "it is desirable that we also adopt such a method." Furthermore, Seoul National University is planning to send professors who will be engaged comprehensively in ideological education to the United States or Europe for a period of 1 to 2 years for training.

Yonsei University: During the past year, five courses, including "Organization and democracy" and "Industrialization and labor problems," were established as optional courses of liberal arts; but these are still not enough to meet students' demand, as the university views them. Thus the university designated a new course, which deals with issues of politics, economy, society, and culture, as a research subject and is pushing the establishment of the course.

In view of the alleged fact that students responded strongly to special lectures given by outside personages invited, the university is making preparations for establishing two kinds of special lectures, including "Nlebur and ideological problems," that will be given by invited outside personages in the second term.

Furthermore, the Liberal Arts Education Committee and the Ideological Education Committee of the university will cooperate with each other and will step up courses designed to deal with ideological criticism, primarily for newly admitted students.

Koryo University: It has been decided that the existing "Ideology Criticism Education Committee" be reinforced greatly, and that the criticism education that is being conducted in those related lectures be intensified.

Songgyun'gwan University: In addition to the current four courses, including "Politics and the economy of socialism" and "Politics and economy of the third world," six courses, including "Cultural anthropology" and "Women studies," will be newly established as optional courses of liberal arts in the second term, it has been decided.

The Social Science Research Institute will be fully charged with responsibilities of developing teaching materials and establishing courses. Over 10

million won of special funds have been appropriated and the publication of titles, including "the politics and economy of the third world" and "the public policies in the ROK" has been projected.

From the second term on, seminars dealing with ideologies will be held once a month.

Ihwa Women's University: A meeting of the School Affairs Committee will be convened soon to discuss this problem.

Tongguk University: Under the sponsorship of the Students Living Research Institute, one or two classes of open courses that would deal with those issues in which students are strongly interested, including neo-Marxism, the structural problems in the economy of Central and South Americas, and the Coordinates of Euro-communism, will be held every week; and a pamphlet entitled "the Course on modern ideological trends" will be compiled out of the courses and be distributed among the students.

Kon'guk University: Under the sponsorship of the Comparative Research Club on Modern Ideologies, a Wednesday course will be held every Wednesday.

7989/9435

CSO: 4107/272

S. KOREA/POLITICS AND GOVERNMENT

DAILY ON DISCUSSION OF REVISING CRIMINAL CODE

SK130928 Seoul CHUNGANG ILBO in Korean 12 Nov 85 p 2

[Editorial: "Discussion of Revising the Criminal Code"]

[Text] Active discussion concerning the overall revision of the criminal code is underway. A number of opinions and views were put forth during a seminar on revision of the criminal code on 9 November.

The criminal code has not been revised since it was established in 1953, 32 years ago, except only once in 1975 when an article on the crime of defiling the state was newly enacted. This code had similar contents to the Japanese criminal code at that time. Japan has revised its criminal code six times. Thus, the necessity for revising our criminal code has been increased from a long ago, because it did not correspond to the times owing to its outdated contents.

It is natural that the kinds, characteristics, and circumstances of crimes, as well as the people's values, will change in accordance with the change of society. Phenomenon which require punishment but were not stipulated in criminal law began to take place recently.

In spite of this, the special punishment law and other laws were established and have been put into force to partially cope with such changes in the outer sphere of criminal law. Thus, there were some occasions, like the basic law, in which these laws weakened the criminal code.

What attracted our attention in the seminar on revision of the criminal code were the issues concerning the continuation or abolition of the death penalty system, unification of liberal punishment, and the articles relating to new-types of criminals including those related to safe disposal and computers. All these issues have been briskly discussed in the past. Thus, we are interested in what degree these issues will be reflected in the work of revising the law.

As for the death penalty system, there is a trend in the advanced countries for its abolition. In our country, even one who seriously damages the mountains and forest may be sentenced to death. We feel that this punishment is too cruel for the act. Because of its excessive punishment, the criminal

code even lost its authority as a law. We should not ignore that capital punishment has the effect of suppressing the occurrence of crimes. However, the criminal policy which gives first consideration to capital punishment has the adverse effect of making the criminal more violent and more wicked. Another adverse effect would be hampering its authority.

The Social Stabilization Law restricts the freedom of criminals, like punishment under the security law. However, the rights for judgment and decision do not belong to the court but to the Ministry of Justice. Thus, people pointed out this as an issue for discussion. The Social Protection Law was also established when the National Security Committee was existent and the terms of punishment and even the elements constituting the terms are fixed by law. Thus, the judges are merely to hand down sentences mechanically without any discretionary rights. This has also been pointed out to be a blind point of law.

Thus, various problems relating to the scale of punishment and the judicial system should be resolved in the work of revising the current criminal code on the basis of the category of the law called the criminal code.

We also consider it necessary to revise the articles governing adultery, abortion, and adultery on the pretext of marriage. We feel that laws should neither be too advanced nor too backward. We should not overlook the fact that the adultery should not be abused as a means of retaliation aimed at obtaining consolation money. Abortion is being perpetrated openly. The article ruling abortion ended up a mere scrap of paper a long time ago.

In addition, such new type criminals as ones doing illegal copying or newly making computer software, credit cards, and so forth and against the public are increasing. Thus, new articles governing crimes relating to advanced technology and industrialization.

The direction of the Justice Ministry in carrying out the revision work should be pointed, in principle, to correcting imbalanced punishments, abolishing articles which are outdated, and establishing new articles ruling modern criminals.

However, what we should stress most is that a balance of punishment, which may dull the people's sense for law and crime, should be [as received].

We should not forget that excessive inflation in weighing the offense should be corrected. The authority of law should be established through the principle of punishment instead of amount of punishment.

/9599

CSO: 4107/026

S. KOREA/POLITICS AND GOVERNMENT

BRIEFS

STUDENTS DEMONSTRATE ON CAMPUSES--Students shouting antigovernment slogans and demanding an end to import liberalization held rallies at three universities in Seoul yesterday afternoon. About 500 Seoul National University (SNU) students held a rally on their campus around 1:30 pm. They urged the government to release student activists under arrest and to abolish the proposed campus stabilization law. Around 2 pm, about 300 Korea University students held antigovernment rally and marched around on campus. They demanded the government to cease import liberalization. They clashed with riot police who were trying to stop them from marching out of the campus by firing tear gas. Some 600 Sogang University students staged a rally on campus. About 100 of them broke into the office of the dean of students affairs, wielding wooden sticks and destroyed furniture. They denounced the dean for freezing the school's budget for the operation of students' council. [Text] [Seoul THE KOREA HERALD in English 26 Oct 85 p 8]

TWO AIDES SUMMONED--Two aides of two lawmakers of the opposition New Democratic Korea Party were asked yesterday to show up before the Seoul District Prosecution by 3 pm today. The two are Kim Song-cho and Kim Kwang-ung, aides to Rep Kim Chong-kil and Rep Kim Tae-yong, respectively. It was learned that they were summoned for providing to reporters interpellation manuscripts of the two lawmakers during the on-going plenary session of the National Assembly. Such an act is customary for the lawmakers' aides. Prosecution sources said lawmakers enjoy an immunity on their floor speeches. But this does not necessarily mean that any words uttered by lawmakers on the floor can be circulated to society, they said. [Text] [Seoul THE KOREA TIMES in English 25 Oct 85 p 8]

STUDENTS HOLD HEARING ON CONSTITUTION--Some 150 students of Ewha Womans University held a hearing on the revision of the constitution in a student hall on their campus at around 2 pm yesterday. During 2 and 1/2 hours of debate, the students opined that the constitution should be revised so as to guarantee what they called the idea of three "Min's," which mean people's liberation, national reunification and democracy. They said that amendment to the constitution should not mean "simply" the provision of a direct election of the president by a popular vote. [Text] [Seoul THE KOREA TIMES in English 24 Oct 85 p 8]

POLICE DETAIN DISSIDENTS--Seventeen dissidents including Yi Pu-yong were taken to the police yesterday from the Myonmok Christian Hospital where the body of a student activist was kept. The police action is learned to have been taken to prevent possible protests before and after the funeral scheduled for student activist Song Kwang-yong. Song, expelled as a sophomore majoring in law from Kyongwon College in Songnam City, died on 21 October 4 days after he burned himself, demanding democracy, after a students' rally. Meanwhile, the funeral for Song, which would have been held yesterday morning, was delayed as Song's family members maintained that Rev Mun Ik-hwan, who was also taken to police Tuesday, should preside over it. Rev Mun, chairman of the United Minjung Movement for Democracy and Unification, and Kye Hun-che, vice chairman, are now in police custody after being led away from the same place. [Text] [Seoul THE KOREA TIMES in English 24 Oct 85 p 8]

DISSIDENTS DETAINED FOR QUESTIONING--Police yesterday led away Rev Mun Ik-hwan, chairman of the United Minjung Movement for Democracy and Unification, one of the most outspoken dissident bodies, and Kye Hun-che, its vice chairman, for inquiry in connection with its journal. The journal, titled VOICE OF MINJUNG (THE MASSES)," carries an article on student dissident Song Kwang-yong, who died Monday 4 days after burning himself following an anti-government protest on campus. Song, expelled as a sophomore majoring in law from Kyongwon College in Songnam City, was vice president of the so-called Minchuwi (students' committee for the promotion of democracy) at the school. [Text] [Seoul THE KOREA TIMES in English 23 Oct 85 p 8]

SNU TO DISCOURAGE 'SAMMIN FESTIVAL'--Seoul National University (SNU) has decided to discourage students from holding a 'Sammin Festival' for 4 days from 30 October. Sammin refers to "three democracies." School officials are worried that student activists may attempt to stir up rallies and demonstrations during the festival period. The projected Sammin Festival reportedly features a symposium on constitutional revision, a mock presidential election and 'taedong nori' (a traditional folk festival promoting cooperation [among] villagers). The state-run university is encouraging students as an alternative to hold "healthy" programs sponsored by departments or academic student groups. As a means of discouraging the festival, no school funds will be made available, and "problem" students may be called in for additional counseling, they said. [Text] [Seoul THE KOREA HERALD in English 23 Oct 85 p 8]

PRISON TERM FOR STUDENT UPHELD--An appellate court panel in Seoul yesterday upheld a 1-year jail term for a student activist against whom prosecutors sought a 5-year prison term, 2 and 1/2 years longer than the term they demanded in a trial by a lower court. Judge Yi Kon-ung, who headed a three-member panel at the Seoul District Criminal Court, passed the sentence on Kim Song-ho, 20, a junior majoring in public administration at Yonsei University. Kim drew the 1-year prison term from a judge in a lower court for leading antigovernment demonstrations on 10 occasions since April. Prosecutors at the lower court demanded that Kim be sentenced to 2 and 1/2 years in prison. In a recent appellate trial, however, the prosecutors

asked for a 5-year prison term against him on the grounds that he remained "remorseless" for his past behavior. The judge, however, upheld the sentence saying there is no reason to hand down a heavier term for the defendant. [Text] [Seoul THE KOREA HERALD in English 23 Oct 85 p 8]

OPPOSITION LEADERS MEET U.S. GROUP--New Korea Democratic Party President Yi Min-u and opposition leaders Kim Tae-chung and Kim Yong-sam yesterday exchanged views on the political and economic situations of Korea with participants in a TIME "news tour." During the 70-minute get-together at the Hilton Hotel, they discussed the trade friction between Korea and the United States and politics in Korea, Korean sources said. About 80 members of the 98-man private U.S. mission attended the meeting. Yi and the two Kims delivered a five-minute speech each before a question-answer session, according to Korean sources. The whole session was held behind closed doors and participants said they promised not to make public the content of their discussions. [Text] [Seoul THE KOREA TIMES in English 22 Oct 85 p 4]

12-YEAR TERM DEMANDED FOR SAMMINTU LEADER--Kwangju, Cholla-namdo, (YONHAP)--The district prosecution here yesterday demanded a stunningly harsh 12-year imprisonment term for Kang Ki-chong, a Chonnam National University student activist indicted for serving the interests of North Korean Communists by charging the so-called Sammin ideology. The so-called Sammin causes are the "emancipation of the masses," "achievement of democracy" and "national unification," which the government authorities criticize as dovetailing with the propaganda and strategy of North Korea. In a hearing held at the district court in this provincial capital city, senior prosecutor Kim Nam-ok also demanded jail terms from 7 to 10 years for three other student defendants, including Miss Han Kyong, expelled as a senior majoring in English education. Kang, expelled as a senior majoring in electrical engineering, for whom the sternest punishment was asked, is the Sammintu chairman of the school. The scene of Miss Han chanting Yankee-go-home slogans during a students' rally has often been aired on TV and is viewed as a violation of the National Security Law by the prosecution, which contended that it chimes in with North Korean arguments. [Text] [Seoul THE KOREA TIMES in English 22 Oct 85 p 8]

PRESIDENTIAL SECRETARY--Seoul, 15 Oct (OANA-YONHAP)--South Korean President Chon Tu-hwan appointed Pak Yong-su, president of the Korea National Housing Corporation (KNHC), as chief presidential secretary Tuesday, replacing Yi Kyu-ho. Yi was named as ambassador to Japan on Monday. Pak, 57, has served as KNHC president since 1983. Before assuming the post, he worked for 1 year and 7 months as Seoul mayor. Pak, a graduate of Korea Military Academy, also held many other public offices after his retirement of military service as colonel in 1963. [Text] [Seoul YONHAP in English 0321 GMT 15 Oct 85]

/9604
CSO: 4100/021

S. KOREA/ECONOMY

GLOOMY ECONOMIC PERFORMANCE PREDICTED

Seoul HANGUK KYONGJE SINMUN in Korean 2 Jul 85 p 1

[Article by reporter Yi Kye-min: "Stimulating Exports and Investment the Key"]

[Text] The argument which arose at the beginning of the year about the likelihood of a recession has still not been resolved as we finish the first half of the year and leaves us again with unclear expectations for the second half of the year. Furthermore, policy measures which might overcome the sluggishness of the domestic economy run up against an absolute limitation in the reduction of foreign debt, making it even more difficult to find a solution and adding to our problems.

Exports for the first half of this year showed a decline compared to the same period last year and our growth rate for the first half of this year is expected to be around or 5 percent, so that in the absence of some special change it is difficult to see how we can reach the 7.5 percent growth rate set at the first of the year.

The export figure of \$13,335,000,000 compiled by the Ministry of Commerce and Industry on 1 July shows a decline of 4 percent compared to the same period last year, indicating little hope for recovery. In particular, exports for the month of June were only \$2,702,000,000 a decline of 3 percent compared to last June. The value of letters of credit received in June, \$1,675,000,000, was down 7.1 percent from the same period last year and the value for the first half of this year, \$9,761,000,000, was down 7.3 percent.

Also, the rate of increase in industrial productivity stalled at the 2-3 percent level in May, so that the increase for the first half of the year as a whole stayed under 5 percent.

In particular, considering that growth rates for the construction and the agriculture and maritime sectors were 1.1 percent and 1.5 percent respectively while the rate for the service sector was 3.7 percent, the actual economic growth rate for the first half of this year is expected to run about 4-5 percent.

In relation to this, Deputy Prime Minister and Minister of the Economic Planning Board Sin Pyong-hyun forecasted in an official announcement at the monthly meeting of the Economic Planning Board that "Going into the second half of the year, if there is no particular change in domestic and foreign economic conditions, it is anticipated that there will be some difficulties in achieving the 7.5 percent real economic growth rate set at the beginning of the year," while saying that, "Nonetheless, the government will do its best to bring the economic growth rate above 7 percent to the original target, profitably utilizing the foreign conditions which are showing signs of a favorable turn while preparing limited domestic measures such as a plan to break through the stagnation in exports and a plan to create an investment environment."

However, the economic indices compiled by the government show large increases of 1.1 percent over the previous months in both April and May for leading indices and steady levels in the current indices so that the economic indices still show hope for recovery. Furthermore, the financial indices centered on currency in circulation and on secondary financial bonds are interpreted to mean that the market capital situation is improving.

On the other hand, concern over a recession is deepening, giving the feeling that the gap between indices and attitudes is widening.

At any rate, our country's economy in the first half of the year seemed worse than it really was due to a combination of stagnant exports, consequently lackluster industrial production, and the concern about a recession.

The government is forecasting substantial improvement in the economy during the second half of the year. The reasons are that our country's exports will pick up with improving economies in such major trading partners as America and Japan whose economies were sluggish in the first half, and that the effects of the series of measures taken in the first half, such as the exchange rate adjustment and the expansion of capital for export industries, will begin to show in the second half.

Our economy now has elements that limit the pursuit of policies that involve the stimulation of demand because of the need to improve our balance of payments in order to reduce our foreign debt and because of policy priorities that emphasize stability over stimulation.

These economic tasks are emerging as mid-range tasks that will have to be extended for some time after the second half of this year.

Thus, there is no alternative for economic measures for the last half of the year beyond intensifying the current approach of increasing production through the promotion of exports and increasing growth potential through stimulating investment. The following can be considered for increasing investment: the supporting sources of investment should provide elastic supply within the limit of upsetting the foundations of stability; the good faith control of uniformly managed large enterprises should be partially eased; and methods should be studied to relax restrictions and encourage investment in sectors that can respond over the long term to changes in industrial structure and the world trade environment.

This is because when we take an overall look at our country's industrial structure, its investment pattern, and the forming of subsidiary companies, we see that we have the peculiar structural problem of being unable to induce continued expansion in production and employment without lead investment from large enterprises.

On the other hand, there is need for further analysis of the effectiveness of the economic indices compiled by the government.

For example, there are instances when great jumps in the percentage of increase in the amount of currency in circulation, a key index used by the financial authorities to control currency, can be attributed not to actual increases in the money supply but rather to nothing more than a reorganization of the structure of the financial markets or to movement of funds between financial markets. Such instances not only increase the currency index, but they also have the effect of inflating the overall economic indices.

It is in such regard that there must be a reconsideration of the macroscopic economic indicators and their effectiveness.

Also, there is a need for a more concrete analysis of the sources of the concern about a recession.

Such concern may stem from changes in the industrial structure, as well as from changes in the people's consumption patterns, changes in the consciousness of entrepreneurs, or further widening of the gap between social classes or geographic regions.

One major task that will arise in the future is the employment problem. There are limits to economic stimulation measures, and it is difficult to fault management for its cutbacks to achieve efficiency; in this situation, such problems as encouraging redistribution of income through employment, keeping a balance in the rapidly increasing supply of high quality labor due to the increase in college enrollments, and dealing with the aging of the rural workforce are urgent major issues that must be dealt with in the short term.

9131/9312

CSO: 4107/221

S. KOREA/ECONOMY

GARMENT EXPORT ASSOCIATION ON JENKINS BILL IMPACT

SK290908 Seoul YONHAP in English 0839 GMT 29 Oct 85

[Text] Seoul, 29 Oct (OANA-YONHAP)--If the Jenkins Bill is enacted by the U.S. Congress, it will cause some 120,000 South Korean textile workers to lose their jobs and will lead to a reduction of as much as 33.3 percent in Korea's textile exports to the United States, the Korea Garments and Knitwear Export Association reported Tuesday.

The Korean textile industry now employs more than 730,000 workers. Korea is expected to export 735.8 billion square yards of textile products to the United States this year under a quota system.

In a report submitted to the government, the association said that about 53,000 jobs will be lost in the cotton and clothes manufacturing industries and about 67,000 jobs will be lost in the textile yarn and raw material manufacturing sectors if the bill becomes law.

Export quotas on seven major textile products, including cotton, wool and man-made fiber products, will be cut by 39.1-98.6 percent if the Jenkins Bill is enacted.

As a result, Korea's total textile export to the United States will decline by an average of 33.36 percent, according to the report.

The report pointed out, however, that the chances that the U.S. Congress will pass the bill is becoming increasingly slim, due to the U.S. administration's decision to invoke Section 301 of the U.S. Trade and Tariff Act, which empowers it to investigate and to correct unfair trade practices committed by the United States' major trading partners.

/9604
CSO: 4100/021

S. KOREA/ECONOMY

TRADE MINISTRY TO IMPLEMENT MINIMUM PRICE SYSTEM

SK240834 Seoul YONHAP in English 0827 GMT 24 Oct 85

[Text] Seoul, 24 Oct (OANA-YONHAP)--The Trade and Industry Ministry said Thursday it will implement a "minimum pricing system" for imported commodities to prevent dumping. The decision was made after the ministry received reports that the failures of some Korean businesses were caused by the unfair pricing of foreign products on the Korean market, a ministry official said.

The Trade Act of Korea allows for the implementation of a minimum pricing system for imported products, but the system has not yet been applied to any dumped commodities.

From now on, the official said, the government will ban the importation of any foreign commodity that carries a price below the minimum price determined by the government, the official said. The ministry is considering joining the anti-dumping code by the end of this year, the official added.

In addition, the ministry will streamline the procedures for importing foreign technical services and engineering.

Under the simplified guideline, the importation of foreign technical services valued at less than U.S.\$100,000 and industrial blueprints worth less than \$5,000 will be approved upon application.

In an effort to reduce Korea's foreign debt, the ministry has decided to expand the production facilities of four major petrochemical products with high investment efficiencies. The four products are styrene monomer, vinyl chloride monomer, caprolactam and terephthalic acid.

The government has already set up a task force, headed by the director-general of the ministry's Industrial Policy Bureau, the official said.

/9604
CSO: 4100/021

S. KOREA/ECONOMY

PAPER COMMENTS ON REVISED ECONOMIC FORECAST

Seoul MAEIL KYONGJE SINMUN in Korean 13 Jul 85 p 2

[Article by Kim Kyong-su: "Inside and Outside of the Revised Economic Management and Countermeasures for the Recession; Focus on Stepping Up Exports and Plant and Equipment Investment; Short-term Prescription Questionable as Inducive to a Recovery in the Latter Half; Enhanced Entrepreneurship and other Complementary Measures Needed; Employment Countermeasures Must Be Formulated Separately"]

[Text] The economic management plan for this year has been totally revised. Such reduction in the economic objectives by the government is a counter-proof that our economy faces a serious phase.

Needless to say, the total objectives of the economy may be revised and supplemented from time to time according to the change in given conditions.

However, the government, which boasted until recently of achieving the growth objectives this year, has been forced to change its economic management plan and to adopt, if in a limited scope, measures to boost the economy. Some consider this to be belated.

Already beginning in the latter half of 1984 both exports and the domestic demand showed unusual signs, and since the beginning of this year a recessionary phase has set in. In spite of this, the government put up only the indexes called the changed values of trend indexes and engaged in the unreasonable contention that it was a "stabilized favorable phase." It seems that even the government has now become frustrated.

It has had to lower the growth rate targeted at 7.5 percent at first to the 6-7 percent level. And it has suffered the pains of expanding the target for suppressing the deficit in the international balance of payment from \$500-600 million to \$600-800 million.

A more serious problem is present in that even if the government adopts limited measures for boosting the economy, only a growth rate at this level can be achieved.

Since early it has been predicted that our economy will not be able to reach the target figures. Exports in the first half of the year declined as much

as by 4 percent compared with last year, the recovery in the latter half of the year could not also be expected because of the economic recession overseas. It is similar with the balance of international payments. Already by last May the deficit in the international payments surpassed the \$1 billion level, thus a vicious cycle of surpassing the deficit ceiling for this year has been continuing.

In view of such a situation, measures to boost the economy should have been hammered out much earlier. Even the government could not deny that it missed the timing for formulating recession counter-measures.

Another matter we want to point out is that excessive insistence on the stabilization measures has brought about such results. It seems that economic management insisting on the suppression of commodity prices at the 1-2 percent level during an economic recession has reached its limits.

In view of the textbook theory of the economy, simultaneously achieving growth and stability is indeed a difficult task. In the meantime, we have heard that together with the balance of international payments our economy was successful in catching three hares.

However, the recent economic phenomena more than adequately prove that these were uncertain achievements.

The economy is honest. Now the problems of our economy has erupted all at once, and some things that were crooked parts in the economic management have appeared as results.

Many specialists have referred to structural problems as reasons for the drastic decline in exports since the beginning of this year.

They mention that the problem of medium and small enterprises, and the factor for the unsubstantial economy as a whole have finally brought about economic difficulties. The government has now acknowledged the economic difficulties, and announced countermeasures for two phases.

The one is measures for stepping up exports, and the other is measures for accelerating plant facilities.

It can be said that the government is seeking countermeasures in the right direction for the two phases.

Because, the largest factor for the economic recession lies in sluggish exports.

The decline in plant and equipment investment has become the largest impeding factor for the revitalization of the economy.

From such a viewpoint, the government has proposed as measures for promoting exports the increased financing unit price per dollar, the simplification of export procedures, and the improvement of quality. And as measures for

stimulating investment the government has decided to seek the expansion of funds for plant and equipment investment for medium and small enterprises, and the additional supply of funds for export facilities.

However, the problem is that sluggish exports or slow plant and equipment investment cannot be resolved with such short-term countermeasures.

We must scrutinize whether or not with such measures as slightly increasing the financing unit price and partially expanding funds for plant and equipment investment we can expect the revitalization of the economy. For we are impelled to conclude that such short-term countermeasures alone are not adequate.

The largest factor for sluggish exports is the market decline of the competitiveness of our commodities. Our export competitiveness has declined, compared with competing nations in all aspects such as wages, the dollar exchange, technology, and manpower development.

A nation like Taiwan has been fostering the competitiveness of the industry as a whole with the adjustment in industrial structure already since 5 years ago. We may say that in that aspect we lag behind Taiwan by 5 years. Without countermeasures for improving competitiveness, there is a great possibility that we may continue to lag behind competing nations.

Even if they say that the foreign exchange environment is difficult, only if we have competitiveness, can we have sufficient room to increase exports. In a word, the economic capability may be said to be the technological capability. The way to secure the technological capability is to increase investment and to pour money into technological development.

Nowadays our commodities are both high-priced and of low quality. Therefore, intermediate and long term countermeasures for such areas must be simultaneously pursued.

Also, investment is not made because the mind of the entrepreneurs has become dispirited, rather than because of the lack of funds. With the continuing political and social uncertainty, the relaxation of the concentrated economic power, and the regulating of credit creation, the minds of enterprises for investment has become largely depressed.

Giving large sums of money is important, too, yet countermeasures for propping up the investing mind of enterprises must precede it.

The distortion in the flow of funds and the high real interest rate, too, have become impeding factors for stimulating plant and equipment investment. It is a real condition that while large sums of funds are being released, because such funds are heavily users in liquidating non-substantive enterprises, sound entrepreneurs can hardly have access to funds. We must view that distortion in the distribution of funds as obstructing investment.

Also, while the loan interest rates have risen due to the appearance of new kinds of commodities, the real interest rates far surpass 10 percent because commodity prices have become stabilized. Only if entrepreneurs borrow money from banks to reap this level of profit, can they make investment. However, the current economic condition is not necessarily so.

Another problem in the recently announced countermeasures is that with a 6.5 percent growth, it is difficult to absorb the new manpower supply, over 500,000 strong per year.

Growth and employment do not necessarily correspond, but it seems to be necessary to seek separate countermeasures for absorbing employment.

At any rate, together with the recent measures for economic vitalization which have remained as a short-term prescription, it is imperative to urgently resolve the structural problem, and at the same time to strengthen the basis of the economy. Only then, the countermeasures for the recession proposed by the current economic team would reap results.

Even though we cannot abandon stabilization, it means that we need flexible management.

10372/9435
CSO: 4107/245

S. KOREA/ECONOMY

PAPER DISCUSSES FOREIGN DEBTS AND SLUGGISH EXPORTS

Seoul MAEIL KYONGJE SINMUN in Korean 16 Jul 85 p 2

[Editorial: "All Efforts for Reducing Foreign Debts Urged; Many Difficulties Foreseen in Bringing the Current Account into Black"]

[Text] 1. The policy for the international balance of payments for the 6th 5-year plan has been presented. Data for this trial proposal published under the title: "Policy for the Keynote for the Balance of the International Payments and for the Reduction of Foreign Debts" concisely compress into just this title composed of several words the basic direction and objectives of the countermeasures for the international balance of payments that the government pursues in the sixth 5-year plan.

In other words, it purports to achieve a balance in the international payments and a reduction in foreign debts. And then, as a means of achieving such objectives, it calls for first of all achieving a higher rate of export increase than that of the import increase in order to accomplish the keynote for an equilibrium in the trade balance, thus by expanding annually the scope of surplus of trade it calls for increasing the surplus of the current account. On the other hand, it calls for increasing the domestic savings rate to a level surpassing the total investment rate required for economic growth, thus by relatively reducing the investment resource function of foreign funds (overseas savings) it calls for reducing foreign debts.

Data in the trial proposal with such contents as the main points attract attention in that above all the government shows its intent to make extraordinary efforts anew to take steps for the foreign debts problem. The scale of the total foreign debts set forth in the trial proposal in the target year, that is, at the end of 1991, is \$51.6 billion, thus it is expected to increase by \$4.8 billion, compared with the level at the end of 1986, the last year of the current fifth 5-year plan. However, such an increase rate is only one half compared with \$9.7 billion it is estimated to be during the fifth 5-year plan, and this implies that the government first of all attempts to suppress the increased rate of the total foreign debts.

What is more noteworthy is that the proposal underscores the concept of net foreign debts, and that the government plans to bring about a reduction in the absolute amount in terms of net foreign debts. As with every economic entity, a nation's economy not only incurs debts but also gain credits.

Deferred payment export costs amount to extending credits to foreign countries, and these represent the best example of credit receivable. Foreign currency reserves, assets belonging to financial institutions and enterprises established overseas correspond to credits belonging to the credit side in the foreign currency asset account.

For this reason, it is possible to explain that what we call the total foreign debts less such credits deducted are actual foreign debts.

The foreign debts that the Economic Planning Board plans to reduce in its trial proposal is just such net foreign debts. That is, their scale at the end of 1991 is set at \$29.7 billion, and it is \$5 billion less compared with that at the end of 1986.

Compared with the fact that in the fifth 5-year plan even with such a formula foreign debts accounting showed a more than \$6 billion net increase during the fifth 5-year plan period, we can tentatively evaluate it as an epochal turnaround in the management of the foreign debt problem.

2. It is not a recent proposition that we must reduce foreign debts by any means, but it is a proposition we cannot emphasize too much. In the process of economic growth, to begin with, foreign debts are a means of raising short domestic investment funds and are an unavoidable factor for accelerating growth. Everyone knows that without the support of foreign debts, the economic growth in the past would have been impossible.

However, in terms of scale and actual contents, now our foreign debts have emerged as an element of impediment rather than a stimulant for growth. Needless to say, the situation cannot be described as a matter of questionable capability for repayment or a crisis as in South American countries.

However, in that it has reached a point whereby foreign debts cannot act as a positive factor for growth any longer, we would like to emphasize that not only must we suppress the increase of the total scale but also efforts to reduce the net foreign debts as referred to by the government are urgently needed.

The fact that foreign debts are becoming an impeding factor for our economic growth is proven simply by the fact that while exports chronically remains below imports, we have to bear new foreign debts in order to make up the trade deficit and at the same time we have to pay ceaselessly an impinging burden in the form of payment of the principal and interest. The situation is that as the scale of foreign debts rises, our burden expands, and that it has reached such a level whereby it suffocates investment fund resources needed for growth. The situation has been reached whereby reducing such a burden has become rather a way to accelerate growth. And such growth indeed will become a substantive and sound growth.

Viewed from such a standpoint, the plan for the balance of international payments during the sixth 5-year plan should be designed and promoted from

the viewpoint of setting the target of reducing the net foreign debts by means of balancing the current account and turning it into the black.

That is to say, efforts to promote exports, to suppress imports, and to improve the trade balance must be approached and made from the dimension that these are all a means of reducing foreign debts.

Such efforts will never be an easy task to accomplish. For there are too many unpredictable variables. Moreover, our estimate is that given conditions at home and abroad do not seem to be affirmative for such efforts. To begin with, domestically such extra-economic factors as political and social stability, the moves of North Korea, the security of the Korean peninsula must be considered as extremely important matters. Also, it is a factor to be borne in mind what effects the 1988 Olympics have on the phase of our foreign debts management and on our economic activity as a whole.

Besides these, we must be mindful of overseas factors that the economic trends in the United States in the latter half of the 1980's do not appear to be so satisfactory, also that how the problem of foreign debts of developing nations will be generally controlled, how the interest rates and the strength of the dollar will change, whether or not the international oil prices will drop after all, and what impacts the reduced oil prices will have on the world economy, how far the protectionist trend of advanced nations led by the United States will reach, how strong their pressure toward us in the areas of service and commodity markets will be, how fierce the pursuit of late developing nations led by Communist China and the competition of other competing nations in the export markets will be.

10372/9435
CSO: 4107/244

S. KOREA/ECONOMY

GALLUP POLL: FOREIGN DEBTS VIEWED COUNTERPRODUCTIVE

Seoul HANGUK ILBO in Korean 1 Sep 85 p 3

[Article by Pak Chan-sik: "The Foreign Debt is the Most Pressing Problem"]

[Text] With production slowing down due to stagnant exports and the drying up of investments, the domestic economy has fallen into a mire of sluggishness.

Since the end of last year, the mass media, reflecting trends in financial circles, has been pointing out that there was concern over economic stagnation but, with the government putting out all sorts of economic indicators and repeating "there is no problem" and "there is nothing to worry about," a tedious argument over the economy has unfolded for more than 6 months.

However, since last May even those economic indicators which the government said showed no cause for concern suddenly took a turn for the worse. Since last March industrial production has slowed down tremendously and inventories have started to grow.

In particular, looking at economic trends in the middle of June, growth in production was 1.9 percent less than in the previous month and shipment of goods were 4.2 percent lower than the previous month. Utilization of manufacturing industry capacity fell 3 percent lower than in the previous month, reaching the low level of 77.4 percent. As soon as it saw in these economic indicators that the trend toward a sluggish economy could not be turned around, even the government finally came to recognize the recession at last.

The picture of a recession which is appearing in these economic indicators is even more conspicuous in a public opinion poll of the lives of those who are actually maintaining households.

According to the results of a survey jointly carried out by the Hanguk Ilbo and the Korean Gallup Poll Institute on economic trends, an overwhelming 78.7 percent of all those who answered said that the economy is now in a recession. Looking at the results of this survey carried out from July 20 through July 28 by the random selection of 1,025 men and women above the age of 20, the first thing it shows is how severely this continuing recession is affecting the life of the average person. When asked to rate the nation's economy as good times or a recession, 5.1 percent said these were good times, 15.1 percent said it was average, and 78.7 percent said it was a recession.

when those 811 people who answered with the diagnosis of recession were asked to indicate the reasons for the recession, the result was that the most frequent response, by 18.3 percent, was "mistaken economic policies." Next was, in order, export stagnation (15.4 percent), foreign debt (15.1 percent), world-wide recession (11.6 percent), and weakening of the international competitiveness of domestic products (10.2 percent). A considerable number of citizens think that mistakes in economic policies are the biggest cause of the recession.

This negative evaluation of economic policy is seen again in answers to the question, "how well do you think the current government is handling the economy?" The results of the survey are that 17.9 percent said it is doing a good job, 43.8 percent said it is doing an average job, and 32.8 percent said it was doing a bad job. When looking at those who give a rating no higher than average, it appears that those responsible for policy must keep in mind that critical views of the government's economic policies are spreading to an extent that cannot be ignored.

In order to see how severe the current recession is felt to be, it was asked, "From 1980 on, in which year do you think the economy was the worst?" The result was that 31.9 percent, making up one-third of all the respondents, said 1985. In order, 1980 was next with 16.1 percent, followed by 1981 with 10.3 percent.

Even though generally people are likely to feel that present pain is more difficult to endure than past experiences, still the fact that almost twice as many see this year's recession as more severe than that of 1980, in which due to social instability the economy took a major turn for the worse and recorded the first negative growth (minus 5.2 percent) since the 1960's, suggests that the current recession is not an ordinary situation and accordingly coming up with counter measures to the recession today is an extremely urgent task which those responsible for policy must address.

However, optimism reigns regarding the outlook for the economy in the future. To the question, "What do you think are the prospects for our nation's economy 1 year from now," 45.3 percent said it would improve, 36 percent said it would be about the same, and 13.8 percent said it would be worse.

The citizens are of strongly opposing minds as to whether, even though the economy is bad and living is hard, money should be borrowed from other countries to solve this problem. In response to the question, "some people argue that the economy must improve even if it means taking on more foreign debt. Others say no matter what happens, there must be no more borrowing from abroad. Which view do you support?", 71.4 percent opposed borrowing from abroad, overwhelming the 25.7 percent who took the opposite position that "a turnaround in the economy comes first, even if it means borrowing from abroad." Such results represent the citizens' sense of a crisis in foreign debt.

This sense among the citizens of a foreign debt crisis appears in their answers to the question, "among all the economic problems we are facing today, which one is the most pressing?"

The results of this question, which adopted the form of free answers, show 22.6 percent, which is the largest number, saying the foreign debt, 15.4 percent said farm problems, 8.1 percent said price stabilization and 4.9 percent said the expansion of exports.

In contrast to these results showing a sharp sense of a recession, most people think their living conditions are about the same as last year. When asked if their family lived better or worse this year than last, 2.5 percent said much better, and 28.1 percent said a little better, for a total of 30.6 percent answering that they were better off. Close to half, 43 percent, said things were about the same. On the other hand, 5.7 percent said they were much worse off and 20.6 percent said things had gotten a little worse, for a total of 26.3 percent.

Looking at it in terms of these survey results, with 73.6 percent saying either that they are living much better, or at least as well, as last year, a positive evaluation can be made for the moment. However, if we look at it as natural that the national economy will grow and that the citizen's individual income and living standards should improve through growth in the individual's efforts and salary, then the answer "about the same" can be interpreted as an expression of relative dissatisfaction that current living standards do not meet expectations.

Their assessment of individual living standards is more optimistic for the future than for today.

In response to the question, "do you think that 1 year from now you will be living better or worse than you do now:", 5.1 percent said "much better" and 48 percent said "a little better," so 53.1 percent, more than half, show that they are much more hopeful than in the results of the survey of current living conditions. On the other hand, 33 percent answered "about the same," 9.6 percent said "a little worse," and 1.7 percent said "much worse," so no more than 11.3 percent see their situation worsening.

It is everybody's wish to live better and everyone sets some sort of goal to achieve that end and works hard at it, so such survey results can be seen as only natural, but when those results are compared with the results that show an extremely negative assessment of the economy, it can be seen that they do not look too pessimistically on the effects on individual living standards in the future of the current recession.

As for the assessment that the direct influence on individual living standards will be higher prices, those agreeing and disagreeing are about the same but there are a few more who see instability than stability.

In response to the question, "do you think that generally these days prices are stable or unstable?", 1.3 percent said "extremely stable" and 37.3 percent said "they are on the stable side," so 38.6 percent gave an assessment of stability.

Conversely, 45.4 percent, close to half, saw instability, with 2.7 percent saying "extremely unstable" and 42.7 percent saying "on the unstable side."

These survey results reflect a recent wavering of the citizenry's confidence in the government's policy of price stabilization, which it has been promoting since 1980 as one of its most important economic policies.

In the case of exports, which are very closely linked with the economy, there is not much difference, just as with prices, but there are more who think they have worsened than there are who think they have improved.

In response to the question, "do you think that our nation's export performance this year is somewhat better than last year or has it grown worse?", 25.5 percent said "it has gotten better," and about the same percentage, 25.2 percent, said "it is the same," but a total of 39.4 percent said "it has grown worse."

The fact that exports and prices, which represent productive activity and consumer activity respectively, receive a negative assessment from the general public is one piece of evidence that right now the real economy is worsening severely, contrary to the optimistic views of the government authorities.

In the assessment of the government's economic policies in general, the majority position is "they are mismanaging the economy," but 17.9 percent responded that "they are doing a good job." Looking at what was said in a free response format by the 184 who said the government was doing a good job, the results are that the largest percentage, 22.3 percent, mentioned price stabilization, 13.3 percent were vague but said "they appear to be working hard," 12.8 percent mentioned "an improvement in the standard of living," and 8.5 percent cited "an increase in exports."

The results of this survey reveal that, though those who see that prices are unstable are in the majority, they are well aware that the government has made price stabilization a policy target and they evaluate its performance over the last few years as successful to a certain extent.

When those 338 people who think the government is mismanaging economic issues were asked to point out specific mistakes, the largest number, 14.2 percent, said the increase in the foreign debt. Next were the 13.6 percent who mentioned agricultural problems and then 7.2 percent who said stagnation in exports.

The results of the survey are that the government's policies on the foreign debt and on agriculture are judged its greatest failure in that the policies of keeping prices of grain and goods low in order to stabilize prices and of an export drive through the expansion of manufacturing have led to the consequences of a rise in the foreign debt and the victimizing of farmers. Such survey results make us aware that the citizenry's grasp of economic issues is superficial, without any basis in numerical data and not supported by concrete facts.

Table 1.

What is the cause of the current recession?

mistaken economic policies	18.3 percent
export stagnation	15.4 percent
foreign debt	15.1 percent
world-wide recession	11.6 percent
weakening of international competitiveness	10.2 percent
decline in business investment	2.7 percent
student demonstrations	0.6 percent
other	4.4 percent
do not know or no response	21.8 percent

Table 2.

Which economic issue most urgently demands resolution?

the foreign debt	22.6 percent
agricultural problems	15.4 percent
price stabilization	8.1 percent
export expansion	4.9 percent
the gap between the rich and the poor	3.6 percent
stabilization of the average person's livelihood	3.0 percent
the problems of the unemployed	2.6 percent
low wages	2.4 percent
economic stabilization	2.1 percent
consumer restraint	1.8 percent
the stagnant economy	1.6 percent
other	9.0 percent
do not know or no answer	22.8 percent

9953/12951

CSO: 4107/294

S. KOREA/ECONOMY

LABOR MINISTER REVEALS POLICIES OF IMPROVING WORKERS STATUS

Labor Research Center To Open

Seoul MAEIL KYONGJE SINMUN in Korean 21 Aug 85 p 11

[Article: "Worker's 'Housing Fund Savings' Newly Established; Labor Research Institute Will Be Opened in July Next Year; Minimum Wage System Will Be In Effect by 1987; Labor Minister Cho Will Send an Inter-Company Welfare Acceleration Law Bill to Fall Session of National Assembly"]

[Text] Cho Ch'ol-kwon, Labor Minister, revealed on 21 August that "the government will establish a new housing fund savings system in order for those low wage workers who do not have homes to build their homes, and that taxes will be exempted for their interest income and payments of loans." He then added that "a Labor Research Institute--in the form of a special juridical person--will be opened in July next year in order to make systematic researches in and analyses of labor problems and to establish fundamental countermeasures."

He said so at a press conference held on the morning of 21 August. He then added that a minimum wage system will be in effect by 1987.

Minister Cho said that the government is pushing a plan--a concrete plan of bringing up the middle class--under which a housing fund savings system for low wage workers will be newly established and taxes will be exempted for their interest income and payments of loans, and also under which the payment of loans shall not be the same amount every year but shall become greater in the latter part of a worker's life in which their pay is to be increased.

Furthermore, he said, the government is planning to reset various deduction ceilings at a higher level in the income tax law and to reduce greatly workers' tax burdens by allowing them to count housing cost and basic living expenses as a necessary expenditure for those workers who do not have homes.

He then said that the government will send a bill of the law governing the acceleration and protection of the inter-company welfare funds, which would make it a duty of business enterprises of a designated size to earmark part

of their profits as a welfare fund, and that the government will expand the welfare system in business enterprises by activating the assistance for workers in their educational expenses for children and in their getting loans for buying homes.

Furthermore, Minister Cho has decided to improve the policy of encouraging minor household savings for the class whose monthly income is less than 300,000 won, to activate consumer cooperative associations and credit cooperative associations, to enact a labor bank law designed to establish labor banks, and thereby to accelerate the formation of property of workers and to build up productive labor-management relations.

The Ministry of Labor, in particular, has decided to activate a system in which part of the inter-company welfare funds may be appropriated as a reserve fund for purchasing shares of the company, and in which bonuses and retirement pay may be defrayed with shares of the company, and thereby to proliferate the employee support system. It has also decided to rationalize the wage system by means of setting forth the percentage of the basic pay at a higher level (from the current 65-70 percent to 80 percent) and of paying wages primarily on the basis of duties and job capability.

Meanwhile, Minister Cho revealed that a Labor Research Institute (a tentative name) which is designed to make systematic research into and analysis of labor problems will be established by July next year with an appropriated fund of 1.6 billion won.

This institute will be staffed by a total of 75 members, including 13 PhD's, 24 MA'S, and 37 researchers. The Ministry of Labor has decided to send a bill of "a law governing the establishment of the Labor Research Institute" to the regular session of the National Assembly this year.

Minister Cho revealed in his announcement of labor policies that a Countermeasures Headquarters to Deal With Organized Disputes will be established at the General Federation of Labor and the labor unions of various industries in order to improve the function of settling labor disputes, and that the number of labor inspectors will be increased by 245.

Minimum Wage System In Effect in 1987

Seoul HYONDAE NOSA in Korean Jul 85 p 120

[Text] The government is planning to implement a minimum wage system from 1987 when the Sixth 5-Year Plan begins.

On 3 June, a concerned official of the Ministry of Labor said: "In compliance with the government policy of liquidating low wages, large business enterprises will wipe out low wages of less than 100,000 won by the end of this year and medium and small business enterprises will do the

same by the end of the next year. On the basis of the situation cited above, the government has decided to implement a minimum wage system from 1987 to when the Sixth 5-Year Plan begins."

According to the plan of the Ministry of Labor for implementing the minimum wage system, the system will become effective first for those industries with intensive labor, including textile, clothing, and shoes businesses--low wage manufacturing industries--and it will gradually be expanded to construction and service industries.

It is reported that the minimum wage system will be in effect for all those business enterprises which have more than five employees and thus which are operating under the Labor Standard Law.

As for the amount of minimum wage, it will vary with different businesses and different regions. It will be set forth by "Councils" in which representatives of workers, employers, the government, and public organizations take part, it is reported.

Dispute Settlement Unit

Seoul HANGUK ILBO in Korean 6 Aug 85 p 2

[Editorial: "Counter-Labor-Disease Headquarters"]

[Text] It was revealed on 3 August that the Ministry of Labor had decided to establish a Special Countermeasures Headquarters for Settlement of Labor Disputes, which would be headed by Vice Minister of Labor, to prevent labor disputes and to settle labor disorder.

This mechanism is reportedly designed to render guidance to weak business bodies in advance, to arbitrate in and settle labor disputes for them, to settle labor disputes in business enterprises in general, and to settle in particular those labor disputes which might give rise to social controversy or which might spread to the whole country.

The situation in which normal and peaceful relations between workers and employers collapse will do harm to the national economy and will bring about misery to the business enterprises in question and their employees. The decision of the Ministry of Labor on putting an end to such a miserable situation is a matter of course and an encouraging policy.

Amicable and normal relations between workers and employers are set forth in the Constitution and labor laws in terms of their cause and substance. Thus the fundamental and first-priority mission of labor administration is to supervise and correct the behavior of workers and employers so that they may faithfully abide by the law in their business sites.

Therefore, it is to be rated high that the Countermeasures Headquarters set forth in advance guidance for preventing labor disputes as its first duty. The reason for that is that prevention would be more effective than the settlement of disputes which have already taken place and that the authorities conduct administration in such a way that both workers and employers comply with provisions in the Constitution and labor laws governing the behavior of workers and employers in all business sites and do its might and main in exposing violations of those provisions and setting them straight.

In those business sites where extremely severe labor disputes took place recently, it was exposed without exception that employers violated provisions of labor laws governing their obligations. This is indicative of the fact that the greatest and most important tasks should be carried out in preventing labor disputes are for employers to abide by laws and for labor administrators to guarantee employers' law observation.

In view of the circumstances cited above, it is requested that the Countermeasures Headquarters for Settlement of Labor Disputes of the Ministry of Labor be engaged in prevention rather than in "fire fighting." It is hoped that the headquarters will provide more fundamental measures than the settlement of problems that have already arisen in business sites. In this sense, it is imperative for us to establish a countermeasures headquarters in its true sense rather than to establish a "counter-disease" headquarters.

7989/13012
CSO: 4107/281

S. KOREA/ECONOMY

LABOR, OTHER MINISTRIES RESPOND TO QUESTIONING IN ASSEMBLY

SK230240 Seoul THE KOREA TIMES in English 23 Oct 85 p 1

[Text] The government will implement a minimum-wage system for low-income workers during the sixth socio-economic development plan (1987-1991) period. This was bared by Labor Minister Cho Chol-kwon in a reply to lawmakers' questions at a plenary session of the National Assembly yesterday.

He said that the government is preparing for the introduction of the system, to guarantee a decent living for wage earners, and is conducting various surveys of wage system and labor conditions. He also said that the government is striving to eliminate wage less than 100,000 won a month.

"As a result of the effort, 112,000 employees at about 3,000 workshops had their wages increased over the 100,000 won level this year alone," he said.

He further said that the government does not see any need to revise labor-related laws at present because the current laws "are taking root." Instead, the government will lay major emphasis in labor policies on boosting cooperation between employers and employees," he said.

Justice Minister Kim Song-ki said in his reply that "there are no prisoners of conscience in this country."

Culture-Information Minister Yi Won-hong said that newspaper companies' publication of monthly and weekly magazines are feared to give "severe damage" to small publishing firms. "Therefore, the government has advised the newspaper companies to work out 'bona fide' measures" to prevent small firms going bankrupt, he said.

The minister was answering an opposition lawmakers' question as to whether the government had pressed newspaper companies to give up publication of periodicals.

Earlier in the session, a woman lawmaker from the ruling party suggested that the Ministry of Sports be reorganized into the "ministry of youth and sports" to work on policies for youths as well as sports.

Citing the success of such a government office in advanced countries like France and Canada, Rep Han Yang-sun stressed the need for the establishment of an administrative organ in the central government to deal with youth policies "comprehensively."

Rep Han from the national constituency of the Democratic Justice Party also recommended in her interpellation in a National Assembly session that a "research institute on youth problems" be set up. "In order to make consistent and efficient policies affecting youth, problems particular to the youth should be handled by one office such as the proposed ministry of youth and sports," she asserted.

Rep Han was one of five lawmakers who took the floor to query the administration about social and cultural affairs.

The interpellation session was originally scheduled to be held Monday, but it was postponed until yesterday because of the harsh contents of an opposition lawmaker's speech text.

The DJP had demanded that Rep Song Chon-yong of the New Korea Democratic Party rewrite the text to eliminate radical words, false rumors and slander.

/9604

CSO: 4100/021

S. KOREA/ECONOMY

FIRST OVERSEAS PASSENGER CAR ASSEMBLY PLANT

Seoul MAEIL KYONGJE SINMUN in Korean 2 Sep 85 p 7

[Commentary by Sin Hong-sop: "Epoch-Making 'Milestone' for Car Exports; Significance of Hyundai Car Company Plant in Canada; Encouraged by 'Top Sales Record' 2 Years After Introduction; Long Range Plan Aimed at United States Markets"]

[Text] The decision of the Hyundai Car Company to build a passenger car assembly plant in Canada has been a harbinger of a new turning point not only in terms of exportation but also for the whole domestic car industry. Car business enterprises, which have so far been enthusiastic about expansion of production facilities at home, have now directly set up a production depot abroad; and they have made a step forward to the long-awaited internationalization of their car industry.

Above all, we may expect that the recent decision of the Hyundai Car Company to establish an assembly plant in Canada will become an epoch-making milestone in car exports. In particular, resources of the Hyundai Car Company which have become capable of establishing an assembly plant overseas are conspicuous enough to surprise car business enterprise circles of the world. We may say that this event has shown our efforts made and will expressed for car exports.

The Hyundai Car Company has been planning the establishment of its passenger car assembly plant in Canada since it infiltrated in Canada. In early 1984, the Hyundai Company stepped in the North American market for the first time in its history; at that time, it thought that difficulties in opening export markets lie in excessive competition and import restrictions.

Namely, in Canada, then, big three car makers of the United States, including GM, Japanese makers, such as Toyota and Honda, and Volkswagon and other world car makers had already set up their camps there. Thus the first priority issue was to secure competitive capability against those makes. Further, the Hyundai Company had to overcome the barrier of import restrictions of the Canadian government.

After that, the Hyundai exerted active efforts to open its market. There came an outstanding event that it achieved a record of highest sales in only 2

years. However, the reality there was that establishing a production system there became essential to avoid import restrictions in the long run.

Furthermore, competing makers there made it a habit to find faults with the ROK-made cars. They even urged the Canadian government to implement an import quota system. It seems that in light of such a situation, the Hyundai Company adopted the method of assembling and producing its cars there so that it may firmly establish close relationship with Canadian consumers and avoid the barrier of restrictions. However, one may say that the fundamental objective of the Hyundai's plan of establishing a passenger car plant in Canada is a long range measure designed to infiltrate the United States markets.

At this juncture when the top priority task is to infiltrate in the United States, the suzerain country of the car industry, a more effective method of exporting cars is to set up a car assembly plant in that country. Canada is not only located adjacent to the United States but also a region which is suitable for establishing an assembly plant because it is easy to acquire excellent labor and car parts there.

It is being planned that the assembly plant in Canada would produce first of the kinds of cars as suits the taste of Canadian consumers. Meanwhile, the Pony and Stella cars of the Hyundai Car Company enjoy a good reputation in the Canadian market and their demand is increasing rapidly with each passing day.

The Hyundai Company exported 25,123 cars to Canada in 1984. During the first half of this year, it exported as many as 31,661 cars there, as the record shows. Thus it won the first place in the number of car export sales there, exceeding the Honda's 27,735. This event shows that the ROK is now capable of exporting its cars in great quantities. The establishment of a passenger car assembly plant overseas is of significance in indicating [possibility of] exporting passenger cars in great quantities.

The scale of the plant being planned by the Hyundai Company is at 100,000 cars to be produced a year. However, there may be an expansion if the demand increases. On the part of Canada, too, it would not only be able to provide a little over 1,000 jobs manpower to the passenger car assembly plant but also supply needed parts to it--a two birds with one stone deal. It may be because of such a situation that it is reported that Ontario and Quebec provinces are currently launching a serious competition to invite the Hyundai Company to set up the plant in their province.

In particular, the Canadian side even put up an offer that it would provide a related portion of the plant construction fund in the amount of a total of 200,000,000 Canadian dollars. This shows their eagerness in inviting the plant construction. On the other hand, one cannot ignore the benefit which the assembly plant overseas would give to domestic car industries. First of all, the exportation of car parts which would be needed in the production of passenger cars there, might bring up related parts manufacturing business enterprises in our country; and a certain amount of manpower might be dispatched there, as it is expected. Furthermore, on the occasion of the establishment of the passenger car assembly plant, the economic cooperation between the ROK and Canada would be solidified further, it is foreseen.

The proposed assembly plant overseas, which is the first ever to be established by our car companies, partly serves as an exposure of a limitless potential of our car industries. In particular, the recent decision of the Hyundai Car Company on its infiltration in Canada will further intensify well-intentioned competition and boost self-confidence on the part of other competing business enterprises, as the car business enterprises circles are foreseeing.

7989/9312

CSO: 4107/289

S. KOREA/ECONOMY

AUTOMOBILE EXPORTS TO INCREASE

Joint Production

Seoul MAEIL KYONGJE SINMUN in Korean 1 Aug 85 p 7

[Article by Reporter Sim Hong-sop: "Pony Stella Will Land in the United States Before the Year-end; World Car in 1986, Y Car in 1987; Korea-U.S.-Japan Joint Production Will Be on Full-Scale; Cooperation in Auto Parts Led by Glass Will Be Active;" first paragraph is editor's note]

[Text] Editor's Note: The internationalization of the automobile industry, the passenger car industry in particular, is making a rapid progress. Following the completion of a large-unity expansion of its facilities in the early part of this year, Hyundai Motor recently succeeded in exporting its Pony Excel to Europe, and it has close at hand its long-expected entry into the U.S. market. At the same time, the big three makers of the United States, General Motors, Ford, and Chrysler, have entered Korea. The advance of the Korean automobile industry into the world market appears to be sooner than estimated at first. We will shed light on a series of moves related to the domestic automobile business.

The exportation of automobiles was already predicted at the beginning of the 1980's. The automobile industry, built as an industry for domestic needs in the 1970's, has begun in the 1980's to implement large-scale expansions targeted for exports. Moreover, the big three of the United States, leading Japanese auto makers, and the world's leading parts makers have successively knocked at the door for an advance into Korea. Thus the automobile industry has finally been highlighted as the greatest promising industry. That the domestic automobile industry has thus rapidly been expanded is due to the fact that beginning in the 1980's the competition in the world automobile market centered on the United States and Japan has shown a new aspect, and the advanced nations have adopted a strategy to secure a production basis in Korea with adequate technology and sufficient manpower.

That is, in order for the United States to contain Japan and for Japan to promote its advance into the United States with more ease, each of them has come to team up with the domestic automobile industry. As a result of this, the Korean automobile market is moving more rapidly than expected at first.

Last year General Motors finalized its plan for the production of World cars in cooperation with Daewoo Motors. Following this, this year Ford announced its joint venture with Kia Industries, and Chrysler with Samsung respectively. The situation is that even in Korea the big three are maintaining a competitive system. While Mitsubishi has increased its capital participation in Hyundai Motor from 10 percent in the past to 15 percent in order for Japan, too, to take advantage of cheap labor in Korea. Mitsubishi has also established a system of joint production of large cars of over 2,000 cc displacement. Going a step further, Mazda of Japan plans to joint build small cars of Kia Industries and import them to Japan. These makers are all cooperating with foreign makers for the targeting of entering the U.S. market, beginning next year. In the case of General Motors, which was the first among the big three to enter Korea, plans to complete during the latter half of 1986 the World car it is jointly building with Daewoo Motor. Taeu has decided to export 100,000 units out of the total 160,000 units, and to assign the remaining 60,000 units to domestic needs. The construction of the plant is progressing at a faster pace than was expected at first.

Following General Motors, Ford also plans to build 120,000 units of the small Y car, beginning in 1987, and to sell 88,000 units of them to the U.S. market. Also, it is promoting even joint capitalization as well.

After Chairman Iacocca's visit to Korea last April, Chrysler, which made a full-scale advance into Korea, has reinforced its Seoul branch office on a large scale and begun the procurement of auto parts from the Samsung group. As U.S. auto makers have developed joint operations with Korean makers, Japanese makers, too, have joined these, and finally a Korean-U.S.-Japanese joint front in the automobile sector is being built. They intend to take full advantage of cheap labor force and technologies available in Korea. Also, domestic makers, too, riding on such an international trend, are growing successfully. Such cooperative atmosphere is spreading even to the auto parts field, with the result that there is a great probability that auto-related businesses may emerge as the leading growth industry by the end of the 1980's.

Since the beginning of this year Daewoo has established an auto parts specialist plant in cooperation with Delco-Remy of the United States. Kia Industries plans to develop parts for passenger cars jointly with TRW of the United States.

Also, the AE Group and the GKN Group of Britain are pursuing their entry into Korea, and the world's leading parts makers in West Germany and Italy are seeking joint ventures with Korean makers.

Recently Hanguk Glass has decided to build an auto glass plant in a joint venture with Libby Owens Ford and Nippon Sheet Glass. Thus international exchange in the automobile industry has the prospect of daily strengthening.

Such international cooperative systems for automobiles and parts are expected to upgrade sooner or later the domestic automobile industry to an international level. As if to support the turning of the automobile industry into an exporting industry, since the beginning of this year the exportation of automobiles has shown a rapid growth.

During the first half of this year the exportation of automobiles registered \$225 million, or as much as a 182 percent growth compared with that during the corresponding period of last year. In terms of number of units, this was 50,134, and the prospect is that the number of units to be exported will surpass 100,000 without difficulty.

Of the exported quantity during the first half of the year, 47,288 units were overwhelmingly of Hyundai's Pony Stella. Not stopping with this, Hyundai succeeded in the exportation of the frontwheel driving Pony Excel to Europe. Encouraged by this, Hyundai plans to challenge its entry into the United States before the end of this year. Hyundai already established a local corporation in Los Angeles last April. Following this, it is reported that Hyundai has recently completed the first stage organization of dealers' network in preparation for its entry into the U.S. market. In order for the automobile industry to become internationalized, it is most important to penetrate the U.S. market. For, only if it can enter the U.S. market, which covers one half of the world market, can it not only secure an absolute volume for export, but also can it demonstrate the Korean auto-making technology to the world.

Now, Hyundai's advance into the U.S. market is approaching close at hand, and following this closely Daewoo and Kia have now plunged into the export front. As they see the sooner than expected internationalization of the automobile industry, only if they wisely cope with it, can they step up the turning of the automobile industry into an exporting industry.

Hyundai Australian Export Quota

Seoul MAEIL KYONGJE SINMUN in Korean 6 Aug 85 p 7

[Article: "Hyundai Secures More Than 10,000 Unit Export Quota for Its Passenger Cars to Australia"]

[Text] Hyundai Motor has secured, in its bid for an import quota for passenger cars as administered by the Australian government, an 11,036 unit quota for 4 years, 2,759 units per year from 1986 to 1989. Thus its exports of passenger cars to Australia are expected to be increased largely.

According to field reports reaching the Ministry of Trade and Industry on 6 August, Hyundai Motor participated 25 July in the bids for quotas through its local passenger car sales company, Bond Company, with the results that it obtained an 11,036 unit quota for 4 years, from 1986 to 1989.

Australia's quota for the imports of passenger cars this year is 105,834 units, and this was allocated as the basic quotas and the bid quotas. Since Hyundai Motor is not eligible for the allocation of the basic quotas, it participated for the first time last year in the bids for quotas to secure 250 units. Thus Hyundai is expected to export for the first time 250 Pony Excels during the latter half of this year.

The Australian government is turning 25 percent of the basic quota to the bid quota each year. Thus by 1989 only the bid quotas will remain, and the basic quotas will practically disappear. In 1990 it will be possible for Hyundai to export the 100,000 passenger cars.

10372/9738

CSO: 4107/263

S. KOREA/ECONOMY

DAILY HAILS RECENT INTERNATIONAL BALANCE OF CURRENT ACCOUNT

SK250033 Seoul THE KOREA TIMES in English 25 Oct 85 p 4

[Editorial: "International Current-Account Surplus"]

[Text] It is rare and encouraging that the nation could enjoy a steady surplus in its international balance of current account for 4 consecutive months beginning last June, with the monthly surplus increasing to \$168 million in September.

Thus, this year's current-account deficit during the January-September period declined by \$886 million to \$740 million from \$1,626 million, an amount marked for the same 9 months of last year. Consequently, the year's current-account deficit is expected to be limited to the \$500-\$700 million level, as projected earlier, if the recent trend continues through the last quarter.

Notable above all is the fact that the recent surplus was due to the steady improvement in the trade balance in spite of the growing deficit in other sectors, particularly in overseas construction services.

The slowdown in imports in recent months was attributable to a protracted decrease in demand for imports resulting from the sluggish economic growth during the first half-year, as well as a drop in the import prices of crude oil and other major raw materials, and a fall in international interest rates.

On the other hand, export growth was led by such items as footwear, chemicals, machinery and textiles, while exports of electric and electronic products, toys and tire tubes dropped as compared with last year.

In September, commodity exports rose by 5.7 percent, as compared with 1 year before, to \$2,313 million, whereas imports dropped by 6.5 percent to \$2,061 million. In addition to the trade surplus amounting to \$252 million, the same month saw a current-account surplus of \$53 million in transfers.

However, it is uncertain if these favorable trends will continue in the coming months.

One aspect which contributed to the trade surplus was the flexible depreciation of the local (won) currency to realistic levels, which boosted exports and discouraged imports.

Yet, we should not overlook the fact that imports in value slowed down not only due to the drop in the import volume but also due to the reductions in the import prices of major raw materials.

There are strict limitations in the ways and means to improve the international balance of payments, as overseas demand for our products and construction services is beyond our control.

Consequently, imperative for improving the international balance is increasing exports by sharpening our international competitiveness in the pricing and quality of products, while curtailing imports and spending of foreign exchange.

Also needed are greater efforts to spur the local production of parts and components, intermediate goods and other capital goods to substitute for imports, and to further restrain imports of less urgent goods.

/9604

CSO: 4100/021

S. KOREA/ECONOMY

PROTECTING INTELLECTUAL PROPERTY RIGHTS

Caution Urged in Protecting Rights

SK290018 Seoul THE KOREA TIMES in English 29 Oct 85 p 1

[Text] The ruling Democratic Justice Party has strongly asked the government "to be most cautious" in protecting foreign intellectual property rights. DJP policy planners stressed that the government should take into consideration the impact that a "premature protection of the intellectual property rights will have on the development of Korea's technology."

In particular, they warned of the "grave consequence" of the protection of chemical substance and computer software patents.

The advice was made yesterday in a meeting of economic Cabinet members and DJP policymakers for policy coordination on the Korea-U.S. trade friction.

The DJP members also called upon the administration to be prudent in liberalizing importation of foreign agricultural and fisheries products. They pointed out that the imports of farming and fishing products, unlike those of manufactured goods, bears serious social problems.

The meeting followed a conference of concerned ministers at Chongwadae in the morning.

DJP lawmakers blamed the administration for its failure to cope with the U.S. protectionism waves effectively. They asserted that there was insufficient cooperation between the government and businesses and among different administration agencies.

Stressing the need for the "organized cooperation among ministries and businesses," they urged the government to intensify lobbying in the United States.

They further said that the government is required to consider changing import sources of major items from the United States to other countries.

Kim Ki-hwan, secretary general of the International Economic Policy Council of the government, told the party lawmakers that negotiations will be held for the next coming year when U.S. investigation teams are at work. He explained that the United States "is satisfied, on the whole, with our plan to liberalize imports and foreign investment, but has expressed discontent over the protection of intellectual property rights."

"So, we will promote our import liberalization policy as earlier scheduled, and cope with the demand for the protection of patent rights in accordance with the U.S. legal proceedings following the initiation of Section 301."

Foreign Property Protection

SK262350 Seoul THE KOREA TIMES in English 27 Oct 85 p 1

[Text] Korea is expected to speed up its plan to protect foreign intellectual property rights, which include copyrights and computer software and chemical substance patents.

Economic ministers got together yesterday and reached a broad accord that the nation should protect foreign intellectual property rights as soon as possible.

Their [meeting] coincided with the flurry of American trade protectionism. In the meeting, they noted the fact that the United States had rejected the Korean market-opening policy package due to its discontent over the field of intellectual property rights.

Yesterday's meeting, chaired by Deputy Premier-Economic Planning Minister Sin Fyong-hyon, at the Capitol Building dining hall, confirmed the go-ahead in the implementation of the import liberalization as was scheduled. In this context, the Trade-Industry Ministry will this week bare an action program to liberalize the imports of 609 items, on a CCCN (Customs Cooperation Council's Nomenclature) basis, during the 1986-1989 period.

Under the action program, the government will newly open Korean markets for 309 items including automotive parts and carpets next year.

During the 1987-1988 period, the government was scheduled to newly liberalize the imports of 300 items. They include VTRs and razor blades.

Furthermore, the government is seriously considering the early market-opening for such sensitive products as cigarettes.

The government is considering liberalizing the import of passenger cars in excess of 2,000 cc's in 1987 and in 2,000 cc's or less in 1988.

From 1989 to 1992, the market will be open to such items as beverage and tomato juice, pigs, wooden materials and chemical pulps, according to the government sources.

In line with the import liberalization policy, the import liberalization rate will rise from the current 87.7 percent up to 95.4 percent in 1988, a relevant official said.

The Korean policy package was relayed by Kim Ki-hwan, secretary general of the International Economic Policy Council (IEPC), when he visited Washington earlier this month. Highly-placed sources said Kim called on U.S. President Ronald Reagan in a vain attempt to draw American support.

Kim was known to have disclosed the Korean plan that the government would enact a special law to protect foreign copyrights within this year and would join in the related international convention in 1988. The United States rejected the proposal, calling for simultaneous action immediately.

Emissary Kim, according to the related sources, told the American side that Korea would begin to protect chemical substance patent rights after 1988. The proposal was also turned down by the U.S. side.

Since then, the Reagan administration has initiated Section 301 actions against its intellectual property safeguards. Under Section 301, the U.S. administration would be able to take broad retaliatory measures against any Korean goods sold in the United States.

Meanwhile, Trade-Industry Ministry officials made it clear that the government was reviewing comprehensively diversifying import sources of major items being imported from the United States to other countries in the initial stage.

Korea has been the fourth largest importer of U.S. agricultural products. Korea's imports of major American farm products such as raw cotton, wheat, corn and soybean amounted to \$1.5 billion last year.

The officials said that the four agricultural products have been under review of import sources diversification.

Korea's dependency on U.S. corn as feed dropped to 47 percent as of the end of last month this year from 82 percent last year by expanding imports from China.

In the case of wheat, corn and soybean, the government is learned to review the change of the import country from the United States to Canada, Australia and Argentina for diversification of markets.

Meanwhile, the government opened 102 more industries to foreign investment 2 weeks ago. With the government measure, 76.3 percent of the nation's total 999 industries was exposed to foreign investment.

The officials said the government plans to lower the average tariff rate to a level of 17 percent in 1988 from the present level of 20 percent.

Ministry Drafts Legislation

SK240121 Seoul THE KOREA TIMES in English 24 Oct 85 p 5

[Text] The Ministry of Culture and Information yesterday finalized its draft for the improvisatory law concerning the protection of foreign copyrights. The draft, now under examination by the Office of Legislation for enactment, reflects the ministry's consultations with the ruling Democratic Justice Party.

The law is designed to cushion the expected impact on the local publishing industry when the country joins the International Copyrights Convention at an early date. It also aims to positively cope with demand from foreign countries for the opening of the Korean publishing market.

The law stipulates that foreign publications, the copyrights of which have been given to Korean publishers, will be protected just like domestic publications.

When local publishers fail to obtain copyrights to foreign publications, the draft requires them to deposit a certain amount of money to be allowed to publish the concerned foreign publications. The foreign publications thus released will be protected to the same extent as domestic publications.

The draft also stipulates that a committee be established to deal exclusively with the protection, fair usage, and intermediation of foreign publications. The organization and operation of the committee will be decided by a Presidential decree later.

When local publishers violate the provisions of the improvisatory law, they will be sentenced to a prison term of up to 6 months or a fine of up to 3 million won, according to the draft.

The appendix of the draft stipulates that the law will be enforced 1 year after the promulgation. It also states that foreign publications that have been published before the enforcement of the law will be excluded from protection.

The law, when enacted, will be effective pending Korea's participation in the International Copyrights Convention. The draft, to be referred to the ongoing session of the National Assembly for approval, is made up of six provisions.

/9604
CSO: 4100/021

S. KOREA/ECONOMY

BRIEFS

END TO U.S. PRESSURE URGED--Seoul, 23 Oct (OANA-YONHAP)--The South Korean insurance industry sent a position paper to the U.S. trade representative Tuesday, calling for an end to U.S. pressure on Korea to open its insurance market more widely. In the letter, representatives of the Korean insurance industry said that the Korean Government has already opened most of its non-life insurance market to foreign investors. To fully liberalize the life insurance market, which is still maturing, would be premature, however, they asserted. "Most of the Korean life insurance firms are plagued with chronic business deficits," the representatives said. "Given this reality, any immediate liberalization would drive almost all Korean firms in this line out of business." The Korean Government has already disclosed its plan to gradually open the life insurance market, and it should take due time to prepare for the opening of the market, they said. [Text] [Seoul YONHAP in English 0015 GMT 23 Oct 85]

/9604

CSO: 4100/021

S. KOREA/MEDIA AND THE ARTS

BRIEFS

ROK-JAPAN JOURNALISTS--Seoul, 17 Oct (OANA-YONHAP)--The (South) Korean Newspaper Editors Association is scheduled to host the 23rd Korean and Japanese editorial staff seminar on "Social Change and the Social Affairs Page" at the Seoul Press Center building here on Friday. Participating in the annual meeting will be about 40 city editors from Korean and Japanese newspapers. After the presentation of papers on the subject, they will hold discussions. Masanori Higuchi, feature editor of the SANKEI SHIMBUN, heads the 15-member Japanese delegation, and Kim Myong-kyu, city editor of the CHOSON ILBO, leads the Korean delegation. The Korean and Japanese editors meet annually to discuss matters of mutual interest. [Text] [Seoul YONHAP in English 0210 GMT 17 Oct 85]

/9604
CSO: 4100/021

U.S. PATENT REQUEST WORRIES GENETIC ENGINEERING INDUSTRY

Seoul MAEIL KYONGJE SINMUN in Korean 22 Jul 85 p 6

[Article by Reporter Yun Tok-no]

[Text] Even before it starts germinating, local research on genetic engineering is being shaken to its very roots.

For, Genentech of the United States is trying to completely uproot the tree of our genetic engineering which is about to start germinating.

The attempt by Genentech of the United States is just for the four kinds of basic genetic engineering techniques it has applied a patent for, including the "method of manufacturing polypeptide, the immune material containing polypeptide hapten." (Refer to the report in this paper, dated 17 June 1985.)

These basic techniques are necessary for the production of almost all genetic engineering products, including interferon, insuline, hepatitis-B vaccine, and growth hormone. Especially, since the techniques that have been applied for patents in Korea represent the basic theories and methods of genetic engineering, and moreover the scope of the application is vague and wide-ranging, when the patents are registered, there is absolutely no way to avoid this.

Especially, when the patents for these techniques are awarded, it will mean that when one manufactures genetic engineering products such as interferon and insuline, one has to pay vast amounts of royalty to Genentech.

The particular reason why local firms are strongly reacting is that not only the scope of the technologies requested is vague and wide-ranging but also its originality and the date of its application cannot be accepted.

It was on 6 November 1978 that the United States applied for patents in Korea. However, before its application in Korea, these techniques were reported in a science magazine, and the patent office authorities refused to acknowledge their originality.

Then, Genentech of the United States moved to demand that it become applicable retroactive to the date that it applied for patents in the United States.

That is, according to the Korean-U.S. industrial rights agreement of 30 October 1978, when a patent is applied in the United States, it is to be automatically recognized in Korea. However, it was on 8 November 1977, before the signing of the agreement, that Genentech applied for patents in the United States.

However, in accordance with precedents in Korea and the United States and the memoranda exchanged between the patent offices of Korea and the United States, patents applied within 1 year before its application in Korea are to be retroactively recognized. Therefore, Genentech contends, since its application was within 1 year, it should be recognized.

Against this, the Patent Office of Korea, too, has the stand that it has no alternative but to recognize the request for patents in accordance with the agreement between the patent offices of the two countries and other appellate precedents.

Accordingly, the Patent Office has requested the industry to submit by the end of this month rebutting materials to argue against the originality of Genentech's application for patents. Otherwise, as a matter of fact, the Office will recognize the patents.

In view of this, businesses concerned in Korea, including Cheil Sugar, Taep'yongyang Chemical, Lucky, Green Cross, Tonga Pharmaceutical, and Korea Explosives and the academic circles are jointly making rebuttal.

The industry and academia circles contend that, since the date of Genentech's application for patents in the United States was before the signing of the priority rights agreement, the retroactive application is unjustified.

Especially, in accordance with the Paris agreement, an international agreement on priority rights signed on 4 May 1980, there was a policy of the Patent Office dated 12 March 1980 for applications which possibly claim priority rights must be after the signing of the priority rights agreement. Therefore, they contend that Genentech's patents should not be recognized.

Also, when Genentech applied for patents in the United States in November 1977, even the United States did not accept them at first because its scope was wide-ranging and vague. Thereafter the patents were accepted after the scope of application was reduced and revised. Therefore, they argue that in Korea, too, the patents should not be recognized.

At the same time, since the contents of the application were partially published before November 1977 in academic journals and other publications, the patents lacked originality. Referring to this fact, the genetic engineering industry and academic circles are opposed to the recognition of the patents.

The subcommittee on the countermeasures against the patents and the academic circles held on 19 July a conference at the Genetic Engineering Research

Association, and pointed out that the matter was now in the hands of the Office of Patents and its decision must be followed. However, they contended that in order for local genetic engineering industry to continue growing and to bear successful fruits, the patents applied for by Genentech should never be granted, and that the nation must prevent the downgrading of genetic engineering industry to become merely a middle broker as it will wilt before it can start germinating.

10372/12947

CSO: 4107/252

S. KOREA/SCIENCE AND TECHNOLOGY

SEMICONDUCTOR BUSINESS PROSPECTS REPORTED

Wafer Fabrication

Seoul MAEIL KYONGJE SINMUN in Korean 16 Jul 85 p 6

[Text] In the midst of the continuing sluggish world's semiconductor business, a new aspect has been opened up in our country in that United States and Japanese semiconductor firms have requested wafer fabrication, and this has drawn attention.

This is analyzed as that semiconductor businesses in the United States and Japan have postponed the installation of new facilities for wafer fabrication due to the slowdown in business, and these businesses tend to commission wafer fabrication to countries already with facilities such as ours.

According to the industry circles on 16 July, such local wafer fabricators as Samsung Semiconductor Telecommunications, Gold Star Semiconductor and Hyundai Electronics have exported since last year semi-custommade gate array semiconductors for special purposes. Following this, it has been revealed that recently some firms are fabricating even standard type semiconductors on orders, and some others are exporting in the form of fabricated wafers without going through the assembling process.

In the case of the exportation of the processed wafers, which is counted as a new form of export, Gold Star Semiconductor is promoting it according to the orders received from LSI Logic of the United States, along with the production and export of semi-custommade semiconductors. Following this, Gold Star Semiconductor was recently asked by MMI of the United States for the processing of 5-inch wafers, and it is exporting them as processed wafers.

The exportation in the form of such processed wafers has less added value compared with the exportation of them after assembling. However, since it enables us to operate facilities effectively even during the recession, it is assessed as having many advantages in view of given conditions at home.

On the other hand, in the case of Hyundai Electronics, it has recently signed a contract with Richo of Japan for the processing of 6-inch wafers, and it will export these products after processing and assembling.

While domestic firms have been equipped with latest wafer processing facilities, foreign companies are reserving wafer processing facilities due to the depressive semiconductor business. After taking into consideration such conditions, industrial circles expect that requests for the exportation of processed wafers will be increased for the time being.

Governmental Promotional Plan

Seoul KISUL KWANLI in Korean No 7, Jul 85 pp 14-16

[Article by Director of the Electronics Parts Products Section, Ministry of Trade and Industry, Chong Chang-sop: "The Current Status and Direction of the Semiconductor Industry"]

[Text] I. Significance of Fostering the Semiconductor Industry

Semiconductors are applied in fields of such relatively low technology products as television, radio, and electronic watches, and also they are widely applied in computers, communications equipment, and various automatic control systems. Moreover, semiconductors as core functional parts, are increasing their values more and more.

Today, in all industrial fields the boundry classifications between machines and electronics have become difficult to distinguish. Thus as the pattern has been changed to mechatronics by combining machinery and electronics, the academic boundry of all industries has become meaningless, and even all different realms of products have become obliterated. It can be said that the decisive factor for this is the fact that indeed with the progress in the semi-conductor technology new products with semiconductor applications have continued to appear.

While the camera industry of West Germany with its long proud tradition has been driven out of the world market by Japan's semiconductor technology and it has kept declining, the watch industry of Switzerland is being pushed around by Japanese watches using semiconductor elements, with the exception of watches with jewels. These are excellent examples that succinctly tell the impact of semiconductors on all industries.

Thus, semiconductors not only have such wide uses, ranging from toys to artificial satellites, they are increasingly being used more in the computer aided design and computer aided manufacturing (CAD/CAM) and industrial robots with increasing roles following the rapid automation, multi-functioning, and reduction in size throughout all industry fields. Therefore, it has now reached a point that types of semiconductors decide the designing function and prices of products.

For this reason, semiconductors are needed in order to secure an advantageous position in the world market and to join the ranks of the advanced industrial nations. Without the support from the semiconductor technology which plays a central role in the automation, energy-saving, and quality improvement of products, the competitiveness of all industries is bound to be lost.

The semiconductor industry, with a 5 millimeter square small silicon panel with thousands, tens of thousand of complicated circuits for various functions as a product of the compound technology of machinery, electronics, chemical, physics, metal, and materials, is a high tech industry along with atomic power and computers. Especially for our country, lacking such natural resources as oil and gas, it is a necessary industry in order to become an advanced nation. And the positive fostering and development of high-tech fields with high added values as semiconductors and computers is the direct way to enter into the ranks of the advanced industrial nations.

In the current electronics industry these two industries are considered respectively as the symbols of parts and equipment, and they are treated as the core fields of the high tech industries of the latter half of the 20th century. Accordingly, for our electronics industry to leap to and grow into the next higher dimension industry, this is an unavoidable task that must be tackled.

Especially, together with oil, the semiconductor industry is an important indispensable resource, that is, the "bread of industry," rather than a products, and it thus has enormous strategic value and importance.

II. The Current Condition of the Local Semiconductor Industry

As the United States and Japan has recently kindled a semiconductor war, the interest of local leading businesses in the semiconductor industry has been so intensified as to attract attention. At present, in the world's semiconductor electronics market, the semiconductor market covers 9 percent of it, which signifies that it is a huge market. Moreover, because of its unlimited potential for growth in the future, with its immense impact on all other industries as well, the semiconductor industry has become the main factor for local businesses to concentrate their interest.

Our semiconductor industry was started in the early 1960's, mainly with the assembly production for 100 percent foreign invested firms such as Motorola and Fairchild. Since then our country has promoted production and exports in the form of processing, by the simple assembly of low grade technology with small value added. Thus we have not been able to expect significant rippling effects. However, this has planted a seed of the semi-conductor assembly technology in our country, which was a barren land for the semiconductor industry. Moreover, it has had employment effects and also has fostered technical manpower. It has rapidly grown to be one of the major export items, with \$12.5 million export in 1984, covering about 30 percent of the total electronics exports. Thus we must say that the semiconductor industry has greatly contributed to the growth of the local electronics industry.

On the other hand, in 1974 the wafer processing technology, which may be said to be the cream of the semiconductor technology, was successfully developed locally for the first time to produce and supply transistors. Thereafter, integrated circuits for electronic watches were developed to make the production of electronic watches possible. In 1979 linear and complementary metal oxide semiconductor integrated circuits (CMOS IC) were successfully

developed. This contributed to the quality improvement of such home electric appliances as the television. As integrated circuits for the video taperecorder and the television were developed, more than 1,000 kinds, and more than 2,000 kinds if such individual elements as TR are included, have now been developed and are being produced.

Especially, the successful local development of the 64K DRAM and the 256K DRAM, which have been technologically monopolized by the United States and Japan so far, has become a confirmed evidence to show the potential for a successful challenge to the development of the high tech very large-scale integration (VLSI).

A survey of the current conditions of the semiconductor manufacturers established so far reveals that 22 are makers and assembly makers, 5 are wafer fabricators, and 2 are silicon wafer makers. At present Kosil, Inc is currently building a silicon wafer factory with an annual capacity of 1.6 million pieces as converted to 4 inch standard.

Recently, Korea Electronic Materials, Inc. a member of the Tongyang Chemical Group, in cooperation with EMC of the United States, has built a factory, which includes the single-crystal silicon engineering process, and plans to mass produce, beginning in the latter half of 1986 single-crystal silicon growth products. Also, Tong-yang Chemical, in cooperation with the Heraeus of West Germany, is anticipating at the end of June 1985 the completion of a plant specializing in the production of fine metal wires and lead frames. Together with the construction of an international-scale factory, Hyundai Electronics is promoting the acquisition of venture-type technologies, and it is promoting plant and equipment investment worth \$300 million by 1987.

Samsung Semiconductor, an established business, succeeded in May 1984 in the mass production of 64K DRAMs, and it completed in May 1985 a plant for the mass production of 256K DRAMs. While it is concentrating on the development of semiconductors with high technology for commercial applications such as microprocessors, it is expanding plant and equipment and technology investment for a balanced development of the semiconductor industry through the development of diverse products, including custom-ordered integrated circuits. It plans to invest \$500 million by 1987. The first stage project has already been completed and the VLSI-class semi-conductors, such as 64K DRams, 16K SRams, 16K EEPram are being mass produced. The high tech product, 256K DRAMs, will be mass produced beginning in September 1985.

On the other hand, Gold Star Semiconductor, from the investment strategy of demand secured first and investment made later, is concentrating on the diversification of products with expected growth in demand such as custom-order semiconductors and micro-processors. It has signed a \$200 million order contract with the client company in the United States for large-scale integration (LSI) logics. It is concentrating on the building of relatively stable sales basis, including semiconductors needed by the group itself.

Hanguk Electronics and Daewoo Electronics Parts, too, are concentrating on the development of special logic integrated circuits, including semiconductors

for home appliances, and are seeking the diversification of products to be manufactured. Moves on the part of such firms must be evaluated as an extremely desirable phenomenon for our situation, which calls for rapidly catching up with the advanced nations.

On the other hand, prospects for long-term development of our semi-conductor industry is as follows. The \$30 million exportation of wafer fabrication in 1982 is expected to be increased to \$500 million in 1987; that in the area of basic materials the development of new materials will be promoted by the end of the 1980's, and the self-sufficiency in resin and chemicals will be targeted by that date. In the production of products, too, development will be actively promoted to expand from the current production centered on the production of integrated circuits and exportation for home appliances to the production of commercial VLSI and custom-ordered integrated circuits and other special purposes.

III. Orientation for Growth

The government has induced the simultaneous expansion of semiconductor production and research facilities for the benefit of the early settlement of the local semiconductor technology and the raising of international competitiveness. The government is promoting business participation in the development of semiconductor production to link the purchase of major equipment with technology transfer in order to secure early high technology on the one hand, and on the other, in consideration of the limits in the accumulation of technology transfer the government has a policy for actively assisting the promotion of acquisition of independent technology on the part of firms, including the original technology through overseas local corporations.

The government also plans to continue promoting linking the purchase of locally developed semiconductors with the transfer of major technologies, including electronic switchboards, in order to create an environment for creating demand for semiconductors. And it plans to actively promote the localization of major equipment, including computers and office automation. And for a balanced development of the semiconductor industry, the government plans to concentrate also on the development of diversified products in the format of multi-variety small quantity production so as to positively respond to the fear of price decline and supply glut of certain types of semiconductors.

Since, for the semiconductor industry, as a field of high technology, the fostering of highly qualified technology manpower is more important than anything else, the government plans to expand technological exchange through technology transfers, and to effectively strengthen cooperative relations through the recruitment of specialists, including overseas Korean technicians. On the other hand, it plans to establish a semiconductor research and development center for several universities after consultation in order to actively foster manpower through the practical training in university education, and to further expand the industry-academia cooperative system through such means as commissioned education between businesses and research institutes after reinforcing the facilities and functions of Korea Telecommunications Research Institute.

Especially, the semiconductor industry requires vast investment for plant and equipment in the initial stage. And taking into consideration the fact that of this investment 70 percent is covered by imported equipment, in order to alleviate the burden of businesses for vast amounts of funds for plant and equipment, the government has reduced the high tariff rates (on the average 20 percent) which used to be imposed on 70 items of major equipment, which cover 90 percent of major equipment, to a 7 percent level on the average so that they can benefit from the reduction of exemption of custom duties.

Also for raw materials for semiconductors, 5 more items have been added to the previous list of 10 items which are totally dependent on imports for reduced tariffs at the 10 percent level. This would bring the total percentage with reduced and exempted tariffs to 70 percent of the total equipment and materials. The government still plans to expand the scope of tariff reduction and exemption in the future to promote by stages the benefit from reduced and exempted tariffs for the majority of raw materials and equipment.

On the other hand, for the efficient promotion of technological development, the government plans to consult agencies concerned to enable the long-term repayment at low interest rates of funds for technological development for high tech semiconductor sectors whose investment is continuously required as much as funds for plant and equipment. Thus the government is making enormous efforts to enforce diverse and effective policies.

Thus, if we, on the basis of excellent and ample manpower resources, bring about cooperative unity among businesses, research institutes, and universities, and the government, challenge the future-oriented semiconductor industry, one of the future-oriented high tech industries together with computer and genetic engineering, we are convinced that before long we, too, will enter into the advanced industrial society as the United States and Japan.

10372

CSO: 4107/246

S. KOREA/SCIENCE AND TECHNOLOGY

SEMICONDUCTOR BUSINESS CONDITIONS, TRENDS DISCUSSED

Seoul MAEIL KYONGJE SINMUN in Korean 18 Jul 85 p 6

[Monthly Discussion of the Current Conditions of Industrial Technology in 1985"]

[Text] Main Theme Presented by Director of the Semiconductor Design Division of Korea Telecommunications Research Institute, Yi Chin-hyo, on the Current Conditions and Task of the Development of the 1-mega DRAM

Current Stage: Imitation of the High-tech Semiconductors Technology; Cooperative System Among Academy, Industry, and Research Institute Urgently Required

According to a survey report published in the United States, the consumption of the MOS DRAM during the past 10 years has increased on average 2.2-fold per year as converted to bit numbers.

The main memory device of the mainframe computer 10 years ago was at the 64K level. Today, even the personal computer, too, has 64K or 256K as the standard capacity.

In spite of the increasing bit number of the memory used in a system, the system itself becomes more compact, and it is also subjected to pressure for price reduction.

Therefore, the demand for the memory materials is summarized as bigger bit number, faster speed, less volume, and lower price.

In accordance with such demand, a larger capacity of the MOS DRAM has been sought. The increase rate of its capacity has been 4-fold during the past 2 years.

Accordingly, when we take into consideration the fact that the full-scale application of the 265K DRAM in the system will be implemented this year, it is expected that 1-M DRAMs will be put into practical use next year, and after 1988 the 4-M DRAM is expected to appear.

At present the world market for RAM materials is as much as \$4 billion, and of this 60 percent is DRAMs.

Currently, technological innovation is taking place at a faster rate than expected by specialists in the technological development of DRAMS, as spurred by the progress made in the technology for microscopic pattern formation utilizing the active ion sensing device or the stepper device.

Toshiba of Japan has already exported samples of 1-M DRAMs to the world's mainframe computer makers. Hitachi and Fujitsu, too, following Toshiba, are expected to ship samples before the end of the year. Thus, in the memory semiconductor market, even before 256K RAMs are mass produced, the 1-M phase began.

In the final analysis, at present the technology of the advanced nations has reached the stage whereby they can mass produce 1-M DRAMs with the minimum line width of 1 micron level, and these advanced nations are adding spurs to the development of the 4-M DRAM by developing the processing technology of the 0.5 micron level microscopic patterns through the electronic beam etching system.

In our country Samsung Semiconductors has developed the 256K DRAM, and Gold Star Semiconductors is developing the 64K RAM with a similar integration.

When compared with that of the advanced nations, the technological level of our country is really still in the elementary stage in terms of the processing technology and particularly of the design technology.

Products of the LSI level and higher built by own design of our firms are being produced by the so-called reverse design copied from the elements, the majority of which are already marketed for general purposes in the advanced nations, and there is little or no products by creative integrated circuit design.

Especially, even in the 64K DRAM and the 256K DRAM, which can be locally produced, are being produced by importing masks already designed in foreign countries. Since the semiconductor industry tends to have its rippling effects on all other industries and has high added value and a fast growth rate, it stands for high technology.

However, it is characteristic of the semiconductor industry that it has required vast amounts of plant and equipment investment in the process of achieving progress in technology, that it has a wide range of research and development, that the rate of its technological innovation is fast, and that, moreover, its mass production technology is extremely important.

Thus when such characteristics of the semiconductor industry are taken in account, there are limits to developing the semiconductor industry with the capability of several private enterprises alone. Therefore, a policy supporting the nation itself, and the building of a close cooperative system among industry, academia, and research institute must be accomplished.

Roundtable Discussion. Participant: Assistant Professor of Electronics Engineering of Seoul National University Engineering College, Kim Won-ch'an;

Managing Director of Gold Star Semiconductor, Kim Ch'ang-su; Manager of Kihung Factory, Samsung Semiconductor, Yi Yun-u, Director of Semiconductor Design of Korea Telecommunications Research Institute, Yi Chin-hyo; Managing Director of Daewoo Electronics Parts, Chang Hong-cho; Chair: Director of the Science and Technology Department, MAEIL KYONGJE SINMUN, Chong Tae-su. Time: 4 July 1985. Place: Office of Deputy Director of the Industrial Technology Council. Recorder: Reporter Chon Hang-su.

Basic Design Technology Must Be Acquired First. Profit Rates Must Be Improved Through Engineering Process Development. Undeveloped Related Industries Pose Impediment.

Chair: I understand that our country has already developed the 64K DRAM and the 256K DRAM and it is adding spurs to the development of the 1-M DRAM. I am anxious to know how high the level of our semiconductor technology has reached, compared with that of the advanced nations.

Professor Kim: Comparison between us and the advanced nations in the semiconductor technology can vary according to the viewpoint. If we are to evaluate objectively, there is no alternative but to evaluate it in terms of memory, which is a product that all can evaluate. When we say we lag 2 to 3 years behind the advanced nations, it means that while the advanced nations need 2 to 3 years, we need 4 to 5 years. We must accept this as a concept to maintain differences in the technological level.

Managing Director Kim: The evaluation that our country lags 2 to 3 years behind the advanced nations is partly caused by excessive public relations efforts. Even in the case of Japan, Hitachi already developed the 1-M DRAM in early 1984, and it is expected to enter into mass production, beginning next year. For us, it will be possible to mass produce in 1989 or 1990 at the earliest.

Factory Manager Yi: The history of semiconductor development in the United States or Japan reveals that enormous manpower, funds, and much time have been invested. If we had followed the same process, we would have been able to develop the 64K DRAM only in 1988. However, it is characteristic of technology that technology once established can be utilized with more ease than that of Columbus breaking an egg.

Chair: As the weight of semiconductors in high technology is increasing, fierce competition is developing among nations for semi-conductor development.

Factory Manager Yi: At Samsung, we are promoting the 1-M DRAM project with a dual research system at home and in the United States. We also have facilities to make independent development in the case of clean rooms needed for semiconductor production.

Managing Director Kim: Gold Star has no specific plans to develop the 1-M DRAM yet. Personally I feel that it is quite unreasonable to mass produce 1-M DRAMs to challenge the world market at the current stage.

Managing Director Chang: Daewoo is promoting the semiconductor business after considering its marketability. We plan first to promote the semiconductor business after seeking a market that we ourselves can handle, and plunge into it in earnest when we judge that it is marketable and economic.

Director Yi: At Korea Telecommunications Research Institute, we are concentrating on acquiring the semiconductor design capability similar for the 1-M DRAM rather than on independently developing the 1-M DRAM.

Chair: I understand a joint development of the 1-M DRAM has been promoted for a while.

Director Yi: Although government, business, and research institute representatives concerned with it met together, but currently such meeting is not continuing. Since in the final analysis the 1-M DRAM is a product, it seemed that it was unreasonable to attempt for a joint development in spite of each other's conflicting interests.

Professor Kim: The joint development of the 1-M DRAM is as good as dead. When viewed from the business side, there is justification for the development of the 1-M DRAM, but its economics is a problem.

Chair: I wonder if universities are engaging in research in semi-conductor fields.

Professor Kim: In our country, universities are alienated. But if the stable atmosphere of universities is taken advantage of, I would think that especially intermediate and long-term projects undertaken there would be effective. In this sense enterprises should think about actively utilizing the joint semiconductor research center recently established at Seoul National University.

Chair: I see there are many difficulties in developing the 1-M DRAM at the current stage.

Managing Director Kim: Among many structures, the inadequacy in the infrastructure is the biggest problem. The majority of personnel have just got started, and at most some of them have 3 to 4 years of experience. I believe that we must rapidly improve the inadequacy of the manpower substructure by taking this into consideration. Next, we can mention inadequate technology to cope with the importation of all facilities and materials. Especially, we cannot miss the point that because the related industries have not been developed, it is acting as a factor for lagging behind in international competitiveness.

Managing Director Chang: While promoting the semiconductor business in the meantime, I have felt that academic education for semiconductors in our country has not been adequate. From this standpoint, it is very encouraging that a joint semiconductor research center for universities has been established at Seoul National University. The government should support universities a little more actively.

Factory Manager Yi: It is a fact that we lag behind the United States and Japan in technology and funding. However, we, too, have reached the stage whereby we can turn the 256K DRAM into a commercial product, we should consider ourselves as having prepared the basis for building the 1-M DRAM.

Chair: Ultimately, I believe that we must develop the 1-M DRAM. What measures do you think we should seek?

Factory Manager Yi: First of all I consider joint research on semi-conductors to be urgent. Repeated manufacturing is the straight path to the improvement of the profit rate as long as there is no defect in the basic design or engineering processes, we must acquire the posture as in Japan for manufacturing the same products with sincerity and for steadily improving quality.

Managing Director Chang: We should have a strategy for diversifying the 1-M DRAM projects so that we can change items for sale according to the conditions of the market. Universities should supply excellent manpower equipped with basic technology.

Director Yi: Since in the final analysis the development of the 1-M DRAM, too, is a field of the system industry in our country, I regard the fostering of the system industry is urgent.

Professor Kim: In selecting specific research projects, it is desirable to concentrate on the most necessary ones rather than spreading to all. It is also necessary to build a cooperative research system among industry, academia, and research institute, and we must not neglect the development of technology, too, together with the steady fostering of manpower.

10372/9435
CSO: 4107/250

S. KOREA/SCIENCE AND TECHNOLOGY

GOVERNMENT ANNOUNCES INTELLIGENT COMPUTER DEVELOPMENT

Seoul MAEIL KYONGJE SINMUN 28 Jun 85 p 6

[Text] The government has decided to establish and go forward with the promotion of mid- and long-term plan oriented to a next-generation computer system. The plan, which has the goal of developing intelligent computers, will extend in three stages to the year 2000.

The Ministry of Science and Technology [MST], providing assistance with expenses for designated research and development projects to the Korea Electronics and Telecommunications Institute [KETI], has completed drafting a final research report concerning the development of computer technology.

The report, "A Study of Computer Technology Development," which was drafted with the participation of experts from various sectors and levels of the field, centered on the KETI, noted that the following must be implemented for the development of a Korean type artificial intelligence [AI] computer system: development of mini-mainframe design technology; development of a decentralized processing computer system and a knowledge processing computer system; software technology development; development of extremely large scale integration [LSI] design and computer assisted design [CAD]; and a shift to domestic production of peripheral equipment.

Accordingly, the report stated that in order to stabilize these technologies, starting at the first stage, from 1985 to 1990, there must be the following: in the mini-mainframe field, the cultivation of computer design technology, the construction of CAD systems, and the development of mainframe design technology; and in the stand-alone processing-type computer system field, the cultivation of basic computer networking technology, and development work on a 32-bit high capability multi-micro computer.

At this first stage, the report also notes the need for development of basic work in knowledge-processing computer development, including the development of pattern recognition systems and basic research in the human intelligence field, starting with development of equipment for natural language processing of Korean.

The report notes that starting with development of high capability mainframe computers in the second stage, from 1990 to 1995, there must begin optical disk development work, logic analyzing equipment, and implementation of

extremely LSI design. During the third stage, from 1995 to the year 2000, there must be developed intelligent computers with natural language processing and thinking capability.

The MST has decided, using this plan as a foundation, to develop such computers and make them practical and to go ahead with establishment of a detailed development target financial assistance plan.

This final report was prepared through mobilization of experts from various sectors and levels of the field and a public conference.

Primary researchers and members of the specialist committees were as follows: Supervisory primary researcher was O Kil-nok (KETI). Senior researcher was Yi Yong-hui (KETI). Specialist committee members in various fields were Yi Kyong-hwan (Chungang University), Kim Hae-chin (Koryo University) Chong Yan-wan (Gold Star Software), Chon Kil-nam (KAIST), Kim Yong-t'aek (Seoul National University), Ko Kon (Seoul National University) Im In-ch'il (Hanyang University, Electronic Engineering Department), Yi Mun-ki (Yonsei University), Hwang Hyon-sik (Gold Star Central Research Institute), and Kim Kon-chung (Samsung Semiconductor and Telecommunications).

Table. Development of Domestic Production of Computer Systems: Research Targets by Year

	1985	1986	1987	1988	1989	1990	1991 - 1996
	super microminicomputer domestic production stage			mini, supermini computer domestic production stage			mainframe next generation computer domestic production
mini-mainframe technology development	minicomputer design technology development trial production development of commercial model commercialization			mainframe design technology development			next generation computer system design
	32-bit UNIX development trial production development of commercial model commercialization						
stand-alone system technology development	stand-alone system structure research			modular system trial production	super system commercialization	minicomputer	domestic development of easy-to-use computer
development of knowledge processing systems	artificial intelligence development of equipment exclusively using LISP			system development commercialization			
				joint (pyongnyol) processing system development			
		32-bit UNIX m/c	32-bit VM m/c	stand-alone computer system LISP m/c		supermini joint processing system	

12837/12899
CSO: 4107/227

S. KOREA/SCIENCE AND TECHNOLOGY

SPACE SCIENCE RESEARCH CENTER TO OPEN

Seoul SEOUL SINMUN in Korean 6 Aug 85 p 7

[Article by Reporter Ch'oe Son-nok: "Korea Will Fully Enter the Space Age; Korean Space Science Research Center Will Open in Jan 86 in Taedok; It Will Integrate National Astronomical Observatory and Other Agencies; It Will Have 4 Divisions, Including Aeronautical Space, Satellite; 40 Billion Won Will Be Invested in Development for the 1st Period till 1991"]

[Text] The Space Science Research Center attached to the Korea Advanced Institute of Science and Technology, which is to carry out the development of the domestic space science technology and comprehensive astronomical research, will be open in January 1986, and it will launch full-scale research of celestial bodies.

According to the proposal formulated by the Ministry of Science and Technology on 5 August for the establishment of the Space Science Research Center, the center's basic functions are the development of the space science technology, the research of celestial bodies, the research planning and promotion of long-term space development projects, and the promotion of the industrialization of the space technology. At the same time, this center will acquire the function of representing the nation in international organizations and international conferences on the development and application of the space science technology in the future.

The Space Science Research Center to be established in the Taedok Research Complex, South Chungchong Province, will absorb the National Astronomical Observatory established on 17 September 1974, and it will be launched as a new government-subsidized research center. However, the Sobaek Mountain Celestial Body Observatory under the National Astronomical Observatory will be transferred in the future to Chungnam University. The timing of the transfer has been decided to be postponed until 2 to 3 years later when this university will acquire capability to take over the observatory and manage it.

The basic organization of this research center calls for forming 4 divisions under its director: the remote exploration research division, the satellite application research division, the aeronautical space research division, and the celestial body research division. Also, the administrative support division and the research planning office to assist the director will be separately established.

The remote exploration research division will carry out the exploration technology with satellite exploration application, data reception and tracking. The satellite research division will carry out satellite communications, satellite guidance, and control observation devices. The aeronautical space research division will carry out rocket carriers and satellite navigation tracking control. The celestial body research division will carry out celestial body research, space radio observation, and atmosphere research. Also, this center plans to launch in the future joint research with Korean Energy Resources Research Center, Korea Telecommunications Research Institute, universities, the Office of Geography, the Office of Forestry, the Machinery Research Institute, and the Central Meteorological Observatory.

The intermediate research plans that the Space Science Research Center will carry out for 6 years from 1986 to 1991 include the development of the remote exploration application technology, the acquiring of the basic and applied satellite communications technology, the acquiring of the earth environment technology, the development of the technology for tracking and guiding flying objects, the space radio observation, and astronomical research.

On the other hand, the long-term plans from 1992 to 2001 are concentrated heavily on the development of remote exploration sensors and satellites, the development of the technology for broadcasting satellite application, the research of launching scientific observation satellites and application, the construction of the satellite tracking control system, the acquisition of technology for its application, and the strengthening of space and atmosphere observation.

Dr Min Yong-ki, director of the National Astronomical Observatory, emphasizes that the Space Science Research Center will have to carry out research with priority in specific fields after taking into consideration of our national strength, prospects for the utilization of the space technology, and its related effects.

For instance, with the research and development of small scientific observation satellites and the development of rockets that can launch them, the fostering of the aerospace and special materials industries can be promoted. And with the establishment of the satellite communications technology, including artificial satellites navigation in space, earth communications devices, the fostering of the satellite communications industry and the special high atmospheric observation technology can be localized.

On the other hand, in the remote exploration technology field, through the establishment of the technology for treating and applying satellite and aeronautical exploration materials and the securing of the satellite tracking technology and the remote exploration device technology, not only independent technology can be secured but also capability for activating celestial body research functions of the nation can be acquired by strengthening the research of the radio and optic observation technology.

As for the research manpower which forms the core of the research of the space science technology, plans call for securing 50 master's and doctoral level researchers for the first time in 1986, 85 in 1987, 161 in 1989, 230 in 1991, and 410 in 1996.

Especially, the total research and development cost that the Space Science Research Center will invest for 6 years from 1986 to 1991 in the space science fields is as much as 40 billion won. By year, 3.66 billion won will be invested in 1986, 4.63 billion won in 1987, 5.61 billion won in 1988, 7 billion won in 1989, 8.64 billion won in 1990, and 10.14 billion won in 1991.

On the other hand, plans call for installing optic and radio observation facilities for satellite tracking by 1980 at a location on the west coast within 80 kilometers from Taejon. Also, plans call for independently developing locally X-ray, infrared-ray celestial body observation devices for observing many stars floating in space.

i0372/9738

CSO: 4107/262

S. KOREA/SCIENCE AND TECHNOLOGY

FACSIMILE INDUSTRY DISCUSSED

Seoul HANGUK KYONGJE SINMUN in Korean 31 Jul 85 p 11

[Article: "Demand for Facsimiles Is Growing Fast; Bullet Train for Document Transmission, Fast and Accurate Central Equipment for Office Automation; 7 Firms Produce 10 Models, All Efforts on Developing New Models, Including Shortened Dial Expansion; Speediness and ISD Cut Costs; Prospects for 3,500 to 4,000 Units Sale This Year"]

[Text] The Real Condition of Local Utilization for the Past 3 Years and the Examination of the Will for Development

The dissemination of facsimiles has shown a large growth.

Even only a few years ago facsimiles could be seen only at some of the general trading companies. But now almost all firms have facsimiles.

Because of this office automation is achieved whereby, through facsimiles, reports of results are directly transmitted between main offices and overseas branch offices and by employees on local trips.

The word, facsimile, comes from a Latin word, meaning "make similar" in English. It means making exact copies of originals.

For this is a communication method for transmitting through ordinary telephone lines all information, Chinese characters, figures and diagrams as they are.

It was in the mid 1970's that the facsimile made its debut locally.

Some specialized machinery importers led by Tongil Trading brought in facsimiles made by Japanese companies, including Matsushita, and disseminated over 300 units by 1980 to public institutions and other organizations.

Electric Transmission Within 10 to 15 Seconds Possible

However, it entailed a problem in that importing facsimiles was a waste of foreign currency reserves.

Finally, the government established a policy in October 1982 for setting the localization rate of the facsimiles at more than 30 percent.

Also, beginning on 31 December 1982 the government took steps to fully regulate the importation of facsimiles.

This was indeed precisely at the point of time when the problem of localization of the facsimile was begun to be discussed in earnest.

Thereafter, the localization of facsimiles made steady progress.

As of now a total of seven firms: Gold Star Electronics, Samsung Semiconductors, Sindo-Ricoh, Daewoo Telecommunications, Taeyong Electronics, Lotte Industries, and Korea Xerox, are participating in this field. Of these Samsung and Sindo-Ricoh have large market shares.

The number of models that these firms are producing is 10 in total.

With varying differences in functions on a small scale, with the majority of models electric transmission within 10 to 15 seconds is possible. These models are equipped also with such service functions as variable color brightness and expanded shortened dials.

Also, in order to satisfy various tastes of users, facsimile makers are competing in developing new models.

The facsimile is considered core equipment in office automation.

As businesses increasingly recognize the importance of industrial information and also businesses require rapid and accurate transmission of various information, they are positively pursuing office automation.

For this reason all firms are increasing the installation of facsimiles in order to free humans from complicated office work, and to economize communication costs while maximizing the business processing efficiency.

The facsimile is indeed a means of rapidly and accurately transmitting business cooperation between business locations spread throughout the country and overseas, and the daily flood of information. Such speediness and convenience of the facsimile has become the decisive factor for increasing its dissemination.

Also, as the Ministry of Post and Communications has freed ordinary telephone lines and begun its international direct dialing service, the cost of using facsimiles is about 20 to 40 percent of that of using telephone or telex. This is another reason for increasing its dissemination.

In reality no other communications means can surpass the facsimile in terms of speediness.

Even the speediest post usually takes one day.

In the case of the international communications, too, the speediest international express service such as DHL takes 4 days.

However, with the facsimile, when the circuit condition is normal, a document or information of 700 letters can be electrically transmitted in 20 seconds.

Even if the condition is somewhat unfavorable, it can be done without problems in 2 to 3 minutes.

Needless to say, simple messages or documents can be transmitted over the international telephone, but diagrams and drawings cannot be sent over the telephone.

Compared with this, with the facsimile design drawings, no matter how complicated they may be, can be duplicated as they are in a matter of seconds.

Indeed, because of such speediness and accuracy the facsimile is sometimes called the "time capsule of the office" or the "bullet train for document transmission."

A 100 Percent Growth Registered Last Year

The facsimile industry which faces the third year of its introduction has launched in earnest a change of generation.

Each maker is competing in the development of new models.

The first generation of models introduced to the domestic market seriously lags behind the products of Japanese makers who are partners in cooperation, and in order to achieve more than 60 percent of localization guided by the government, the generational change is inevitable.

In the facsimile market, the number of units sold showed a 100 percent growth in 1984 from over 900 units sold in 1983, the first year of its introduction from overseas.

Encouraged by the development of new models, this year the number of units to be sold is expected to reach the 3,500 to 4,000 unit level.

However, it is not without problems.

The domestic circles have technical cooperation or joint investment with Japan and other nations. However, as restricted by the terms and conditions of contracts local makers are regulated in their exports.

The terms and conditions for each firm are generally that they are obligated to pay 3 to 4 percent of royalty for a 5-year period, and the initiation fee is at the 160 million won level.

However, the contract clauses that prohibit the exportation of facsimiles to certain areas for a certain period of time or that subject such exportation to the discretion of Japanese partners are adding difficulty to the development of export markets.

Precisely for this reason the facsimile industry must concentrate its force more on technological development.

10372/9738

CSO: 4107/267

S. KOREA/SCIENCE AND TECHNOLOGY

GOALS FOR ADVANCING SCIENCE AND TECHNOLOGY DISCUSSED

Government Proposal

Seoul HANGUK KYONGJE SINMUN in Korean 22 Aug 85 p 2

[Article: "Ministry of Science and Technology 'Proposals for Development in the 2000's': Basic Science Research Will Reach 730 Billion Won; 10 University Research Centers Will Be Established; 4-Mega RAMs, Industrial Enzymes, Artificial Hearts and Ceramic Engines Will Be Developed; For Inquiry into Critical Phenomena and the Establishment of High Polymer Property, Nobel Prizes Are Targeted; Perfection of Controlled Nuclear Fusion, Local Production of Nuclear Power Reactors, and Radio Astronomy Are Targeted"]

[Text] For basic research for scientific and technological innovation 730 billion won is expected to be invested in 1995.

According to the proposals, prepared by the Ministry of Science and Technology on 21 August, for the "Development of Basic Fields in the 2000's" the basic research cost for this year will be 142 billion won. It will be 731 billion won in 1995, 10 years later, or a 5-fold increase, and 1 trillion 39.8 billion won in 2000, or as much as a 7.7-fold increase.

In the proposals the Ministry of Science and Technology has established the 1986-1991 period as a phase for establishing basic research, the 1992-1996 period as a takeoff phase, and the 1997-2001 period as an innovation phase. The Ministry has designated eight fields as targeted basic research fields for technological innovation, that is, electronics, genetic engineering, bio-energy, new materials, precision chemistry, limit technology, standard measurement technology, and laser science, nuclear fusion, nuclear fission, accelerator science, and earth science, respectively. And it will concentrate research funds on these fields.

According to the growth targets by fields, in electronics semiconductors will be developed to 4-mega RAMs. In genetic engineering industrial enzymes will be developed. In bio-energy technology to utilize micro-organisms will be developed. In the field of new materials, artificial hearts and ceramic engines will be developed. In precision chemistry the manufacturing of high precision pure materials and biologically active materials will be targeted

for development. In the limit technology, super high temperature, super low temperature, super high pressure, and super high vacuum technologies will be developed.

In theoretical physics, for inquiring into the critical phenomena and establishing the theory of high polymer property, receiving the Nobel prizes will be aspired for. In nuclear fusion and nuclear fission controlled nuclear fusion and nuclear fission controlled nuclear fusion and the local production of nuclear power reactors will be targeted. In earth science, the modernization of meteorological observation and the perfection of radio astronomy will be aimed at.

For these targets the Ministry of Science and Technology plans to foster and support excellent university research groups, to foster leading basic research manpower, to actively encourage international cooperative research, to strengthen academic-research-industry co-operative research, and to expand the employment of highly qualified scientists.

On the other hand, taking into consideration the problem that basic research in our country has not become vitalized due to the weak investment in spite of its strong latent potential and that cooperation among basic, applied and business technological development has been inadequate, the Ministry of Science and Technology has decided to actively support and aid the management of university research centers, to establish five more research centers, and also to newly establish five national research institutes, including a molecular chemistry research institute.

Pure, Applied Research Discussed

Seoul MAEIL KYONGJE SINMUN in Korean 22 Aug 85 p 8

[Article by Cho Pyong-ha, Professor of the Institute of Science and Technology: "Proposals for Fostering Basic Sciences: Investment in Science and Technology Must Be at the 3 Percent Level of GNP; Long-Term Countermeasures for Manpower Fostering Must Be Formulated; Balanced Progress in Basic, Applied, and Development Research Is Vital"; first paragraph is MAEIL KYONGJE SINMUN biographics]

[Text] Cho Pyong-ha. Professor of the Institute of Science and Technology. Graduated from the Physics Department, Seoul National University. Graduated from the Graduate School, Seoul National University. (Ph.D. in physics) Dean of the Academic Affairs, Kyongbuk University University. President of the Korean Physics Society.

Chairman of the Judging Committee, the National Science Exhibition.

Absence of Worthy Policies

As I write this article in regard to the need for advancing basic sciences on the occasion of the 40th anniversary of Korea's liberation, I believe that we

have taken too long a time, 40 years, to feel an urgent need for basic sciences.

Although we have registered a growth to the extent that we have imported technologies to produce and export merchandise, since we have realized that we cannot buy high technologies even with money, we have come to feel an urgent need for science, the basis of technology.

Since immediately after the liberation, numerous scholars have appealed for the fostering of basic sciences. However, worthy policies have not been formulated. Only recently the government has undertaken the formulation of full-scale policies. I earnestly wish that the 41st anniversary of Korea's liberation will mark the first year for advancing basic sciences in our country.

Engaging in science is like legislative activity toward nature. Advanced nations in the West have many instances of successful creation of technology based on established sciences. Moreover, the accumulation of sciences has led to the expansion and creation of new sciences, and science and technology has evolved into mother-son relationship.

Advanced nations not only avoid transferring high technologies, but also lean toward checking the flow of high sciences.

However, compared with technological fields, scientific fields are quite open. It is desirable for us to concentrate on the research of so-called applied basic sciences by studying the result of basic sciences which they have achieved with tremendous investment and which has led to technological innovation.

However, we should not overlook the research of pure basic sciences. And even if we attempt to distinguish too strictly between "pure" and "applied," it would be difficult to draw a clear line between them. For the research of pure basic sciences Nobel prizes are won, and the research of applied basic sciences leads to technological innovation. Accordingly, basic sciences bear both cultural character and a technological character.

Both Cultural and Technological Character

There are innumerable instances that results of the research in basic sciences have been brought to fruition as technological innovations. Several instances are selected as below.

(1) For the theory of relativity Einstein was awarded the Nobel prize. For quantum mechanics three persons, Planck, Dirac and Schrodinger were awarded the Nobel prizes in early 20th century. Based on these two kinds of physics theory, atomic power and atomic bombs were produced.

(2) The laser beam, which combines atomic physics and optics, was discovered by Schlawlow and others. He was awarded the Nobel prize for it. We are developing optic communications and laser weapons by using this beam.

(3) As Watson discovered DNA in molecular biology, for which he received the Nobel prize, genetic engineering was founded on this. As everyone knows, interferon is also its product.

(4) Shockley discovered the transistor in solid physics and received the Nobel prize for it. Today's semiconductor technology is based on this.

(5) Fukui received the Nobel prize for chemistry for his successful exploration of the frontier electron theory in molecular reactions. With this theory we can systematically understand molecular reactions, and this contributes greatly to the synthesis of a large number of raw materials.

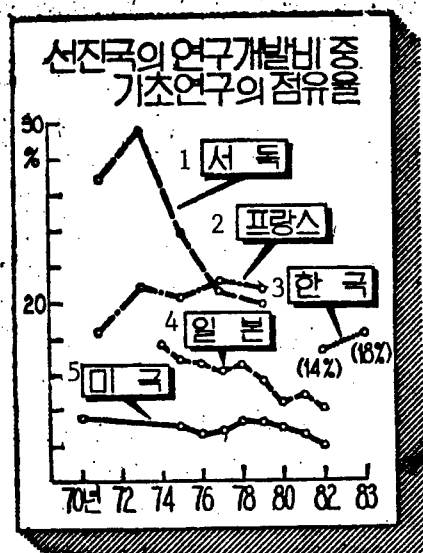
There are two main streams in modern sciences. In physics the ultimates of matter are sought. In biology the essence of life is sought. The former is particle physics, and the latter is molecular biology. In particle physics the deep structure of matter is sought in the one one-trillionth area. Matter is a compound of molecules, a molecule is a compound of atoms and, and an atom is a compound of nuclei and electrons. And then, a nucleus is thought to be a compound of neutrons and positrons. And these are becoming to be known to be compounds of quarks.

High Sciences Totally Mobilized

In the research of the structure of matter in such infinitely small worlds an experimental apparatus called an accelerator has become a necessary tool. It is not too much to say that for the accelerator high sciences and high technology have been totally mobilized.

At the European Council for Nuclear Research in Geneva an accelerator with the largest output in the world has been in operation. Taubia discovered the weakon, $z^e, w_{\pm}$, and received the Nobel prize for it. For his contribution to increasing the output of this accelerator, a physicist-engineer was also awarded the Nobel prize.

Percentages of Basic Research in the Research and Development in Advanced Nations



Key:

1. West Germany
2. France
3. Korea
4. Japan
5. United States
6. Note: Defense research and development excluded.
7. Note: Source: Agency of Industrial Science and Technology, Japan, 1984
8. Note: In percentage, the United States is the lowest, but in absolute amount, it is the world's number one with \$9.33 billion in 1982. One third of the world's basic research is done in the United States.
9. In 18 percent for 1983 for Korea, research expenses paid as living allowances are included.

The reason why I am relating these stories is that I wish to introduce the important trend that in today's high sciences, science is becoming technology and technology is becoming science. For, when the experiment technology becomes precise and upgraded, more of the character of science is demanded. Also, when science becomes advanced and enters into the deep structure, the sophistication of its experiment technology is necessarily demanded.

In modern molecular biology the inquiry into the essence of life is challenged, and research is focused on the structure and function of genes, the evolution of liposome, the cubic structure of protein, the structure of biofilm and the change of its energy, and on the problems of muscles, cancer, immunity, and aging.

In the research of all basic sciences, including particle physics and molecular biology, their objectives are in the micro world or in the infinite micro world. These are not visible, and their experiment apparatuses are becoming sophisticated, precise, and gigantic.

In order to make new discoveries and observations, and in order to create innovations in technology, advanced nations are mobilizing and employing the world's brilliant brains.

(1) We must overcome the traditional authoritarian value system and switch to scientific, rational, and democratic values so as to foster a climate for engaging in science.

(2) We must increase and raise the percentage of investment in science and technology to the 3 percent level of the GNP.

(3) In the investment in scientific and technological research and development, the ratio should be 2 (for basic research): 3 (for applied research): 5 (for development research) so as to build an independent basis for even in some specific fields, and also to effect balanced development of basic, applied, and development research.

(4) Regular education and talented education must be carried out in parallel. Long-term measures for fostering advanced scientists and technicians must be formulated for a long-term period.

(5) We must vitalize as a policy the research activity of established basic research personnel estimated to number 3,000 at universities and the Institute of Science and Technology, creating a base for their basic research. And it is wise to link this with the education of master's and doctoral education.

Just because we need it urgently, we must not heavily lean on investment in the research of applied basic research, and we must not neglect investment in pure basic research.

Support and Aid for the Establishment of University Research Centers

(6) We must support and aid university research centers and promote joint research.

(7) We must establish and operate before the end of this century a national accelerator scientific research institute (tentative designation), a national molecular science research institute (tentative designation), a national biological research institute or a national molecular biology research institute (tentative designation), a national mathematical science research institute (tentative designation), and other institutes.

(8) We must establish a science library for the nationwide use in order to collect, manage, and circulate scientific information to the fullest extent.

(9) We must establish and manage a computer center for nationwide use in order to upgrade the information processing capability.

(10) More than 5,000 articles are published every year at as many as 150 academic societies. These are valuable cultural asset materials. Therefore, we must support and aid the publication of journals issued by academic societies and exchange such materials with related research institutes throughout the world. For, unless we give, we receive nothing.

In the foregoing I have summarized the main principles for advancing our basic sciences. I wish that we would concentrate our energy on the self-sufficiency of our science and technology following the 1988 Olympics. We scientists long for bold decisions by politicians.

If we develop our potential, there is no reason why one of us cannot receive the Nobel prize. If clear-cut targets and sustained support and aid are guaranteed, we can more than expect the display of enormous capabilities.

Amid the progress of sciences and technological innovation the advancing of our fatherland is being accomplished. With the heightened development of creativity and the spirit of cooperation, a powerful democratic Korea will be formed.

S. KOREA/SCIENCE AND TECHNOLOGY

RECRUITING SKILLED OVERSEAS KOREAN

Job Satisfaction Study

Seoul KWAHAK KWA KISUL in Korean Aug 85 pp 54-55

[Article: "Rigidity in Utilizing Korean Manpower Trained Overseas Must Be Eliminated: Reveals a Study of the Job-Satisfaction of Highly Qualified Scientists and Engineers"]

[Text] Since science and technology today is the core element in achieving economic wealth and social welfare of a nation concerned, and scientific and technological manpower for this plays a central leading role for the national economy as well as the growth of enterprises, the development and utilization of such manpower is emphasized more than ever.

Thanks to the promotion of the government policy for science and technology and the positive efforts of businesses for research and development, our industrial technology has attained a certain level of progress, but it is still realistically inadequate. Therefore, in order to maintain its foundation firmly and to accumulate technology, the securing of high qualified scientific and technological manpower is a most urgent task.

Indeed, fostering and securing promising highly qualified scientific and technological manpower is pivotal to making economic growth through technological innovation possible, and it is a basic task that must be pursued as an utmost priority.

In the meantime in our country the government and businesses have actively recruited highly qualified scientific and technological Korean manpower residing in such nations advanced in science and technology as the United States, Europe, and Japan. However, the actual condition is that highly qualified manpower that can achieve technological innovation in scientific fields is fundamentally inadequate.

Older, Higher-ranking and More Senior Personnel Tend to Be More Satisfied; Balance with the Younger Group Necessary

This study has been concentrated on the positive analysis of the degree of job-satisfaction of highly qualified scientists and engineers recruited overseas. The objects of this study were highly qualified scientists and engineers recruited overseas who are currently employed by 48 major local enterprises with attached research institutes, and their managers.

First, the general level of job-satisfaction of highly qualified scientists and engineers recruited overseas is 2.54, slightly higher than the medium level point, 2.5. It is necessary to note that while the older, higher-ranking, and more senior jobs they are in, the more satisfaction they feel, the response is markedly low among the youngest group who are younger than 30 years old and among rank and file employees. Thus it is urgently imperative to take into account their will for work and morale, and to seek a management system with a balance with the older and highly ranking manpower recruited overseas.

On the other hand, the results of the survey of the degree of job-satisfaction reveal that respondents generally respond positively to the factors related to the job per se. This shows that highly qualified scientists and engineers recruited overseas are basically satisfied with their jobs.

However, in contrast the survey reveals that there is a considerable amount of dissatisfaction with some factors related to the job environment. Especially, highly negative responses have been expressed toward administrative support to the discharging of duties, the guarantee of autonomy, and the level of responsiveness to recommendations made, the management of the promotion system, and the appropriateness of education and training.

On the other hand, several responses on the part of managers from businesses for which highly qualified scientists and engineers recruited overseas are employed serve as valuable suggestions to local businesses for sustained recruitment and employment of highly qualified scientists and engineers in the future.

Responses of Managers of Local Businesses Serve as Suggestions for Recruitment and Employment

1. As for the motivation of scientists and engineers highly educated and trained overseas for returning home to local industries, 82.5 percent of them have listed it as their desire to contribute to the development of the motherland, which gives a glimpse into their nostalgia for and their dedication to their motherland.

2. As to the circumstances of their recruitment, 45 percent of them were recruited through their acquaintances in Korea, 18 percent of them through field recruitment in the countries of their former residence, and 16 percent of them through their own education. This tells us that their recruitment and employment until now has not been made through regular established institutions.

3. In terms of the procedures for recruitment and appointment, 56 percent of them had individual contracts, 22 percent of them were recruited and appointed in accordance with existing company rules and agreements, and 18 percent of them had special agreements. Thus the general application of existing company rules in recruiting manpower residing overseas is extremely rare, and there is more special recruitment through individual contracts. In the latter cases, conflict with already existing employees of the organization concerned in general is anticipated.

4. As for the conditions of recruitment and employment, the majority of businesses, in addition to the basic pay and research allowances, assist with the airfare and moving expenses at the time of recruitment. And as many as 53 percent of businesses partially provide passenger cars and other benefits, company residences or general residences.

5. As for the dissatisfaction with current jobs and the desire to return to foreign countries, reasons are mentioned as their desire to intensify their research, their desire to return for the benefit of their children's education, their desire to return because of legal restrictions on their foreign citizenship (dual citizenship), and their desire to return for the reasons of treatment. Because of this situation appropriate countermeasures for highly qualified manpower recruited with great efforts are required.

Besides these, the following are pointed out as problems occurring after recruitment and appointment. That is, problems related to recruited individuals are the limits of countermeasures for the applications of academic research to industrial technology and its practical application, problems caused by adjustment to mutually different personnel management and organizational systems, and problems related to the ability to discharge duties as caused by the impossibility to concentrate on specialized research activity due to the expansion of business even to the total management of the business sector by the research and development sector.

In conclusion, in many cases highly qualified scientists and engineers recruited overseas raise as pending problems the environmental factors related to jobs rather than jobs per se.

1. As for the most negative response among the factors for dissatisfaction on the part of highly qualified scientists and engineers recruited overseas, that is, the problem of the pay level commensurate

with capability, it is recommended that the organization concerned as a whole separately offer compensation for jobs or additional pay for research accomplished so as to observe the principle of equity and to avoid the impression that it gives special privileges.

2. Manpower recruited overseas who engage in technical research must be guaranteed with a high degree of autonomy in the performance of research. And by maximally reflecting their recommendations on company policies their desire for work and their morale must be enhanced.
3. The individual characteristics of highly qualified manpower recruited overseas must be understood, rigidity in the application of rules and institutions must be relaxed.
4. Managers who control highly qualified manpower recruited overseas must develop a long-term perspective, discard rash ineptness in personnel management based on short-term business potential or profitability, and provide conditions for highly qualified manpower to concentrate with a sense of assurance on long-term research and development.
5. Since the recruiting of highly qualified scientists and engineers greatly contributes not only to the research and development of the industries but also to the economic development of the nation, even if there may be difficulties in the consistency of laws and ordinances and institutions, flexibility must be guaranteed in granting entry and exist permits and the extension of stay for foreign citizens or those with dual citizenship, the reduction of their income due to double taxation must be prevented, and it is necessary to relax restrictions following the acquisition of licenses and patent rights.

Conference on Recruitment

Seoul KISUL KWANLI in Korean 25 Aug 85 p 28

[Article: "Overseas Brains Will Be Actively Recruited, Industry and Technology Society's Second Conference of Research Institute Directors Decides"]

[Text] On 11 July this Society held the second council of research institute directors on the 22nd floor of the Traders Club.

This council reported on the specific research and development projects that the government has been promoting. The council decided, as a means of arranging the recruitment of highly qualified overseas brains as an agenda, to have the Industry and Technology Society represent the views of member businesses and jointly advertise in overseas science newsletters, and establish an organization to arrange the recruitment of highly qualified brains.

On the other hand, Dr Yi U-yong, managing director of the Mobile R&D Corporation of the United States was invited to speak at this council on the "efficient management of research institutes and the control system of research and development with reference to Mobile R&D Corporation of the United States.

In his talks Dr Yi explained research and development organization, its functions, responsibilities, purposes and the ideal time periods for research projects, the method of evaluating projects, and the research promotion system. Quoting the example of New Zealand in developing a catalyst for extracting gasoline from waste gas, he said that if this method were used in Korea, it would be possible to gain much results in developing alternative energy.

10372/9738

CSO: 4107/274

S. KOREA/KOREANS IN JAPAN

BRIEFS

CHON MEETS BUSINESSMEN--Seoul, 29 Oct (YONHAP)--South Korean President Chon Tu-hwan said Monday that Koreans residing in Japan will have a louder voice in Japanese society as their economic capabilities grow. In a meeting at the presidential residence here with Korean businessmen living in Japan, Chon asked them to redouble their efforts to secure a solid socio-economic foothold in Japan, thereby building "trust and respect" for the Korean community in Japan. Korea's recent victory in the international vocational training competition--its sixth consecutive win--proved that the skills of Korean technicians are the best in the world, surpassing the Japanese, he said. Chon also urged the visiting businessmen, who are members of the Korean Chamber of Commerce and Industry in Japan, to try to make Korean-made products the most popular on the Japanese market. The Korean businessmen arrived here Sunday for a 4-day visit. [Text] [Seoul YONHAP in English 0310 GMT 29 Oct 85]

/9604
CSO: 4100/021

S. KOREA/FOREIGN RELATIONS

ROK GOVERNMENT CONDUCTS SHUFFLE OF DIPLOMATIC PERSONNEL

SK281230 Seoul YONHAP in English 1159 GMT 28 Oct 85

[Text] Seoul, 28 Oct (OANA-YONHAP)--The South Korean Government appointed Choe Ho-chung, former vice minister of trade and industry, as ambassador to Saudi Arabia, replacing Choe Kwang-su, who had been assigned to the United Nations earlier this month.

In a reshuffle of top-level diplomats, the government named Song Sung-han, researcher at the Foreign Affairs and National Security Institute of the ministry, as ambassador to Norway.

Yi Si-yong, researcher at the Foreign Affairs and National Security Institute, was appointed as ambassador to Austria; Yi Chang-chun, minister to the United Nations, as ambassador to Singapore; and Min Su-hong, director of the ministry's Middle East Affairs Bureau, as ambassador to Barbados.

Ambassadors Yi Kyu-hyon to Norway, Kim Hyong-kun to Austria and Kim Kyong-chol to Singapore were assigned to the Foreign Ministry.

Newly-named Ambassador to Saudi Arabia Choe, 55, served as vice minister of trade and industry, ambassador to Malaysia and Belgium.

Ambassador to Norway Song, 53, once took the ambassadorship in Bahrain, while Ambassador to Austria Yi, 47, served as ambassador to Liberia. Both are retired army brigadier generals.

Ambassador to Singapore Yi, 45, and Ambassador to Barbados Min, 54, have held many diplomatic posts as career diplomats.

/9604
CSO: 4100/021

S. KOREA/FOREIGN RELATIONS

NEW ROK ENVOY TO JAPAN CALLS FOR JOINT STUDY OF HISTORY

SK250031 Seoul THE KOREA HERALD in English 25 Oct 85 p 4

[Text] Yi Kyu-ho, ambassador-designate to Japan, yesterday said he hopes that Korea and Japan would conduct joint research concerning the history of bilateral relations and the ancient history of both nations. Yi said he will try to prepare opportunities for scholars from both sides to conduct such joint studies.

"Such joint studies would contribute to preparing a foundation for fostering favorable relations between the neighboring countries in the years to come," Yi said.

In an interview, the 59-year-old former education minister also expressed his intention to accelerate cultural exchanges. He cautioned, however, that Korea cannot introduce all things Japanese without selection.

Outlining general plans for his new job, Yi said he will give top priority to fostering "justifiable, productive and amicable" relations between the two countries. He emphasized that the two sides should strive to establish unshakable relations, "looking into the long distant future."

Referring to various pending issues between the two sides, he said the trade imbalance is one of the most serious problems to be tackled, in his view. "The trade issue cannot be resolved in a day or two. All the people should make steady efforts to improve the situation. I myself am resolved to do my utmost to that end," he said.

Other issues such as technology transfer and the legal status of Korean residents in Japan should be addressed gradually, he noted.

Asked about the Japanese Government's attitude toward North Korea, Yi said, "Unless there are major changes in the situation in and around the peninsula, I believe Japan will exercise restraint in expanding exchanges with North Korea."

He admitted that some people might have considered his selection as ambassador to Japan quite extraordinary, in terms of his academic background and ties to Europe.

However, the very fact that he hasn't many connections with Japan may serve rather as a plus factor in conducting his duties as ambassador to Japan, he said.

Yi also said he is considering inviting the couple of Japanese Prince Akihito to Korea as part of efforts to further promote amicable relations between the two countries. He is scheduled to leave for Tokyo 8 November to take up his new post, replacing Choe Kyong-nok.

/9604

CSO: 4100/021

S. KOREA/FOREIGN RELATIONS

USSR, GDR TO ATTEND SEOUL BOXING CHAMPIONSHIP

SK250657 Seoul YONHAP in English 0625 GMT 25 Oct 85

[Text] Seoul, 25 Oct (OANA-YONHAP)--About 200 boxers and officials from 21 countries will participate in the 4th world cup amateur boxing championship, scheduled for 1-6 November in Seoul, the organizing committee reported Friday.

Competing in the biennial championships will be eight teams from 21 countries. Each of the teams, except for two, will represent a continent.

North America, winner of the 3rd championships, will field two teams, and host South Korea will enter a separate team.

The top boxers from the world's boxing powers, including the Soviet Union, East Germany, the United States and Puerto Rico, will take part in the event, an organizing committee official said.

Fierce competition between East bloc and West bloc countries is expected, the official said, because they did not meet in the 1984 Los Angeles Olympics.

The European team will include six boxers from the Soviet Union, a traditional boxing power. The Soviet Union, which swept the European amateur boxing championships this year, and the United States are expected to fight tooth and nail in the heavyweight division.

In the lightweight category South Korea, Puerto Rico and Kenya are the major contenders. Cuba, a world power in the division, will not compete in the Seoul championships, the official said.

Executive committee members from 43 countries plan to attend an executive committee meeting of the International Amateur Boxing Association (AIBA) scheduled for 2 November here.

/9604
CSO: 4100/021

JPRS-KAR-85-076
11 December 1985

S. KOREA/FOREIGN RELATIONS

BRIEFS

ROK-ITALY TO HOLD JOINT MEETING--Seoul, 29 Oct (OANA-YONHAP)--South Korean and Italian officials are expected to discuss the promotion of bilateral cooperation in the fourth Korea-Italy joint committee meeting, scheduled for 30-31 October in Seoul, the Korean Foreign Ministry announced Tuesday. Yi Sung-kon, director general of the Foreign Ministry's Information and Cultural Affairs Bureau, will lead the Korean delegation, and the Italian contingent will be headed by Alessandro Romano, minister plenipotentiary of the direction general for cultural relations at the Italian Foreign Ministry. The upcoming meeting will be the first cultural meeting between Korea and Italy since the two nations celebrated the centennial of relations between Seoul and Rome last year. The participants will deal with a wide range of cultural issues in the academic, educational and athletic fields, a Foreign Ministry official said. The last Korean-Italian meeting was held in 1983 in Rome. [Text] [Seoul YONHAP in English 0844 GMT 29 Oct 85]

/9604

CSO: 4100/021

S. KOREA/FOREIGN TRADE

ASSEMBLY CONSIDERING SENDING TRADE MISSION TO U.S.

SK280418 Seoul YONHAP in English 0212 GMT 28 Oct 85

[Text] Seoul, 28 Oct (OANA-YONHAP)--The National Assembly will consider sending a mission to Washington and to adopt a resolution to cope with the growing protectionist moves in the United States Congress against Korean products.

A spokesman for National Assembly Speaker Yi Chae-hyong said Sunday No Tae-u, chairman of the ruling Democratic Justice Party (DJP), Yi Min-u, president of the opposition New Democratic Korea Party (NDKP) and other Assembly leaders have agreed to take a suprapartisan stand on the issue.

They agreed to the suprapartisan position after discussing the trade friction between Seoul and Washington during a golf outing in Anyang, south of the capital, the spokesman said.

When the National Assembly committees open a 2-week session, beginning Tuesday, the government is expected to work out multi-faceted measures to cope with the American pressure on Korea to open its market more widely to U.S. goods.

No was quoted as saying that Korea should launch "multi-pronged" lobbying activities involving the government, the National Assembly and businesses to counter the U.S. protectionist moves.

Yi Min-u said since South Korea unlike Taiwan, Singapore and Hong Kong, is in the unique situation of confronting Communist North Korea, the National Assembly should conduct lobbying activities with a parliamentary dimension in Washington.

Other participants in the golf outing include Choe Yong-chol, vice speaker of the National Assembly; Kwon Ik-hyon, adviser to the DJP; Chae Mun-sik, former Assembly speaker; Yi Chol-sung, and NKDP member; Yu Chi-song, leader of the minor opposition Democratic Korea Party and Ko Chae-chong, another NDKP member.

/9604
CSO: 4100/021

S. KOREA/FOREIGN TRADE

REPORTAGE ON U.S. ANTIDUMPING RULE

Suit Against U.S. Commerce Ruling

SK281027 Seoul YONHAP in English 1015 GMT 28 Oct 85

[Text] Seoul, 28 Oct (OANA-YONHAP)--The Korean Traders Association (KTA) has decided to file a suit with the Court of International Trade (CIT) against the U.S. Commerce Department's decision last week to impose an anti-dumping duty of 64.81 percent on Korean-made photo albums, a KTA official said Monday.

In the suit, the KTA is expected to argue that the U.S. decision was unfair and retaliatory. In investigating an anti-dumping suit filed by U.S. album makers, according to the KTA, the U.S. Commerce Department did not consider the position of Korean companies and ignored documents submitted by Korean firms.

The suit will be filed with the CIT shortly by Michael Calhoun, a U.S. lawyer working for the Finley Kumble law office, which will represent the Korean album manufacturers, the official said.

The KTA, which takes a serious view of the current Korean-U.S. trade friction, has also decided to urge the Korean Government to set up an integrated trade negotiation channel to deal with U.S. protectionist pressure.

The United States, in an effort to reduce its huge trade deficit, has heightened its trade barriers against Korean imports and has stepped up pressure on Korea to open its market more widely to U.S. goods, including beef and wine.

The KTA is planning to set up a private-level trade negotiation council to cope with the growing U.S. trend toward protectionism, the official said. The council would work with the planned integration channel, which the KTA said would conduct all trade negotiations for Korea.

In addition, the KTA plans to demand that the Korean Government link its importation of U.S. grains to the Jenkins Bill and other U.S. textile protectionist legislation now pending in the U.S. Congress, the official said.

The KTA is developing strategies for the forthcoming negotiations between Seoul and Washington concerning the allegedly unfair practices of Korea in importing American films. U.S. film exporters dropped their suit against Korea on Friday, however, the official said.

The Motion Picture Export Association of America dismissed the suit, which was filed with the U.S. Trade Representative Office, in compliance with the Korean Government's request that the dispute be settled through negotiations between the parties concerned. The negotiations are scheduled to be held in Washington late this month.

Firms Seek to Sell Products Abroad

SK280311 Seoul YONHAP in English 0246 GMT 28 Oct 85

[Text] Seoul, 28 Oct (OANA-YONHAP)--South Korean album manufacturers are trying to work out ways to sell some of their products originally intended for sale on the U.S. market on the European and Southeast Asian markets.

Following the decision last week by the U.S. Commerce Department to impose an across-the-board anti-dumping duty of 64.81 percent on Korean-made photo albums, U.S. retailers are expected to send back albums or to cancel orders, a business source here said Monday.

The estimated U.S.\$2.7 million worth of Korean-made albums that have been shipped to the U.S. market or that are awaiting shipment were made according to the specifications of orders from U.S. buyers and cannot be sold on the domestic market. If the albums are not sold to regions outside the United States, they will be destined to become waste paper, the source said.

Korean album makers are optimistic about the sale of the albums in the European and Southeast Asian markets if the Korean Government extends the payment period of their export support loans or grants them additional operational funds, the source added.

The Korean Stationery Industry Cooperative, which makes export recommendations to affiliated manufacturers, is working out multilateral measures to cultivate album markets in regions other than the United States.

The development of new markets is necessary to dispose of the products, which are awaiting clearance by the U.S. Customs Office and shipment, and to reduce Korea's dependence on the United States for album exports, the source quoted a cooperative official as saying.

To ease possibility of bitter competition among Korean exporters, the cooperative plans to issue export recommendations only to those manufacturers that have exported albums to Europe and Southeast Asia this year.

Although MBI, Pioneer and other major U.S. album buyers would like the Korean manufacturers to ship their orders, saying that they will do everything possible to ensure that the albums pass through U.S. customs, Korean firms have halted shipments to the United States, the source said.

Antidumping Rule Termed 'Unfair'

SK260019 Seoul THE KOREA TIMES in English 26 Oct 85 p 4

[Editorial: "Unfair U.S. Antidumping Rule"]

[Text] Based on many recent indications, the United States is obviously waging a trade offensive against Korea by both building up protectionist import barriers and mounting pressure to force the local market open still wider to American goods and services, an approach that poses a serious threat to the nation's export-oriented economy.

For all that, the latest final ruling by the U.S. Commerce Department, slapping a shopping 64.81 percent antidumping charge on imports of Korean-made photograph albums, was astonishing and indeed puzzling, for its "absurd" nature, being a formal government action taken by the world's wealthiest power against a developing country and one of its closest allies.

It is to be questioned, first of all, how the antidumping rate could be raised by no less than 16 times the 4.04 percent rate in the department's preliminary ruling--and, at that, uniformly to all of the 30-odd album makers. The sharp hike is in stark contrast with a final ruling given to Hong Kong in a similar antidumping dispute, which halved the 6 percent preliminary ruling to 3 percent.

In passing the final ruling, the department reportedly stated that various data prepared by the Korean companies for a review of the preliminary ruling were unsatisfactory, and thus it was based on the materials furnished by the American plaintiffs in the case.

Aside from the questionable fairness and validity of such a one-sided ruling, the Korean album-makers are rated as small businesses which can hardly afford to dump their products, under-cutting the production cost, because of their weak financial capabilities.

For those Korean producer-exporters, as Korean Government officials concerned lamented, a dumping rate as much as 65 percent is "simply inconceivable"--all the more so if the Washington ruling reflected a comparison of the prices of Korean albums sold on the American market and those exported to third countries.

These and other dubious and irrational points in the department's final ruling are irritative enough to stir up local outrage that Washington is apparently resorting to outright retaliation or punitive action on the Korean album industry, a scapegoat, as part of its escalating efforts to bring Korea under its overall trade demands.

In any case, the ruling at stake is certainly too crude and unconvincing for Koreans--an issue that ought to be remedied in future reviews, lest it aggravate the already-tense trade friction between the two countries to produce undesirable side-effects.

On the other hand, the Korean Government and business circles concerned are bound to reflect on themselves for having invited the sorry outcome, however disputable. At the same time, they--including business quarters not directly affected this time--should pool their stepped-up efforts in fighting the arbitrary ruling, as a means of forestalling the mounting American pressure.

Cooperation on Dumping Issue

SK260800 Seoul YONHAP in English 0630 GMT 26 Oct 85

[Text] Seoul, 26 Oct (OANA-YONHAP)--The South Korean Government and business circles here plan to work together in an effort to prevent U.S. authorities from ruling that Korean-made oil rigs and malleable cast iron pipe fittings were dumped on the U.S. market, a Korean Trade and Industry Ministry source said Saturday.

Representatives from government and business are scheduled to meet next week to work out a strategy against the unfair dumping charges, the official said.

The ministry is considering plans to submit relevant information on the marketing activities of Korean firms to U.S. authorities, to hire American lawyers and to enhance trade diplomacy with the United States.

In April, Kaiser Steel Corp and two other U.S. platform manufacturers filed anti-dumping suits against oil rigs imported from Korea with the U.S. International Trade Commission (ITC), asking the commission to impose countervailing duties on the rigs.

Daewoo Shipbuilding and Heavy Machinery Co, a Korean rig maker, shipped U.S.\$39 million worth of oil drilling equipment to Texaco in May and is scheduled to deliver \$40 million worth of equipment to another U.S. company by the end of this year.

Another Korean rig producer, Hyundai Heavy Industry Co, plans to export \$27 million worth of drilling equipment to the Cities Service Co of the United States by 19 November 1986.

In a preliminary decision in May, the ITC ruled that the importation of Korean rigs damages the U.S. industry, the ministry source said.

The U.S. Commerce Department found in a preliminary decision in July that Korean-made platforms had been dumped on the U.S. market at a price 7.22 percent less than their domestic market value. The department will make a final decision on the matter in December, the source said.

In addition, U.S. steel pipe manufacturers filed complaints on 31 July with the ITC and the Commerce Department against malleable cast iron pipe fittings imported from Korea.

In a preliminary decision on 11 September, the ITC ruled that imported Korean-made fittings harmed the U.S. industry. The ITC is scheduled to make a final decision on the matter on 7 January.

Korea has exported \$4 million worth of pipe fittings to the United States so far this year.

Business Circles Criticize Ruling

SK250925 Seoul YONHAP in English 0914 GMT 25 Oct 85

[Text] Seoul, 25 Oct (OANA-YONHAP)--South Korean business circles [today] criticized the final ruling made Wednesday by the U.S. Commerce Department to impose an anti-dumping charge of 64.81 percent on photo albums imported from Korea.

The Korea Chamber of Commerce and Industry (KCCI) said that the imposition of an anti-dumping charge as high as 64.81 percent is unprecedented in the history of world trade. Korean album manufacturers are not in a position to dump their products because of their small business scale.

The U.S. Commerce Department must have made the decision in retaliation against Korea's fast growing album exports to the United States, the KCCI suggested. The decision will cloud the future of bilateral trade, it said.

The Korea Traders Association (KTA) said it was a great surprise that the U.S. Commerce Department ignored the documents submitted by Korean firms and onesidedly decided to impose an anti-dumping charge of 64.81 percent on Korean albums.

It is incomprehensive, the KTA said, that the final anti-dumping charge applied to Hong Kong-made albums was lowered, while that applied to Korean-made albums was raised significantly.

The Korea Federation of Small Businesses called the decision a "declaration of bankruptcy" for Korean album manufacturers. It urged the Korean Government to mobilize every possible diplomatic channel to rectify the unjust ruling and to take every measure possible to prevent the bankruptcy of the Korean album makers.

An executive for the Kiwon Industrial Co said that his company has halted operations since it learned of the Commerce Department's ruling on Wednesday. The company had been preparing to ship about U.S.\$1 million worth of albums to the United States, but will have to stock them in warehouses, he said.

It will take the U.S. Commerce Department 6 months to review its final ruling, the executive said. During the 6-month review period, all Korean album makers, without a doubt, will go bankrupt, he said.

An executive working for the Donam Trading Co said that the Korean Government's lukewarm support for the album makers was to blame for the high anti-dumping charge. The government was less supportive of the album makers than it was of Korea [word indistinct] TV manufacturers when they faced anti-dumping suits from the U.S. Government last year, he asserted.

Korean album makers will have to abandon the U.S. market, the Donam executive said. Instead, they will have to cultivate new markets in Europe, even though the demand for photo albums in Europe is small.

It is inevitable, therefore, that Korean album makers will face stiff competition from one another, he said.

Korea's album exports increased from U.S.\$8.2 million in 1972 to \$61 million last year. The United States accounts for 60 percent of Korea's total album exports.

/9604

CSO: 4100/021

S. KOREA/FOREIGN TRADE

EXPORTS, INVESTMENT PIVOTAL TO ECONOMIC REVITALIZATION

Seoul SEOUL SINMUN in Korean 14 Jul 85 p 4

[Article by Chang Chong-haeng and U Hong-je: "Revamping Prescription for the Depressive Mood in the Economy To Be Included in Comprehensive Economic Countermeasures for the Latter Half of the Year"]

[Text] The economic countermeasures do not represent a policy to boost the economy by totally revising the direction of the stabilization policy or a high growth oriented policy for revitalizing the domestic economy. Instead, the countermeasures propose simultaneous complementary prescriptions for the two areas, export, and investment, to refresh the suffocating atmosphere.

Compared with the past when comprehensive countermeasures against the inactive economy so far have, in almost all cases, focused on the revitalizing of the domestic economy with various policies, the recent countermeasures aim at exports and the long-term expansion of production facilities.

Also, if we take into account the fact that in the past there was large qualitative differences in the viewpoint on the economy between the government and the industries, it is possible to assume that the recent countermeasures show that the government has come somewhat closer to the views of the industries.

Since the government has not abandoned the position that maintaining the basis for stabilization is not the supreme goal but an extremely desirable policy means, the recent countermeasures do not appear to bring great satisfaction to the industries.

However, the government's policy intention that it cannot afford adopting countermeasures for boosting the domestic demand, which resulted in inducing the accumulation of foreign debts and inflation, must be accepted as that even if we feel difficulty in our economy, this is transitory friction and necessary pain in setting the high growth trend into a stabilized direction.

Promoting Exports: Financial Aid Will Be Increased by 130 Billion Won Before the Year-end

The recent government policy for promoting exports is a prescription to boost the competitiveness of our exports and thus to overcome the decline in exports, and it is expected to reap considerable results.

Our exports, which had continued to register a high growth rate of the annual average of 33 percent, from 1962 to 1984, suddenly began to decline since the early part of this year. The total export during the first half of the year amounted to \$13.3 billion, a 4 percent decline compared with last year.

As even the exports which cover as much as 50.7 percent of the economic growth have been so depressed, while the domestic demand bound by the stabilized growth policy has not been active at all, our economy during the first half of the year was not able to overcome the stagnation.

The government has regarded that the path to revitalizing the economy and also to improving the international balance of payments while continuing the stabilized growth as it is lies only in increased exports. The government has continuously implemented various countermeasures for promoting exports since the first half of the year.

Although the sluggish exports since the beginning of the year are due to the overall deteriorating foreign export movement, including the slowdown in the world economic growth and the strengthened protectionist trend of the advanced nations, the competitiveness of our exports, too, has been a problem.

First of all, in order to secure the price competitiveness due to the strong dollar we have continued to raise the dollar-won ratio from 827.4 in December 1984 to 873.8 won by June 1985, and raised the export financing unit price per dollar from 655 won at the end of 1984 to 690 won on 4 March 1985, and to 710 won on 3 May 1985.

Also, the supply prices of domestic raw materials for exports were lowered, and the investment in plant and equipment for export industries was increased to 600 billion won on three occasions.

Strengthened by such measures exports appear to be gradually recovering since the beginning of the latter half of the year. Especially in the case of exports to the European Community (EC), which had been slow, have been increased by as much as 19.7 percent during the past 5 months.

However, with such measures alone it will be difficult to achieve this year's export goal of \$33 billion. Because the actual exports were so disappointing during the first half of the year, it will require increasing exports by as much as 28.1 percent over last year every month of the remaining 6 months in the latter half to achieve \$33 billion. But this is practically almost impossible to achieve.

The strong will of the government to achieve the export goal by all means in spite of such difficulties lies behind the recent countermeasures for promoting exports.

Raising the financing unit price per dollar from 710 won currently to 740 won is designed to increase exports, even if the difficulty in securing funds must be accepted. Since the beginning of this year, 240 billion won export financing was added to support. It is calculated that although the burden in

expanded currency circulation may have to be borne, with this a large amount of funds will be released for exports to boost export competitiveness.

The simplification of export procedures is designed to raise the competitiveness of our exports by reducing various indirect costs attendant to exports. Until now the simplification of export procedures has been implemented several times in the past. The government declares that the recent measures to be epochal for boldly reducing whatever that may be reduced, even if it may entail some side effects. Currently ministries and offices are consulting on measures to simplify all export procedures, including the exemption of export inspection for small amounts of exports for less than \$10,000 or exports that have passed the buyers' inspection, custom duties refunding, and export financing. The government estimates that with the recent simplification of export procedures at least 200 billion won in incidental costs will be reduced.

It appears that with the recent measures the government has done everything it can. The rest is up to industries themselves to actively implement plant and equipment investment and research and development to upgrade quality, to produce new products, and to steadily penetrate the world market.

Inducement for Investment: Large Amounts of Released Funds Designed for Investment in Industrial Facilities

The government has proposed policy measures for strongly inducing stepped up investment, because since the beginning of this year plant and equipment investment in the private sector has tended to be extremely slow.

When investment, which is the basis for growth, is dull, all sectors of the economy, including commodity prices and employment, to say nothing of exports are bound to become depressed. Therefore, it appears that as far as the government is concerned, it has been left with no alternative but to seek various support measures as much as possible.

Since the beginning of this year, the fixed investment was increased only by 4.2 percent as of the end of May compared with the corresponding period of last year. Of this, the plant and equipment investment directly linked to production activity remained at a 6.9 percent increase. Compared with the corresponding period of last year when the fixed investment was increased by 15.6 percent, even if we take into account the business conditions of the nation, the analysis of this year's investment points to too slow a growth.

In spite of the fact that especially since the beginning of this year the currency circulation has been largely increased thanks to the measures to relax credit giving, the fact that investment has been slow suggests the seriousness of the matter.

Even at that, the fact that a considerable portion of investment has been used for consumption activities such as amusements is pointed out as a worrisome point. In the background is that while such a situation continues, the basis for strengthening the competitiveness of domestic industries cannot be largely expected, the government has decided to implement countermeasures for inducing investment during the latter half of the year.

Measures for promoting investment may be generally divided into five areas.

The government has declared first of all a policy of supporting, with priority plant and equipment investment, medium and small businesses.

It is designed to boldly revamp the financing climate that gives little or no benefit of credit to medium and small businesses, compared with major enterprises and thus to increase fund support to medium and small businesses.

The government has also decided to increase the ceiling of credit guarantee for these enterprises without capability for collateral from 300 billion won to 400 billion won.

Thirdly, it calls for reducing the period for depreciation for plant and equipment investment by enterprises.

It is to raise depreciation rates so as to increase amounts of disposals as losses, thus to reduce the tax burden of enterprises.

Fourthly, when enterprises do not gain tax deduction benefits for losses generated by technological and manpower development investment, tax reduction and exemption laws are revised so as to have enterprises gain exemption in the tax year with profit, thus it has been decided to introduce a carryover reduction system.

As of now, when enterprises provide new research and development facilities, they are to receive a 10 percent reduction from the taxable amount (8 percent for foreign-made facilities), and as much as 10 percent of the funds used for technological and manpower development may be deducted.

However, since these tax benefits are applicable only to the year concerned, when they incur losses, they cannot receive the deduction benefits. In the future, however, such losses can be deducted in the tax year with profit, that is, prescription can be transferred.

Lastly, the measures call for providing additional support even when the ceiling of export facilities fund set at now, 600 billion won, is all spent.

It is reported that as of now about 450 billion won of export facilities financing has been approved.

However, it is unknown how effective these measures for promoting investment will be.

Since the beginning of this year the government already supported a total of 823.8 billion won by the end of May for fixed investment, and this is a 37 percent increase over the corresponding period of last year.

In spite of this, the investment increase rate was largely reduced compared with the corresponding period of last year, because no other explanation

for this is available except that investment psychology of entrepreneurs was reduced.

For this reason, for the recent measures to be effective as expected, we cannot ignore the fact that together with the entrepreneurship of the industries, political and social stabilization to stimulate and create an investment climate must be urgently achieved.

10372/9435

CSO: 4107/249

JPRS-KAR-85-076
11 December 1985

S. KOREA/FOREIGN TRADE

ECONOMIC MISSION TO VISIT JAPAN TO PROMOTE EXPORTS

SK220321 Seoul YONHAP in English 0243 GMT 22 Oct 85

[Text] Seoul, 22 Oct (OANA-YONHAP)--A 43-member private South Korean economic mission will make a 6-day tour of Japan, beginning 28 October, to promote Korean exports to Japan, a Korea-Japan Economic Cooperation Council official said Tuesday.

During their stay in Japan, the Koreans are expected to urge Japanese business leaders to try to bring about a reduction in Korea's deficit in its trade with Japan, the official said.

The council put together the Korean delegation, headed by Pak Yong-hak, chairman of the Dainong business group, at the Plaza Hotel here on Tuesday morning.

Pak Tae-chun, council president, and other Korean business leaders and government officials attended the inaugural ceremony of the Korean mission. Among the members of the mission are representatives from 33 major Korean companies, including the Samsung, Dainong and Sunkyoung business groups.

The mission will be the third sent by Korea to Japan, in an effort to rectify the trade imbalance between the two nations through private-level discussions.

The members of the mission are scheduled to visit Tokyo, Nagoya and Kanazawa, where they will hold business talks with Japanese executives concerning exports of Korean commodities to Japan.

Korea sent a 193-member export promotion team to Japan on 20 May for a 12-day visit. Last September, it sent a similar mission to Japan to promote Korean textile exports to that nation.

/9604
CSO: 4100/021

S. KOREA/FOREIGN TRADE

ORGANIZATIONS TAKE ACTION AGAINST JENKINS BILL

Trade Union Federation Writes AFL-CIO

SK271256 Seoul YONHAP in English 1230 GMT 27 Oct 85

[Text] Seoul, 27 Oct (OANA-YONHAP)--The Federation of Korean Trade Unions Sunday asked the AFL-CIO of the United States to make every effort to blockade the so-called Jenkins Bill.

In a letter to Lane Kirkland, president of the AFL-CIO, the federation said that the retaliatory trade conflicts would deteriorate the traditional close relationship between U.S. and Asian countries including Korea.

If the Jenkins Bill is put into force, the Korean textile exports to the United States would be reduced by 35 percent, about 500 companies would be collapsed and more than 35,000 workers would lose their jobs, the federation said.

The Jenkins Bill, named the textiles and apparel trade enforcement of 1985, has already passed through the U.S. House of Representatives.

The bill is denounced as "an intolerable of the centuries discriminating the yellow people in Asia." It is applied only to the 11 Asian developing countries.

Textile Workers Union Holds Rally

SK251006 Seoul YONHAP in English 1000 GMT 25 Oct 85

[Text] Seoul, 25 Oct (YONHAP)--The Korean National Textile Workers' Union (KNTWU) Friday rallied against the Jenkins Bill, which, if enacted by the U.S. Congress, would severely restrict U.S. imports of textile products from Korea, Taiwan and Hong Kong.

About 200 representatives from KNTWU branches throughout the nation, including O Sok-chol, vice chairman of the union, participated in the rally, which was held in the auditorium of the Federation of Korea Trade Unions.

They adopted a six-point resolution that urged U.S. President Ronald Reagan to veto the Jenkins Bill. They also decided to launch a nationwide signature campaign, in an effort to block the passage of the bill.

The KNTWU warned that the Jenkins Bill, if enacted, would drive the textile industries and economies of the nations concerned to the point of economic chaos.

/9604

CSO: 4100/021

S. KOREA/FOREIGN TRADE

ROK TO PROCEED WITH MARKET-OPENING SCHEDULE

SK262345 Seoul THE KOREA HERALD in English 27 Oct 85 p 1

[Text] The mounting protectionist measures targeted for Korea by the United States notwithstanding, the government will go ahead in principle with its original market-opening timetable.

If and when the U.S. passes the controversial Jenkins Bill and other protectionist trade bills pending in the Congress, or if it starts a trade offensive against Korea invoking Section 301 of the U.S. Trade Act, the government will deal resolutely with the United States by taking proper countermeasures.

One possible retaliatory action is changing Korea's import source for major agricultural products from the United States to other countries. Korea imported some \$1.5 billion worth of raw cotton, wheat, corn and beans from the United States last year to become the fourth largest client for U.S. farmers.

These and other countermeasures pending against U.S. trade offensive were discussed at a meeting yesterday held at the Capitol Building under the chairmanship of Deputy Prime Minister Sin Pyong-hyon and attended by all economic ministers, including presidential senior secretary for economic affairs Sakong Ii.

Although details of the closed door meeting were not known immediately, Kim Ki-hwan, secretary general of the International Economic Policy Council (IEPC), said that the overall content of the government's market-opening measures will not be changed fundamentally.

The government was to announce the action program for market-opening measures last week, but the timetable was abruptly changed owing to the controversial 64 percent antidumping charge ruling on Korean-made photo albums.

More recently, the United States notified Korea of its decision to take retaliatory actions by invoking Section 301 of the U.S. Trade and Tariff Act if and when Korea fails to protect intellectual property rights of the United States. America also wants to open Korea's insurance markets to U.S. interests within 1 year through bilateral negotiations.

"Discussion at the Saturday morning session focused on measures countering the U.S. request to properly protect intellectual property rights in the immediate future," said Kim.

"We hope that the two countries could settle the trade dispute through negotiations over the next 1 year but we also have to prepare for possible one-side retaliatory action by the United States within a 1 year period," Kim said.

It is true that U.S. farm products have price advantage over other nations exporting farm goods, but the government is considering changing the import source in case of the unilateral retaliatory action by the United States, an IEPC official disclosed.

In the case of corn imports for animal feed making, for example, Korea's dependent ratio on the United States stood at 82 percent last year, but the ratio dropped to 47 percent as of the end of last September thanks to import source diversification efforts.

Among the agricultural exporting countries to which import sources could be switched are Argentina, Canada and Australia. In the meantime, the government is scheduled to announce the import liberalization program for the years of 1987 and 1988 sometime this week.

A total of 301 items are expected to be decontrolled from the import embargo list over the 2 years. In 1987, for example, a total of 160 items including small personal computers, razors and canned pork will be omitted from the import embargo list. A total of 141 items including VTRs and bean oil will be freed from the import embargo list in 1988.

The Korea-U.S. talks dealing with the intellectual property rights issue will be held in December for the first time, he added.

/9604

CSO: 4100/021

JPRS-KAR-85-076
11 December 1985

S. KOREA/FOREIGN TRADE

ROK CONSIDERING ORGANIZATION FOR EXTERNAL TRADE AFFAIRS

SK290311 Seoul YONHAP in English 0150 GMT 29 Oct 85

[Text] Seoul, 29 Oct (OANA-YONHAP)--To cope with the rapidly changing international trade environment, the South Korean Government is studying a plan to set up an organization that would deal exclusively with external trade affairs.

Korea's existing trade diplomacy system, which involves a diversify of government agencies, including the International Economic Policy Council and the Trade and Industry Ministry, cannot effectively cope with the changing foreign trade situation, government sources said Tuesday.

The organization would be similar to the U.S. Trade Representative Office, an exclusive trade organization under the direct control of the U.S. president, the sources said.

Korean Government ministries have discussed the necessity to streamline the diversified trade activities of several agencies because the existing system has many problems, they said.

The new trade organization would work out countermeasures against foreign pressure on Korea to open its markets and trade protectionism against Korean-made products. It would also try to preclude the filing of anti-dumping suits against Korean goods and to develop preventive measures by analyzing overseas market information, the sources said.

If foreign countries file anti-dumping suits or countervailing duties against Korean-made goods, the organization would work out effective countermeasures.

Private business circles, including the Korean Traders Association, have also recommended that the government set up a unified trade instrument in order to build a strong trade policy.

/9604
CSO: 4100/021

S. KOREA/FOREIGN TRADE

ROK TO PROCEED IMPORT LIBERALIZATION AS SCHEDULED

SK290042 Seoul THE KOREA HERALD in English 29 Oct 85 pp 1-2

[Text] The government will go ahead with its original schedule for import liberalization, while maintaining flexible positions in negotiations with the United States on the issue of protecting intellectual property rights, Deputy Prime Minister Sin Pyong-hyon said yesterday. "Our economic status in the world economy saw a remarkable growth and negotiations with the United States will be pursued on a give-and-take basis," Sin said.

He made the remarks in a press conference after he met economy-related ministers and leaders of the ruling Democratic Justice Party to realign countermeasures against mounting U.S. pressures on the Korean Government.

Sin said the government will announce tomorrow an import liberalization schedule through 1988. Some 603 commodities based on the CCCN classification formula are reportedly on the decontrol list.

The announcement will follow a meeting of the Industrial Policy Consultation Committee, chaired by the deputy prime minister, to be held tomorrow to screen the timetable for import liberalization.

"In negotiations with the United States on the issue of intellectual property rights, the government will be flexible and will ask for an easing of restrictions on the access of Korean commodities and services to the U.S. markets in pace with Korea's measures," the top economic administrator said.

Despite Korea's steady open-door policy, the United States is strengthening protectionist measures against imports of Korean products, while calling for Korea's opening of insurance markets to U.S. firms and protecting intellectual property rights in the immediate future. To that effect, President Ronald Reagan initiated Section 301 of the U.S. Trade and Tariff Act, under which the U.S. president can take retaliatory actions against imports of any Korean-made goods if Korea fails to comply with the U.S. request.

Touching on the mounting U.S. pressure on Korea, Sin said that "We should know the fact that the United States is dealing with the nation as a trading partner, not as an object for special preference, as Korea is the 14th biggest trading country around the world.

"We should make new approaches to the United States suitable to our world status, turning away from our ways of thinking in the past," Sin stressed.

He also said Koreans should understand the U.S. administration, which is opposed to U.S. Congress moves to enact a number of protectionist-oriented laws, including the Jenkins Bill, and which tries to ease worldwide trade restrictions in an effort to increase world trade volume.

Earlier yesterday, economic ministers huddled for a second day in a row to work out effective countermeasures to growing market-opening pressure from the United States.

Deputy Prime Minister Sin chaired the gathering which was also attended by Minister of Foreign Affairs Yi Won-kyong, Minister of Culture and Information Yi Won-hong, Minister of Science and Technology Kim Song-chin and Kim Ki-hwan, secretary general of the International Economic Policy Council.

Although details of the closed-door meeting were not available to the press, government sources said that flexible ways of countering the U.S. pressure in the areas of insurance, advertising, banking and other service industries, and intellectual property rights, were extensively discussed.

/9604

CSO: 4100/021

S. KOREA/FOREIGN TRADE

PROTECTION OF MATERIAL PATENT RIGHTS BENEFIT JAPAN

SK290112 Seoul THE KOREA TIMES in English 29 Oct 85 p 8

[Text] The protection of material patent rights, one of major issues causing Korea-U.S. trade disputes these days, will benefit Japan the most whereas the United States will gain rather meager benefits, the Korean Association of Specialty Chemical Industries revealed yesterday.

An analysis of Korea's importation of precision chemical products in 1984 showed that Japan accounted for 307 percent of the country's total chemical imports, while the United States took only a 13.6 percent portion. Switzerland and other Western European nations accounted for the remaining 55.7 percent.

If Korea decides to respect foreign patents, the domestic production of any chemical compound developed in a foreign country would not be permitted without first acquiring a license from that country.

Korea imported from Japan more than 40 percent of its total imports of important fine chemicals for photography-related materials, surface active agents, paint and print ink, and agricultural chemicals last year.

If the government gives in to U.S. pressure calling upon the early introduction of material patent rights, it will consequently serve the interest of Japan, which has enjoyed a huge trade surplus against Korea.

Because of the unstable industrial backwardness of Korean technology, it would be premature for Korea to immediately guarantee foreign chemical compound patent rights, the association said.

It has been pointed out that Japan did not protect chemical compound patent rights until 1976, when its per capita national income reached \$4,460. Switzerland, one of the leading countries in the fine chemical industries, did not recognize material patent rights until 1978, when its national income hit \$11,686, despite mounting foreign pressure.

Precision chemical products in Korea accounted for only 7.4 percent of the total chemicals that it produced last year, compared with 19 percent and 69.4 percent, respectively, in Japan and Switzerland.

In view of Korea's small-scale, fledging fine chemical industry, the protection of foreign chemical compound patent rights would be a "fatal" blow if granted without enough of a lead period, the association asserted.

/9604

CSO: 4100/021

S. KOREA/FOREIGN TRADE

BRIEFS

COMMITTEE ON TRADE--The Democratic Justice Party plans to seek the formation of an ad hoc National Assembly committee which will deal exclusively with trade issues with the United States. The plan is part of the ruling DJP's active efforts to help the government to cope effectively with the U.S. pressure for more access to Korean markets. Party spokesman Sim Myong-po said yesterday that the DJP will work out measures to support the government's efforts to deal with the U.S. pressure. The opinions of pertinent businesses will be reflected in drawing up the measures, the spokesman said. He added that the ruling party will also work on a plan to lobby the U.S. Congress and Government in connection with the trade friction.
[Text] [Seoul THE KOREA HERALD in English 27 Oct 85 p 1]

/9604

CSO: 4100/021

N. KOREA/ECONOMY

BENEFITS OF TIDELAND RECLAMATION

Pyongyang KOREA TODAY in English Nov 85 pp 5-8

[Article by Chon Bong Hun]

[Text]

The press in the DPRK recently reported that Korea's coastline is shortening. This does not mean any sudden diastrophism on our seashore. An African journalist who got this fantastic news wrote:

"When the terrible sand storms expand deserts and drive away farmers and their villages, Korea moves her coastline far into the sea, building new farm villages and obtaining fertile land. On the reclaimed tideland, there have already come into being the March 3 Farm, November 10 Youth Farm and other state-run farms, along with several hundred cooperative farm workteams and sub-workteams. The coastline stretches farther and farther away from the land."

This affords a glimpse of the fact that arable land is being expanded in the DPRK.

From the first days of nation-building it posed as a vital task to

increase arable land. Nearly 80 percent of Korea's land territory is mountainous, and the southern half of the country which had been called the nation's granary came under US occupation. The sown area of the northern half of the Republic was not large, and what was worse, it was devastated because of the Japanese imperialist colonial policy of plunder. It was no easy task to secure self-sufficiency in food in such a land.

It is the far-reaching plan of President Kim Il Sung and the will of our people to reform the country and build an ideal society of mankind. Therefore, our people made much efforts for nature-remaking projects to expand the cropping area systematically. In one year of 1948, they obtained 16,400 hectares of new arable land. During the hard days of the Fatherland Liberation War (June 1950-July 1953) the

reclamation of the northern plateaus of our country was started and orchards were built on hills in the outlying areas of Pyongyang. Even in the grim wartime which would decide the nation's destiny, President Kim Il Sung made a tour of these places to examine the soil and choose the sites of future farms and orchards and had necessary seeds and saplings provided for them. These episodes are still told and retold among our people like legends.

The history of Osudok, Miru Peneplain in Singye and other high and low lands and tidelands converted into farmlands is associated with President Kim Il Sung's guidance and loving care that touch people's heartstrings.

With the completion of the socialist transformation of agriculture after the war, our country conducted nature-remaking projects in real earnest to secure new arable land under a general plan of land development.

The cropping area systematically increased in the course of reclaiming new land, levelling and rezoning land and repairing rivers, streams and roads.

In the 1960s an all-nation movement was carried out to reclaim mountain slopes into orchards. During four and a half years from 1971 to late June 1975 the area of reclaimed tideland doubled; 203,000 hectares of farmland were levelled and rezoned; and the area of orchards augmented to 300,000

hectares. In the last two months of 1976 more than 14,600 hectares of new arable land were obtained.

As a whole, our arable land has increased considerably in a little more than 20 years since 1964 when the rural theses was published in our country.

At present the DPRK's farmland is two million hectares wide or 15 percent of our territory. If orchards and mulberry fields are excluded, the area of rice and dry fields is 1.6 million hectares. These figures are still unsatisfactory.

European countries' per-capita area of arable land is 0.3-0.5 hectare, some American countries' is 0.8-0.9 hectare whereas the DPRK's is less than 0.1 hectare, which is too small. But last year we yielded 10 million tons of grain on this land.

Our people are not content, however.

Data tell that the arable land on the globe has almost been reclaimed. Man's lust for better and more land is even developing into romantic fancies. For one, some scientists wonder if it would be possible to find ideal farmland outside our planet. Of course, it still remains a daydream.

We, too, want new fertile land. But we are meeting our desire on our own territory, not at some other places. As far as the food problem is concerned, we are going to reclaim 300,000 hectares of tideland and obtain 200,000 hectares of new land, so as to completely realize distribution according to demands.

This is a grand programme advanced by President Kim Il Sung and the Party.

The reclamation of 300,000 hectares of tideland on the west coast is on, along with the construction of the mammoth Nampo Lock Gate which dams up the rough sea for 8 kilometres and the giant Taechon Power Station. They will supply the reclaimed tideland with water.

There will be 500,000 hectares of new arable land in the near future, which is tantamount to about a third of the nation's cultivated land. This will be an epoch-making event in solving the problems of farmland and grain in our country.

Arable Land Protected and Rationally Used

According to data, formation of 25-30 cm-thick soil suited to tilling takes 3,000-12,000 years. But this soil may be lost because of torrential rains and other factors. This points to the urgent necessity to protect arable land. Particularly, our annual average precipitation is 1,000-1,200 mm and a greater part of it pours down in the rainy season between July and August. On top of this our fields in in-between and mountainous areas slope rapidly. Hence, special attention was paid to the protection of cultivated land in our country.

A European agronomist who had been in Korea last year was surprised to find crops in an excellent con-

dition in the sloping fields, and wondered how it was possible to farm at such places.

He was deeply impressed by an explanation of furrow farming and said: "I have recently read a treatise written by a doctor on this matter. If he had been in Korea, he would have finished his treatise earlier."

Needless to say, furrowing is not the only way to protect sloping fields. It is a traditional farming method conceived to apply to Korea's geographical conditions. Furrowing is a good agro-technical measure to prevent the sloping fields from being washed away and ensure their humidity. What is important in protecting arable land at present is to thoroughly prevent their conversion into deserts, environmental pollution and other natural factors.

According to data, Africa becomes desertic at an annual speed of 3-5 km, and worldwide, 2.7 million square km of land deteriorates every year owing to floods, droughts and other factors.

In Korea there is no tendency to be desertic. As basic measures to cope with natural damages we build terraced fields, improve rivers and streams and create forests.

Our people carried out an extensive undertaking to terrace all sloping fields. They built 2,600 hectares of terraced fields in two months after the 12th Plenary Meeting of the Fifth Central Committee of the Workers' Party of Korea (October 1976). 100

hectares of terraced fields were built in Kangdong County. This was not only important for land protection but also helped to increase the crops ten times.

Our perfect irrigation system, including over 1,700 reservoirs, large and small, and more than 40,000 km of channels, is an ideal man-made structure to protect land against flood.

In the first half year of 1967 alone pumps with a gross capacity of 515 tons of drainage per second were installed in more than 3,000 places throughout the nation, so as to drain the fields very quickly.

Afforestation and river-improvement projects are also going on successfully. Thousands of kilometres of dykes were constructed between 1964-1984 and an area of 200,000 hectares has been planted with tree saplings annually since our Party's Sixth Congress in October 1980.

The Mirim, Ponghwa and Nampo Lock Gates constructed on the Taedong River have become reliable "strongholds" to protect arable land in the river basin.

Land is damaged also by environmental pollution and other social factors. Developed countries lose every year at least 3,000 square km of first-class farmland owing to urban expansion. Some capitalist countries are reported to lose 4.3 percent or even 7.3 percent of their arable land.

Arable land is properly protected in our country thanks to the establishment of a well-regulated system of land protection and management which also covers forests and rivers.

As our farmland is limited and not so fertile, we efficiently work to improve it and use it intensively.

In the DPRK field-by-field soil analysis is conducted periodically, once in a year or two, of which we are legitimately proud. This kind of analysis is necessary for scientific manuring, crop distribution, land management and other purposes. It also is an important means of improving arable land and increasing the fertility.

Special researches and soil analysis need a vast amount of money, materials, equipment and manpower.

But our people overcome difficulties with revolutionary stamina, winning hopes on the future.

Grain output grows by one ton or more per hectare of improved farmland. Last year South Hwanghae Province yielded 1,517 kg more of maize per hectare than in 1983.

Our intensive farming method maximizes the productivity of land.

We develop the green revolution and cultivation techniques and, on this basis, plant crops twice or more closely than before. We call it plant-by-plant farming.

We established a scientific manuring system in keeping with the requirements of plant-by-plant farming to raise the fertility of soil; and we irrigate even the fields in in-between and mountainous areas and apply agro-techniques for intensive farming. The introduction of double cropping and the cultivation of vegetables stage by stage through intercrop and other cultivating methods help not only to greatly increase the land utilization rate but also use land space cubically.

As is seen above, expanding, properly protecting and using farmlands and increasing the output the DPRK, a grain-short area, has turned into an area with grain enough and to spare.

/9317
CSO: 4100/031

N. KOREA/ECONOMY

ACCOMPLISHMENTS OF MACHINE-BUILDING FACTORY

Pyongyang KOREA TODAY in English Nov 85 pp 13-14

[Article by Chon Jong Hun]

[Text]

The Taedong River flows by the Kumsong Tractor Plant, one of our powerful farm-machine production centres, as it turns westward past Kangson, the home of Chollima.

The great leader President Kim Il Sung said:

"Since we created this powerful engineering industry of our own through an arduous endeavour, we can have greater hopes for the future and advance ever more confidently towards a further victory."

The Kumsong Tractor Plant was built according to President Kim Il Sung's far-reaching plan to free our peasants from backbreaking work.

This large modern plant produces a great number of tractors and bulldozers for the agricultural and other sectors.

October 10, 1958 is an unforgettable day for the workers of this factory.

That day President Kim Il Sung visited this plant. He said that we should make tractors by our own efforts to develop agriculture as rapidly as industry and increase grain production and relieve the peasants of exhausting work, and gave this honourable task to the workers here.

At the time they had no experience, techniques or blueprints. But they manufactured a tractor in a little over 30 days with the revolutionary spirit of self-reliance.

President Kim Il Sung saw it and named it "Chollima".

The workers and technicians here laid the solid material and technical foundations of their factory and confidently manufactured new farm machines which suit the specific conditions of our country. I entered the factory, remembering the proud path of creation and victory which it had traversed.

Thousands of machines formed automatic lines, conveyor belts and

assembly lines and the interior of the plant resembled a "sea of machines". Overhead cableways and floor-level roller conveyors were busy carrying processed machine parts and "Chollima" tractors and other farm machines were being assembled on two lines in the centre of the plant, which was well air-conditioned. I walked over to a line of machines which were processing engine heads. When they produced the first tractor in 1958 the greatest problem this factory faced was how to make the engine head. They had hundreds of failures before perfecting it. But now they produce engine heads on the assembly line.

"The great leader President Kim Il Sung and the dear leader Comrade Kim Jong Il not only had this automated factory built for our workers, but also guided us wisely so that we could work miracles in production," said an official who has worked at this factory since they produced the first tractor. In 1972 an honourable task of increasing tractor production and upgrading their plant was set before the workers here. Before the farming season of 1973, they manufactured 6,000 tractors in excess of their production quota of 4,000, while modernizing their plant under difficult conditions.

At present the plant is able to manufacture tens of thousands of tractors a year. In addition, the performance of the tractors is excellent.

A little way down the Taedong River from this factory there stands another powerful industrial centre. It is the Taean Heavy Machine Complex. A nearby hill afforded a panoramic view of the complex. The silvery-roofed general processing shops Nos. 1 and 2, the sheet-metal processing shop, forging shop, cast steel and casting shops stood side by side, competing with each other to be the highest. Their magnificent appearance was an epitome of our developing machine-building industry. The chief engineer of the complex said to me:

"We have worked hard to modernize our complex under the banner of technical innovation. And we have increased production and consistently improved the quality of our products."

He added that during the 1960s they had carried out overall mechanization through the improvement of equipment and that in the 1970s they had turned their factory into a giant heavy-machine production centre.

They produced 5-kva autotransformers and 3-kw electromotors at first. But now they manufacture 200,000-kva transformers and 50,000-kva generators, turbines and other large electric machines and equipment to order. They have improved the quality of their products and expanded their range.

I first visited the transformer shop. The spacious shop was filled with assembled transformers and other electric machines. The shop head I met showed me how transformers were assembled. Several workers were assembling transformer bodies.

Machines started and assembling began. The assembly of transformers was hard work in the past. But it has now become pleasant. Low-efficiency machines are being replaced by modern ones. Workers are decreasing the assembly time of 200,000-kva transformers.

I next inspected general processing shop No. 2, which was filled with large machines.

My guide said that the shop had hundreds of machines.

Large machines were processing the body of a rolling mill several metres high and of the same width, weighing over 20 tons. This was a sight well worth seeing.

"There is nothing special in this. This shop processes items several

times larger than this. Look over there," said my guide. I looked in the direction in which he pointed. Workers were processing a large piece of equipment incomparably higher and wider than the body of the rolling mill. They were handling the machines skilfully and their faces were full of the spirit of struggle and advance.

The large lathe of general processing shop No. 1 was processing a huge piece of metal over ten metres long for the shaft of a generator.

When I expressed my surprise at its big size, a worker said that it weighed well over 50 tons. A little away from the lathe workteam, the 16-metre turning lathe was processing the body of a large turbine over 8 metres in diameter. The assembly shop was putting together generators.

I felt the pulse of my country advancing dynamically at this modern powerful giant machine-building centre.

/9317
CSO: 4100/032

END