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21 February 1986

# Korean Affairs Report

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INTER-KOREAN AFFAIRS

MINISTRY TO STEP UP EDUCATION ON INTER-KOREAN DIALOGUE

SK290227 Seoul YONHAP in English 0142 GMT 29 Jan 86

[Text] Seoul, 29 Jan (OANA-YONHAP)--South Korea, host of the 1986 Asian games and 1988 Olympics, will give special lessons to Korean students at all levels about the communist nations participating in those two international sports events, Education Minister Son Chae-Sok said Wednesday.

In his new year policy briefing to President Chon Tu-hwan, Son said that his ministry will "introduce to the students the real situations of the communist nations, using special textbooks that will be published under the supervision of experts." The textbooks will include information about history and economic development in each country.

South Korea, a staunch anti-communist country, does not have diplomatic relations with any communist nation, but it has sought to improve relations with the communist bloc since the early 1970s.

Regarding the ongoing dialogue with North Korea, Son continued, his ministry will step up education about the inter-Korean dialogue in order to enhance students' vigilance against communism and will permit no discussion of "illusive theories" about national reunification.

Son said that the education ministry will develop a new anti-communist theory in line with the era of dialogue, which the ministry will consider in publishing textbooks for the 1987 academic year.

To help resolve the financial difficulties of private colleges and universities that depend heavily on tuition, Son said his ministry will implement a new tuition system in the 1987 academic year, after consulting with pertinent government agencies.

Son said that the ministry will also revise laws in order to allow founders of colleges and universities and their family members to serve as deans and presidents.

To promote campus stability, Son said, he will direct colleges and universities to guide student activists through dialogue and persuasion and to strengthen student guidance activities, in order to prevent the establishment of illegal organizations on campus.

In addition, the ministry will strengthen ideology education, focusing on current issues in the fields of trade, economics, farming and fishing.

Son said he will not increase admission quotas for colleges and universities, except in advanced technological fields, in order to improve the quality of higher education and to abide by Korea's long-term manpower supply plan.

The education ministry will extend 47.5 billion won (U.S.\$53 million; U.S.\$1 is worth about 890 won) in financial support to provincial colleges and universities in order to improve their basic and welfare facilities this year, he said.

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INTER-KOREAN AFFAIRS

NORTH KOREAN POSTURE UNDER QUESTION

Red Cross Air Travel Rejected

Seoul SEOUL SINMUN in Korean 8 Nov 85 p 2

[Editorial: "Land Travel Between South and North Korea Not Inconvenient"]

[Text] Now that the 10th session of full talks between the South and North Korean Red Cross Societies is to be held in Seoul on the coming 26th, North Korea suggested on the 5th that future Red Cross missions use air travel between Seoul and Pyongyang. The Korean National Red Cross Society (KNRC) pointed out in a telephone message of the 7th the smoothness of the current transportation method, and responded with its preference for continuing the current practice in terms of offering transportation to both delegations.

Such an unexpected proposal by North Korea could be regarded in a way as a novel idea, but it makes one wonder why North Korea suddenly made such a proposal at this stage. This is because, as the KNRC already knows, to date there has been no occasion where the conference was hindered by any inconvenience in transportation.

As we have been watching the progress of the Red Cross talks so far, the North Koreans have always made things difficult by making proposals which have nothing to do with the purpose of the talks rather than talk about essential matters. In the early 1970's, they actually cut off the progress of the talks by making such political proposals as the abolition of the National Security Law and the Anticommunist law.

When the home visiting group and the art performance group made exchanges last September, they contributed, in effect but to a limited extent, to mutual understanding and the promotion of talks between South and North Korea; however, in a strict sense, they had little to do with the object of the Red Cross talks.

The true interest, both at home and abroad, in the talks between the South and North Korean Red Cross Societies now lies in how much South and North Korea can accomplish in agreements in the object of the talks rather than work on methods or procedures. Needless to say, the object of the Red Cross talks is integrated into five items for discussion, upon which both countries have already agreed. The issue, in essence, is to achieve substantial advancement in those five items.

As shown in past meetings, the formality of methods and procedures has nothing to do with a realization of the five items. This is because the ultimate object of the talks is to enable the 10 million dispersed families to meet and visit with freedom and even to reunite.

Through the home visiting groups' exchanges of last September, the 60 million people of the South and North have all seen how great the sorrow and pain of the dispersed families have been. We fully realize that the dividing wall is our tragedy that must be quickly demolished. In this respect, the Red Cross talks are a task that must be attained as soon as possible.

Whether the Red Cross talks mission should use an airplane between Seoul and Pyongyang is a secondary issue. It is an issue that will naturally be solved when an atmosphere of good faith is formed through successful talks. The Red Cross talks must begin with progress in essential matters.

#### War Projection in 3-4 Years

Seoul SEOUL SINMUN in Korean 8 Nov 85 p 1

[Text] The security condition report meeting for the Seoul region this year was held on the morning of 7 November in the small auditorium of the Sejong Cultural Hall in Seoul.

Attending this meeting were Prime Minister No Sin-yong, Deputy Prime Minister Sin Byong-hyon, Justice Minister Kim Song-gi, Physical Education Minister Yi Yong-ho, and Mayor Yom Bo-hyon of Seoul among the 450 people from every field, thus ensuring a solid front on security.

After the meeting, Prime Minister No, who could not attend this meeting before because of his schedule to attend the United Nations and visit the United States, invited the attendees to a luncheon at Sejong Hall.

Mr No pointed out: "The next 3-4 years will witness the greatest possibility that the North Korea will provoke an armed attack." He stressed that "in order to block the North Korean attack, political, economic, and social stability is more urgent than anything else." Mr No also said: "If our society enters a state of unrest, North Korea might be inclined to use its armed forces." He requested that "for the next 3-4 years, all 40 million people, regardless of whether they belong to the government or opposition parties, should move in unison to attain political, economic, and social stability."

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INTER-KOREAN AFFAIRS

NORTH KOREA'S 'TRUE MOTIVE' BEHIND THE ON-GOING DIALOGUE

Seoul CHUNGANG ILBO in Korean 25 Sep 85 p 3

[Article by Kim Hak-chun, National Assemblyman of the Democratic Justice Party: "What Is North Korea Seeking in the North-South Dialogue?"]

[Text] Forty years after the division took place, personnel and cultural exchanges, although on a limited basis, have materialized between North and South Korea.

Groups of members of displaced families in North and South Korea--traveling to visit their native places--and art performance troupes visited Seoul and Pyongyang on an exchange basis; thus an epoch-making chapter has been opened in the history of the division. At this historical juncture of transformation, which should be applauded nationally, I want to review here the current North-South relations and seek a prospect of their future.

Since the founding of the Fifth Republic, our government has been boldly tackling the fatherland unification question by putting up a series of proposals to the North, including those for "a talk between the highest authorities of the North and the South" and for "national harmony and democratic unification." However, North Korea consistently ignored our proposals for some time; but, from the fall of last year, it took part in the North-South dialogue. Then, what are the factors governing the background of North Korea's change in attitude?

First, changes in the PRC. The PRC intensified its policy of pragmatism, especially after the 12th party congress which was held in October 1982. It implemented a policy of modernization internally. Internationally, on the other hand, it sought a pro-Western open-door policy. And, toward North Korea, the PRC has been urging them to discard military adventurism toward the South and to take part in the North-South dialogue.

The PRC figured, if North Korea follows in the path of military adventurism toward the South and "a second 25 June Incident" breaks out in the Korean peninsula eventually, the PRC itself would inevitably get involved in the war in Korea, the PRC's cooperative relationship with the United States and Japan would break down, and the PRC's modernization policy would be slowed down. Such a calculation as this led the PRC to make intensive efforts to persuade the North Korean leaders to take part in the North-South dialogue.

Second, the terrorist bombing incident, which was launched against high ranking leaders of the ROK at Rangoon in October 1983. The government of Burma, a country of strict neutrality, made it public that that incident was caused by the North Korean authorities; and then Burma severed its relations with North Korea. Thus North Korea's prestige in the international community was lost outright. Even the PRC carried the Burmese government's announcement [regarding the incident] in its party organ, People's Daily and expressed dissatisfaction at North Korea's terrorism.

Thus North Korea started to seek a diplomatic measure to deal with the denunciation from the international community; and that was embodied in an offensive--the proposal for "the ROK-North Korea-United States tripartite talk"--launched since January 1984. However, it must be pointed out here that the tripartite talk proposal has a dual structure.

Namely, it is proposed that North Korea and the United States first hold a talk and discuss in fact the issue of withdrawal of U.S. forces in the ROK, and that, in the process of the talk, an agreement be reached on the participation of the ROK representative in the talk. Such a proposal has an ulterior motive for accelerating withdrawal of U.S. forces in the ROK, weakening the ROK's security establishment, lowering the international status of the ROK government, and thereby creating an impression, internationally, that North Korea is the only lawful government in the Korean peninsula.

With a full understanding of the points cited above, the United States rejected the proposal for a tripartite talk and has been urging [North Korea] to hold the North-South dialogue before anything else. It has been making it clear that, only when the North-South dialogue makes a considerable progress and there comes a clear prospect that a peace structure will be built on the Korean peninsula, can the United States hold a talk with North Korea.

Third, the most conspicuous problems that the North Korean society is faced with is how to stabilize the Kim Chong-il establishment and how to overcome economic difficulties.

The two problems are in a simultaneous tangle.

As we all know well, the political work of making Kim Il-song's eldest son Kim Chong-il as his successor began in 1973. After many turns and twists, it came to a finish at the Sixth Congress of the Worker's Party which was held in October 1980.

From then till today, North Korea, in fact, has been under the "joint rule establishment" of Kim Il-song, and his son.

By means of a thoroughgoing control and a compound establishment of coercion and indoctrination, a cult of personality was established toward Kim Il-song, and his son; and the dynastic hereditary succession system has been maintained in a stable condition through the cult of personality. However, as concluded by Dr Vincent Brandt in his anthropological analysis, the morale of the populace of North Korea is generally in stagnancy. It is not improbable that such

a stagnancy of their morale will eventually lead to the proliferation of dissatisfaction with the feudalistic succession of power.

Such a situation as this has been combined with economic difficulty. According to the Economic Information Analysis Research Institute in London, which, taking a neutral stand, is carefully monitoring reports and broadcasts of North Korea daily, the North Korean authorities have continuously been emphasizing, during the recent few years, the importance of "an ideological indoctrination," through which the mental attitude of those workers who expect too much material compensation may be transformed into a revolutionary service attitude; and they have been pointing out in their indoctrination that their economic difficulties would not be overcome without a success in such "an ideological indoctrination." While placing emphasis on such "an ideological indoctrination," they have been attempting to introduce capital and technology from the West (especially from Japan), although within a restricted limit.

Such complicated circumstances within North Korea have made North Korea choose the way of taking part in the North-South dialogue. In other words for paraphrasing, first, North Korea wants to find a breakthrough in the North-South dialogue in order to prevent their populace's complaint about Kim Chong-il's succession of power and the economic difficulties from coming to the surface. Second, the West (especially Japan), whom North Korea regarded as a nation which would cooperate with North Korea in reducing economic difficulties in North Korea, and whom North Korea attempted to approach, emphatically pointed out that the West would be able to increase economic cooperation with North Korea only when the tension in the Korean peninsula is eased, before anything else, through the North-South dialogue.

Third, North Korea has its own interpretation of the domestic situation of the ROK. According to the dogmatic and communist revolutionary viewpoint entertained by the North Korean leading stratum, the ROK is faced with a catastrophic danger due to its internal conflicts. Therefore, North Korea believes that, if it makes the best use of the mechanism called the North-South dialogue, the internal conflicts in the ROK could be led in the direction of a "South Korean revolution."

In the above, North Korea's attitude toward the North-South dialogue is reviewed briefly. What must be pointed out comprehensively here is that North Korea's understanding of the North-South dialogue is different from that of ours. Whereas we regard first of all the North-South dialogue as a means of easing tension in the Korean peninsula, North Korea regards it as a means of creating a fantasy on the part of the ROK people regarding the North Korean communist group and the unification problem. Furthermore, North Korea is using the North-South dialogue as a means of accelerating the withdrawal of U.S. forces in the ROK by creating an international impression that the North-South dialogue has made a considerable progress and by creating an atmosphere representing a voice that "then there is no need for the U.S. forces to stay in the ROK."

North Korea wants to transform the North-South Korean relations into the pre-1975 North-South Vietnamese relations. In other words, it wants to turn the

situation in the Korean peninsula into the pre-communization-unification situation in Vietnam. In this context, it is noteworthy that North Korea has been stepping up military cooperation with the Soviet Union since Kim Il-song's visit to Moscow in May 1984.

Under such circumstances within and outside the Korean peninsula, our ROK's policy that must be sought first toward North Korea is "the normalization of relations" between North and South Korea.

The North-South Korean relations must be transformed into the West-East German relations by concluding tentative agreements governing the basic relations between North and South Korea--such as a non-aggression agreement between the North and the South, on the establishment of permanent liaison missions of the North and the South respectively in Pyongyang and Seoul, on mutual restraints on the armament race between the North and the South, and [an agreement] on stepping up exchanges and cooperation between North and South Korea. And, thereby, the divided structure in the Korean peninsula must be stabilized. Only when the current division in the Korean peninsula--"an unstable type"--is transformed into "a stable type", can the foundation be laid for national unification.

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INTER-KOREAN AFFAIRS

NORTH KOREAN WAR PREPAREDNESS EXAMINED

Seoul CHUNGANG ILBO in Korean 20 Aug 85 p 3

[Article by reporter Chin Chang-uk: "North Korea's War Preparedness"]

[Text] North Korea has the strongest military force in Asia and nobody knows when it may invade the South.

North Korea's military forces have doubled from the 440,000 of 15 years ago to 840,000 today.

The North Korean military, which has the largest number of men under arms in Asia after Communist China, has carried out a rapid modernization of its land, sea, and air forces' equipment and weapons to achieve a tremendous qualitative change. It possesses 3,100 tanks, 550 ships including 20 submarines, and 1,441 airplanes including the Soviet Union's newest fighter, the MIG-23.

In particular, by reorganizing its entire military into offensive units and deploying them in battle formation along the DMZ, the North Korean military is maintaining an aggressive posture that belies its diplomatic peace offensive.

North Korea's offensive organization and deployment reflect the North Korean posture for invasion of the South about which the American Department of State, Joint Chiefs of Staff, and the 8th Army have warned several times.

North Korea has emphasized mobility in the strengthening of its military, establishing an 80,000-man special attack craft force and river-crossing regiment for crossing the Imjin River, a rapid deployment unit of 250 aircraft capable of transporting a force of 2,500 soldiers, and a rapid deployment fleet capable of transporting large-scale forces, while strengthening its mechanized divisions.

Also, while deploying its military airbases, field artillery, and mechanized divisions within 40-60 km of the DMZ and establishing 100 underground attack bases in the DMZ, North Korea has been preparing for a sneak attack by digging tunnels to infiltrate their forces into the rear areas and deploying their armored divisions in concentrations along the western frontline.

This organization and deployment of North Korea's military are designed for a lightning sneak attack that will render impotent 20 percent of the ROK's military within 90 seconds of the opening of the attack.

North Korea is using 21.6 percent of its GNP to maintain this offensive military force. The people of North Korea are suffering under the burden of military expenditures which are more than three times those of the ROK, where national defense uses only 6 percent of the GNP.

Just as dangerous as the North Korean military's external scale and operations is the North Korean development of its military technology to the degree that it can produce its own aircraft and missiles and the North Korean possession of chemical and biological weapons.

Hastening to copy the 300-km-range SCUD missile provided by the Soviet Union, North Korea has already test-fired its own missile several times; even frontline rifle units have chemical weapons, and North Korea is known to have developed and even tested on living creatures germ weapons during the past 25 years.

Along with this quantitative and qualitative enhancement of the North Korean military, the establishment of a military committee to plan for the invasion of the South shows that Kim Il-song has not deviated in the slightest from the principle of reunification by force which he has maintained over the last 30-odd years.

Kim Il-song established his military committee not only for an attack on the South by using the military imbalance between North and South, but also in preparation for an opportunity to invade the South by taking advantage of any break in American aid to the ROK that might occur as a result of changes in the international situation.

With 750,000 persons now under arms, the North Korean military has 3 mechanized corps, 80 combat divisions, 50 infantry divisions, 8 armored divisions and regiments, 3,100 tanks including 3,000 T-62 heavy tanks, 1,500 armored personnel carriers, 13,900 pieces of artillery including 3,300 field artillery and 9,000 mortars, 2,000 multiple-rocket launcher units, and 15 FROG missile units; with the recent receipt from the Soviet Union of the medium-range SCUD missile, North Korea has large-scale offensive firepower.

With a complement of 35,000 sailors, North Korea's navy has a total of 550 ships, including 20 attack submarines at 25 naval bases.

The North Korean navy is also on an attack footing, having large-size transport craft, landing craft, and planning operations to seal off and infiltrate the ROK's coastline at the same time the army invades the South.

With 55,000 airmen, the North Korean air force has been increasing the speed of its modernization recently, receiving four MIG-23 fighters from the Soviet Union.

In addition to its 640 fighters, the North Korean air force also has a transport capacity of 400 aircraft including 250 Antohov-2 aircraft and 150 helicopters; North Korea recently also smuggled in 87 American-made Hughes helicopters to enhance even further its transport capabilities.

These enhanced transport capabilities also form an offensive organization; coming after pre-emptive air strikes, they are designed to transport a large number of troops into the ROK rear areas to carry out disruptive operations.

The North Korean military is continuing to carry out night training jointly between army's special attack craft units and the air force, showing a sharp contrast to the defensive strategy of the ROK military.

The strengthening of North Korea's military forces along with the enhancement of North Korea's attack capabilities increases the possibility of actual military activity as a variable of North Korea's internal politics, putting the countries of Northeast Asia on their guard.

The concern of military specialists is that Kim Il-song will use military action against the South to resolve the internal political problems arising from Kim's passing power to his son Kim Chong-il.

With a ratio of soldiers to population of 34.9 to 1,000, North Korea has the second highest ratio in the world, next only to Israel.

This excess of military power is a threat to the security of the ROK because of the possibility that it may sometime find an outlet and explode.

#### Army

Manpower	75,000
Special manpower	8,000
Reserves	5,000,000
Tanks	3,100
Armored vehicles	1,500
Self-propelled artillery	1,500
Field artillery	3,400
Multiple rocket (launcher) units	2,000
Mortars	9,000
Antitank guns	24,000
Antiaircraft artillery	10,000
(FROG) missile units	15,000

#### Navy

Manpower	33,000
Bases	20-25
Ships	550
Submarines	20

[Continued on following page]

**Air Force**

<b>Manpower</b>	<b>55,000</b>
<b>Total aircraft</b>	<b>1,441</b>
<b>Jet fighters (MIG 15, 17, 19, 21)</b>	<b>640</b>
<b>(50 MIG-21's expected to be introduced)</b>	
<b>Jet airbases</b>	<b>21</b>

**Source: American 8th Army Commanding General Livsey's presentation on North Korea's military strength given to the Yonsei University Public Administration Graduate School on 22 May 1985.**

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## S. KOREA/POLITICS AND GOVERNMENT

### CONSTITUTIONAL REVISION ISSUE POLARIZES PARTY STANDS

Seoul TONGA ILBO in Korean 13 Nov 85 p 3

[Text] The constitutional issue, which is the greatest political question pending in the 12th National Assembly session, has just given the Operations Committee a taste of the internal battle. Although the constitutional discussion is expected to experience many complications because of the entirely different positions between the government party and the opposition party, the fact that the formal discussion has begun could have a great deal of political meaning. Let's take a look at the circumstances of the constitutional amendment special committee issue put before the Operations Committee and the positions of the DJP and the NKDP

#### Democratic Justice Party

The guiding principles of the National Assembly operation during the DJP budget committee's active period can be summarized as systematic operations and tactical elasticity.

Here, systematic operations mean to stop, if possible, linking the budget deliberations and resolutions with the political bills which the opposition party put up, and elasticity means the DJP's willingness to deal fairly with the issues of resolving the formation of the constitutional amendment special committee and the formation of the investigation committee on torture, the campus, the Communist Chinese plane, etc.

However, this is only a theoretical ground the DJP can clarify; the DJP is expected to face a tough situation near the end of the month when the question of the constitutional amendment special committee, which may well be the greatest political issue of all, becomes a major issue.

In dealing with the constitutional amendment issues, the DJP will probably not cause any friction against the opposition party in technical matters involving a discussion of the pros and cons and the voting issues; on the other hand, it will be difficult for the DJP to go along with everything that the opposition party demands because it once agreed to the presentation and proposal.

The achievement of mutual consent on the presentation of the constitutional amendment special committee issue, which was expected to witness a somewhat stormy passage between the government party and the opposition party, could be due to the DJP's decision.

Although majority leader Yi Se-gi upheld his "attempt to lead the operation onto the right path," the following judgment seems to be in order: there is no need to create a politically tight-fisted impression from the beginning if the issue must be brought up in any case; it could be a chance to reward the opposition party's cooperation toward the normal operation of the National Assembly during the standing committee's active period, and the already damaged political image from the National Assembly vice-speaker controversy should not be made worse.

However, in the first place, given the DJP's difficult position to take the "advance political negotiations" at face value, which the NKDP proposed in relation to the constitutional amendment issue, the present cruise will likely be short-lived.

It would be difficult for the DJP, which has been adhering to absolute protection of the constitution, to accept the leaders' meetings concerning the constitutional amendment issue; thus, except for the general conference, the window of conversation between the government party and the opposition party will likely be more tightly closed for a while. Only if some sort of representatives' meeting can be arranged to justify some other cause, may room be found for an exchange of opinions in a roundabout way.

According to its basic position, the DJP plans to deal with the pending political questions including the constitutional amendment and the administrative, investigations only after 2 December, which is the deadline for the budget resolution.

Although this is based on the principle of separating the budget from other political issues, the possibility of a prompt decision cannot be ruled out in the case of the NKDP's strong demand to proceed with the constitutional amendment issue in the last stage of the Budget Committee session. In this case, the National Assembly will face a difficult situation and will experience a unilateral resolution of the budget; but given that the DJP is not willing to be drawn blindly at the NKDP's insistence, giving it a quick and easy death is still a possibility. It is just that the DJP's strategy will become complex in this case because the fast-paced debate of the constitutional amendment issue in the Assembly hall could quickly become a fight outside the hall.

#### New Korea Democratic Party

The NKDP, which pledged itself to the movement of constitutional amendment during the general election campaign of 12 February, carries a heavy burden of having to support the movement of a constitutional amendment and make the most of its faithfulness during the remaining period of the regular National Assembly session including the Budget Committee's active period, thereby developing at least "negotiations for a constitutional amendment."

The NKDP plans to comply with the Budget Committee's formation insofar as the proposal to form the constitutional amendment special committee is enunciated, but it has also set a provisional plan to treat the discussion of the pros and

cons and the political consultation in connection with the Budget Committee's passage of the budget (29 November) and the resolution of the main session (2 December).

In relation to this, NKDP leader Kim Dong-yong expressed his strong support by saying that he "will enlist a large number of leading figures including the party's vice governors in order to make a stepping stone of the Budget Committee for the constitutional amendment fight", furthermore, regarding NKDP leader Yi Se-gi's speech at the executive meeting on the 12th that "the constitution could change with the times," which was clearly Mr Yi's personal opinion, Mr. Kim uses it beliberately as a basis for a selfish optimism.

However, the NKDP's hidden agony begins from the moment at which the constitutional amendment issue is formally brought up before the Operations Committee. This is precisely because only a pointless frustration will result from such a standard textbook procedure of proposal enunciation, discussion of the pros and cons, and rejection, thereby necessitating some other urgent strategic plans.

Thus, the NKDP's major strategic frame of reference for the constitutional amendment movement consists of groping for some sort of breakthrough on the constitutional amendment issue through a political compromise on the testing of multilateral contacts with the DJP while keeping up the Budget Committee fight, where the new year's budget is now held as hostage.

In reality, when the NKDP continues in the background to signal the DJP to negotiate forming just the "constitutional amendment special committee," while vigorously saying, "We will have to walk out from the very moment when the DJP handles the budget unilaterally without mutual consent on the constitutional amendment issue," it is just part of the NKDP's attempt to overcome politically the "minority's limits." This is because the obvious results of a vote could bring a worse condition than the stalling of issues; thus the NKDP must be cautious.

Through such intricacies, the NKDP will make the Budget Committee a scaled-down main session and launch a series of political attacks, while continually attempting to hold executive meetings with the DJP, a representatives' meeting, and a political leaders' meeting aside from the ordinary conversational windows, thereby continuously pursuing the case to make it a political issue.

In this course, the NKDP is also taking precautions against losing an opportunity to fight outside the Assembly hall in case the constitutional amendment special committee formation issue, the introduction of which was accepted by the DJP, is voted down near the end of the session.

Accordingly, the NKDP will probably refuse the usual five-subcommittee operations of the Budget Committee, insist upon departmental budget deliberations at the plenary session of the Budget Committee, and direct a concentrated attack against a constitutional amendment with all kinds of pending political questions once a small-scale main session is established, thereby searching for the DJP's last card on the constitutional amendment issue.

The result of the NKDP's double-sided strategy of a fast fight and negotiations will depend on the conditions of the DJP's defense arrangements, but the NKDP's ultimate target is apparently to uphold at least its cause to carry the constitutional issue over to the next session, although it could mean something like "see you next spring." The NKDP, which is pressed from outside while having internal complications, is no longer in a position to deal with "deficits disposal" except for "carrying things forward with provisos."

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S. KOREA/POLITICS AND GOVERNMENT

AFTERMATH OF VICE-SPEAKER ELECTIONS UNCERTAIN

Seoul SEOUL SINMUN in Korean 5 Nov 85 p 3

[Text] The National Assembly, which skidded due to the shock waves of the vice-speaker election of 28 October, will again strive for normalization from the 5th, but a rough journey seems to lie ahead.

This is not only because of the unsettled emotional state between the government party and the opposition party, which has worsened since the vice-speaker incident, but also because of indications that the opposition parties will altogether ignite a floor conflict with all kinds of pending political questions which have been hidden so far.

In an interview on the 4th, NDP governor Yi Min-u attacked the DJP again with such violent words as breach of promise, anger, betrayal, etc. regarding the recent vice-speaker incident and showed that his emotions had not cooled down at all.

In case of the DJP, although representative member No Tae-u expressed his regret three times so far for the sake of making a formal apology to the public and the opposition parties regarding the vice-speaker incident, the day's accident is, in fact, interpreted internally as "a product of heaven's will" and "a manifestation of heartfelt patriotism."

Moreover, the breakdown of official communication channels, due to the vice-speaker wave, between the government party and the opposition party is still so irksome and inconvenient that it is no exaggeration to say that the condition is one of unrest in need of a resolution.

In particular, the NDP guidance division not only intends to make the next National Assembly session, when it is put into operation again, a main fighting ground for the constitutional amendment at which only a hint has been given so far but also regards it as a good chance to turn the eyes of the intraparty conflict, which arose from the vice-speaker incident, to outside the party. Accordingly, the NDP's strong attack is expected to provoke a big storm in the operation of the National Assembly from the beginning of the normalization period.

As it was repeatedly proclaimed in the interview with Governor Yi on the 4th, the NDP has decided to devote all its energy to the realization of the

constitutional amendment special committee, which is being stalled at the steering committee during this active period of the standing committee.

It is the NDP's strategy to link the formation of the constitutional amendment special committee with the standing committees as well as the budget deliberation activities; thus the weather map of the steering committee, which will now work out the issues of forming the constitutional amendment special committee, will apparently exert a large influence on the overall operations of all other standing committees.

In order to keep encouraging such a combative atmosphere for the constitutional amendment, during this active period of the standing committee which will last until the 12th, not only is the NDP focusing its policy questions on a statement of constitutional amendment logic, but it has also prepared an internal strategy of keeping up the activities of the standing committee even during the budget committee's active period, along with the standing committee's emphasis on such hard-pressed inquiries as the accusation and disclosure of irregularities and corruption, suppression of the press, human rights issues, campus problems, democracy, labor problems, etc.

In accordance with such strategies, the NDP will likely unfold a fierce political offensive by aiming at the Legislation and Judiciary Committee and the Home Affairs Committee concerning the affairs of two assemblymen, Pak, Chan-jong and Cho Sun-hyong, for reinstatement of an amnesty for Kim Dae-jung and others, for a summons to the three assembly aides, and for the student demonstrations; the National Defense Committee concerning the Communist Chinese plane's emergency landing and the Kwangju incident; the Education and Information Committee concerning the campus incidents and the problems of press and speech; and the Finance Committee concerning revision of the tax reduction law.

In particular, the NDP will certainly hold the budget deliberation activities and the passage of the draft budget as "Hostages" in an attempt to realize the formation of a constitutional amendment special committee, and thus it is anticipated that on 13 November, which is the day scheduled for the formation of the Budget Committee at the conclusion of each standing committee's preliminary examinations of the new year's budget, will become the major climax where the wind of the National Assembly's future can be forecast.

In preparation against the offensive waves from all standing committees to be launched in accordance with the NDP's constitutional amendment offensive, the DJP is known to have established concentrated defense plans designed to treat strong attacks as a walkout and a unilateral operation when the opposition parties use the privilege of exemption to violate the National Assembly law and the activity law.

When representative No instructed, while repeatedly stressing "solidarity" in joint meeting with the National Assembly standing committee chairman and the city and provincial subdivision managers on 2 November, that "the standing committee's operation should not focus on the opposition party but on what the public demands," that "full care be exercised to oppose the opposition party's attempt at a constitutional amendment," and that "no excuse be allowed for

disapproval of legitimacy and speeches inflicting harm on the national security and debasing the military," they were all suggestive of the DJP's policy to oppose strong attacks.

While the DJP maintained that the regular session of the National Assembly should focus its operation on the budget resolution because its primary purpose is for the budget, it has strongly indicated that it is willing to carry out a unilateral resolution of the budget as well as the unilateral running of the National Assembly if the NDP delays the formation of the Budget committee on 13 November.

Moreover, regarding the opposition party's plans for the constitutional amendment special committee, the Kwangju incident investigation special committee, and the incident of the Communist Chinese plane, the DJP "intends to launch a fair and open fight rather than resort to petty tricks."

With regard to the deliberations on the constitutional amendment special committee formation bill, which was submitted by the opposition party and is presently stalled, the DJP plans to deal flexibly with situations, while studying the following three options: stalling immediately after being put before the operation committee, stalling after a discussion of the pros and cons when brought up, or voting it down after a discussion of the pros and cons. However, its position against the formation of the special committee has not changed.

Considering the firm positions of the DJP and the NDP with absolutely no room to give in, it is difficult to say that the recent normalization attempt was an effort at settlement; it was only an attempt to find a fighting ground.

In addition, remembering the fact that the National Assembly had repeatedly experienced skidding and limping because of unexpected minor incidents and accompanying problems ever since the opening of the regular session on 20 September, and based on the fact that normalization was attempted in spite of worsened conditions far from any settlement of the "sensitive, acute atmosphere of confrontation between the government party and the opposition party," one is led to suspect that both the government party and the opposition party are in search of a final justification to rationalize something.

However, light could be shed on a paradox that such a deadlocked condition might pave the way to wider negotiations through which problems are solved from a broader viewpoint with a more accurate analysis of the current situation.

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S. KOREA/MILITARY AFFAIRS

PAPER COMMENTS ON SIGNIFICANCE OF MILITARY CONFERENCE

Seoul CHUNGANG ILBO in Korean 22 Nov 85 p 2

[Editorial: "Military Commanders Conference"]

[Text] The conference of principal commanders of the military services that opened on 21 November at the Ministry of National Defense, though an annual occurrence, draws attention on this occasion because it takes place at a time of extraordinary military stirrings in North Korea.

The ministry disclosed in an analysis of recent trends in North Korea that the North, while showing no sincerity in three sets of South-North talks, starting with the Red Cross talks currently underway, is continuously strengthening its military forces, which are chiefly oriented to a surprise attack, through such means as the deployment of 65 percent of its total military forces within 80 M of the cease-fire line and the introduction of its latest weaponry such as MiG-23 fighters and SCUD missiles.

There is no need to explain at length the need to maintain fully our national defense posture without a single fissure in order to oppose these kinds of activities by the North Korean side, which has not given up its wild fantasies of unification under communism and which continually causes a situation of heightened military tension.

Nonetheless, with local disputes and with the expansion of trade friction that stresses only the material advantages of freedom, the international situation is, as before, uncertain. Though some factors directly linked with the "Korean peninsula"--such as U.S.-Soviet relations and U.S.-China relations--may seem to be resolved in part, the situation is ripe for disappointment when things are considered from the standpoint of fundamental changes.

Recently North Korea has made its pro-Soviet tilt even more open, and by giving Soviet military aircraft the right to fly through North Korean airspace North Korea has increased Sino-Soviet rivalry over North Korea and is attempting to shatter the South-North military balance. This directly reveals its bellicose character.

Because of excessive military expenditures in North Korea, the standard of living of the ordinary people deteriorates and discontent increases daily; our

military believes that it is also having to incur immense additional expenditures to replace outworn equipment.

Moreover, in its impatient awareness that it may not be able to recover from inferiority, in all aspects, should we successfully carry out the two great athletic events scheduled for 1986 and 1988, it might carry out an ill-advised military provocation before it has lost its position of military superiority.

The way to prevent North Korea from being able to carry out that kind of playing with fire, it does not need to be repeated, is nothing less than a posture of complete war readiness.

Military strength is the most urgent thing, but the first priority for that is the establishment, in cooperation with the U.S. military, of an early warning system and of an air defense system.

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S. KOREA/ECONOMY

NEW INDUSTRIAL LAW AIMED AT EFFICIENT INDUSTRIAL STRUCTURE

Key Points of Industrial Law

Seoul HANGUK KYONGJE SINMUN in Korean 12 Sep 85 p 3

[Text] Chapter 1. General Rules

Basic Direction of the Industry Development Policy: The government shall set forth policies of reinforcing foundation for the following: the improvement of industrial technology and increase in productivity; efficient use and development of resources; protection of environment; bringing up man power; improvement of international trade balance; and self-sustenance of manufacturing industry.

Chapter 2 Acceleration of Rationalization of Manufacturing Industry

Designation of Business Type to Be Rationalized: (1) Upon receipt of an application, the minister of commerce and industry may designate a business body as an objective of rationalization provided that the business body meets the following requirements for the objective: among those business bodies which are regarded as essential for the industrial development and the wholesome production that are to be carried out through the improvement of international competitive capability: when the productivity may be conspicuously increased through improving production capability or improving equipment; when the resources conservation effect and value added increase effect are great; and when the international competitive capability of those business bodies may be improved by eliminating common bottlenecks in production and business activities. Furthermore, the objectives include those business bodies in which there are fears of long-standing inappropriateness of the scale of production and business activities and inappropriate mode of production, due to the changes in domestic conditions, including those in industrial structure.

In the case of those business bodies, which meet requirements for the objectives of rationalization but whose managers can hardly be expected to submit application for rationalization, the minister of commerce and industry may designate them as objectives of rationalization.

**Setting Forth Rationalization Plans:** The minister of commerce and industry shall set forth rationalization plans with a time limit for each business type of all those objectives of rationalization and shall make them public. The rationalization plans shall include the rationalization of production scales, turning the business into a joint body, the professionalization of production items, setting forth limits to or prohibition of new installation, expansion, and renovation, and plans for transforming business.

**Implementing Rationalization Work:** Rationalization plans shall be implemented independently by the manager of the designated business body; however, in the case of those business bodies whose rationalization may hardly be carried out through its independent efforts alone, the minister of commerce and industry may give necessary advice or make necessary coordination.

**Registration:** When it is deemed necessary for an effective implementation of rationalization plans, the minister of commerce and industry may instruct managers or managers-to-be of business bodies designated as objectives of rationalization to register the content and facilities of business with the government. (Requirements for registration shall be laid down in a Presidential decree.)

**Supports:** Necessary supports, including financial and taxational ones, may be rendered to those who implement rationalization work.

### Chapter 3. Improvement of Industrial Technology and Productivity

**Encouragement for the Improvement of Industrial Technology and Productivity:** The minister of commerce and industry shall render encouragement for the implementation of the following necessary works for improvement of industrial technology and productivity: (1) the establishment of business enterprise research institutes; (2) formation of a union of research in industrial technology in compliance with the Law Governing Acceleration of Technological Development; (3) the increase in investments in research and development; (4) active implementation of the works designed to accelerate the development of industrial technology; (5) active use of the guidances projects of professional organizations related to technology, including the professional research institutes established in compliance with the Law Governing the Up Bringing of Specific Research Institutes; (6) the introduction of advanced foreign technology; and (7) others.

**Setting Forth Industrial Foundation Technology Improvement Plans:** The minister of commerce and industry shall map out technology improvement plans and carry them out in the following fields: technological bottlenecks common to industries; and in the technological field where technological improvement may hardly be expected to be made through efforts of business bodies alone.

**Industrial Foundation Technology Development Work:** (1) In consultation with the minister of science and technology, the minister of commerce and industry may instruct the following organizations to carry out technological development works: the national and public research organizations; those research institutes which carry out work in compliance with the Law Governing

the Up Bringing of Specific Research Institutes; business enterprises research institutes and industrial technology research associations; and colleges and universities or professional colleges;

(2) The government may render support to defray all or part of the expenses needed in the industrial foundation technology development works.

Work of Accelerating Industrial Technology Development: the minister of commerce and industry shall carry out work designed to develop and utilize technology for the benefit of those who are engaged in the following works: technology assessment work; work designed to facilitate civilian utilization of facilities and equipment of experiments and research; work designed to accelerate joint research of business bodies with academic circles and the government; work designed to circulate information of technology and research; the acceleration of introducing developed technology into business enterprises; and other work. (2) The minister of commerce and industry may request that man power be allocated or facilities be utilized to meet the needs in research institutes, industrial technology research associations, and colleges and universities or professional colleges for the purpose of implementing work designed to accelerate the development of industrial technology.

Support of Those Corporations Which Have Developed or Applied New Technology and Are Introducing It Into Business and Whose Primary Function Is To Invest in the Corporations: necessary policies shall be set forth in order to foster those corporations which have developed or applied new technology and are introducing it into business and whose primary function is to invest in the corporations.

Productivity Headquarters: the Korean Productivity Headquarters shall be established in order to carry out efficiently and systematically a work designed to improve productivity of industries.

#### Chapter 4. Fund for Highly Advancing Industrial Structure

Establishment of Fund: (1) a fund shall be created to advance industrial structure; (2) the fund shall be raised from: the government funds or loans; funds of business bodies, etc.; income funds to be created through the utilization of the fund; and other funds that may be designated in a Presidential decree; (3) the fund shall be used to implement the rationalization plan, to carry out the plan designed to improve industrial foundation technology; and to render assistance in the works being carried out by the Productivity Headquarters.

#### Chapter 5. Industrial Structure Council and Business Enterprises Organization

Industrial Structure Council: (1) An Industrial Structure Council shall be established in order to set forth rational industrial policies by maximally converging knowledge and views of experts in the fields related with industries and to seek advices regarding matters essential to the

implementation of this law. (2) Matters concerning the organization and operation of the Council shall be laid down in a Presidential decree.

**Business Enterprise Organization:** Industrial business enterprises may establish an organization of business enterprises by the type of enterprises with the authorization of the minister of commerce and industry. (2) The business enterprises organizations shall carry out the research designed to seek the direction of development of the type of enterprises in question, the work designed to rationalize industries, and the work designed to improve productivity.

**Mutual Aid Work:** Industrial business enterprises may establish the following organizations: (1) a mutual aid organization for machinery designed to provide a guarantee for quality and against defects of machinery; and (2) a mutual aid organization for shipbuilding designed to provide a guarantee for the compensation for damage caused by an accident of a ship which is under construction or whose construction has been completed but which has not been delivered yet.

#### Chapter 6. Supplementary Regulations

**Relationship with Other Laws:** The Law Governing Monopoly Restriction and Fair Trade shall not be applied for the implementation of rationalization plans and for joint actions taken in compliance with instructions of the minister of commerce and industry regarding the coordination of works. However, the minister of commerce and industry must consult with the minister of economic planning in the cases when he plans to map out plans or implement measures.

**Penal Regulations:** (1) A fine of less than 10,000,000 won shall be imposed upon a violation of the measure taken against those business enterprises which have not complied with advice or coordination provided by the minister of commerce and industry; and (2) a fine of less than 5,000,000 won shall be imposed upon a failure in the registration or change of registration required in the course of implementing rationalization plans.

**Negligence Fine:** A negligence fine of less than 5,000,000 won shall be imposed upon a failure in submitting data by a business enterprise designated as a rationalization objective or upon submission of false data.

**Additional Regulations: Abolition of Other Laws:** The following laws shall be abolished: the Law Governing the Promotion of the Machine Industry; the Law Governing the Promotion of Shipbuilding Industry; the Law Governing the Promotion of the Electronics Industry; the Law Governing the Fostering of the Steel Industry; the Law Governing the Refining of Nonferrous Metals; the Law Governing the Fostering of the Petrochemical Industry; and the Law Governing the Acceleration of Modernization of the Textile Industry.

**Transitional Measure for Productivity Headquarters:** While this law is taking effect, the Korean Productivity Headquarters, a foundation, shall be regarded as an entity already established.

Transitional Measure for Funds: while this law is taking effect, the following funds shall be regarded as a fund for greatly advancing industrial structure: the fund for the promotion of the machine industry; the fund for the promotion of the electronic industry; and the fund for the modernization of the textile industry.

Transitional Measure for Organizations of Business Enterprises: While this law is taking effect, the following organizations shall be regarded as entities already established: the Association for the Promotion of the Machine Industry; the Association for the Promotion of the Electronics Industry; and the Federation of Textile Industry.

Transitional Measure for the Mutual Aid Organization for Shipbuilding: Until when the mutual aid organization for shipbuilding is established in compliance with this law, the Shipbuilding Mutual Aid Fund shall be under the management of the Korean Cooperative Association of Shipbuilding Industry and the Korean Society of Shipbuilding Industry.

#### Intent of New Industrial Law

Seoul HANGUK KYONGJE SINMUN in Korean 12 Sep 85 p 3

[Article by An Kwang-ku, chief of Industrial Policy Bureau, Ministry of Commerce and Industry: "Upbuilding of a New Industrial Policy System; 'ROK Within the World'--Intense Competition Is Urgent; Laws Related to Growing Period Lose Effectiveness; Reconsolidation and Reinforcement Are Inevitable; Supports by Type of Business Are Only for 'Rationalization Objectives'; Autonomy-Based ... Experts-Centered Operation of 'Industrial Structure Council' Is Desirable; Intent and Substance of the Industrial Development Law Bill"]

[Text] Even in the early 1960's, our country was one of the most underdeveloped countries whose per capita annual income was at the \$80 level. Now our country's per capita income has risen to the \$2,000 level. Our GNP in gross ranks 21st in the world; and our per capita GNP 41st (34th when OPEC are excluded). The total amount of our exports ranks 15th. While achieving these increases, our industry has played a literally pivotal role.

During the First 5-year Plan period, the percentage of contribution of the growth of manufacturing industry made to the growth of the GNP in gross was 18.4 percent; during the Second 5-year Plan period 33.2 percent; during the third period 36.9 percent; during the fourth period 48.4 percent; and in 1984 56.0 percent.

Today, various plants and factories, which are 4,154 in number, and which stand on an area of land that occupies only 0.54 percent of the whole land of our country, bear the burden of 30 percent of the GNP in gross, 95 percent of exports, and 23 percent of the total number of employed workers. This fact again reminds us of the weight of industry in achieving our growths.

While achieving this growth, the following laws have backed up the development of industries in terms of the system: the Law Governing the Promotion of the Machine Industry (Enacted in 1967); the Law Governing the Promotion of the Shipbuilding Industry (1967); the Law Governing the Promotion of the Electric Industry (1969); the Law Governing the Fostering of the Petrochemical Industry (1970); the Law Governing the Fostering of the Steel Industry (1970); the Law Governing the Refining of Nonferrous Metals (1971); and the Law Governing the Acceleration of Moderization of the Textile Industry (1979).

These very laws were the codification of the government's strong will to back up, in terms of the system, the following trends of the times: that during the first half of the 1960's, in particular, the work of reinforcing indirectly centers of society, which was designed to lay the foundation for the industrial growth, made progress to some extent, and thus that the industrial development began to be made on a full scale in the Second 5-year Plan period.

These laws had to have special characteristics in terms of their system and content because of the peculiarity of their purposes and the conditions in which they were enacted.

First of all, the concepts of wide control and of the fostering based on the government assistance was dominant.

Under the circumstances governing too scarce resources at that time, objectives of distribution had to be restricted to those fields selected by means of the government policies to promote industries.

Therefore, these laws laid down specific standards in each of the fields in question and allowed only those business bodies which had reached those standards to "register with the government and to receive the government aid; or even the installation of manufacturing facilities of plants required the government's sanction in advance under the laws; and, in extreme cases, those laws laid down provisions through which the government may interfere with the business bodies regarding the manufacturing process. (Although such a sanction system may not always be the reasons for the following fact, needless to say: the number of manufacturing business bodies in our country, 41,000, compared with those of others, shows a big difference from that of Taiwan, 116,000, and that of Japan, 437,000--this fact gives us many suggestions.)

Secondly those laws came to cover aid objectives comprehensively and to express aid desires directly and strongly.

Each of those special laws, enacted by the type of field--such as that of machine industry or textile industry--although it was designed to work for a specific field--was supposed to cover all industries in that specific field. Accordingly, as for aid objectives, too, the laws governing the machine and textile industries for example were designed to cover all aid objectives in the machine industry or textile industry. Furthermore, those laws expressed the intention of rendering positive assistance, by employing all possible methods, in order to foster industries in such specific fields. For example,

there were provisions governing the establishment of special development areas or the reduction in utility charge rates or, even better than these, the possibility of rendering subsidies to specific types of business bodies.

Thirdly, these laws, at an early stage of their growth, have been rated as follows: that they placed more emphasis on the apparent growth; and that their provisions for the improvement of competing capability of industries were comparatively insufficient.

Although there were many provisions, for each field, of how to enlarge production scale and what sort of assistance should be rendered in order to accelerate that enlargement, there were practically no provisions which were designed to strengthen the competing capability of industries by means of their efforts to increase productivity, to develop technology, and to improve quality. Indeed there were some such provisions only in formality; but they had very little concrete substance in them and carried out practically no function. For example, there were such articles as regarding "the rationalization plan for such and such industry"; however, there were practically no achievements made through implementing such articles.

Fourthly, these laws had characteristics that policies set forth in them were mapped through the initiative taken by the government.

Although this was due to the situation of that time when, at an early stage of development, the most well-organized knowledge and information in the country were mostly concentrated in the government quarter, decisions of policy making in each of those laws and the implementation of those decisions came on the basis of limited manpower, time, and information on the part of the government rather than on the basis of a wide consensus.

It is a fact that these characteristics cited above were inevitable choices under the circumstances of the time when those laws were enacted--during the period from the end of the 1960's to the early 1970's. However, it became imperative that those laws be reexamined to the bottom in light of the recent domestic situation and of response to policies of the government.

First of all, in view of international conditions, it is not an exaggeration to say that our recent circumstances are such that we are in an establishment of the so-called all directional competition of the dimension of "the ROK industry within the world."

Above all, our manufactured goods have come into a competitive relationship with the industries of advanced countries, who imposed import restrictions upon our goods (as much as 41.2 percent of the total amount of exports to advanced countries during 1984 were under import restrictions). A step by step keen competition is going on daily with those countries which are in a direct competitive relationship with us (especially newly emerging industrial countries). And even those less developed countries, which are more backward than our country, are actively pursuing us. (For example, the percentage of our country's exports of the total imports of the United States was 1.8 in

1980 and increased to 3.0 in 1984; while that of the PRC increased from 0.4 to 1.0--more than twice.)

Under such circumstances as these, it has become urgently necessary for our industries to put an end to their old-fashioned management practices at an earliest date and to lay firmly a foundation for the competing capability with which they could subsist and develop in newly developing conditions for competition.

Furthermore, various necessities have come up in terms of domestic circumstances. We have so far consistently launched policies designed to induce industries and individual business enterprises to develop their own wholesome and strong resources.

First of all, domestic competition was to be introduced. In order to introduce it, the Fair Trade Law was enacted in 1981. Since then, we have made efforts to curb the abuse of a position capable of controlling the market; and we also have continuously launched measures designed to make monetary functions autonomous.

Next, overseas competition was to be introduced. For example, the percentage of liberalization of imports in the 1970's (54.4) has been consistently increased so far; and, in July 1985, it was increased up to 87.7. In the aspect of tariff rates, the average tariff rates among all industries in the early 1970's was 38.7 percent and today--in 1985--the tariff rates have been reduced down to 21.4 percent.

Furthermore, what I would like to point out here in connection with motives for designing new laws is the fact that the foundation for industrial development was also changed compared with that in the early 1970's when the existing laws were enacted.

Above all, the production scale of industries was enlarged 8.9 times compared to that of 1970. And during that interval, the number of business bodies, too, was increased almost double--from 24,000 to 41,000.

Furthermore, in the aspect of savings, domestic savings occupied 15.7 percent of the overall investment percentage that stood at 25.3 percent in 1970. In the case of 1984, the investment percentage was 30.0 percent that included 27.4 percent, domestic savings (accordingly, the percentage of dependency was 91.3 percent.) Thus the investment resources have been greatly reinforced.

In the aspect of manpower, too, the number of bachelors degree holders is increasing annually by 90,000, triple of the previous annual increase; that of masters degree holders by 15,000, 7.5 times the previous annual increase; and that of doctors degree holders by over 1,000, 5 times of the previous annual increase. The number of personnel working overseas was at the level of 400 in 1970; but, at the present, more than 6,000 persons are actively working overseas all over the world. A total of 270,000 persons are traveling abroad every year. Thus the national resources for business activities have been increased greatly.

In addition to these, the number of cars has reached over a million. The number of telephones has increased to 7 million from 750,000 during the past 15 years. Thus the very foundation for the development of industries has changed too much from the early development level of the late 1960's. This very fact has made it imperative for us to map out the new industrial policies commensurate with these changes cited above.

The ministry of commerce and industry has recently drawn up an Industrial Development Law (draft) in conformity with the recent economic trends, domestic and international, and trends of the government policies, as depicted in the above. A gist of the major intents of the law is as follows:

First of all, the law is designed to lay firmly a foundation for making private industries autonomous. In order to do so, the law is going to abolish resolutely various restrictions (registration of business bodies and of facilities) cited above and to establish a system of industrial development which is based on market principles and an autonomous economic system.

Second, the law is going to put to practical use a system of "planned rationalization" that is needed in some industrial fields-- as a measure not exceptional to market economy principles but designed to accelerate more complete implementations of those principles.

This issue even became a topic of the most heated discussions held in the course of extensive debates that took place among the organizations interested after the new law (draft) was constituted on an interim basis. And I want to point out here that this issue was incorporated in this law as a complementary device in a field which is regarded as essential in our realities.

The objectives of rationalization plans were laid down, with their time focus placed on the "competitive capability," into the following two fields: (1) the field for which the government and business circles cooperate with each other in order to enhance them effectively until the competitive capability is attained; and (2) the field in which the disposition (curtailment of facilities; changes in the type of business, etc.) of the industries in question is to be carried out systematically--the type of business which is losing its competitive capability in terms of its structure.

Such objective fields as these will be selected in principle through voluntary applications by business circles and through deliberations of the Industrial Structure Council. In the process of implementing the rationalization plans also, the implementation shall be carried out in principle through independent efforts of business bodies; and, only within the necessary minimum limits, the government's assistance may be rendered or the system of registration, etc. may be implemented.

Thirdly, the policy of assisting industries will be consolidated again by means of the law. From now on, the assistance by the type of business will be rendered only to those types of business of "the rationalization plan" objectives. Accordingly, the assistance to business circles will be rendered, through changes in policy in conformity with the policy of rendering

assistance "by the type of functions"; and emphasis will be placed on efforts to seek the improvement in technology and productivity.

In order to do so, the minister of commerce and industry is planning to set forth "plans for the improvement of industries foundation technology" and to depute the research and development to research institutes, etc. in order to back up the plans, or to render assistance in actively carrying out the works designed to accelerate experiments, research, development, and technological improvement.

It is also being planned, as part of such assistance plans, to consolidate various existing funds and to establish and operate" a fund for greatly advancing industrial structure."

Fourthly, the system of implementing industrial policies will be improved. In order to see it that all information provided by those experts (business circles, academic circles, and research institutes, etc.), who are equipped with expert knowledge and views regarding industries, will be compiled and that the best policies will be mapped, it is being planned that "the Industrial Structure Council," too, will be guided in the direction in which it may be operated substantially and practically.

We expect that the new law bill will provide momentum so great successes may be scored in the implementation of industrial policies from now on.

The establishment of a system of autonomous competition among private business bodies will effect an industrial constitution of living a life self-discipline amid competition in the business enterprise climate. And in the process of seeking a policy of reinforcing or disposing such a system in terms of competing capability and in the process of setting forth a system of assistance by the type of function rather than by the type of business bodies, we may expect progress in highly advancing a spontaneous and efficient structure.

Under the policy establishment in which a consensus of various circles is to be sought, we expect that policy implementation errors will be reduced to the minimum, that various circles will highly respond to the policy itself, and that the policy will be implemented effectively.

Fifteen years have elapsed since the enactment of the existing law; in 15 years from now, we must bring about an advanced industrial society without fail by the 2,000's. The mission of manufacturing industries has again come under a new spotlight at this juncture.

By the year of 2000, our GNP scale will reach \$250 billion (based on the 1984 uniform price standard). Our country will become one of the major economic nations 15th in rank. Exports of goods, too, will reach \$230 billion; and they will reach \$454 billion in terms of the gross scale of trade of goods.

Thus the per capita GNP, too, will reach \$3,000 in 1991--it was at the \$2,000 level in 1984. It is foreseen that it will reach the \$5,000 level in the year

2000. It is expected that, in the course of effecting such a growth as this, the field of industries will continuously play major roles. In view of all this, I want to point out emphatically here that the mission of the new law of the ministry of commerce and industry is as great as ever.

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CSO: 4107/007

JPRS-KAR-86-008  
21 February 1986

## S. KOREA/SOCIAL CONDITIONS

### FIRST AIDS PATIENTS IDENTIFIED

Seoul CHUNGANG ILBO in Korean 9 Nov 85 p 7

[Text] The first AIDS patients were identified in a military campside town in Tongduchon City, Kyonggi Province, and authorities of the Ministry of Health and Social Affairs and the U.S. armed forces in Korea have rushed to prevent an epidemic.

In addition, while the authorities are searching for gay bar workers in Itaewon, Seoul, who had contact with the U.S. soldier who was sent home sick after having been identified as an AIDS patient last September, the National Institute of Health officials are conducting serum diagnoses for the 54 homosexuals who might have caught AIDS at the Itaewon gay bars in Seoul, a secret rendezvous for homosexuals.

Since two American AIDS patients were forced to depart from Korea, the U.S. 8th Army has also been increasing the serum diagnosis for the American soldiers among those with a history of venereal infection who have donated blood.

### Tracing the Homosexuals

A search is being conducted for the Korean homosexuals who disappeared since an X-ray technician (24) of the U.S. armed forces in Korea was deported in September after having been identified as an AIDS patient.

The disease prevention authorities searched all over Itaewon, Seoul, a domestic homosexuals' hotbed visited frequently by American soldiers, but as the search turned out to be unsuccessful, Seoul city officials conducted a serum diagnosis on the 2d for the 54 homosexuals in this whole district, requested the National Institute of Health to examine whether AIDS was contracted, and are now waiting for the results.

The American soldier with AIDS, who came to Korea in April but was forced to depart after 5 months, is at present undergoing medical treatment at Walter Reed Hospital in San Francisco. [as published]

### Suspected Case

In September, AIDS symptoms were detected in a beauty shop's female employee during the process of periodic environment and health examination for those

engaged in food and entertainment businesses in Tongduchon, a military campside town, and the epidemiology investigators of the Ministry of Health and Social Affairs have been watching for 2 months.

A serum diagnosis on this patient resulted in a much higher numerical value (of Elisa Test), which shows whether AIDS was contracted or not, than that of a normal person.

"Not only because of the high numerical value of the test but also because of the extreme cases where symptoms show up only after 5 years due to the long latency period, we are continually focusing on the case in order to determine whether or not the disease is in progress," according to an official at the Ministry of Health and Social Affairs.

#### Preventive Measures Against Epidemics

In order to prevent a domestic inflow of AIDS, permission to import blood is given only to those with the exporter's official approval of a completed safety inspection, and an information exchange system has been established with the U.S. 8th Army and other foreigners' clinics.

At the same time, all medical institutions are required to report immediately to and request the National Institute of Health to conduct a serum diagnosis when a suspected patient shows the first symptoms of AIDS such as Swollen lymph nodes followed by weight loss accompanied by general prostration.

#### Present Condition of Gay Bars in Seoul

According to the data recently submitted to the National Assembly by the Ministry of Health and Social Affairs, it was revealed that there is a heavy concentration of gay bars in the districts of Itaewon and Hannamdong, Seoul.

In the case of Seoul, the identified ones currently in business include Yobo, Boccacio, Yurak, Yowang, Robbinse, and Nazarino located in Hannamdong, and Yolae in Itaewon, and there are 48 gay workers; over 100 homosexuals are estimated to use these businesses as a main base.

#### AIDS

Not to mention America and Europe, the disease has even continued to spread to communist countries, and at present over 16,000 patients have been identified worldwide. It is estimated that over 6,000 people have died.

AIDS is contracted through homosexual relations or through the blood of homosexuals, but recently new theories have shown that it can also be infectious through a patient's tears or saliva.

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S. KOREA/SOCIAL CONDITIONS

NATIONAL SURVEY COMMEMORATING 39 YEARS OF KYONGHYANG SINMUN

Seoul KYONGHYANG SINMUN in Korean 5 Oct 85 pp 9-10

[Text] This year marks the 40th anniversary of the restoration of independence. It is also a very meaningful year since it commemorates the 35 years since the Korean War. To date, our country has repeatedly undergone attention-getting growth in all political, economic, social, and cultural areas, in addition to a relatively increasing public consciousness. But this, in fact, imposes on us many tasks to be worked out, such as conflicts and competition among profit-making organizations, rising expectations about economic conditions, and political aspirations. Thus, as part of the special edition in commemoration of the 39 years since its founding, KYONGHYANG SINMUN conducted a national survey of public opinion in each field.

Survey Methods--In this national survey, the universe consisted of a total population of 23,987,830 who are over 20 years old, which was divided into a sample of 1,000 and surveyed by sex, age, region, and district population.

Especially with regard to the social class, the consciousness of social class that was found in previous national surveys (i.e., the ratio of 1, 7, and 2 for the upper, middle, and lower classes, respectively) was repeated so that samples can be extracted equally from each class.

Insofar as educational level is concerned, because of certain difficulties in the questionnaire, the actual ratio of 5.3, 1.9, 2.1, and 1 for the graduates of elementary school, junior high school, senior high school, and college, respectively, was revised to assign a heavier weight to the higher levels, hence 2, 3, 4.5 and 2.5, respectively. In this survey, 50 college students from the social sciences who are familiar with social survey methods conducted direct interviews from 15-19 September. The total response was 1,037, of which the effective response rate was 99.3 percent, and the data were processed through the SPSS program by the company's data-processing team.

Politics--According to the national opinion poll, the greatest influential forces on Korean politics were, in order, the president (25.12 percent), the political parties (16.12 percent), and the National Assembly (10 percent). Next in line were students (6.34 percent), bureaucrats (4.08 percent), the non-government parties (3.98 percent), the business world (2.91 percent), the press (2.39 percent), the judicial authorities (2.17 percent), and the workers and their unions (2.04 percent).

With regard to the performance of politicians, only 16.8 percent of the respondents said that "the politicians are doing their duties and responsibilities," but 74.5 percent said that "they are not," thereby flatly indicating a large decline of public confidence in politicians. Among those who said that the politicians are doing their duty, the educational level of college or above was 6.9 percent, and none came from the upper class of professionals, administrators, and technical experts, which is a vital point calling for the attention of politicians.

With regard to the Democracy Movement Association, which is a political force outside the National Assembly, opinion was divided between a negative viewpoint (i.e., 11.5 percent for a complete blockade and 25.2 percent for a sublation where possible) and a positive viewpoint (i.e., 27.8 percent considered it inevitable and 10 percent considered it an insignificant issue). While people in their 20's and 30's and college graduates were positive, people in their 40's and older, those with a high school education or below were negative, and 25.5 percent indicated unawareness, which proved that the Democracy Movement Association issued is a subtle issue in politics.

The image of the National Assembly was more negative than positive. Among the 10 items rated, only 3 showed more positive ratings than negative ones, such as an institution that puts the nation in practice, and institution aiming at the unification of public opinion, and an institution that helps national life. The rest were: difficult to approach, unreliable, inefficient, unable to understand details of its activities, none of my business, only a formality, and dishonest in debating national affairs.

People also expressed dissatisfaction with the National Assembly's deliberations on national affairs. Shown in the survey were: 5.1 percent for sufficient deliberation, 26.5 percent for generally good, 39.3 percent for not so good, 7.0 percent for not good at all, and 21.9 percent for unfamiliar. By educational level 67.1 percent of the intellectuals with a college education or above showed strong dissatisfaction, and by social class 50-60 percent of those in the middle and upper class expressed dissatisfaction.

To a question concerning how well public opinion is reflected in national deliberations, 21.3 percent showed "being reflected," and 69.9 percent showed "not being reflected." Over 70 percent of those in their 20's, 30's, and 40's who possess a desire for social speeches and activities indicated dissatisfaction with a "not being reflected," and 50-62 percent of those in their 50's and 60's agreed with this assessment.

The reasons for the public voice not being reflected well in national deliberations were, in order, excessive party interests (33.4 percent), the government party's one-way operation (22.7 percent), lack of interest by the political parties and National Assembly members (11.6 percent), and the opposition parties' extreme behavior (7.1 percent). This is analyzed as a general assessment that party politics favors party interests more than it promotes the national welfare.

With regard to a peaceful turnover of political power in 1988, which is the national desire, 38.3 percent said it "will be realized," 45.7 percent

expressed their reservations by saying they "won't know until then," and 10 percent reacted negatively.

By age group, the positive reaction of those in their 20's, 30's, and 40's was 36 percent and of those in their 50's and 60's was 43-48 percent.



Chart 1.

1. Do you think the National Assembly sufficiently deliberates bills?
2. Sufficient
3. Generally good
4. Not too good
5. Not good at all
6. Unfamiliar

Economy--To the economic question "which do you think is more important, stability or growth?" 61.3 percent of the respondents chose stability, 32.8 percent viewed growth as more important, and 5.8 percent were not sure.

This can be seen as support for the administration's economic stabilization policy. Of particular importance was that while more women (63 percent), who are in charge of housekeeping, than men (59.9 percent) favored economic stabilization, 36.9 percent of those in their 30's, who make up the backbone of economic activity, insisted upon economic growth.

With regard to the domestic corporations' business conditions, 33.3 percent felt that there was a serious recession, and 51.7 percent felt that there was a somewhat difficult situation.

Only 8.6 percent regarded it as nothing in particular to worry about. By region, those who thought that there was a "very serious recession" were, in order, from, Seoul (39.3 percent), Kyonggi (34.9 percent), Kyongsang (34.6 percent), Chonla (30.1 percent), Chungchong (22.3 percent), and Kangwon (19.5 percent).

Concerning the liberalization policy, which is also a matter of public interest, 42.4 percent responded with either "inevitable" or "it must be promoted," and 48.3 percent said "it must be suppressed."

By social class, the upper class made up the majority of those with the "inevitable" or "promotional" opinion, which is 52 percent, and the middle and upper-middle classes with the "suppression" opinion were 50.6 percent and 55.6 percent, respectively, thereby indicating a good contrast. By occupation, the "suppression" opinion was, in order, held by bureaucrats (66.7 percent), students (63.4 percent), and manufacturers (52.9 percent), while the "inevitable and promotional" side was, in order, held by businessmen (57.5 percent), technicians (45.7 percent), and housewives (45 percent).

The respondents were generally critical of the images of large corporations and their stockholders. The negative viewpoint was an exceptionally large 75 percent, including too much selfishness (28.6 percent), lack of long-term insight and social responsibility (23.7 percent), speculative and preferential inclination (19.4 percent), and comprador capitalist (3.3 percent). In contrast, the positive reaction was only 25 percent, including contributing source to economic development (10.4 percent), native capitalist (5.3 percent), creativity and industriousness (4.5 percent), and fighting spirit (4.1 percent).

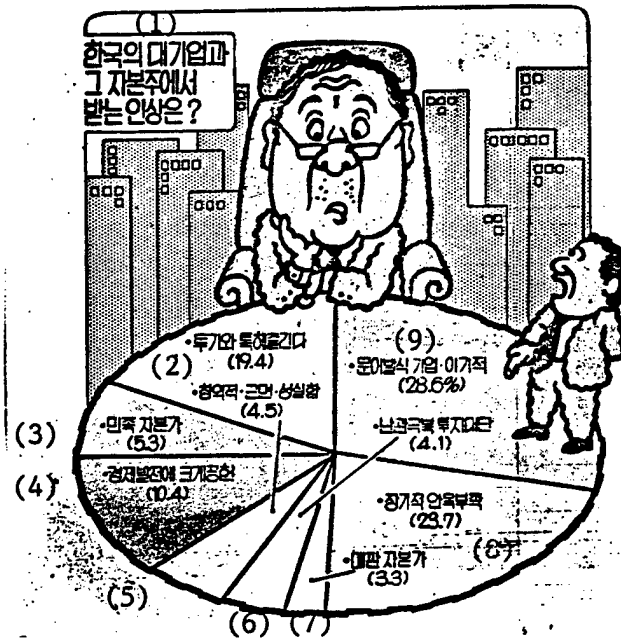


Chart 2.

1. What do you think of the images of large corporations and their stockholders?
2. Speculative and preferential inclination
3. Native capitalist
4. A large contributor to economic development
5. Creativity, industriousness, and faithfulness
6. High spirit on overcoming difficulties
7. Comprador capitalist
8. Lack of long-term insight
9. Selfishness

Society--It was revealed that a little over half of the people in our country feel that they are under the protection of the law. To the question "do you feel you are protected by the law?" 53.9 percent responded "yes" and 43.3 percent answered "no."

With regard to public officials' rejection of solicitations and their integrity, people indicated a gradually improving trend compared to the 1970's.

While 45.4 percent responded positively, 41 percent spoke of no change, and 6.3 percent said the situation has worsened. Such a situation hints that the administration's continuing cleanup movement is effective, but that the upholding of a correct attitude by public officials is still in demand. Windows for public contact also by many areas in need of improvement. While 40.1 percent viewed the situation as "improved," 49.9 percent still held the negative viewpoint of "still the same or worse."

By age group, those in their 20's were most negative (52 percent), compared with those in their 30's or older, whose ratings slightly exceeded the average. But the fact that more negative viewpoints came from female respondents than males was because women frequently use such front windows for civil petitions as the village office and the ward office, thereby necessitating a continuous improvement of contact offices.

National Life--More than half of the people of this nation enjoyed a vacation this summer. Those who took a vacation were 53.8 percent, and those who did not were 46.2 percent. When city and rural communities are compared, more city residents (56.3 percent) than rural people (46.6 percent) had taken a vacation, as expected.

In terms of location, it was, in order, to the mountains and valleys (28.7 percent), the sea (13.3 percent), suburban pools (3.1 percent), and hot-spring hotel pools (2.2 percent).

When asked if they went to sports programs or games, 60.5 percent of the responses were "yes," and 39.2 percent were "not very often or never." The positive responses of those in their 30's (67.7 percent) and 40's (61 percent) who are in the economically active class were comparable with those in their 20's (63 percent), vividly reminding us of the correlations between complex modern life, health, and leisure.

By social class, the middle class tends to enjoy sports more, and no significant difference was found between city and rural communities.

With regard to participation in cultural events, most respondents chose movies (70 percent), but over 70 percent said they do not attend a play, art exhibition, concert, or folk art festival even once a year, thereby pointing out the urgency to expand all kinds of cultural activities in the future.

Reactions to Japanese culture were about the same for both pros and cons.

About 43.6 percent of the responses were positive, such as natural (16.4 percent), insignificant (14.8 percent), or inevitable (12.4 percent), but an overwhelming 44.2 percent regarded it as a matter of grave concern. Thus, it showed that our society is still cautious about Japanese culture.

When asked if they lead a fruitful personal life, 48.8 percent of the respondents said "yes" and 48.2 percent said "no." By age group, those in their 30's, who are at the height of social activity, had the strongest feelings (53.1 percent), followed by those in their 40's (48.5 percent), their 60's (47.2 percent), and their 50's (47 percent).

But it was peculiar that those in their 20's, who should look forward to a bright future, recorded only 46.8 percent. When viewed by education, those with a higher education tend to feel they lead a fruitful life.

Viewpoint Against North Korea--In this questionnaire designed to determine the relationship between South and North Korea, which has generated a great

deal of public interest about the opportunity for mutual visits by dispersed South and North Korean families and about the art performance group, it is easy to see that our people realize that their system is entirely different from ours.

An overwhelming 85 percent of the respondents indicated that they instantly learned something about the North Korean system: 30.2 percent were frightened by the North Korean military mass calisthenics, 30 percent were shocked by the radical differentiation, and 25 percent confirmed idolization of Kim il-song, thus generating a sense that the recent visit was a big help in our anticommunist education. Of particular interest, on the other hand, was that 10.2 percent regarded the North Korean military mass calisthenics as part of a unique culture, thus showing an easy going attitude in trying to understand the radically different system of North Korea.

With regard to the conversations between the South and the North and the unification issue, 52.3 percent showed a skeptical attitude, and 40.3 percent viewed them optimistically. But those with a higher education were more negative, and those in their 20's and 30's--35.4 percent and 37.7 percent, respectively--do not seem to expect much. On the other hand, the expectations of those in their 40's (43.5 percent) and 50's (52.9 percent) were above average.



Chart 3.

1. What do you think of the North Korean military mass calisthenics?
2. Very frightened
3. Shocked by the radical differentiation
4. Idolization of Kim il-song was confirmed
5. Possible North Korean culture

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S. KOREA/SCIENCE AND TECHNOLOGY

OFFICE AUTOMATION BOOSTS FACSIMILE INDUSTRY

Competition in Developing Models

Seoul MAEIL KYONGJE SINMUN in Korean 10 Oct 85 p 6

[Text] With facsimile machines greatly in the spotlight as office automation machines, domestic facsimile companies are vigorously promoting development of facsimile equipment that is capable of sending information to several locations at once.

According to industry sources on 10 October, facsimile companies are fighting each other to be first to introduce foreign technology, developing various capabilities, such as high speed transmission within 10 seconds, abbreviated dialing using 99 phone numbers, and automatic continuous transmission of documents, and have entered competition in the area of a new type of facsimile, which can automatically transmit the same manuscript to several recipients (up to 100) in order.

The duplicate transmission facsimile is capable of automatically sending 10's of copies of the same document to branch offices. In particular, by using reduced telephone fee periods when sending or receiving communications with branches in foreign countries, it is possible greatly to save on communication charges.

Domestically, Samsung Semiconductor and Telecommunications has developed and already introduced its COFAX-300S duplicate transmission facsimile.

The COFAX-300S, in addition to being able automatically to send a document to 99 locations in sequence, is also able, when transmitting photographs or drawings, to transmit shading in 16 graduated sections, reconstituting a clear picture.

Moreover, Shindo Richo has followed up its trial sales of a facsimile with add-on duplicate transmission apparatus to aggressively promote development of a new model based on the 210 model of Richo, with which it has technology cooperation ties.

Gold Star Electric has a technology cooperation agreement and is currently selling its GOLDFAX-4600. The company has completed development of the

GOLDFAX-27 model, which is this machine with duplicate transmission capability added, and plans soon to start deliveries. This new model recently developed by Gold Star Electric can sequentially transmit the same message to as many as 100 locations. It is able to designate individual groups, and to reserve times in advance, automatically transmitting the message at the desired time.

Daewoo Telecommunications has also developed its DF-2000 and plans to sell it soon.

Apart from these companies Korea Xerox is pressing ahead with development of duplicate transmission facsimile equipment, and Lotte-Canon Co, in a joint investment with Canon of Japan, plans to begin development by early 1986 at the latest. Daeyong Electronics also has such equipment under detailed study, it has become known.

There is concern of excessive competition in duplicate transmission facsimile as the new equipment is as yet not highly marketable in the domestic market.

Meanwhile, domestic facsimile sales began in 1982 with sales of 278 units, and has seen rapidly increasing demand, to 1,114 units in 1983 and 2,151 units in 1984. As of late September of this year, orders for facsimile machines by the Korea Telecommunications Agency (KTA) reached some 2,700 units; the industry sales goal for the year is some 3,500 units.

#### Sales up 83 Percent

Seoul HANKUK KYONGJE SINMUN in Korean 21 Nov 85 p 3

[Text] Companies in the facsimile industry, including Samsung Semiconductor and Telecommunications, Shindo-Richo, Gold Star Electric, and Daewoo Telecommunications are experiencing a great boom.

Along with hot competition as the industry rides the boom, companies are coming forward to develop new products.

According to related industry sources on 20 November, domestic sales of facsimile equipment reached 3,077 units as of the end of October.

This was 83.7 percent above sales for the same period last year and 44.2 percent more than last year as a whole.

The industry expects the trend to continue to year-end, reaching 3,500 units.

Facsimile equipment is selling so well because demand is steady due to the office automation boom, and because companies, desiring to increase their market share, have competitively introduced new products with up to 20 functions, including computer-linked operation, audio information functions, transmission of a single original to 100 locations, and high speed transmission.

The industry believes that demand will also increase greatly next year and is pouring its efforts into development of new products using advanced technology.

Shindo-Ricoh plans next January to introduce a compact and inexpensive new product that will be able to transmit anywhere in the world in 13 seconds and that also will be able to relay a document to 100 locations from a central point.

The company also plans to develop processing apparatus and to greatly increase the production scale of heat sensitive paper used by the facsimile machine, which has been distributed since back in 1982.

Samsung Semiconductor and Telecommunications is also developing a model for distribution that will be inexpensive, multi-functional, and compact. Daewoo Telecommunications also plans to seek new products having multiple transmission systems beginning next year.

Gold Star Electric has decided to increase distribution of a new product that can take one original work and transmit it to 100 locations in sequence within 12 seconds, and that has capabilities for communications management, prearranged reporting, and clear transmission of pictures.

The industry believes that next year domestic sales will reach from 6,000 to 7,000 units due to new demand caused by the Asian Games and administrative decentralization.

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S. KOREA/SCIENCE AND TECHNOLOGY

KIET REVEALS 'BY YEAR 2000' PLAN

Seoul HANGUK KYONGJE SINMUN in Korean 17 Oct 85 p 1

[Text] In the 21st century, 15 years from now, 33 types of business will attain a high level of growth and are projected as promising industries. These include the automobile, pharmaceutical, television, acoustical equipment, scientific instrument, mining equipment, boiler, baking, confectionary, carbonated beverage, and dairy processing industries.

Conversely, some 23 industries are slated for low growth and in fact are even very likely to become sunset industries, including the ink, phonograph record, recording tape, woodworking tool, glass, cement industry, machinery, dry cell battery, and head wear industries.

According to the findings of "Prospects for Industrial Structure and Development Strategy by the Year 2000," a research report of the Korean Institute of Electronics Technology (KIET), which applies 17 indicators covering the 3 factors of income elasticity, growth limitation, and productivity in analyzing a total of 128 industries. The 128 industries are broken down into 33 high-growth industries, 72 medium-growth industries, and 23 low-growth industries.

With this industrial breakdown as a basis, KIET also analyzed the level of contribution to the economy according to three factors--increases in future world demand, advances in domestic technology, and improvements in the international balance of payments--and selected some products that are capable of high growth, including even some produced by the low-growth industries. The report also notes as promising products some new products that were excluded from the list because of the inadequacy of the statistical time series.

According to this analysis, such products as diesel engines, switchboards, and marine transformers in the field of shipbuilding equipment and materials; high tensile strength steel plates and ultra-high corrosion-resistant steel in the steel industry; and composite thread, charcoal fiber, and non-woven fabric in the textile industry are seen as promising products.

Meanwhile, KIET notes the problems of our country's industries, which have a weak manufacturing structure, a low level of technology, underdevelopment in the parts industries, weakening international competitiveness, a worsening export environment, and a weak domestic consumption base, and argues that the basic direction of future development strategy should be found in resolving these problems.

To this end, the KIET report emphasizes the point that adjustment of the industrial structure must constantly be promoted for growth in the parts and materials industries and the transition to a resource-conserving industrial structure, and that efforts must be made to invigorate research and development, expand the domestic demand base, and provide a system of assistance to industry.

**Table. Industries Classified According to Manufacturing Industry Growth Type**

**High-growth Industries:** (33) Automobiles; automobile parts; shipbuilding construction and repair; polymers and co-polymer products; pharmaceuticals; livestock; condensation and high condensation products; organic chemicals; synthetic dyes; cosmetics and coloring agents; radio, television, and acoustical equipment; electronic parts; cable and wireless telecommunications equipment; pressed rolled steel; surface treated steel; mine construction equipment; calculators; transportation and off-loading machinery; household electric appliances; mimeographing and copying equipment; typewriters; measuring and testing equipment; optical equipment; furnace boilers and related products; chemical and precision manufacturing industry equipment; storage batteries; baking-confections; dairy products; marine products processing; carbonated beverages; textile bleach; non-woven fabrics; dyeing, finishing and treatment; textile goods for household use; and industrial fibers.

**Medium-growth Industries:** (72) Cosmetics; flour mills; distilled spirits; cast iron pipe; steelwork; footwear; metal goods for household use; mechanical power transmission devices; cotton spinning; man-made fibers; textiles woven goods; woolen goods; man-made fiber woven goods; men's apparel; leather and fur clothing; synthetic blend fibers; organic chemical products; synthetic dyes; insecticides; paints; meat processing; fruit and vegetables processing; oiled paper processing; cotton products; sugar and related products; rice milling; animal fodder; fermented spirits; beer; iron manufacturing; steel manufacturing; cast pipes; sporting equipment; metal tanks and vessels; tailored goods; metal wire products; farming machinery; metal cutting machinery; textiles equipment; pump compressor machinery; generators; electric motors; rotary machines; transformers; motor operated switches; security equipment; insulated wires and cables; watches; wool spinning; refined silk spinning; embroidery; woven socks; string and rope; nylon netting products and fish nets; women's outerwear; women's and children's underwear; synthetic rubber; photographic chemicals; coffee and tea processing industry; single shift operated tools; handicraft tools; internal combustion engines; steam and gas turbines; metal-forming machinery; food-processing machinery; rubber and plastic molding machinery; paper-processing machinery; printing and bookbinding machinery; industrial electrical control equipment; medical implements; marine engines and parts; non-woven fabrics; men's shirts; work clothes; and children's outerwear.

Low-growth Industries: (23) Adhesive products and gelatine; ink; perfumes; electric warning and signaling equipment; x-ray equipment and electric medical equipment; phonograph records and cassette tapes; boat construction and repair; wooden boat construction and repair; hacksaws and saw blades; woodworking tools; glass; cement industry machinery; dry-cell batteries; light bulbs; bean pastes and wooden cabinets; starch; thread spinning (chonbun yonbangjok op); knit gloves and caps; hats; [sep'uk chik mul]; canvas woven fabrics; tapestry; and recycled fiber.

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S. KOREA/SCIENCE AND TECHNOLOGY

S&T AGREEMENTS WITH 3 EUROPEAN NATIONS

Seoul KWAHAK KWA KISUL in Korea Oct 85 pp 27-28

[Text] Kim Sung-chin, minister of Science and Technology returned home on 17 September after an 18-day tour since the 31st of August of three European nations, France, Germany and Sweden, and Free China upon completion of consultations with the host countries on an expanded cooperation for science and technology [S&T] through such ministerial conferences as between Korea and France and between Korea and Germany.

In France, Minister Kim held the first Korean-French Ministerial Conference of Science and Technology on 3 September with French Minister of Research and Technology Curien and brought about an agreement to make an effort to improve mutual cooperation among five inter-agencies and to undertake eight joint research projects between the two countries.

Inter-agency cooperation consists of five inter-agencies such as Between Korean Academy of Science and Technology and CNES (National Research Institute for Space Science) in the field of space science, between Korean Oceanic Research Institute and IFREMER (National Ocean Research Institute) for mineral exploration and energy technology, and cooperation efforts between Dae-duk Research Group and Sophia Research Group; joint research will consist of eight projects such as genetic engineering, development of a Korean-French automatic translation machine, and new CAD/CAM topics.

Also agreed upon is that the second Korean-French Ministerial Conference of Science and Technology to be held in 1986 will be held in Seoul.

After leaving France, Minister Kim visited West Germany and held the first Korean-German Ministerial Conference of Science and Technology on 10 September with Minister of Research and Technology Heinz Riesenhuber and agreed upon early adoption of a Scientific and Technological Cooperation Treaty and a cooperation treaty concerning peaceful use of atomic energy between the two countries.

At the same time, a preliminary agreement for the Atomic Energy Cooperation Treaty has been signed and the steps for the adoption of the treaty were completed and an agreement has been reached for cooperation between Korean

Energy Research Institute and KFA (German Atomic Energy Research Center), they agreed to conduct joint research in Industrial Robots, Fine Ceramics, Metallic Material, Intelligence Exchange, and the fields of Environmental and Transportation Technology.

They also agreed to convene a conference of representatives from both countries for the scientific and technological cooperation in Seoul in 1986.

Also, back in May, Minister Kim had visited Sweden and discussed a plan to expand the mutual scientific and technological cooperation in the field of nuclear energy between the two countries at the Department of Commerce and Academy of Engineering Science (IVA). At that time, a mutual cooperation agreement had been reached for the Korean Institute for Energy Research and the Swedish STUDDIK ENERGITEKINIKAB for nuclear energy development.

The items included in the Agreements generated through the Ministerial Conference of Science and Technology between Korea and France and between Korea and Germany and the contents of the scientific and technological cooperation agreement with Sweden are as follows:

Subject Items of the First Korean-French Ministerial Conference Agreement of Science and Technology:

1. Agency-Level Cooperation (Five Items)

a. Cooperation in the Space Science Field: Space science cooperation (such as outer-space exploration), and intelligence exchange between Korean Academy of Science and Technology (KAIST) and CNES (National Space Research Institute);

b. Cooperation in Oceanic Science: Technological cooperation for deep sea exploration between Korean Oceanic Research Institute (KORDI) and IFREMER (National Space Research Institute);

c. Cooperation in Resource Exploration and Energy Development: Joint research and intelligence exchange through cooperation for mineral resource technology and energy technology between Korean Energy Research Institute (KIER) and AFME (Energy Management Corp), BRGM (Geological and Mineral Research Institute) and IFP (Fuel Research Institute);

d. Cooperation in Human Resource Development: Personnel exchange between Korean Science Foundation (KOSEF) and CNRS (National Center for Scientific Research);

e. Cooperation between Research Groups: Positive steps towards operational and managerial cooperation and a concerted effort for the latest technology and joint research between the Dae-duk Research Group and the Sophia Group.

2. Joint Research Projects (Eight Projects)

a. Super Heat-Resistant Metal Technology: Minute organic combination research for resistance characteristics of Creep and Low-cycle by Korean Machinery Research Institute (KIMM) and ONERA (Bureau of Space Aeronautics);

b. Exploration Technology: Cooperation in Synthetic-aperture-Radar (SAR) technology by KAIST and CNES;

c. Cooperation in Oil-well Engineering: Joint research by KAIST and the Pasteur Research Center;

d. Automated Translation: Systems development for Korean-English and Korean-French automated translations by KAIST and CNRS;

e. Low Cost CAD System Development: Low cost (50 million won level) CAD system development by KAIST and CNRS;

f. CAD/CAM Technology Development: Automation System design by KAIST and INRIA (Research Center for Information Processing and Automation Research);

g. Separation Systems Development: Development of computer and operations mechanism for separations system by Korean Electronics Technology Research Institute and INRIA;

h. Telematics System and Network Technology Research: Development of electronic directory system and message processing systems.

Subject Items of the First Korean-German Ministerial Conference Agreement of Science and Technology:

1. Korean-German Atomic Energy Cooperation: Preliminary signing of the treaty;

2. Atomic Energy Research: Enactment of an agreement (to include atomic energy plant safety cooperation) between Korean Energy Research Institute (KAERI) and KFK (Atomic Energy Research Institute);

3. Non-Atomic Energy Research: Continued support for the development efforts on solar energy and multi-dimensional wind energy by KAIST-MAN (Mahchinen-fabrik Augsburg Nurnberg); facilitation of practical application of water-suction type heat-pump by KIER-KFA (Atomic Energy Research Center); facilitation of energy planning activities by KIER and KFA;

4. Automation Technology: Support for laboratory installation of industrial robot experimentation for production automation by KAIST-IPA (Automation Research Institute);

5. Environmental Research Technology: Future cooperation for the area of our specific concern within the field of German environmental research technology;

6. Materials Research: Metallic material field (especially plasma application coating); strengthening cooperation for fine ceramics (detailed project specifications by the experts of both countries);

7. Transportation Technology: Pursuit for cooperation for the area of our concern within the field of the German [transportation] technology such as automated trains;

8. Information Science and Technology: Support for cooperation between the Korean Entrepreneurship Research Institute and GID and also between Lorean Data Communications (DACOM) and KIC.

Cooperation with Sweden for Science and Technology

1. Agreement to enact a treaty concerning nuclear energy research and development between Korean Energy Research Institute (KAERI) and a Swedish Energy-Tech Corporation (STUDVIK ENERGITEKNIK);

2. To dispatch a Korean official to Sweden for training in order to examine the Swedish policies of the scientific and technological advancement and also the present status of Sweden in the subject.

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21 February 1986

S. KOREA/SCIENCE AND TECHNOLOGY

HAPPENINGS IN SEMICONDUCTOR INDUSTRY

Seoul MAEIL-KYONGJE SINMUN in Korean 5 Sep 85 p 6

[Article by Kim Chin-su: "Slump in the 64K DRAM, Search for Recovery in the 1M"]

[Text] The domestic semiconductor industry, staggered by the American and Japanese invasion and the sudden slowdown in the economy, has been unexpectedly quiet recently.

Once feverish with the development of new products and the building of production lines, the industry has recently been quiet as though lost in the fog.

How are we reacting to the situation where some Japanese firms such as Matsushita Electronics have suspended production of 64 K DRAM semiconductors and America is trying to put restrictions on the import of semiconductors? This is the question being asked by the people watching our semiconductor industry.

However quiet our domestic semiconductor industry may seem from the outside, on the inside it is busier than ever before. Hyundai Electronics is continuing to prepare for production without regard for the international economy while Samsung Semiconductor Communications and Gold Star Semiconductors are striving to gain competitiveness and enhance their research capabilities.

Not long ago Samsung Semiconductor Communications held a management measures meeting where it discussed various strategies for management effectiveness. The general outline can be summarized as the diversification of products, the production of competitive items, expansion of custom order semiconductor business, improvement of quality and lowering of costs, and enhancing product development capabilities in order to deal with the changing world market.

Gold Star Semiconductors is also focusing on the diversification of products, the strengthening of management, and the fostering of research capabilities while Hyundai Electronics is basing its strategy on the development of competitive new products.

One common strategy of the domestic semiconductor companies for overcoming the slow economy is the diversification of products.

Once the international price for 64K DRAM fell to \$.50 and for 256K DRAM to \$3.50, the industry judged that the best way to survive was to diversify products and increase accumulations.

In order to diversify its products, Samsung Semiconductors began quantity production of such items as the 64K SRAM, the 8 bit personal computer microprocessor, and the 16K EEPROM. The 64K DRAM, which had been in trouble from the start of production due to the price drop and the slow economy, was cut back by Samsung and the 64K DRAM line was used instead for the production of the 16K SRAM and the 16K EEPROM.

At the same time, Samsung has been producing the 64K SRAM through its 256K DRAM line. Gold Star Semiconductors is planning to begin quantity production this month of the recently developed 64K SRAM and the VTR IC as well as expanding its semi-custom order semiconductor work. Hankuk Electronics, which has stressed the production of IC's and transistors, is pushing production of high voltage IC's, and Hyundai Electronics is producing such test products as the 16K SRAM and the 64K DRAM while rushing the quantity production of the CMOS type 256K DRAM.

Another strategy being pursued by the domestic semiconductor amid the quiet is the development of M(mega)DRAM products through increased research capabilities. The idea is to keep pace as much as possible with the American and Japanese commercialization of the M DRAM so as to avoid the defeat suffered from the tyranny of the early developers of the 64K DRAM and the 256K DRAM.

Samsung and Gold Star have already formed 1M DRAM development teams and are showing substantial progress while Hyundai has recently signed a technology introduction contract for the production of the 1M DRAM.

Samsung has put together a 1M DRAM development team in cooperation with SSI (Samsung Semiconductor Incorporated), an American corporation, and plans to finish construction of a 16,000 square foot pilot plant at its Kihung operation by October. Samsung plans to use this pilot plant to produce the 1M DRAM, the super LSI, and semiconductor materials; test production of the 1M DRAM is planned before the end of the year.

Targeting its production for next year, Gold Star has formed a 1M DRAM development team using its research center jointly with the American firm UMI, and research is now underway.

Hyundai, off to a later start, has acquired facilities for producing the 5-inch wafer and will build a plant this month that will be capable of producing 300,000 6-inch wafers annually. There Hyundai plans to produce the CMOS type 256K DRAM, and the company has also signed a contract with the American [Pit'erik] company to acquire the technology for the production of the 1M DRAM.

In addition, the domestic firms are striving to raise productivity and gain competitiveness. They are trying to raise productivity at least 80 percent while enhancing quality and lowering costs.

The government, which has been watching the industry's efforts, has begun to prepare substantial assistance measures.

The Ministry of Commerce and Industry is now establishing a strategy to foster the semiconductor industry and the Ministry of Science and Technology is said to be in the process of establishing a long range research strategy for the semiconductor industry. Also, the Electronic Communications Institute has committed 124.6 billion won to a plan now being established to make our super LSI technology advanced.

Research into semiconductors has gotten serious in academic circles also. A semiconductor joint research institute where 57 professors participate in research has been set up at Seoul National University and plans are to spend \$7 million to upgrade equipment and materials.

In this way our country is ceaselessly challenging the semiconductor industry.

Experts say that based on our experience with the nearly tyrannical monopoly of America and Japan, we must now quietly acquire technological expertise and competitiveness.

In order to do so, it is thought that government, industry, and academia must join together, strengthen cooperation, and concentrate research capabilities. At the same time, the dominant view is that there must also be realistic support in the way of funding and tax advantages.

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## S.KOREA/FOREIGN TRADE

### VARIOUS REPORTS FROM THE EXPORT MARKET

Seoul SEOUL SINMUN in Korean 9 Aug 85 p 4

[Text] British Debut OF Pony EXCEL

Since the beginning of the year through the end of July automobile export has made sizable progress with the export of 61,484 cars, which is a 138 percent increase over the same period last year.

According to the 8 August statement by the Ministry of Commerce and Industry, this past June 11,848 cars were exported, marking the first time in history that a monthly total number of cars exported surpassed 10,000; it is projected that automobile exports will continue to grow as 11,349 cars were exported for the month of July, an increase by 141 percent over the same period last year.

This year, the cumulative total of the export as of the end of June was 51,135 cars, approaching last year's annual total of 52,350 cars, and by the end of July, with the improvement during the month, the cumulative total export of 61,484 this year has already exceeded last year's annual total by 9,134 cars. It is noteworthy that particularly in July 700 PONY EXCEL's made their debut in the British market.

As this country's automobile exports gradually become a major export activity, the composition of the export market shows a change from concentration in Canada to diverse markets such as England, Australia, Lybia, Tuvalu, Liberia, and UAR [United Arab Emirates].

The Ministry of Commerce and Industry is optimistic in viewing that this year's export target of 100,000 cars may well be exceeded by the end of this year.

### Steelpipe Industry Hard at Work On Self-recovery

The steelpipe industry, plagued with a continuing export slump this year, is hard at its self-recovery taking such measures as partial close-out of its product lines of diminishing productivity.

According to the 7 August industry announcement, Pusan Pipe, the nation's largest steelpipe manufacturer had shut down its product line of small

diameter pipe at its Yung-Dong-Po plant with annual production capacity of 80,000 tons. Since last April, the rest of the industry including firms like Hyundai and Hankuk are following suit to reduce operations through partial cut-backs in production.

Pusan Pipe having had to face a major decline in exports to the United States because of the quarter system and with no domestic demand in sight this year, has been tightening up its operations to overcome its set-backs in exports by taking such measures as the close-out of its product lines at the Yung-Dong-Po plant whose competitive edge had been eroded due to the transportation cost of raw materials supplied by Pohang Steel.

#### Costume Jewelry Export at a Fast Pace

The costume jewelry industry is being applauded for its historic record-setting healthy prospect this year, with expected gross sales of 100 million dollars.

According to the 7 August industry information the ever increasing orders as the year wears on clearly indicate a continued increase in exports this year, following last year's increase in the export of costume jewelry items such as necklaces, ear-ring, bracelets and pendants by 30 percent to more than \$71.68 million over the year before. This year, even during the slow summer months of June, July and August the orders continue to grow to sustain the healthy trend and was sixty percent higher than early in the year.

The costume jewelry export firms appear to have already secured orders equivalent to last year's volume of \$700 million plus which includes the production orders already received most of which are for the entire year, and those orders already exported.

This came about on July 1st when the ceased GSP (government setting price) benefits to other competing nations, like Taiwan and Hong Kong, causing American buyers to turn to Korea for products.

#### Higher Than Daewoo's Price Likely

Expected: By early September sale of the four-cylinder luxury passenger cars of 2,000cc and 1,800cc designed by Hyundai Auto. According to the industry release of August 8th two models to be introduced by Hyundai will be equipped with the kind of ultra-modern electronic systems, and the five gear transmission usually found in foreign luxury cars along with an automatic opening mechanism for its rear trunk.

Also, a new four-speed automatic system is used instead of the three-speed used in the past.

A heated competition is expected in the luxury passenger car market, where Daewoo has been dominating thus far with its ROYAL SALON (1978cc) and ROYAL PRINCE (1897cc), once Hyundai enters the market with its new passenger cars of over 1800cc models.

The price of the Hyundai's new medium-size passenger cars will be about 400,000 won more than the Daewoo models.

#### Contrast to Domestic Demand Decline of Marine Products;

In comparison to the declining domestic sales, following the wave of the Biblio-Blood-Poisoning (nick-named "mystery disease"), the export of marine products has not seen any significant changes either in volume or in price from their normal levels.

According to the Office of Marine Products announcement of 8 August which suffered the worst in the domestic market, has changed little in the average daily total exports to Japan. This amounted to 115 tons during the peak of the "Biblio" wave, July 17th - Aug 2nd compared to 116 tons for the first half of the year and 117 tons for the period between the 1st through the 17th of July.

The daily export of fresh fish between the 18th of July through 2nd of August, amounted to 181 tons, which is a sizable increase compared to 118 tons for the first half of the year.

Also a study is said to show that the price of exports are comparable to that of the first half of the year.

Such a favorable record for marine products was possible because the "Biblio" controversy basically did not have any effect on the fresh fish and the highly questioned shell fish's case the shell fishes were frozen before being exported.

#### Textile Industry in Reduced Operation

The nation's textile industry is undertaking reduced operations, through such measures as cut-backs in facilities and equipment, due to the uncertainty of the long-range outlook for the industry.

According to the industry release of the 8 August, due to the slow-down in exports and domestic demand since the second half of last year and the continuing erosion of competitive edge this year as a result of lower-price offenses initiated by such developing countries as Pakistan, major firms in the industry such as Dae-Nong, Choong Textile, Kut-Je Textile, Hanil Textile and Taehwa Textile are curtailing their operations through reorganizations and reductions of their production capacities.

In particular, Dae-Nong and Kuk-Je textiles are seriously considering no longer using their old, moded equipment (Approximately 50,000 and 40,000 units respectively). Han-il Textile and Tae-hwa Textile also have started reducing their equipment with corresponding personnel reorganization.

Also, IlShin Textile and Choong Textile have decided to be flexible for the changing domestic and export conditions by reduction and consolidation of their organizations by doing away with their previous organizational structure of separate divisions for domestic and foreign activities.

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S.KOREA FOREIGN TRADE

PUBLISHERS ASK RECONSIDERATION ON RIGHT OF TRANSLATION

Seoul HANKUK ILBO in Korean 2 Nov 85 p 7

[Article by Kim Yong-sun: "Reconsidering the Right of Translation"]

[Text] Indications are appearing that there are problems with our country's response to the pressures for joining the international copyright agreement. Part of the publishing industry insists that there is a necessity to reconsider the inclusion of the "right of translation" in the Provisional Measures Bill Concerning the "Protection of Foreigner-copyrighted Material." America, which has been directly exerting pressure to participate in the international copyright convention beginning with the protection of foreigner--copyrighted material, is more interested in reprinted material than in the translation problem. This became apparent from the content of the announcement by the American administration on the 16th of last month that it was invoking Article 301 of the Commercial Code and would investigate unfair dealings in the area of intellectual property rights in Korea.

On the same day, America, reported in detail the presumed damages and stated that "Korean law makes pirate publishing possible and inflicts on American copyright holders annual losses of approximately \$170 million. The amount was based on illegal reprints and the export of pirated books.

Last July, the fact that Taiwan, which received much criticism for its export of pirated publications, was able to "dodge the arrows of America" by promulgating a bill, only on condition that if a country protects Taiwan's copyrighted materials, will Taiwan protect that country's reprinted items," is evidence of that kind of demand.

Obviously, one can see that Taiwan handled the matter wisely so as not to suffer unnecessary retaliation concerning the "right of translation," etc. It did this by knowing accurately what America's demand was and by adopting pertinent measures in response just before America took strong action.

The American administration has made it known that the organization trying to get our country to adopt measures for the "protection of foreigner--copyrighted material" is the eight-member International Committee of the American Publishers Association. The chairman of the committee, McGraw-Hill

Publishing Company's Mr Burke, said: "I cannot state exactly what we are requesting, but I can say that we do not have much interest in translations."

Also, there are indications that in the bill the "arbitration consent system" is regarded as completely unacceptable because it blocks the free exercise of the right of ownership of private property. The "arbitration consent system" applies if a citizen of the Republic of Korea is unable to confer with the holder of a foreign copyright for the right to reprint or publish a translation or if after having made a reasonable effort an agreement is not reached, it is possible for him to publish in Korea after having deposited in trust a considerable amount of compensation as set by president decree. This is intended to reduce the effect upon the domestic publishing industry of unreasonable royalty requests or insistence upon importation of the original by the foreign copyright holder.

However, the introduction of this bill is unnecessary because the translation problem is not the subject of discussion. In the event that a reprint agreement is not possible, the burden of importing originals at five or more times the domestic book price. Therefore we must insist that this be resolved in later negotiations.

A new problem, especially in this response, is that only 30 percent of the publications translated at home are American and over 40 percent are Japanese. It is a well-known fact that the background of America's insistence on Korea's Protection Measure for Foreigner-copyrighted Items is the trade imbalance.

Since the protection of foreigner-copyrighted material was presented as an appropriate basis for pressure for import liberalization, it seems to be not very wise to give any more profits to Japan than already exist in our country's tremendous trade deficit.

So, it is possible that Korea obtain an agreement that the translation problem is irrelevant to the Provisional Measure for the Protection of Foreigner-copyrighted Material, and before time is lost Korea should adopt an appropriate measure.

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N. KOREA/POLITICS AND GOVERNMENT

NODONG SINMUN EDITORIALS FOR NOVEMBER 1985

[Editorial Report] The following editorials appeared in Pyongyang NODONG SINMUN in Korean during November 1985:

Pyongyang NODONG SINMUN in Korean on 1 November 1985 at the top half of page 2, carried an editorial entitled, "Let Us Bring About a New Transformation in Publications Work." The editorial notes that 40 years ago today, that is, on 1 November 1945, the organ of the party central committee, NODONG SINMUN, was published for the first time and thereafter this date was designated "publications day"; stresses that party publications such as the NODONG SINMUN inherited the traditions of chuche publications which originated in the anti-Japanese revolutionary struggle period and became new forms of chuche oriented publications and the party's powerful ideological weapon; quotes Kim Il-song on the role of publications as links which join the party with the masses and become the mighty weapon for organizing and mobilizing the working masses to carry out the tasks the party assigned them for political, economic and cultural construction; mentions the first newspaper, SAENAL, that is, NEW DAY, which was the first newspaper in the chuche mold during the anti-Japanese revolutionary struggle; notes that Kim Il-song founded NODONG SINMUN as the party reporting medium shortly after the foundation of the Korean Workers Party; stresses that publications founded over the past 40 years such as the NODONG SINMUN have had a shining history under the wise guidance of Kim Il-song and the glorious party center; states that Kim Il-song presented the ingenious publications ideology which completely systematized the overall problems arising in building up publications and setting them into action; notes that when the beloved Comrade Kim Chong-il launched the new history for imbuing the whole society with the chuche idea, he deepened and consolidated Kim Il-song's ideology on publications in accordance with the requirements of revolutionary development; notes that every issue of the publications treat the material on Kim Il-song's revolutionary activities with great respect and reverence and every issue clearly embodies his ideology and plan; explains the role of publications as the ideological weapon of class struggle; quotes Kim Chong-il on the need to intensify propaganda in publications in accord with revolutionary development; emphasizes that publications such as newspapers, news media and broadcasts must intensify propaganda on the greatness of the leader and the party, explain the leader's ideology and theory and indoctrinate the masses with propaganda on the chuche idea and revolutionary tradition; calls for publications to expose the wickedness of the U.S. imperialists before the world and support the just struggle in South Korea against the U.S. imperialists and their lackeys; calls for more articles supporting the struggle of world peoples for autonomy; calls for raising up the political and

ideological level of the reporters and editors and further improve their modes of action; urges them to go among the rapidly developing situations and ferret out problematic matters and write good, succinct articles with the willingness to spare nothing without the least laziness or lassitude.

On 4 November 1985, on the top half of page 1, the paper carried an editorial entitled, "Let Us Intensify Indoctrination in the Chuche Idea." The editorial notes that the party is a revolutionary party in the chuche mold and that the party's fundamental responsibility in ideological work is to indoctrinate and reform party members and workers into communists in the chuche mold; calls for the party members and workers to be even more zealous in performing indoctrination in the chuche ideology; quotes Kim Chong-il's work, "On the Chuche Idea," concerning giving priority to research and publicizing the Chuche Idea so as to arm the party members and workers with the revolutionary world outlook of chuche and thereby thoroughly embody the chuche idea in revolutionary and construction; emphasizes that the revolution started, advanced and will be completed under the banner of the chuche idea; calls for joining indoctrination in the chuche idea with action so that the functionaries and workers will be able to determine how to act in day-to-day activities with the chuche idea as their yardstick; calls for party organizations to turn their attention to performing indoctrination in the chuche idea according to the level and special nature of the strata to which their subjects belong; urges the indoctrination in the chuche idea to be performed for the purpose of familiarizing people with party documents, the theory of the chuche idea and the principles for putting it into action; exhorts all party organizations and party propaganda functionaries to further deepen indoctrination in the chuche idea according to the will of the party and thoroughly arm the party members and workers with the revolutionary world outlook of chuche, strengthen the might of the party and the revolutionary rank and file and advance socialist construction.

On 5 November 1985, at the upper right of page 5, the paper carried an editorial entitled, "Let Us Put Strength in Hydroelectric Power Plant Construction." The editorial quotes Kim Il-song on increasing electric power production by building more hydroelectric power plants; notes that power plant construction programs now underway such as the Wiwon and Taechon power plants and the lockgate power plant must be rapidly completed and construction manpower, equipment and materials must be concentrated on this effort; stresses that great investment has already been placed in the construction of such hydroelectric power plants as the large Wiwon and Taechon power plants and all construction forces must be concentrated on such projects in the future; calls for timely provision of materials for power plant construction such as cement and steel and for the machine industrial sector to produce and deliver machine equipment direly needed for power plant construction; notes that the Tae-an Heavy Machinery Complex is producing large generators for the hydroelectric power plants and that the metallurgical industrial sector must vigorously wage the struggle to deliver iron and steel materials of the proper quality, utility and size; calls for a new offensive to complete the construction of the Wiwon and Taechon power plants and to build more new power plants; stresses that the speed battle requires providing both quality and speed simultaneously and that construction workers must complete their assigned tasks within the shortest period possible assuring quality as well as quantity.

On 7 November 1985, at the lower three-quarters of page 1, the paper carried an editorial entitled, "The 68th Anniversary of the Great October Socialist Revolution." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 219, 13 November 1985, pp D 12-15: "NODONG SINMUN On October Revolution Anniversary."]

On 8 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "May the Party Propaganda Functionaries Penetrate Deep Within the Masses." The editorial states that ideological work is needed in order to answer the call of the party central committee to accomplish the national economic plan; quotes Kim Chong-il on the need for party propaganda functionaries to demonstrate the working habits of penetrating deep among the masses, living and working among them; stresses that the subjects of party ideological work are the masses and its success is manifested in the masses as well; calls for all propaganda functionaries to emulate the anti-Japanese guerrilla band and go with napsacks on their back among the workers and peasants who are participating in the production battle and endlessly improve and intensify party ideological work; emphasizes that going among the masses does not mean simply going where the masses are to be found but becoming one with them and penetrating the hearts of the masses as well as having the smell of oil and dirt on their bodies; cites the reason for propaganda functionaries to go among the masses as not for their own good but to improve the ideological level of the masses vis-a-vis present development and to listen closely to what they have to say as well as working and resting with them; urges the party propaganda functionaries to ascertain the state of the ideological outlook of the party members and workers and their attitude toward implementing the instructions of Kim Il-song and the directives of the party; exhorts the party propaganda functionaries not merely to penetrate deep among the masses and ascertain their ideological situation but to perform the appropriate ideological indoctrination work and to avoid such methods as having everything handed down from above, but rather to perform in the Kim Il-song working style by going directly down among the party members and workers and helping them fulfill their assignments; gives the example of an ideal propaganda functionary as one who greets Kim Il-song in the field one day and replies that he has come to explain party policy to the workers; notes that a propaganda functionary must perform both as a propagandist and as an agitationist; urges party propaganda functionaries to perform self-study of Kim Il-song's works and party documents to well informed and to become scholars and zealots concerning party policy; concludes by exhorting all party propaganda functionaries to penetrate deep among the masses in accordance with Kim Il-song's working style and the anti-Japanese guerrilla band and further improve and intensify party ideological work in harmony with the will of the party.

On 9 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Vigorously Wage the Winter Fishing Battle." The editorial quotes Kim Il-song on the necessity for the fishery sector to establish scientific fishing systems to catch more fish and process them for distribution to the people without the loss of a single fish; emphasizes that the winter fishing season is the time for catching over 30,000 tons of fish per day and that a positive fishing battle must be waged in consort with the variable weather conditions to maintain a smooth transition from summer to winter fishing and continued efforts to catch sardines into the winter season; notes that the goals of the winter fishing season are clear and the preparations have been made and the problem now is how the fishery functionaries and workers struggle to realize

these goals; calls for enforcement of the independent accounting system in the fishery sector and waging the struggle to catch fish at a low unit cost including conservation of oil consumption per ton of catch; urges the fishery sector to increase operations time of the fishing boats while decreasing transportation distance and unloading time; calls for emulating the example of the Tanchon Fisheries Projects Office which made fish unloading boats which can immediately transfer the fish to transport vessels; calls upon the fishery sector and allied domains to perform fish processing organizational work so that the fish will be processed without loss of a single fish under the leadership of the party through maximum use of refrigeration factories and freezing facilities; notes that the party appeals for the same assistance to the fishing battle during the fishing season as was given to agriculture during the farming season and for the appropriate committees and ministries of the administration council to provide the various kinds of goods and materials needed to catch and process fish, such as oil, salt, parts, pumps, etc.; urges the responsible functionaries in each province, city and county to see to it that substantial assistance is given to fish processing.

On 10 November 1985, at the bottom of page 1, the paper carried an article and editorial under the general title, "War Welcome to the Goodwill Mission of the Ethiopian People!" The editorial was entitled, "Daily Coalescing Korean-Ethiopian Friendship." The editorial notes the visit of Mengistu Haile-Mariam, general secretary of the Ethiopian Workers Party, chairman of the Provisional Military Administration Council of Socialist Ethiopia and commander-in-chief of the revolutionary armed forces of Socialist Ethiopia at the invitation of Kim Il-song; states that the talks between the leaders of both countries this time will serve to develop even further the friendly relations between the peoples of Korea and Ethiopia, strengthen solidarity with the peoples of nonaligned countries and advance the victory of anti-imperialism, pro-independence; recounts the history of the talented Ethiopian people in their struggle against the anti-populist military rule and achievement of victory for the popular revolution in bringing about a socialist Ethiopia; quotes Kim Il-song on friendly relations with Ethiopia; compares the plunder and oppression suffered in the past by both Korean and Ethiopian peoples and the bonds of brotherhood cemented now in their joint struggle; states that the government and people of Ethiopia highly regard the achievements of the Korean people in revolution and construction and support their struggle for reunification of the fatherland; concludes with best wishes to the envoys from Ethiopia for a pleasant stay in Korea and tremendous success in their visit.

On 14 November 1985, at the top half of page 1, the paper carried an editorial entitled, "Firmly Grasping Indoctrination in Revolutionary Traditions Is the Important Responsibility of Party Organizations." The editorial states that today is the time for all people to stand at the stage for imbuing the whole society with the chuche idea in their period of a generation change in carrying on the revolution which requires intensifying indoctrination in revolutionary traditions; calls for party members and workers to be strongly armed with revolutionary traditions, protect and defend them; cites the recent remodeling and expansion of the Taesongsan Revolutionary Heroes Cemetery as a wonderful place for indoctrination in revolutionary traditions; quotes Kim Chong-il on the need for party organizations to carry out widespread indoctrination in revolutionary traditions so that the party members and workers will be able to carry on

the work of the leader and party; cautions that the internal and external atmosphere is complicated with the dire class struggle with the enemy and that the people must face the wicked machinations of the enemies with a high class self-assurance and steadfast revolutionary principles; calls for further intensifying indoctrination in the great exploits of the party center and for high confidence in the party on the part of all party members and workers; emphasizes expediting the work of having all become the Kim Hyok's and Cha Kwang-su's of the eighties, bulwarks and shields which defend the party central committee, headed by the respected and beloved leader, Comrade Kim Il-song; calls upon party organizations to hold meetings of party members and workers for indoctrination in revolutionary traditions such as film appreciation sessions to discuss such films as, "Star of Korea," and such novels as "Immortal History"; urges all party organizations to make party members and workers into true revolutionaries, achieving great advances in accomplishing the revolutionary cause of chuche by intensifying indoctrination in revolutionary traditions.

On 15 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Bring This Year's Farming to Rapid Conclusion." The editorial states that this is the time to bring this year's farming to a rapid conclusion in order to prepare for next year's farming; notes that farming is brought to a conclusion with final accounting and distribution; quotes Kim Il-song on the necessity for harvesting in due season, transporting, threshing and storing the crops well; emphasizes that, under the adverse influence of the cold front, the monsoon season continued longer than usual and rainfall was heavier than usual, thus necessitating quickly completing threshing operations; calls for the functionaries in rural party organizations and the agricultural sector, especially command personnel such as village party secretaries, management committee chairmen and three revolutions teams members to go down and work alongside the farm workers on each shift, and become pillars of battle supervision; warns against wasting kernels during grain threshing operations; calls for rapid calculation and re-evaluation of manpower days and completion of all internal preliminary calculations for final accounting and distribution work; exhorts party organizations and party functionaries in the rural sector to bring this year's farming to rapid conclusion and start preparations for farming next year.

On 16 November 1985, at the lower left of page 1, the paper carried an editorial entitled, "Let Us Send More Goods to Rural Areas." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 225, 21 November 1985, pp D 4-5: "NODONG SINMUN On Supplying Goods to Rural Areas."]

On 18 November 1985, at the center of page 1, the paper carried an editorial entitled, "The Withdrawal of the U.S. Troops is a Solemn Demand of the Era." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 224, 20 November 1985, pp D 6-8: "NODONG SINMUN Calls For U.S. Troop Withdrawal."]

On 19 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Organize Organizational and Supervisory Work to Implement This Year's Plan." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 225, 21 November 1985, pp D 5-7: "NODONG SINMUN Urges Implementing 1985 Plan."]

On 21 November 1985, at the left center of page 1, the paper carried an editorial entitled, "Let Us Actively Mobilize Inner Reserves." [Text published in FBIS

Asia and Pacific DAILY REPORT Vol IV, No 230, 29 November 1985, pp D 8-10:  
"NODONG SINMUN On Mobilization of Inner Reserves."]

On 22 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Much More Vigorously Carry Out the Propaganda and Agitation Work of Forging Ahead with Socialist Economic Construction." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 227, 25 November 1985, pp D 7-9: "Editorial on Economic Propaganda-Agitation Work".]

On 23 November 1985, at the right center of page 1, the paper carried an editorial entitled, "More Farm Machinery to the Countryside!" The editorial quotes Kim Il-song on the need for the machine industrial sector to produce and deliver an ample supply of farm machinery and parts needed for the comprehensive mechanization of the rural economy; notes that this is also one of the important requirements of Kim Il-song's "Rural Thesis" for liberating the farm workers from arduous labor and to increase the crop yield; calls for the functionaries in the administration council and appropriate sectors to be deeply interested in the countryside and to thoroughly implement the party's requirement for making a great effort in the comprehensive mechanization of the countryside; calls for production of greater quantities of such farm machinery as tractors, mobile threshers, rice harvesters, seedling uprooters and transplanters and for the committees and ministries in the administration council to concentrate investment in this area to increase their production rapidly; emphasizes that increasing the quality of farm machinery is tantamount to increasing the crop yield and all those engaged in making farm machinery should make each machine in a responsible manner so that it is easy to use and of good quality; exhorts the appropriate functionaries to view farm machinery production as in accord with the demands of the party's farming first policy and provide the necessary steel, bearings, engines, etc., on a timely basis; urges the functionaries of the state planning committee in the administration council to establish plans for increasing farm machinery production and take steps for providing cooperative goods and materials production and delivery on a timely basis so as to normalize farm machinery production at a high level.

On 25 November, at the right center of page 1, the paper carried an editorial entitled, "Let Us Further Enhance the Role of Plant and Enterprise Functionaries." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 299, 27 November 1985, pp D 10-12: "NODONG SINMUN On Role of Plant Functionaries."]

On 26 November 1985, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Fully Accomplish the Task of Chemical Fertilizer Production for the New Fertilizer Year." The editorial quotes Kim Chong-il on producing and delivering a lot of fertilizer to the countryside; emphasizes that the part requires that a great effort be placed in production of sufficient chemical fertilizer and farm chemicals for fertilizing next year and that responsibility for this lies on the shoulders of all, not only the functionaries and workers in the appropriate sector; calls for modernization of the fertilizer production process, investment in fertilizer production and modernization and proper maintenance of fertilizer production equipment; stresses the importance of timely transportation of coal and ore to the fertilizer factories and smelters in order to normalize fertilizer production at a high level; calls for the railroad and truck transportation sector to perform transportation organizational work and

give priority to shipment of coal and ore to the fertilizer factories and smelteries and for the electric power industrial sector to provide sufficient electric power to them; notes that recently the functionaries in the chemical and light industry sectors answered the party's call and went down to the subordinate factories and enterprises, coal and ore mines and performed on-site production organization and supervision among the workers; calls for the functionaries in the extractive industry committee and appropriate sectors to go down, like them, to the fertilizer factories, smelteries, coal and ore mines and check out their production status and take the necessary steps to assure ample production; exhorts the party members and workers in the chemical fertilizer and farm chemical production sector to recognize the tremendous expectations the party has for them and take on more responsibility for production and thoroughly abide by technical regulations and standard manufactory procedures, thereby operating their equipment at full capacity and exceeding their fertilizer production quotas for the new fertilizer year.

On 28 November 1985, at the left center of page 1, the paper carried an editorial entitled, "Let Us Perform Winter Logging Well." The editorial quotes Kim Il-song on wood being necessary everywhere, whether for construction or for industry; stresses that the forestry domain must make a great effort in log production during the winter months since winter is an ideal season for logging; urges the functionaries in party organizations and economic administrative organizations to concentrate forces on winter logging and run their machinery at full capacity; notes that as a result of the campaign to locate reserves, the people in North and South Hamgyong Provinces obtained machine parts, iron rope, tires and other materials which they sent out to the forestry projects stations and mining timber production projects stations which demonstrates what can be done through mobilization of the masses; singles out Yanggang and Chagang Provinces which shoulder a major portion of logging duties; calls for the functionaries and workers in the forestry projects stations and mining timber production stations to mobilize internal reserves through their own efforts and exceed their logging quotas per day, month and quarter; exhorts the functionaries in all levels of party organizations and economic guidance organizations to turn their attention to the logistical facet of logging and arrange to supply necessary articles such as shoes and cotton clothing to the forestry sector on a timely basis; cites the example of the responsible functionaries at the Kowon Coal Mine who brought out goods to the Hongwon Mining Timber Production Projects Station and encouraged the forestry workers through political propaganda and economic agitation; urges the functionaries in all sectors including the metallurgical and machine industries to assist the forestry sector wholeheartedly and for the provinces to perform organizational work to send the peasants out for winter logging operations.

On 30 November 1985, at the bottom half of page 1, the paper carried an editorial entitled, "National Athletes Convention, An Opportunity for Epochal Changes in Implementation of the Party's Physical Education Policy." The editorial notes that the athletes who have grown up in the bosom of the party are bringing about fundamental changes in physical education development and are adding luster to a new history of chuche physical education; points out that the nationwide athletes convention opens today and the revolution is vigorously advancing along the road which the Sixth Party Congress indicated under the refined leadership of the party center and that all the people are bringing about a new upswing in socialist construction while all athletes are rallying around the party and the

leader; summarizes the contents of the speeches at the convention including epochal advances in implementing the party's policy on physical education and the praiseworthy successes achieved in physical education work under the refined leadership of the party; quotes Kim Il-song on physical education for the masses; reminds the athletic rank and file to continue to defend and guarantee party authority as their noble responsibility and give themselves to realizing the party's broad plan and noble will; emphasizes that it is the urgent task for the physical education sector to raise up the level of athletics in the country to world standards in all events; states that the athletes have accepted the chuche oriented competition regulations which the glorious party center has announced and that during the 16 years since the first nationwide athletes convention over 2,500 awards were won in international competition including over 220 victory cups; calls for mass physical education as a way of life and selection of model athletics counties or districts; calls for all functionaries and athletes in the physical education sector to have absolute confidence in the party center and be tightly bound together in the fold of the party; indicates that this nationwide athletes convention will be a new turning point in the advance of physical education; exhorts all functionaries and athletes in the physical education sector to uphold the leadership of Kim Il-song and more vigorously fight to build the country into a power in chuche physical education.

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N. KOREA/ECONOMY

IMPORTANCE OF INDEPENDENT MANAGEMENT EXPLAINED

Pyongyang NODONG SINMUN in Korean 14 Sep 85 p 3

[Commentary by Professor Han In-ho, vice president of the People's Economy University]

[Text] The correct implementation of the independent economic accounting system is very significant in correctly linking the interest of the state to that of the masses of producers in economic management and in stepping up economic construction by raising the level of revolutionary enthusiasm and the creative positive attitude of the workers.

The independent economic accounting system is an economic management method which is closely linked with material interest, which is a transitional characteristic of a socialist society, the law of value, the managerial individuality reflected in the economic scope, and economic laws. Therefore, if the superiority of the independent accounting system is to be fully demonstrated, it is important to prescribe the correct principle of its application so that its economic scope and laws can serve the purpose of attaining the perfect socialist society.

One of the most important principles of the independent accounting system is that it provides the enterprise with a certain amount of autonomy under the guidance of the centralized leadership of the state.

The great leader, Comrade Kim Il-song, instructed as follows: "Although all the state-run enterprises in a socialist society are owned by the state, every one of them enjoys relative autonomy in management activities."  
("Collected Works of Kim Il-song," Vol 29, pp 123-124.)

Providing some autonomy to the enterprises under the centralized leadership of the state is a proper principle, perfectly relevant to the basic nature of the independent accounting system.

In a socialist society, all state-run enterprises are owned by the state; however, the state-run enterprises conduct economic transactions with relative autonomy in utilizing and controlling the means of production and in handling the accounting as if under separate owners. The relative characteristics of the managerial autonomy of the enterprise presuppose

the control of the centralized leadership of the state. The socialist state controls the ownership of the means of production and its utilization and performs the function of economic organizer, which develops the state's economy uniformly and systematically. The state-run enterprises take over from the state only the management power over the means of production and have the responsibility of executing the state's plan to the fullest extent by utilizing raw materials, facilities, capital, and labor to maximum efficiency. The autonomy of an enterprise is for the purpose of implementing the people's economic plan by utilizing labor and the means of production, which have been turned over by the state. In this sense, the autonomy of an enterprise is inevitably linked to relative autonomy in management.

The relative nature of the autonomy of the enterprise is the autonomy that contributes to the continuous expansion and development of state ownership through the promotion of the sense of responsibility and creativity of the masses of the producers, who are at the same time the masters of economic management.

The autonomy of the enterprise necessarily means managerial autonomy which assures the execution of the state's plan and the expansion and development of state ownership by enhancing the sense of responsibility and creativity of the group of enterprises.

Only by allowing the enterprises to have a certain amount of autonomy to make them operate actively and independently can their dependency on the state and their evasion of their sense of responsibility be eliminated. This allows them to display their sense of responsibility and creativity even more fully on the basis of the firm realization that they are the masters of economic management and production. By so doing, they can be fully responsible to the party and the state for executing the state's plan and using its labor, facilities, materials, and funds; they can make up for the expenditures with their own revenues, and they can satisfy the basic requirements of the independent accounting system to benefit the state.

At the same time, this system will work to expedite the expansion and development of the state's and all the people's ownership by promoting the role of the masses of producers as the masters of production and also by expanding the state's assets further.

Providing the enterprise with a certain amount of autonomy under the guidance of the centralized leadership of the state also means that it is a proper principle which correctly embodies the demands of the democratically centralized leadership.

All state organs in the socialist state are organized and operated in accordance with the principle of democratic centralism.

The principle of the independent accounting system, which gives a certain amount of autonomy to the enterprises under the central leadership, excellently embodies the demands of the system of democratic centralism. In economic management, under the system of democratic centralism, to implement the economic policy of the party, the state heightens the revolutionary fervor and creative positive attitude of the masses of producers and, on this basis, demands the uniform guidance of the state's economy. Allowing enterprises to have a certain amount of autonomy is an important condition in raising the creativeness of the masses and the sense of responsibility of the enterprises in overall management activities.

The enterprises which adopt the independent accounting system receive a unitary plan, and on the basis of their performance in implementing the plan, they are evaluated both politically and financially. Since the record of the management activities of the enterprise is reflected strongly in implementing the state's plan, the more the state's plan is overfulfilled, the better are the conditions for the smooth conduct of management activities. A greater portion of the earned income is allocated for living expenses and reward money, and the capital of the enterprise can also be accumulated further and spent usefully. At the same time, on the basis of the results of their labor and those of the management activities of the enterprise, the reward for the labor of the workers is determined. A political evaluation is also made. This enables the leading functionaries, workers, and technicians to try to produce more and better things at the lowest cost, to give more benefits to the state by showing their maximum level of mutual unity, and to demonstrate their sense of unity. Thus, the right combination of the centralization of power and democracy in economic management is realized by the principle of the independent accounting system, which gives a certain amount of autonomy to the enterprise under the guidance of central leadership.

The superiority and vitality of the principle of the independent accounting system, which gives enterprises a certain amount of autonomy under the guidance of the state's centralized leadership, have already been clearly proven in actual economic management. By correctly applying the principles and requirements of the independent accounting system in accordance with their needs and conditions, many factories and enterprises, starting with the Anju District Mining Complex and the Kim Chak Iron Complex, have been achieving great success in economic management and production. By adopting the progressive contract wage system correctly, the coal mines in the Anju District Mining Complex have made the masses participate actively in economic management and have also increased coal production. At the blast furnaces of the Kim Chak Iron Complex, by tightening up the preferential treatment system for the work place and the work team, pig iron production has been normalized, the level of coking wastes per ton of pig iron has been systematically lowered, and the rate of workers' wages has been increased. Experience has clearly shown that when the guidance of the state's centralized leadership and the individuality of the enterprises are linked correctly and blended into a single system, the independent accounting system can be correctly put to work. We must continue to uphold firmly the principle of the independent accounting system which gives the enterprises autonomy under the guidance of centralized leadership.

The most important thing in this is to put the independent accounting system to work in accordance with the needs of the Taaan work system.

This means that the independent accounting system must serve the purpose of realizing the scientific principle and the mass line in economic management. The Taaan work system is a form of the chuche economic management system which thoroughly implements the mass line and manages the economy scientifically and rationally under the collective leadership of the party committee. Putting the independent accounting system to work in a manner that is suitable to the Taaan work system is the correct way to effect the independent accounting system and to provide the enterprise with its autonomy under the guidance of centralized leadership.

The independent accounting system must, above all, serve the purpose of thoroughly implementing the mass line in economic management. Enabling the masses in production work, who are the masters of the state, to exercise the right to manage the enterprise is the question of principle in implementing the mass line in economic management.

The independent accounting system enables the masses of producers to exercise their enterprise management rights better in a practical sense because it makes use of labor and the means of production rationally, and in executing the state's plan, it enables the workers to work voluntarily and creatively with autonomy.

Providing the enterprise with a certain amount of autonomy under the guidance of the state's centralized leadership is the correct way to make the independent accounting system serve the purpose of achieving the mass line accurately in economic management in accordance with the needs of the Taaan work system.

Serving well in implementing the scientific principle in economic management is an important task for the independent accounting system. To provide the enterprise with a certain amount of autonomy under the guidance of the state's centralized leadership is, in the final analysis, to enable the enterprises to manage and operate the economy more scientifically and rationally in accordance with the rules of the socialist economy. Since the enterprise is provided with its autonomy by the state, and since it takes responsibility for its economic activities from the standpoint of the national interest, it always pays careful attention to every penny it has to spend and the economic aspects of the labor and materials involved, no matter how few they may be. It weighs the standard of material consumption per unit of product, the prime cost, profits, and profitability and thus conducts its management activities by the most rational and effective methods. On the other hand, the economic leverages such as prime costs, profits, and profitability are the powerful means by which to stimulate and control the effective activities of the producers.

One of the important problems arising from implementing the principle of the independent accounting system to give a certain amount of autonomy to the enterprise under the guidance of the state's centralized leadership is the tightening up of the responsibility system of the factory and the enterprise.

The factory and the enterprise are the production and life units where the working class works and lives. The factory and the enterprise are not only completely responsible to the party and the state for the execution of the state's plan but are also responsible for assuring the lives of the workers by thoroughly carrying out the socialist labor reward system.

All state-run enterprises, in accordance with the basic requirements of the independent accounting system, must make correct use of their autonomy, take responsibility for their own units' administration and operation, stand firm on the position concerning the masters, and take care of themselves. The basic requirement of individuality in management and its true essence lies in the fact that all the enterprises under the independent accounting system depend less on the state and stand on their own feet as much as possible. To enable the enterprises under the independent accounting system to stand on their own feet and operate by themselves, the functions and the roles of the enterprise complex must be decisively enhanced, and especially, the independent accounting system must be correctly put to work within the scope of the enterprise complex.

To enable the enterprise complex and all other related enterprises to work as a unit of the independent accounting system, each in close conjunction, not only further organizes and plans their productive links among themselves but also makes it possible for them to maintain close cooperation and to solve the problem of normalizing production more smoothly by making them mutually dependent in the relationship of material interest. All of the enterprise complexes must endeavor to display the superiority and vitality of the independent accounting system of the enterprise complex by properly exercising the right in management activities which has been given to them and by carrying out enterprise management independently and actively under all conditions.

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N.KOREA/ECONOMY

2,850 MACHINE TOOLS MANUFACTURED NATIONALLY IN 4 MONTHS

Pyongyang MINJU CHOSON in Korean 9 Nov 85 p 1

[Text] Raising high the teachings of the great leader comrade Kim Il-song and the aims of the party, factories and workshops everywhere have vigorously begun a machine tool manufacturing campaign as an all-party, all-masses movement, and have achieved results in manufacturing all kinds of machine tools, starting with some 2,850 large-scale and specialized precision machine tools as of the end of October.

In a vigorous labor struggle to glorify the 40th anniversary of the party founding with a victors celebration, workers throughout the country have manufactured some 1,230 machine tools in October alone.

Some 10 ministries and committees, including the Second Machine Industry Ministry, the Metal Industry Ministry, the Coal Industry Ministry, and the agricultural committees, attained their agreed upon goals in machine tool manufacturing.

With the manufacture of many machine tools, it has become possible further to increase the level of technical equipment in various fields of the people's economy, including tools, mining, metals, and rail transport, and for workshops themselves to firmly organize the technical processes of production.

The great leader comrade Kim Il-song has given the following instructions.

"In order quickly to solve the machine tool problem, it is necessary to launch a machine tool manufacturing campaign in every field and at every factory having machine tools."

The "June 1985 Machine Tool Manufacturing Campaign" is achieving enormous accomplishments, in quality as well as quantity of machine tools being manufactured with revolutionary zeal by technicians, and experts who have received scarce education and by a powerful economic foundation, including the tool manufacturing industry which has been made ready under the banner of the three great revolutions in thought, technology, and culture.

The factories and workshops under the Second Machine Industry Ministry have attained this year's goal set for the manufacture of some 100 high quality

machine tools and are continually innovating to reach the bold goal of manufacturing some 40 additional machine tools by the end of the year.

At the May 10th Factory, which was the first to set ablaze the beacon of the "June 1985 Machine Tool Manufacturing Campaign", all the employees, embracing a single intention--to win the distinction of being the pathbreakers in this machine tool manufacturing campaign--struggled mightily and produced some 50 machine tools.

The Hoeryong Coal Mining Machine Factory and the August 28 Factory also produced many machine tools and items of equipment, including medium sized lathes, four-axis drill presses, and various kinds of cutting tools, thus solidly organizing the production technology processes.

The First Machine Industry Ministry factory and workshops achieved production of some 60 machine tools of various types on the basis of large scale and specialized precision machine tools.

The Tyongsong Machine Complex manufactured a 10,000 ton press, and even while providing security for many plant facilities vigorously carried out machine tool manufacturing by the broad masses, producing many machine tools, including the "Ryongsong 3" large sized lathe and a large scale moving drill press.

The working class at Victory Integrated Automobile Factory achieved a very great innovation in the production of various types of machine tools needed to increase production capability for the Chaju automobile, including a crankshaft fine finishing tool and a 26-axis drill press. The Machine Tool Manufacturing Campaign has been vigorously carried out not only in the machine industry field, but also in every field and at every factory that uses machine tools, and unprecedented results are being achieved.

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21 February 1986

N. KOREA/ECONOMY

#### NEW RAILWAY TO FACILITATE COAL TRANSPORT

Pyongyang NODONG SINMUN in Korean 19 Nov 85 p 1

[Text] A rail spur between Ch'olgisan and Hyongbong has newly been constructed and opened for service.

The opening of this rail spur line is the valuable accomplishment of the truly great love and concern of the great leader and the glorious party center, who warmly care for the work and lives of our coal miners, a love and concern that show favor to the miners themselves; the line is also yet another creation of our working class, worthy of pride and a deeply meaningful and prominent achievement with which to brilliantly adorn the current year.

With the completion of construction on this rail spur line it has become possible to more easily transport coal produced at the Hyongbong coal mine to the electric power generating plant at Pukch'ang and to other areas of the economy. It has also become possible to assure that transportation for the miners and people in this region is more convenient, and to improve living conditions further.

The great leader Comrade Kim Il-song sent his thanks to the workers, technicians, office workers and volunteers of the Mine Construction Unit of the Tokch'on Regional Coal Mining Complex who participated in the construction of this spur line and achieved such a great labor contribution.

A meeting to transmit the thanks sent by the respected and beloved leader and to open the newly constructed spur line was held at Hyongbong station on 18 November. Participating in the meeting were Ch'oe Kwan-yong, Minister of Coal Industries; Kim Ui-sun, Chairman of Pyongan Namdo Administrative and Economic Guidance Committees; and other cadres from related fields, together with miners from Tokch'on Regional Coal Mining Complex and mine construction workers and volunteers.

At the meeting, the appreciation from the great leader Comrade Kim Il-song to the workers, technicians, office workers, and volunteers for the Tokch'on Regional Coal Mining Complex and the Mine Construction Unit who achieved great labor accomplishments in construction of the Ch'olgisan-Hyongbong spur line was conveyed amidst the wildly enthusiastic applause of the participants.

Following a report concerning the opening of the rail service line by Chon In-ch'ol, manager of the Tokch'on Regional Coal Mining Complex, the meeting heard statements concerning the following resolutions.

The ones making the report and statements noted that the workers, technicians, office workers and volunteers of the Mine Construction Unit of the Tokch'on Regional Coal Mining Complex, bearing a spirit of never-ending loyalty to the great leader and to the party, and displaying on high a revolutionary spirit of self-renewal and arduous efforts, had by their own efforts constructed the Ch'olgisan-Hyongbong rail spur line, splendidly completing construction in a short time a facility at the Hyongbong coal mine having a loading capacity of hundreds of thousands of tons.

The speakers emphasized that the great leader brilliantly clarified methods for them and set forth this rail spur line and loading facility construction project, and that the beloved comrade Kim Cong-il devised for them a detailed plan for the rapid completion of construction, thus solving for them various entangling problems.

The speakers stated that the construction workers and volunteers who vigorously launched into the project resolved to thoroughly carry through the decisions and directives of the party, noting that they got through the difficulties they encountered by their own efforts, completing the roadbed work in a short period of time and splendidly assuring the opening of the spur line by following the new plan for technical innovation and by swiftly finishing up the laying of ties and rails and the structural work.

The speakers also noted that the construction workers and volunteers firmly consolidated a base for prefabricated production on the basis of their own efforts, and completed work on a loading facility with a capacity of hundreds of thousands of tons ahead of schedule, while increasing the proportion of prefabricated work to 80 percent and conserving cement, wood materials, and steel, while splendidly preserving the quality of the work.

At the same time, the speakers gave the greatest honor and warmest appreciation to the great leader Comrade Kim Il-song and to the glorious party center, who had sent appreciation beyond that deserved by those who worked on the project, who had done only what they ought.

Those who gave reports and spoke stated that the newly constructed rail spur line and loading facility must be well managed and that the transport structure must be completely planned and coordinated, to ensure support for the demand for transport which daily increases.

The speakers emphasized that they would continue to press ahead with new local rail spur lines and loading facilities construction, normalizing coal production at high levels and faithfully repaying the high confidence and expectations of the great leader and the party.

A vow was agreed upon at the meeting.

At the close of the meeting, an inaugural train left Hyongbong station, making loud sounds with its steam whistle.

N.KOREA/FOREIGN TRADE

MEANS OF FACILITATING FOREIGN TRADE VIEWED

Pyongyang NODONG SINMUN in Korean 13 Nov 85 p 4

[Article by Yim Hak-song: "Foreign Trade Development and Export Sources"]

[Text] Confronting us today is the very important task of hastening the realization of the 10 long-range goals of socialist economic construction and epochally increasing the living standard. To accomplish this task successfully, it is necessary to expedite production and construction in all sectors of the national economy more vigorously along with developing foreign trade. We must develop foreign trade so as to procure a more ample quantity of raw and processed materials absent or in short supply in our country and be able to normalize production at a higher level.

Foreign trade may also be said to consist of exporting and importing among countries based on the principle of equality and mutual reciprocity.

Imports presuppose exports. Without exporting there can be no importing nor could one mention trade with other countries. Consequently, our party set forth ceaselessly increasing exports as an important task for developing foreign trade.

To increase exports and develop foreign trade it is necessary to positively search for and mobilize export resources as well as set up strong production bases for export goods and increase their production.

Locating and mobilizing sources for exports means actively locating good quality industrial products, ores, agricultural goods and farm produce, marine products, etc., which are in high demand, increasing their variety and marketability.

The great leader, Comrade Kim Il-song, taught as follows: "In all sectors of the national economy, it is necessary to actively locate export sources and increase export production on a wide scale."

Actively locating and mobilizing export sources makes it possible to earn a large amount of foreign currency without incurring great expense.

There are two ways to increase exports and increase foreign currency earnings. One way is to increase exports by building more enterprises which produce

export goods or remodeling and expanding their capacity. Another way is to increase exports by actively locating and mobilizing the country's natural resources through a mass campaign.

If we want to increase exports without let-up, we must build more new enterprises for export production or rebuild and expand their facilities. Along with this, it is very economical and beneficial to actively search for and mobilize the export resources of the country, produce various kinds of export goods and sell them abroad.

It entails considerable investment and a lengthy construction period to build enterprises for export goods production or increase their capacity but a large investment is not really required to mobilize export resources. Consequently, mobilizing natural resources and increasing the types and quantity of exports is a very good way to increase exports.

In our country, there are many export sources capable of producing new export goods without incurring much cost in manpower or funds. Nonferrous metals and non-metallic substances are in high demand on the world market and are sources of considerable foreign currency, and they are plentiful in our country. In our country, with many mountains and bordered by the ocean on three sides, farm produce and marine products are also enormous. The mountains, by nature, contain various kinds of mountain fauna and also medicinal herbs and legumes.

In the ocean, as expected, there are most abundant fishery resources which exist only in our country's coastline. If these are surveyed, protected, managed and propagated well, it would be possible to increase the types of export goods thereby earning much foreign currency. When we use our heads and work indefatigably, we will learn the demands of the world market, locate much more export sources in our country and make possible multilateral exchange with the various countries of the world.

The actuality of world market demands continual increase and the form of these demands takes on various shapes but this does not necessarily require only those products produced by modern methods with introduction of new technology nor does it mean raising the prices of such products. There are not a few instances of trading at high market prices those products derived from the production, living conditions and natural environment peculiar to each individual country, yet entailing relatively small investment of funds and manpower and also those goods easily obtained from the environment. Thus, one should not concentrate on exporting high technology products while denigrating exporting products made without effort.

We must positively locate and mobilize export sources and increase exports so as to be able to make trade diversified and multifaceted, expedite socialist economic construction and, in particular, better implement the party's requirement for rapidly heightening the living standard.

Upholding the party policy on widely searching for and mobilizing export sources, our people displayed the revolutionary spirit of self-reliance and dogged determination in locating numerous reserves and potential for export goods production in recent years and are continuing to seek out and mobilize

new export sources. This is nothing more than an initial success, however. It is our people's revolutionary work attitude to struggle to set higher goals based on the success achieved.

An important prerequisite for mobilizing export sources is arousing the revolutionary zeal and consciousness of the party members and workers in all sectors of the national economy.

Considering that mobilization of export sources is tantamount to using even all the raw and processed materials not included in the export production plan and locating and mobilizing resources in the raw state, it would be inconceivable without one's high political consciousness and zeal. No matter how plentiful the export production reserves and potential or how sizeable the export resources to be developed and used may be, they cannot be effectively mobilized and put into use without being bolstered up by one's high political consciousness and hardworking zeal. Thus, all levels of party organizations and functionaries must map out politico-organizational work to instill in the masses a profound understanding for the importance of foreign trade. This must be done if they are to throw themselves more consciously into the task of locating export reserves with a heightened zeal and initiative.

In order to actively seek out and mobilize export sources, it is necessary to use the mountains and sea well and seek out underground resources to the maximum.

In Wonsan City recently, as a result of drawing up politico-organizational work for the purpose of locating and mobilizing export sources, they reclaimed the mountain valleys, planted various kinds of farm produce and medicinal herbs conforming to the climate and terrain and were able to earn a lot of foreign currency. This is indeed a model to be emulated by all cities and countries to increase exports.

If we draw up the work of erecting export goods production bases and export sources mobilization in all sectors of the national economy like Wonsan City, we would be able to open up good prospects for further increasing exports.

We must positively locate and mobilize export sources and build export bases, and once this is realized abroad, we must draw up plans for production organization to enable this to continue to be realized and work to improve the quality drastically. This must be done to be able to sell the export goods located and mobilized at a higher price on the world market abroad and continue to develop foreign trade.

All functionaries and workers must bring about an epochal transformation in export goods production and fulfilling export plans by rushing forth to uphold the party's policy tasking on locating and mobilizing export sources as a mass movement.

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END