

Trade war consensus grows in U.S. against Republic of Korea

by Lydia Cherry

The United States is upping the ante against the economy of South Korea, as part of a continuing U.S. effort to blame America's economic weakness on others, and to make others pay for it. The fact that U.S. exports into South Korea have increased by some 26% in the last six months, as the Seoul government sought to avoid at all costs what it considered as the "dishonor" of being classified as a violator under the U.S. Omnibus Trade Acts "Super 301" designation, has apparently only encouraged U.S. trade officials into still more rabid acts of trade war.

This U.S. policy toward the Republic of Korea has been combined with a steady drumbeat coming from Congress, the Eastern Establishment press, and sometimes administration officials, that the United States must force South Korea to bear the full burden of its national defense and that the United States should pull out its troops. Under this pressure, the government of President Noh Tae Woo, which heralded the coming of democracy in South Korea, has come under increasing domestic pressure, both from the opposition and from within his own Democratic Justice Party (DJP).

In late August, the South Korean news service Yonhap reported that the United States had delivered an official protest concerning Seoul's plan to save South Korea's ailing shipyards with a massive transfusion of cash and tax benefits. On Aug. 31, Thomas Wajda, director of maritime and land transportation for the State Department, and John Stocker, president of the Shipbuilding Council of America, visited South Korea's Trade and Industry Ministry to ask it to cancel its plan to subsidize the debt-stricken shipbuilding industry. South Korea has been the world's second largest shipbuilding nation. The two Americans expressed regret over the government rescue mission, which came shortly after the United States dropped a lawsuit against Korea under Section 301 of the U.S. Trade and Tariff Act. They warned that intense U.S. protest will be lodged against Korea at the upcoming shipbuilding meeting in October, which will be held under the auspices of the Organization for Economic Cooperation and Development. In late June, the Shipbuilding Council of America sued the Korean government over its support to the shipbuilding industry, but it withdrew the lawsuit on July 21 to discuss the matter in the multilateral talks of the General

Agreement on Trade and Tariffs (GATT). The council plans to resubmit the lawsuit if it is not settled in the GATT talks by March 1990.

In his recent trip to Seoul in mid-September, U.S. Secretary of Commerce Robert Mosbacher focused on Korea's "continuing problem areas" with respect to its closed markets, especially those having to do with agriculture. The South Korean newspaper *Choson Ilbo* complained in its lead editorial Sept. 8, that the concessions which Seoul has already made to the United States "have already seriously affected the rural economy. As far as the additional opening of markets to agricultural produce is concerned, our flexibility at present is utterly impossible; on the contrary, we need import restrictions on the grounds of the damage done to the agricultural industry."

Leaders of local food industry have pointed out that South Korea imported \$2.6 billion worth of agricultural products from the United States last year, making it the second largest importer of U.S. farm products in the world. Yi Kyong-hae, leader of the 45,000-member National Council of Young Farmers and Fishermen, is quoted by Yonhap Sept. 9: "We cannot just idly watch the American attempt to invade our market, shaking our agricultural industry to its roots."

Aircraft deal up in the air

Commerce Secretary Mosbacher, as the London *Financial Times* reported Sept. 19, also "put Seoul fighter negotiations in doubt," a deal which the Koreans were apparently under the impression was very much on track. At issue is the Korean Fighter Project, under which South Korea would build more than 120 planes—either the General Dynamics F-16 or the McDonnell Douglas F-18. In the original deal, Korea was to buy 12 entire aircraft from the United States, with the factory in Korea supplying 50-60% of the value of the remaining 108 aircraft. But according to the *Financial Times*, Mosbacher insisted that Seoul buy 20 fighters directly from the United States. In mid-July, U.S. Defense Secretary Dick Cheney attempted to strong-arm Seoul into buying all the U.S. fighters "off the shelf." Senators Alan Dixon (D-Ill.) and John Heinz (R-Pa.) introduced a resolution to block the deal and force through Cheney's demand, and charged

that the original deal would give away valuable U.S. technology to a major trading competitor.

The whole debate, of course, is shaped around the presumption of an imminent pullout of U.S. troops. President Noh Tae Woo is scheduled to visit Washington in mid-October for talks with President Bush, and the troop question is expected to be high on the agenda. With new U.S. ambassador Donald Gregg now finally confirmed by the Senate and in place in Seoul, diplomacy around the troop question is expected to increase. Upon his arrival in Seoul on Sept. 16, Gregg issued a vague statement on the troop question: "So long as the Korean government and . . . public share with us the judgment that there is a need for our presence, we will be here to assist in maintaining peace." In his confirmation hearings in June, Gregg had been more explicit, stating that it was time to start considering troop withdrawals.

The point has not been lost on the South Koreans. The Korean newspaper *Hangyore Sinmun* was quick to note Aug. 19 that the position of the commander of the U.S. forces in Korea, Louis Menetrey, had even shifted. Menetrey was quoted in the *New York Times* saying that there will be no military need to keep U.S. forces in South Korea after the mid-1990s if present trends continue. The *Times* commented that the United States has put Korea in a quandary on the military question: "Despite the fact that high-level U.S. policymakers, including Bush, have repeatedly denied that they had any plan to reduce U.S. forces . . . the U.S. Congress, news organizations, and some people in the U.S. administration have given us the impression that they were using the withdrawal question as an instrument in pressuring Korea to bear a greater share of defense expenses and in buying U.S.-made equipment."

Pressure on Noh Tae Woo

President Noh Tae Woo has spoken repeatedly against the removal of the U.S. troops. "Contrary to what some people in U.S. political and media circles say, I think it is the most economic investment strategically to make this forward deployment of forces," the President told reporters June 28, as quoted by Yonhap. The withdrawal of U.S. troops from South Korea—which is the primary demand of the insane regime of North Korean dictator Kim Il-Sung and the Soviet Union—acts to undercut any initiatives from Noh Tae Woo to bring reconciliation to the Korean peninsula. After all, why should the North make any concessions when it can just wait for the United States to do what North Korea wants most?

At the same time, there are indications that Noh Tae Woo's opposition to a troop pullout is one of the reasons why he has lost the favor of at least a faction of the U.S. Establishment. The *New York Times* published articles Sept. 10 and 11 which were extremely critical of "Mr. Noh's crack-down on militant dissent that has filled jails with as many detainees as were imprisoned before he took office in early

1988. The jailings, in turn, have created new concern about Mr. Noh's commitment to due process and free institutions."

The *Times* was particularly upset by the indictment of Kim Dae Jung, the head of the Party of Peace and Democracy, on charges of violating national security laws. As *EIR* reported at the time of the last elections (see *EIR*, Dec. 11, 1987, "Kim Dae Jung: the landlords' candidate"), Kim is part of an extensive network connected to the World Council of Churches (WCC) and to New York City's Union Seminary, which have acted as a fifth column operation to facilitate the country's shift into the Soviet camp. It has been this WCC operation that the Noh Tae Woo government has been scrambling to unravel as it has been engulfed with crisis after crisis.

As Hyun Hong Choo, minister of legislative affairs in Noh Tae Woo's administration, explained in a *Washington Post* interview Sept. 14: "We are doing those investigations and searches, simply because if we do not do so the government will lose all control of order." Explaining that Kim Dae Jung probably wouldn't have been indicted if he had cooperated when the charges had first surfaced, Choo said: "It became a question of who is lying, the government or Kim Dae Jung." The charges against Kim were that he had failed to tell authorities when he learned that a member of his PPD had visited North Korea, and received a payoff from the North Koreans, a certain cut of which was then "donated" to Kim Dae -Jung.

The net effect of the indictment of the PPD leader, however, whether or not he is convicted, is to knock Kim Dae Jung largely out of the running as the next head of the government. Who, then, is waiting in the wings for the downfall of Noh Tae Woo? Some analysts speculate that Kim Young Sam may emerge as the "favorite son" of the Eastern Establishment. He is the one opposition figure that Henry Kissinger has sought out when visiting Seoul. He is also Moscow's contact person in Seoul. Yonhap reported Sept. 12 on a meeting the previous week between Kim and Soviet Vice Foreign Minister Mikhail Kapitsa in Seoul. Kapitsa, director of the Soviet Institute for Oriental Studies, is quoted: "It is unimaginable that war could break out on the peninsula and the Soviets are determined to play any role they can in bringing about inter-Korean talks. . . . As far as I know, North Korea is ready to hold South-North Korean talks but wants to take some steps to save face, and it will take a couple of years for the circumstances for cross recognition of the two Koreas by their allies to fully develop." He told Kim that "Priority should be given to arms reduction in inter-Korean talks. Cutting the size of the armies down to 100,000 men each will help ease the tension on the peninsula," he said.

Increasing ties between Moscow and Seoul clearly have Washington's approval. The founder and honorary chairman of the Hyundai Group, Chong Chu-yong, returning to Seoul from a week-long visit to the United States told Yonhap Sept. 5 that the U.S. backs South Korea's economic approach to the Soviet Union.