

## south korea

### South Korean Economy Staggering; Military Massing in Wings

June 29 (IPS) — The recent opening of the trials of 254 South Koreans on charges of “conspiring to overthrow the government of South Korea by communist revolution” and last month’s successful attack on a U.S. Army helicopter by South Korean troops as it flew over the palace of President Park Chung Hee exemplify the political situation in South Korea. President Park, who at present is politics in South Korea, knows that his one-time usefulness to his CIA masters has grown to be a relative liability, and has mobilized in his own defense what may well be the most repressive police-state apparatus in the world.

At the root of Park’s desperation is the devastated South Korean economy. South Korea bears a **public** foreign debt of over \$5.5 billion and a 1973 debt service payment of \$515 million, with estimates projecting the debt service to run as high as \$2 billion within 2-3 years. The task of implementing the intense anti-working-class austerity necessary to raise these funds cannot be left to the politically unstable sledgehammer method of Park.

The new wave of terror began this February. May 20 a U.S. Army helicopter flying in the vicinity of the presidential palace was shot down by presidential security troops. Taking note of the CIA’s coup in Chile in September, Park is mounting precautions to avert a similar fate. Earlier this year Park issued Emergency Decree No. 4 in reaction to the discovery of a small group of radicals which maintained at least minimal communication with North Korea. Park’s Emergency Decree No. 4 declared any statement made against the government to be punishable by death. The trials, which started three weeks ago, are military courts martial. It is reported that Park also used the red scare as a pretext for stepping up his internal spy network, coercing individuals to become informers or be faced with reprisals against their relatives.

A major blunder in the recent terror wave has been Park’s arrest and trial of Kim Dae Jung, the anti-communist “fighter for democracy” and leader of the opposition New Democratic Party (NDP), on charges of election violations during the 1971 presidential campaign. The South Korean CIA kidnapped Kim from his self-imposed Tokyo exile last August and brought him back to South Korea in house arrest. The incident became an international scandal. The Japanese in particular, feeling insecure about Park and their investments in South Korea, began to apply pressure against the regime by exposing the case.

Concentration camps called Free Export Zones are set up on all three coasts of the South, coupled with a South Korean model of the McNamara Plan called the New Village Movement. The Free Export Zones, large fenced-off areas easily accessible to ports, contain factories ready for use. The foreign investor simply walks in, rents the plant and pays taxes while the government guarantees the investor a cheap, docile work force. Raw and semi-processed goods are shipped into the zone, assembled, and shipped out. This process brings in foreign exchange used in debt payments, and restricts the consumption level of slave-wage workers. The policy, thus far successful, is being expanded: Resettlement of the slum population under the guise of providing welfare housing moves South Korea’s major resource — cheap labor — to the areas of Export Zone expansion.

The New Village Movement has been slower in getting off the ground, lacking the “national unity” which Park trumpets in his speeches. However, in April Park dedicated a large dike in western South Korea that will provide large-scale labor-intensive farming projects with irrigation. This summer 35,000 South Korean university students will participate in the program, setting up rural “medical clinics” and working on the farms.

But when the economy is taken as a whole, the crisis becomes starkly obvious. With an inflation rate of 24 per cent for the first quarter of 1974 due to repercussions of the oil hoax throughout the economy, as well as the recent decision by the government to jettison illiquid companies, further austerity measures are required.

The Korean peninsula is a key strategic military area where the U.S. has its largest troop deployment in Asia. For the past two years the U.S. has been “modernizing” the 600,000-strong South Korean Army. **After the 1968 Pueblo incident the South Korean Air Force got extensive training, and recently the U.S. moved all its F-4 Phantom jets from Thailand to South Korean bases.**

Taking into account the military and economic necessity for a politically stable South Korea, it is clear that Park must go. It is not yet clear whether there exists an anti-Park faction in the army, which is Park’s only base of support. However, given the extensive U.S. military influence in South Korea, with Park unable to stop the slide into bankruptcy, an anti-Park faction could easily be rallied. Kim Dae Jung is the most likely prospect around whom a “progressive coup” could gain international support to further the “national unity” austerity drive.