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DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

NUMBERED LETTER

CONFIDENTIAL

TO: THE UNDER SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Security:.....
MR. McGL...
MR. GREN...
MR. YC...
No: 223

FROM: The Office of the High Commissioner
for Canada, Kuala Lumpur, Malaysia

Date: May 25, 1965

Enclosures:.....

Air or Surface Mail: Courier

Post File No: 20-1-6

Reference: Our letter 545 of Dec.30, 1964 and
Subject: Tokyo telegram 124 of March 19, 1965.

Proposed Seoul Asian Foreign
Ministers' Conference.

Ottawa File No:
7-1-1
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References

We understand from the Ministry of External Affairs here that the February ambassadorial meeting in Bangkok to prepare the ground for the foreign ministers' conference in Seoul was a desultory affair at which no firm decisions were reached. Malaysia's Ambassador to Thailand participated as an observer. Since then, the South Koreans have been pressing the Malaysians to attend the conference which, with the passage of time, has been postponed rather vaguely until later in the year.

2. During the Tunku's visit to Seoul at the end of April he was again urged to have Malaysia attend the proposed conference. While on a public occasion he praised the Koreans for initiating a move to bring about closer cooperation among Asian nations which he thought ought to be explored with as many Asian countries as possible, the Tunku made it quite clear in private to the Koreans that Malaysia would not attend their conference at least as long as countries such as Japan and Australia showed such a negative attitude to the Korean proposal. The Tunku instead came out with his suggestion for an organization of Asian unity in which he invited Japan to play the leading role.

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Circulation

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DEPARTMENT OF EXTERNAL AFFAIRS, CANADA



OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	MAR.19/65	7-1-1	CONF.D.
TO: EXT OTTAWA	NUMBER		PRECEDENCE
	124		ROUTINE
INFO:			

Ref.:

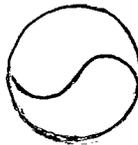
Subject: SEOUL FOREIGN MINISTERS MEETING.

FOREIGN MINISTER SHIINA TOLD DIET THURS. THAT HE WOULD NOT RPT NOT ATTEND MEETING OF FOREIGN MINISTERS SCHEDULED TO BE HELD IN SEOUL IN APRIL.

2. KRODA, HEAD OF NORTHEAST ASIA SECTION OF GAIMUSHO, DESCRIBED SHIINA'S POSITION AS SIMPLE PUBLIC CONFIRMATION OF LONG HELD JAPANESE POSITION. HE SAID JAPAN DID NOT RPT NOT THINK THAT PROSPECTS OF SUBSTANTIAL RESULTS FROM CONFERENCE WERE ANYTHING BUT DIM. MOREOVER, SINCE ONE OF OBJECTS OF CONFERENCE WAS REINFORCEMENT OF SECURITY OF AREA IT WAS LIKELY THAT ANY SUBSTANTIVE DECISIONS MIGHT RAISE CONSTITUTIONAL PROBLEM IN JAPAN. MAIN REASON HOWEVER HAS TO DO WITH SOCIALIST PARTY CHARGE THAT OBJECT OF JAPAN - KOREA NORMALIZATION TALKS IS TO PREPARE WAY FOR CREATION OF ANTI-COMMUNIST SECURITY TREATY IN NORTHEAST ASIA. JAPAN'S PARTICIPATION IN SEOUL CONFERENCE AT THIS TIME WOULD THUS LEND WEIGHT TO SOCIALIST CHARGES AND DISQUIET JAPANESE OPINION WHICH IS ALREADY HARDLY ENTHUSIASTIC ON NORMALIZATION ISSUE.

LOCAL DISTRIBUTION

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FILE:	
7-1-1	
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file

KOREAN MISSION IN JAPAN

LKM-2

~~AMBASSADOR~~
~~MR. MOGEL~~
~~MR. POPE~~
~~MR. SPENCER~~
~~MR. BILD~~
~~MR. YOUNG~~

~~MR. MOGEL~~
~~MR. SMITH~~
~~MISS GALE~~
~~MISS GIRLING~~

Miss Clark

NOTE VERBALE

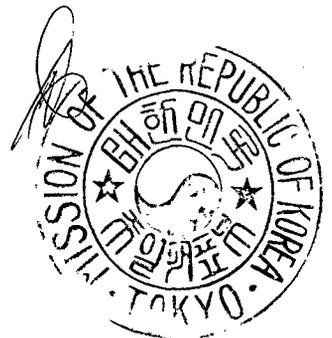
The Korean Mission presents its compliments to the Canadian Embassy and has the honour to forward to the latter a released text of the New Year's Message to the National Assembly addressed by the President of the Republic of Korea on January 16, 1965.

The Korean Mission avails itself of this opportunity to renew to the Canadian Embassy the assurances of its highest consideration.

February 2, 1965

Tokyo.

MR BILD



January 16, 1965

NEW YEAR'S MESSAGE TO THE NATIONAL ASSEMBLY
By the President of the Republic of Korea

Mr. Speaker, members of the National Assembly:

We have now greeted a new year. All the people are looking forward to a brighter and better life with the dawning of this new year.

It is both a pleasure and significant for me to discuss with you members of the National Assembly, with whom I shall have the privilege of working again throughout this year, our new year's resolution and the direction of our national policies, bearing in mind the wishes of the people.

First of all, allow me to praise the efforts you have exerted in overcoming the initial confusion and trials of the past year after the inauguration of the civilian government, achieving a base for stabilization and progress in many fields and consolidating the foundations of a constitutional government.

In greeting the second year of my administration, when I observe the domestic and international situations and look ahead to the difficult path that lies before us, I once again deeply feel the weight of our responsibility, mine as well as yours, as leaders of this nation.

We recall that 1964 saw many tumultuous changes in international scenes. A presidential election in the United States, a sudden change of power in the Soviet Union, recognition of Communist China by France, upheavals in Vietnam, increased instability in Southeast Asia, the obstinate menace of the north Korean Communists, and especially the explosion of an atomic bomb by Communist China--all these significant events took place during the past year.

In spite of the gradual tendency toward diversification in the over-all world situation, we find one common fact that attracts our attention: Each country of the world is more and more clearly pursuing its own practical interests.

Under such circumstances, we should hasten the economic development of our land based on our own basic national posture. To this end, new awakening and resolution, not only of those in the government but of all the people, cannot but be called for.

Domestically, it was truly regrettable that we had an unfortunate development in the form of a proclamation of martial law only six months after civilian government was re-established.

We must, however, highly appreciate the fact that all of you members of the National Assembly, of the government and opposition parties both, defended the order of a parliamentary government through debate and compromise, and that the people, without losing their reason, carried on production and construction steadfastly despite the over-heated political condition. This was most fortunate for the future of the country. This, we may say, was a really valuable lesson for our future.

We may say further that we, of this generation and of this nation, who shoulder the historic responsibility of modernizing our land, have experienced anew the truth that genuine, public-spirited discussion of national affairs alone can obtain pan-national support.

My dear members of the National Assembly and compatriots!

Twenty years have passed since the Liberation and 15 years since the Korean War. In this new year, we cannot but feel emotions that are more profound and special than ever before.

Some countries have regained prosperity on the ruins of past wars and others have reclaimed deserts, building abundant societies thereupon. When we recall these facts and reflect upon what have we done during these precious 20 years, we cannot but feel deep repentance and self-reproach.

While we idled time away, others sweated. When we consumed, they saved. When we forgot the morrow and thought only of today, they saved and worried about tomorrow.

Now, however, when they smile, we are oppressed with grief. When they feel the joy of life amidst prosperity, we are constrained to fret over our poverty.

Nevertheless, this is not to say that it is too late.

If all the people do their best with determination, self-sufficiency, and indomitable courage to achieve, save what they have, make more, and earn more, we can recover before long from the futility of the past 20 years.

From now on, we must renew our determination; we must sweat and work. We must scrub away the accumulated dirt of the past 20 years which were spent in confusion and stagnation. We must now begin to do genuine work, meaningful work.

Members of the National Assembly and beloved people!

We have now entered into the second year of the civilian government, and also the fourth year of the first five-year economic development plan, which must be stepped up more vigorously than ever. We now face time in which to perform worthwhile work.

I am convinced that we have now greeted a year in which all conditions favor our work. While promoting the economic development plan during the past three years, we were faced with capital shortages. We now see the bright prospect that, thanks to our efforts to attain multilateral economic cooperation, more than \$100 million worth of capital goods will be vigorously brought into this country during this year, enabling us to secure foreign capital which we so badly need.

Not only that, but thanks further to our steady efforts during the past, we have now secured sufficient electricity, coal, petroleum, and other power resources to support industrial construction. Construction of key industries has been promoted, and we have now a foundation on which to work.

A seven-year food production plan, meanwhile, has been formulated, and necessary funds have been secured, enabling us to embark on the first-year plan of the project. ||

Last year we exported "120 million worth of commodities. This accomplishment has given us confidence that we can expand exports decisively, not only in agricultural and fishery products but in industrial products as well.)

I have set this year as a "year to work." I call on my beloved 27 million Koreans to work and progress in complete harmony with the government.

I have set the following three major targets for this year: Increased production, export, and construction.

To achieve the three targets of the year to work, I most earnestly call on the administration and the National Assembly to unite with the people and achieve decisive progress.

As for the concrete policies of the government with regard to attaining our aims, I have already stated them in the 1965 budget message. As for the general direction of the administration this year, the above three major targets will be its supreme task.

As you know, economic development is attained not by miracle. It is an outcome of the diligence, thrift, and savings of all the people. This is attested by what has been achieved by the advanced nations. This is no reason why our country alone should be an exception.

I will now explain one by one methods by which these three major targets can be accomplished as well as other problems, both domestic and international, that require our urgent attention.

Diplomacy and National Defense

The administration will inaugurate more vigorous diplomacy so as to adapt to changing international circumstances, carefully taking into account the world situation of the past year and its future course.

As for the unification of the nation, which is the aspiration of the whole country, I reassure you that there will be no change in the existing basic policy of the nation.

At the same time, the traditional ties of friendship with the United States will be further strengthened, and relations of good will and economic cooperation with the Federal Republic of Germany and other West European nations will be stepped up. In the near future I will visit the United States, discuss matters of common interest to both our nations, and devote more efforts to the strengthening of Korea-U.S. ties.

Just as I visited the Federal Republic of Germany last year, I plan to make as many good-will trips as possible to many other friendly nations this year. I will also invite leaders of friendly nations to Korea so that they may witness and evaluate more accurately the role Korea plays today for international security and peace, consolidating a base of mutual cooperation with these nations.

As for the normalization of relations between Korea and Japan, a question which has long remained unsolved, I believe it should be brought to an early conclusion in the interests of the prosperity and security of both Korea and Japan.

Solution of the pending problems between the two nations is not an issue that concerns the two nations alone. Considering the need to reinforce the unity of the free world, we have held the door open for establishing neighborly relations with Japan with all possible dispatch. It is my intention to bring an end to this matter this year, within the framework of maximum guarantees of our national interests.

Southeast Asia is faced with a new threat occasioned by the nuclear testing of Communist China. To safeguard peace in Southeast Asia, the need for a common security organization among the free nations in the area is more strongly required than ever.

To promote political and economic cooperation among the Southeast Asian nations, plans for a meeting of foreign ministers of the Southeast Asia and West Pacific area nations will be pushed forward.

In this connection, being unable to afford to remain idle spectators to the increasing threat of aggression by Communist China and its followers, we will keep a close watch over the development in this area.

This is necessary because Communist aggression against anti-Communist free allies is directly connected with the security of our nation, and because our broader contribution to the maintenance of anti-Communist collective security is called for more urgently than ever before.

The Republic of Vietnam, which continues an arduous anti-Communist struggle, has asked our country for military assistance. I have asked the National Assembly for approval, having decided to extend this military assistance from the viewpoint of consolidating our anti-Communist stand and our national security as well as of contributing more to the united anti-Communist effort of the free world.

Wise judgment and approval of the measure by all of you members of the National Assembly are hereby most earnestly sought.

Also in 1965, the administration will exert efforts in Africa and the Middle East countries to secure and enhance our position there.

Establishment of diplomatic missions in those areas, sending good-will missions whenever needed, etc. will constitute our concrete measures to this end, which envisages broadening our diplomatic activities based on the continent of Africa itself.

Furthermore, technical assistance will be stepped up, businessman will be encouraged to inaugurate trade activities, and cultural and publicity activities will be positively expedited in the area.

Meanwhile, in the field of national defense, the upheavals in South Vietnam and other Southeast Asian nations, the traditional expansionism and nuclear testing of Communist China, and the incessant military build-up and threat of southward invasion by the north Korean Communists will require us to strengthen our defense capability more than ever.

Therefore, the armed forces will continue to maintain the present level of manpower. Quality will be stressed over quantity and modernization of arms and equipment and training and spiritual armament will be strengthened.

At the same time, we will do our level best to consolidate military ties with free world allies and to establish a collective defense posture, maintaining a mobile defense system which can counter both nuclear and conventional warfare.

Economy

As I have already mentioned, increased production, export, and construction are our major economic targets for this year.

The increased production program proposes to expand the supply of goods that are basic to the life of the people. Above all, it proposes to attain food self-sufficiency of the nation by increasing agricultural and fishery output.

Our country is located in a temperate zone, most suitable to farming. Outwardly, our grain shortages mar our international prestige as an independent nation; and, inwardly, they have caused incessant inflation and instability of daily life. This is an unbearable, chronic contradiction.

Of the total yearly grain requirement, estimated at about 38 million sok, we rely for less than 10 per cent, or three million sok, on foreign grain. Such being the case, if we make up our mind and strive to increase production and restrain consumption, the problem can be solved without difficulty, I believe.

This year we are devoting all our energy to the newly established grain production seven-year plan, because this is the most important first step toward self-sufficiency. Within the next three years, the supreme task of the government to achieve grain self-sufficiency must be accomplished without fail.

If we produce 37 million sok of grain this year and 40 million sok in 1967, three years from now, our grain self-sufficiency will be realized.

Meanwhile, the government must make available domestically materials necessary to support this increased agricultural and fishery output--such as fertilizer, fodder, agricultural pesticides, farming utensils, fishing craft, nets, and fishing tools.

The government has heretofore exerted efforts from many angles, but it is a fact that the supply of facilities and equipment to support sufficient production of food for the nation has not been satisfactory.

Thus, far, we have relied on import for the greater part of our chemical fertilizer. By 1967, however, the third and fourth fertilizer plants will be completed, and production of fertilizer will be increased by 290,000 tons over the present 80,000 tons to a total of 370,000 tons a year, thereby almost realizing self-sufficiency.

As for other important agricultural equipment and materials, domestic production is still not sufficient. But efforts will be made to increase production gradually in this direction, too.

In the industrial and mining sectors, we are set to produce this year 10 million tons of coal, 770,000 KWH of electricity, 35,000 barrels of petroleum a day, 1,900,000 tons of cement, 600,000 boxes of glass, and other important materials.

This indicates a remarkable progress compared with 1960: A twofold increase in coal production, fourfold increase in electricity, fourfold increase in cement output, and a more than threefold increase in sheet glass this year.

Only a few years ago, all the shops in our cities and villages were filled mostly with foreign-produced necessities. But today is not it true that all of them have been replaced by domestically-produced goods? While we argued pro and con about what we did undertake, it has been **unmistakable** fact that our production of materials kept increasing every day, without anybody realizing it.

When we scan the phase of consumer goods production, we see that, although in 1960 we produced only 38,000 bicycles and 22,000 sewing machines, we produced in 1964 155,000 bicycles and 150,000 sewing machines, registering a four to sixfold increase.

These facts should inspire us with pride and self-confidence that we can achieve self-sufficiency.

As a measure against the expanding population and to guarantee a basic standard of living of the people, the government will try, as far as possible, to create an industrial production environment in which the masses can always buy their necessities at low prices. Increased production is connected with a better life for us.

The government plans to increase production on a vast scale in all fields. It is determined to do so.

To go with increased production, the government has set as another major target--increased exports.

In a country which depends heavily on imported raw materials for its industries, export is the economic lifeline. Prime Minister Winston Churchill of Britain immediately after World War II was not exaggerating when he made the appeal--export or death.

A family should live within the income of the master of the family; a government should spend within the limits of its revenue receipts; and a state should spend abroad to the extent of external receipts. This is nothing but the first goal of self-sufficiency.

It is indeed not an understatement to say that Korea never knew such a thing as export in the past. Before the Liberation, ours was an enslaved economy; and after the Liberation we did not fully awake to the need to satisfy our own import demands with our own resources, living as we did in an aided economy. The will to develop export markets was almost nonexistent.

For many years, Korea exported only \$20 million to \$30 million worth of goods a year. Even such exports were negligible, except for tungsten.

But in the past few years the government and people awoke from a sleep and strove. Exports began to expand rapidly. Last year, at long last, our exports exceeded the \$120 million mark.

Although there is still a gap in the balance of payments, this much is true that we have acquired the self-confidence that we can favorably compete with others in the international export race.

From the export tempo of the last couple of years, it is anticipated that the \$170 million goal set for this year and also the \$300 million target set for 1967 will be realized without difficulty.

The international community is gradually awakening to the export potentials of Korea. I believe that the time has finally arrived for us to reap the fruit of our investment.

If domestic politics is stabilized in the next few years and economic policy concentrates on export trade, our country will be also able to achieve self-sufficiency in international trade.

The government will concentrate its economic policy on the promotion of trade. It will do everything it can to increase export trade and stabilize the national economy.

While performing these two great tasks, increased production and export, the government should establish and execute a detailed plan to build factories, electrical power plants, railways, communications, and housing for the over-all industrial development of the nation.

This year, dams which are under construction will be completed. More than 240 km of railroad track will be laid, including the Chongson, Kyongbuk, and Chinsan lines, which will be opened this year.

In the field of communications, microwave facilities will be newly installed and automatic telephones will be expanded by 37,000 lines. As for maritime transportation, more than 40,000 tons of ocean-going vessels will be imported.

To accomplish the above-mentioned three major tasks, the government will first effect a stable currency.

The 1965 financial stabilization program is still under study and the basic indexes for banking, money supply, and foreign exchange have not yet been determined. Taking the experiences of 1964 into account, sound indexes which will be most appropriate to the state of our economy will be set, so as to attain increased production and exports on a stable basis.

In banking, a careful financing plan will be established within the limit of a fixed money ceiling with emphasis placed on increased production, export, and medium and small enterprises.

In foreign exchange, the government will enforce this year a unitary fluctuating system, so as to determine the exchange rate through supply and demand in a free market. At the same time, the government will see to it that imports will be adjusted automatically through interaction between international market prices and domestic market prices.

Next, we will step up economic cooperation with friendly nations to help develop our economy. We must turn our eyes outward.

We must realize that we are underdeveloped, and at the same time we must know that we have the potentials for development. Also we should be aware that there are many friendly allies who can help us.

Loans to be granted by the United States, West Germany and other West European nations, and Japan will amount to a considerable sum this year. What is needed is reorganization of our aid-receiving posture. To receive foreign capital promptly and use it correctly, I plan to reform and strengthen parts of the economic administration setup for more efficiency.

As I mentioned previously, medium and small industries will receive special attention.

First, the government will support conversion to export industries. For the time being, medium and small industries will be systematized and organized to moderate their competition with large industries and to enhance their productivity.

It is also the government's plan to drastically expand the supply of necessary funds and raw materials to medium and small enterprises.

Finally, as to agriculture and fisheries, efforts will be made to maintain agricultural and fisheries prices at a reasonable level. To this end, production of industrial raw materials and export commodities under contracts will continue to be encouraged, and investment of urban capital in this field will be welcomed.

In the sphere of agricultural and fisheries banking, loans will be released with emphasis on financial guidance.

In our country, however, farming families with less than five tanbo of land each number more than a million, and success of any agricultural-first policy depends on the voluntary and cooperative organization of the farmers. As a living example, we may take the farmal and resettlement project now under way on a voluntary basis in Kyongsang Pukto.

I plan to enhance the spirit of agricultural cooperation by extending the example of Kyongsang Pukto throughout the nation and to carry out similar projects on a national scale to lay a foundation for rationalization of agricultural management.

Members of the National Assembly!

Now, I wish to make it clear that the above-mentioned efforts for economic independence are not designed to ensure the prosperity of a few individuals. I should also like to stress that economic development of a nation depends largely on how much the entrepreneurs are aware of their important mission.

I should like to recall again that it is I myself, you, and the entrepreneurs who should lead the van in our national effort to restrain consumption and build up industries. As such, the entrepreneurs should work with the thought of our national hope and future goals in mind.

Also we must convince the people that they will be duly rewarded for their efforts to enhance productivity. I am sure that if this is done, our creative endeavors will bring us a tremendous progress in the not-too-distant future.

Education and Social Affairs

The major emphasis of educational policy will be laid on qualitative rather than quantitative improvement with a view to educational renovation. Education will be strengthened in such a way as to enhance the spirit of anti-communism and of independence and morality.

The current excessive liberal arts and sciences education at college level will be gradually transformed into advanced technological and vocational education.

To help promote training in production techniques and skills, the government aims at establishing in each province at least one such technical school as the vocational guidance department of the Inha Institute of Technology. Colleges will be strongly encouraged to transform themselves into vocational schools wherever possible.

To meet these needs of our time, to reduce school expenses on the part of the parents and students, economize in the national budget, and render middle school education compatible with reality, the government will push ahead with reform of the present school system with a view to integrating the middle and high schools from next year under a long-term and comprehensive scheme.

All educational efforts will always be directed toward improvement of the individual standard of living, economic growth of the nation, and renovation of social morality.

In the social and cultural fields, a general atmosphere for a self-reliant way of living, based on diligence and thrift, will be promoted. The nation will be encouraged to develop its traditional national culture in harmony with foreign cultures to contribute toward creation of a new national culture.

Regarding the public information administration, steps will be taken to expand facilities so that there will be no areas where radio listening is difficult. Civilian cultural activities will be encouraged and assisted. Efforts will also be made to enable all localities to share equally the benefits of culture.

Especially, anti-Communist activities will be bolstered to consolidate the public conviction in liberal democracy, and overseas public relations activities will be strengthened to enhance national prestige abroad and to increase cultural exchange and cooperation with friendly allies.

The emphasis of social welfare policy will be laid on attaining social stability through expansion of employment. Adequate self-help methods will be positively promoted for the unemployed and the destitute.

Particularly, to increase food production, expansion of farm lands under projects sponsored by the U.S. Food for Peace program and various other self-help work projects will be further stepped up.

All-out efforts thus will be exerted to reap the double fruit of economic development and social stability by increasing self-supporting means for the needy and accelerating community development.

In the field of local administration, meanwhile, efforts will be continued to foster and strengthen the basis for local administration at the ri and tong level and to improve local tax and financial operations.

In the administration of law and justice, preventive police activities will be increased to ensure the public's safety and security in its daily life and projects to protect and guide juveniles will be actively carried out.

Special attention will be given to the nation's anti-Communist surveillance to frustrate any attempt at indirect aggression by the enemy.

Conclusion

I have outlined what we plan to do this year. The time has come when we must all march forward the goal of prosperity and independence. I assure you once more that I myself will stand at the head of this national procession.

Honorable members of the National Assembly!

No matter how good a plan or policy is, it cannot succeed without your active cooperation. Last year was not without some aspects of inefficiency and stagnation. But in the fields where you and the people were united and where you cooperated with each other, did not we reap wonderful fruit? Electrical power increase was one example and increase of exports another.

Dear members of the National Assembly and beloved countrymen!

The path of life is always open to a people who has wisdom as well as courage. The trials and tribulations we are undergoing today are the birthpangs of a brighter and more vigorous tomorrow.

It is a worthy and rewarding task for us to overcome obstacles for the reconstruction of our great fatherland for the glory of our posterity. I should like to recall once again that the success or failure of this task rests on the shoulders of all who are serving in public posts.

The difficulties facing public officials who, though receiving small pay, handle a large volume of work on a limited budget are my own difficulties. I express my heartfelt thanks to not only the central government officials, who endure great difficulties to accomplish their assigned administrative objectives, but also to the provincial officials who are working hard at the provincial fronts.

As it did last year, the government will do its best to improve the pay scale of public officials as much as possible. At the same time, the discipline of public officials will be emphasized more than ever before.

Immediately, we should promote a fresh atmosphere to wipe out falsehood. Tax evasion, breach of law, prevalence of tax free foreign commodities, direct or indirect smuggling, and all other forms of dishonesty and corruption should be rooted out from among us.

In this new year, the government will thoroughly crack down on such dishonesty and corruption, reject complacency, and protect honest people and public officials.

Dear members of the National Assembly and beloved people!

It is the new moral of the free world today that friendly countries should not sit on their hands and watch the desperate struggle of the underdeveloped nations to help themselves and achieve progress. It is also the common task of the free world to achieve balance in prosperity through trade, capital exchange, and mutual cooperation to surpass the Communist bloc.

This year, we should eliminate unnecessary and unproductive controversies, ensure the stability of the public mind through political stability, and unite our strength to step up exports and to increase production and construction. If this is done, I am certain that we will have taken a hopeful step forward toward progress by this time next year.

I hopefully expect you the members of the National Assembly to propose many valuable and useful policies and measures. I will then study them resolutely in relation to the over-all state affairs.

Dear members of the National Assembly and beloved people!

We should now have the courage to forget yesterday and the wisdom to live for tomorrow. Although the path is thorny and the goal distant, we must stride ahead with hope, confidence, and courage. What we need is the concerted strength of the nation.

Now I should like to conclude my speech. What society should we build in this land, which we have inherited from our ancestors and which our posterity will inherit from us?

To construct a society that is free from falsehood and that is based on truth, conscience, and morality is our political ideal and our ultimate goal. And in order to construct a welfare society in this country, we need enormous investment of materials and capital. But, above all, we need one most precious capital item. And that is spiritual capital--truth and justice.

So long as falsehood, dishonesty, corruption, and injustice prevail in this country and society, I conclude, no amount of capital will help us build a welfare society.

I pledge that this year as in other years, I will not call off my fight against dishonesty and corruption. Let us concentrate the true strength of our nation on our efforts for increased production, exports, and construction.

Let us make diligence, thrift, and savings our code of conduct. Let us thus make this year a truly working year for all of us.

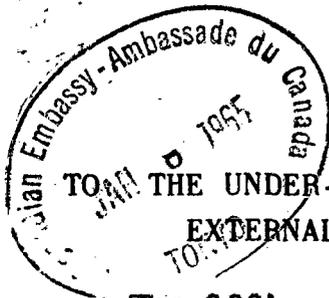
I thank you.

President Chung Hee Park

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

(DUPLICATE)

NUMBERED LETTER



TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Office of the High Commissioner
for Canada, Kuala Lumpur, Malaysia.

Reference: Our letter 417 of October 9, 1964.

Subject: Visit of Korean Foreign Minister and
the Proposed Asian Foreign Ministers
Conference in Seoul.

~~AMBASSADOR~~
~~MR. MCGILL~~
~~MR. POPE~~
~~MR. SPENCER~~
~~MR. SILD~~
~~MR. TONG~~

Security:.....

No: 545

December 30, 1964

Date:.....

Enclosures:.....

Courier

Air or Surface Mail:.....

Post File No: South Korea

Ottawa File No.
[Empty box]

References

The Korean Foreign Minister, Dr. Tong Won Lee, paid a three-day visit to Kuala Lumpur last week. The primary purpose of the visit was to secure Malaysia's agreement to attend the conference of Asian Foreign Ministers which the Koreans would like to have in Seoul in April 1965. In this the Koreans failed, and Malaysia's position on the question for the moment at least remains that it will not attend because it does not believe in "a gagging up of anti communist countries".

2. However, the Prime Minister did agree to attend a preliminary ambassadors' meeting in Bangkok now set for February. To this the Thais have invited those countries invited to the proposed foreign ministers meeting, namely Australia, New Zealand, the Philippines, Taiwan, Japan, South Vietnam, South Korea and Malaysia. According to the Australians, the ambassadorial meeting is to discuss the prospects for a worthwhile meeting of foreign ministers. There are no precise terms of reference, and the meeting might for example decide to hold the conference of foreign ministers elsewhere than in Korea. We are told that this meeting is an initiative of Thai Foreign Minister Thanat Khoman who is anxious to have wider representation at the proposed foreign ministers' meeting than has so far been evident. The Australian position is that a foreign ministers' meeting might be helpful providing it is widely representative of countries in the area. We should think that from the Australian and New Zealand point of view, such a conference might be advantageous in furthering their locus standi as Asians as well as providing them with a rare opportunity to meet other Asians without the suffocating influence of the big powers. We understand that the countries which have so far agreed to attend the preliminary meeting in Bangkok are Thailand, Korea, Australia, New Zealand and now Malaysia. According to the Australians, the Tunku assured Dr. Lee that he would have a representative at the Bangkok meeting but would not commit himself on the foreign ministers' meeting beyond undertaking to reconsider Malaysia's position if countries such as Japan decided to participate.

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a party reception instead!

-2-

3. There was little warmth in the Malaysian reception for the Korean Minister. The press coverage was apathetic and there was a bear minimum of ministerial attendance at official functions. For its part, the Ministry of External Affairs opposes warming up relations with the members of the so called Asian anti communist bloc, and the Ministry did not go out of its way to make the visit a success. Indeed the Press Officer went to work on a holiday to issue a denial of a story arising from an airport interview with the Minister that Malaysia would be attending the Seoul conference.

C. E. MCGAUGHEY

Office of the High Commissioner.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

cc-6-2-5

FM: EMB TOKYO	DATE	FILE	SECURITY
	NOV. 19/64	7-1-1	CONFID.
TO: EXT OTTAWA	NUMBER		PRECEDENCE
	674		ROUTINE
INFO: LDN WASHDC	CBRA		

Ref.:

Subject: KOREA - NORMALIZATION AND REUNIFICATION

I TOOK ADVANTAGE OF TRIP TO KOREA TO DISCUSS WITH COLLEAGUES PRESENT POSITION OF KOREAN GOVT, ESPECIALLY IN RELATION TO THE TWO PRINCIPAL FOREIGN POLICY ISSUES FACING KOREA -- NORMALIZATION OF RELATIONS WITH JAPAN AND REUNIFICATION. IMPORTANCE OF BOTH ISSUES STEMS FROM FACT THAT SOLUTION OF EITHER IS REGARDED IN KOREA AS MEANS OF OVERCOMING SOUTH KOREA'S MOST PRESSING ECONOMIC DIFFICULTIES BASED ON LACK OF CAPITAL (WHICH WOULD BE ALLEVIATED BY NORMALIZATION WITH JAPAN) AND LACK OF RESOURCES (WHICH WOULD BE RELIEVED BY REUNIFICATION). IN EITHER CASE PROGRESS WOULD BE MADE TOWARD SOLVING SOUTH KOREA'S FUNDAMENTAL PROBLEM WHICH IS THAT OF OVER-POPULATION TOGETHER WITH EXCESSIVE RATE OF POPULATION GROWTH. BOTH THEREFORE REPRESENT ASPECTS OF SIMILAR PROBLEM AND WE WERE TOLD THAT PART OF ATTRACTIVENESS OF REUNIFICATION (APART FROM ITS DESIRABILITY AS A NATIONAL OBJECTIVE) LIES IN FACT THAT IT WOULD TAKE THE PRESSURE OFF THE NEED TO SEEK NORMALIZATION WITH JAPAN.

. . . 2.

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SIG NAME R. P. Bower/TP/rg			SIG NAME

2. A. NORMALIZATION WITH JAPAN: KOREAN GOVT SEEMS DETERMINED TO MAKE NEW EFFORT TO NORMALIZE RELATIONS WITH JAPAN FOLLOWING ADVENT OF NEW PRIME MINISTER IN LATTER COUNTRY. ITS OWN INTERNAL WEAKNESS IS SUCH HOWEVER THAT IT CAN WITH DIFFICULTY TAKE INITIATIVES THAT WOULD COMPROMISE ITS UNCERTAIN POPULARITY, ESPECIALLY ON AN ISSUE WHICH IS ITSELF NOT RPT NOT POPULAR IN KOREA. KOREAN ATTITUDE TOWARD JAPAN IS BASED IN PART ON MEMORIES OF JAPANESE OCCUPATION OF KOREA; EVEN MORE, HOWEVER, IT STEMS FROM PROBABLY CORRECT CALCULATION THAT KOREAN INFANT INDUSTRIES WOULD FIND IT DIFFICULT TO COMPETE AGAINST JAPANESE CAPITAL IF LATTER WERE ALLOWED FREE ENTRY, WHILE TECHNICALLY BACKWARD FISHING INDUSTRY NEEDS RHEE LINE TO PROTECT IT FROM COMPETITION OF SUPERIOR JAPANESE FISHING TECHNIQUES. ALTHOUGH OPPOSITION IS ITSELF FACTION-RIDDEN, IT WOULD NOT RPT NOT FIND IT DIFFICULT TO CRITICIZE ANY SETTLEMENT WITH JAPAN NOMATTER HOW GENEROUS ITS TERMS WERE TO KOREA. WE WERE ASSURED THAT IN SO DOING OPPOSITION WOULD TAKE INTO ACCOUNT LESS KOREA'S INTERESTS THAN ITS OWN OBJECTIVE OF EMBARRASSING GOVT.

3. A FURTHER PROBLEM WILL CERTAINLY ARISE IN CONNECTION WITH ANY FISHERIES SETTLEMENT CONNECTED WITH NORMALIZATION. IT IS ONLY DIMLY UNDERSTOOD IN KOREA THAT NORMALIZATION OF RELATIONS WITH JAPAN WILL NECESSARILY MEAN ABANDONMENT OF RHEE LINE. A PROBLEM WILL THEREFORE ARISE IN CONVINCING PUBLIC OPINION THAT ANY ECONOMIC BENEFITS TO BE DERIVED FROM NORMALIZATION ARE WORTH THIS SACRIFICE. AT SAME TIME, ROK GOVT ITSELF MADE PROBLEM MORE DIFFICULT TO SOLVE WHEN ITS INTENSIFIED EFFORTS LAST SEPT TO PATROL RHEE LINE GAVE IMPRESSION IT WAS PREPARING TO MAINTAIN IT AT ALL COSTS.

4. REUNIFICATION: IT IS DIFFICULT TO JUDGE HOW KOREAN SENTIMENT TOWARD KOREAN REUNIFICATION WILL DEVELOP IN IMMEDIATE FUTURE. KOREAN ANTI-COMMUNISM APPEARS GENUINE AND EVEN STUDENTS (NEW GENERATION OF WHICH HARDLY REMEMBERS COMMUNIST OCCUPATION OF 1950) ARE AT LEAST OVERTLY NOT RPT NOT LEFTIST. (IT WOULD OF COURSE BE DIFFICULT TO JUDGE AS FREE EXPRESSION OF VIEWS IS CONTROLLED) NEVERTHELESS, HANKERING FOR REUNIFICATION HAS GROWN IN PAST YEAR AND RECEIVED ADDED FILLIP FROM SUCCESSFUL CHINESE TEST WHICH INCREASED SOUTH KOREA'S SENSE OF ISOLATION BETWEEN HOSTILE CHINA AND DETESTED JAPAN. GROWING JAPANESE CONTACTS WITH CHINA HAVE ALSO PLAYED ROLE IN MAKING REUNIFICATION APPEAR MORE DESIRABLE.

- 3 -

NONE OF THIS YET REPRESENTS ANYTHING LIKE FULL SCALE MOVEMENT IN FAVOUR OF UNIFICATION, ESPECIALLY SINCE DISCUSSION OF ISSUE HAS ONLY TOUCHED SURFACE OF PROBLEM (AND AT VERY LEAST HAS NOT RPT NOT BEGUN TO CALCULATE POLITICAL RISKS). MOREOVER, IF REAL MOVEMENT IN FAVOUR OF REUNIFICATION DID DEVELOP IT WOULD IMMEDIATELY BE MET BY EQUALLY STRONG SENTIMENT AGAINST ANY FORM OF CONTACT WITH NORTH KOREA ON ANY BUT SOUTH KOREAN TERMS.

5. AS I SEE IT, THE URGE FOR UNIFICATION IS GROWING IN KOREA. IT HAS NOT RPT NOT YET REACHED THE STAGE HOWEVER WHERE THE PEOPLE ARE PREPARED TO ABANDON ALL HOPE OF A SATISFACTORY LIVELIHOOD IN FREEDOM IN ORDER TO ACHIEVE IT. THE DANGER LIES IN THE GOVT FAILING TO SOLVE BASIC ECONOMIC AND SOCIAL PROBLEMS IN SOUTH, WHICH WOULD HAVE DUAL EFFECT OF MAKING THE SOUTH KOREANS LESS CRITICAL OF UNION ON ANY TERMS WITH THE NORTH, AND AT SAME TIME WOULD DISCOURAGE SUCH ELEMENTS AS MAY EXIST IN NORTH KOREA FOR UNION WITH SOUTH ON SOUTH KOREAN TERMS. THIS ISSUE COULD BECOME CRUCIAL IN THE FORESEEABLE FUTURE.

BOWER

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ADVISORY GROUP
UNITED NATIONS COMMAND
MILITARY ARMISTICE COMMISSION
APO 301

re
7-11

12 November 1964

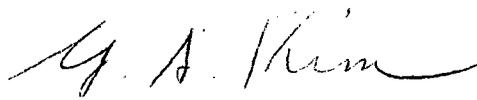
SUBJECT: Key Personnel of the Republic of Korea Government, Armed Forces
and Other Activities.

TO: _____

1. Submitted herewith for your information is a roster of key Republic of Korea Personnel of the Government, Armed Forces and Other Activities which is intended for your benefit in contacting such agencies or individual.

2. Should there be further information you may need, please contact the undersigned at Yongsoh 2278/3331, and it will be greatly appreciated in you advise any difference or errors that you find to be certain.

Sincerely Yours,



KIM, YOUNG SOO
Colonel ROKAF
ROK Member

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The President of the Republic of Korea	Park Chung Hee	
Principle Secretary	Lee Hui Pak	2024
Protocol Secretary	Cho Sang Ho	2024
Press Secretary	Park Sang Kil	74-2760

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Speaker	Lee Hyo Sang	2-5763
Vice Speaker	Pa Yong Kyun	8-5256
Vice Speaker	Chang Kyung Sun	8-1770
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Chairman, Committee for Foreign Affairs	Kim Dong Hwan	2-1335
Chairman, Committee for Home Affairs	Kil Jae Ho	2-0501
Chairman, Committee for Finance-Economic Affairs	Kim Sung Kwon	2-0926
Chairman, Committee for National Defense	Kim Chong Kap	2-0761
Chairman, Committee for Education-Information	Choi Yung Do	2-5802
Chairman, Committee for Agriculture-Forestry	Kwon Oh Eun	2-1607
Chairman, Committee for Commerce-Industry	Chung Tae Sung	2-5797
Chairman, Committee for Health-Social Affairs	Chung Hun Jo	2-1450
Chairman, Committee for Trans-Communication	Park Soung Kyu	2-0781
Chairman, Committee for Construction	Kim Taek Soo	3-1521
Chairman, Committee for House Steering	Kim Young Soon	2-2177
Chief, The House Liaison Officer	Col Lee Hun Yung	

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Deputy Secretary	Kwon Kyung Sup	2-0411

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Judge	"	
Judge	Dang Joon Kyung	
Judge	Sohn Dong Wook	
Judge	Kim Chai Kul	
Judge	Sa Kwang Wook	2-0413
Judge	Han Sung Soo	5-1553
Judge	Hong Sun Yup	2-0407
Judge	Yang Hye Kyung	2-0806
Judge	Bang Sun Won	2-0441
Judge	Choi Yun Mo	2-0637
Judge	Choo Woon Hwa	
Judge	Pa Hang Yun	2-0643
Judge	Lee Yung Sup	2-0433
Chief for Admin	Chun Woo Young	

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Special Assistance for Secretarial General	Yoon Il Kyun(B/G)

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 Protocol Secretary Lee Jin Won 2030

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Planning Coordinator Cho Myo Won 72-5500

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Director, Bureau of Inf & Culture	So Sang Yang	74-5317
Director, Bureau of Economic	Chun Sang Jin	74-0958
Chief, Office of Protocol	Chung De Soon	74-2516

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Vice Minister	Kim Duk Hwang	2-4880
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Vice Minister	Koh Eun Jun	72-4111

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OFFICE OF SUPPLY

Director General	Sohn Suck Chang	72-8921
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Minister	Min Bok Ki	2-3747
Vice Minister	Keon Gi Byung	2-5680

OFFICE OF PROSECUTOR'S

Attorney General	Shin Jik Soo	2-1993
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Asst Vice Minister for Manpower	L/G Yim Chung Sik	2037
Asst Vice Minister for Management	M/G Cheng Moo Joo	2096
Asst Vice Minister for Logistics	RADM Nam Chul	1
Director, Bureau of Public Inf & Ln	B/G Kim Byung Yul	

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Director, Bureau of Personnel	B/G	Park Du Sun	
Director, Bureau of Logistics	Comm	Chung Kyung Mo	
Director, Bureau of Installation	B/G	Chung Kyung Jin	
Chief, Administration Division	Col	Lee Nam Ku	
Chief, Foreign Liaison Office	L/C	Ahn Sang Ho	2330

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Director, Strategic & Intelligence Bureau	W/G	Lee Sae Ho	2433
Director, Ops & Planning Bureau	W/G	Sohn Yi Sun	2432
Director, Log & Planning Bureau			
Chief, Office of Secretary	B/G	Kim In Chul	

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Minister	Yoon Chun Joo	72-9201
Vice Minister	Han Sang Bong	72-9202

MINISTRY OF AGRICULTURE & FORESTRY

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Vice Minister	Han Kuk Chin	73-2751
Deputy Vice Minister for Agr Admin	Kim Hong Iwan	73-2752
Deputy Vice Minister for Forestry & Livestock	Lee Sung Hwan	73-2753

OFFICE OF RURAL DEVELOPMENT

Director General	Hyun Sin Kyu	2-9375
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MINISTRY OF COMMERCE & INDUSTRY

Minister	Park Choong Hoon	74-0411
Vice Minister	Kim Chung Yum	74-0412
Deputy Vice Minister for Mine-Indus-Utility (Div)	Lee Moo Yong	74-4142
Deputy Vice Minister for Commerce Division	Lee Chyl Seung	74-4143

MINISTRY OF CONSTRUCTION

Minister	Chun Ye Yong	72-9253
Vice Minister	Choi Chong Sung	72-9222

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Minister	Oh Won Son	2-3791
Vice Minister	Sohn Jung Sun	2-4061

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Director General	Lee Chan Woo	2-7215
Deputy Director General	Kim Myung Man	

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Minister	Ahn Kyung Mo	4-2100
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Assistant Manager	Lee Duk Yong	4-1402

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Vice Minister	Lee Jin Bock	2-0050

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Minister	Hong Jong Chul	72-7671
Vice Minister	Noh Suk Chan	72-7673

OFFICE OF MINISTERS AT LARGE

Minister	Won Yong Suk	72-4840
----------	--------------	---------

PROVINCIAL GOVERNMENT

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Governor, Kyunggi Province	Park Tae Won	
Governor, Kangwon Province	Park Kyung Won	
Governor, Choong Chung Bukto Province	Shin Myung Soon	
Governor, Choong Chung Namto Province	Noh Myung Woo	
Governor, Cholla Bukto Province	Lee Chung Woo	
Governor, Cholla Namto Province	Shin Yong Woo	
Governor, Kyungsang Bukto Province	Kim In	
Governor, Kyungsang Namto Province	Lee Kae Soon	
Governor, Gyeju Province	Kang Moo Jeon	
Mayor, Direct City of Pusan	Kim Hyun Ok	
Mayor, Taegu City	Kang Kae Won	
Mayor, Kwang Joo City	Noh In Hwan	

OTHER ACTIVITIES

President, Seoul National University	Shin Tae Hwan	72-2506
President, Korea University	Yoo Jin Ho	2-1960
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President, Choong Ahng University	Yim Young Sin	2-5750
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President, Seok Myung Women's University	Kim Soon Sik	5-1720
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REPUBLIC OF KOREA ARMY
HEADQUARTERS, ROKA (7/62)

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Vice Chief of Staff	L/G	Kim Kae Won
Deputy C/S for Personnel	M/G	Yu Kun Chang
Deputy C/S for Intelligence	M/G	Lee Chang Jeung
Deputy C/S for Operation	L/G	Moon Myung Tae
Deputy C/S for Logistics	M/G	Hwang Yup
Comptroller of the Army	M/G	Shim Heung Sun
Asst DCS for Personnel	M/G	Chang Chun Kwon
Asst DCS for Personnel	E/G	Koh Kwang Do
Asst DCS for Intelligence	M/G	Kim Chong Soon
Asst DCS for Intelligence	B/G	Choi Hun Sup
Asst DCS for Operation	M/G	Choi Taek Won
Asst DCS for Operation	B/G	Lee Byung Hyang
Asst DCS for Logistics	M/G	Hwang Pil Ju
Asst DCS for Logistics	B/G	Shin Won Sik
Asst DCS for Comptroller	E/C	Kim Byung Yul
Asst DCS for Comptroller	E/G	Yun Taek Jung
Chief, Program & Analysis Group	M/G	Lee Yong
Chief, Reserve Affairs	E/G	Park Woong Kyu
Chief, Information & Education	E/C	Kim Woo Yung
Adjutant General	M/G	Uhn Ki Fyo
Inspector General	M/G	Han Tae Won
Judge Advocate	E/C	Hong Pil Yong
Provost Marshal	E/C	Lee Kwang Suk
Chief, Civil Affairs & Military Government	B/G	Ye Chul Sao
Chief, Engineer	E/G	Hub Pil Un
Chief, Army Audit Agency	E/G	Moon Jung Sik
Chief, Ordnance	M/G	Rhee Kee Dong
Chief, Transportation	E/G	Oh Yong Un
Chief, Signal	M/G	Bae Duk San
Surgeon General	E/G	Park Chang Ki
Chief, Procurement	E/G	Kim Ho In
Chief, Chemical	B/G	Han Jae Sun

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Chief, Quartermaster	B/G	Ma Ung Ho
Chief, Welfare Bureau	Col	Huh Soon Oh
Capital Garrison Command	M/G	Kim Jin Wi
Anti-Aircraft-Artillery Brigade	Col	Kim Myung Hwan

COMMAND & GENERAL STAFF COLLEGE

Commandant	M/G	Pak Joong Yun
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NATIONAL WAR COLLEGE

Commandant	L/G	Choi Chang Un
------------	-----	---------------

MILITARY ACADEMY

Superintendent	L/G	Jung Rae Hyuk
----------------	-----	---------------

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Commanding General	L/G	Chang Chang Kuk
Deputy Commanding General	M/G	Oh Chang Kun
Chief of Staff	M/G	Lee Min Woo
Deputy Chief of Staff for Plans	E/G	Choi Chul
Deputy Chief of Staff for Administration	B/G	Chung Soon Min
Asst C/S G-1	B/G	Shin Kun Sun
Asst C/S G-2	B/G	Yang Won Sun
Asst C/S G-3	E/G	Lee Keun Yang
Asst C/S G-4	B/G	Hwang In Kwon
Chief, Engineer	E/G	Park Byung Soon
Comptroller	E/G	Kim Choong Hyang

REPUBLIC OF KOREA CORPS

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Deputy CG	M/G	Choi Dae Hyung
Commanding General, II ROK Corps	M/G	Lee Sang Guk
Deputy CG	M/G	Ahn Kwang Yang
Commanding General, III ROK Corps	L/G	Shi Chang Chul
Deputy CG	M/G	Choi Woo Hun
Commanding General, V ROK Corps	L/G	Kim Dong Bin
Deputy CG	M/G	Park Nam Ayo
Commanding General, VI ROK Corps	M/G	Lim Sin
Deputy CG	M/G	Lee Jon Ki

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SECOND ROK ARMY(SROKA)

Commanding General	L/G	Kim Yong Bae
Deputy CG	M/G	Han Ung Jin
Chief of Staff	M/G	Kim Joo Myung
Deputy C/S for Plans	E/G	Choi Yung Sung
Deputy C/S for Administration	E/G	Kim Yung Na
Deputy C/S for Comptroller	E/G	Kim Chung Duk
Chief, Engineer	Col	Chung Hui Na
Comptroller	Col	Lee Dong Soo

MILITARY DISTRICT COMMAND

Commanding General, III MDC	M/G	Chae Myung Sin
Commanding General, V MDC	M/G	Chun Boo Ki
Commanding General, VI MDC	M/G	Pak Cheon Sik

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Commanding General	M/G	Ro Jae Hyun
Chief of Staff	Col	Kim Kuk Ja

ARMY MEDICAL CENTER(MEDICAL BASE COMMAND) MDC

Commanding Officer(Acting)	Col	Lee Dae Boo
----------------------------	-----	-------------

COMBAT ARMS CENTER

Commanding General, Combat Arms Command	L/G	Kim Yik Yul
Commanding General, PAC #2	M/G	Kim Byung Hwi

<u>REPUBLIC OF KOREA NAVY HEADQUARTERS</u>	L/G	Kim Hong Joo
Chief of Staff	M/G	Kim Hong Joo
Chief of Naval Operation	M/G	VADM Hahn Myung Soo
Vice Chief of Operation	M/G	RADM Chang Chi Su
DCMO for Personnel Administration	C/O	COMM Kim Chun Teo
DCMO for Operation	M/G	COMM Kim Sang Kil
DCMO for Logistics	Col	COMM Kim Dong Hee
Naval Inspector General	Col	Capt Ro Yung Ho
Director, General Planning Group		Capt Mun Ki Sup
Comptroller		Capt Kim Chung Ki
Asst for Marine Corps Affairs		Col Ahn Chang Wan
ADCMO for Intelligence	M/G	Capt Oh Seung Man
ADCMO for Personnel	M/G	Capt Choi Dong Him
ADCMO for Operation	M/G	Capt Kim Yoo Sup
ADCMO for Logistics		Capt Lee Hak Gwi
Judge-Advocate		Capt Kim Kyong Suk
Provost Marshal		Capt Kim Joon Sang
Chief, Chaplain	M/G	Capt Song Chang Sul
Chief, Administration	Col	Capt Ro Yung Ho
Flag Secretary & Senior Aide		CMO Hong Ki Myung
Headquarters Command		Capt Oh Joon Won

Commanding Officer(Acting)	-8-	Col	Lee Dae Joo
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Foreign Liaison Officer	CDR	Hong Yun Chan
Director, Bureau of Ship	COMM	Yim Woo Bin
Director, Bureau of Supplies	Capt	Kim Man Jun
Director, Bureau of Communication	Capt	Cho Chang Hi
Director, Bureau of Yards & Docks	Capt	Kim Hak Yong
Director, Bureau of Medicine	COMM	Sin Ku Bok
Director, Bureau of Information & Education	Capt	Sin Kwang Young

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Chief of Staff	Capt	Kim Hyoung Bae
Commander, Flot One	COMM	Yong Hae Kyung
Commander, Flot Two	COMM	Ho Kyung Yung
Commander, Fleet Training Group	Capt	Kwang Young Sun
Commander, Mine Squadron 31	Capt	Pyun Woo Kyu
Commander, Service Squadron 51	Capt	Hak Ki Chong
Vice Commander, ROK Fleet	COMM	Song Suk Ho

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Commander, Naval Training Center	Capt	Choi Kyoung Do
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Commander, Naval Medical Center Chinhae	Capt	Kim Chung Su
CO, Naval Shipyard Chinhae	COMM	Cha Su Kap

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Vice Chief of Staff	M/G	Chang Chi Ryang
Deputy C/S for Logistics	M/G	Oh Jun Sak
Deputy C/S for Operation	B/G	Kim Sung Yong
Secretary of Air Staff	Col	Baik Man Kil
Chaplain	Col	Lim Dong Sun
Director of Plans & Program	Col	Lee Yang Hyung
Director, Bureau of Personnel	Col	Yoon Suck Joon
Director, Bureau of Intelligence	Col	Lee Yun Soo
Director, Bureau of Operation	B/G	Lee Kang Hwa
Director, Bureau of Materials	Col	Han Hyung Dae
Comptroller	Col	Park Song Bae
Director, Administration	Col	Kwon Dae Yoo
Inspector General	Col	Park Man Kyu
Judge Advocate	Col	Seun Woo Ju
Chief of Information Service	Col	Kim Yung Ho
Chief of Communication & Electronics	Col	Lee Yoon Chul
Surgeon General	Col	Kim Eul Sik
Chief of Safety	Col	Park Chung Hyun
Headquarters Commandant	Col	Hwang Joo Sin

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Chief of Foreign Liaison Division(Acting)	Capt	Choi Yung Han
Chief of Protocol	L/C	Moh Hung Sik
Director of Civil Engineering	Col	Kim Sang Oak

OVERSEAS MILITARY ACTIVITIES

Commander, Combat Air Command	B/G	Kim Tae Men
Vice Commander, Combat Air Command	B/G	Duk Jee Ho
Commander, 10th Fighter Wing	B/C	Choo Young Bock
Commander, 11th Fighter Wing	B/G	Chang Sung Tso
Commander, 5th Air Transportation Group	Col	Kim Hyun Chuan
Commander, 20th AG & Wing	Col	Kim Tong Bae
Superintendent, Air Forces Academy	B/G	Kwon Jung Yul
Commandant, AI & SC	B/G	Chun Long Hi
Commander, 1st Fighter Wing	Col	Sohn Joo Anur
Commander, Technical Training Wing	B/G	Kim Hong Houl
Commander, 107th Air Base Wing	Col	Yoo Chi Koa
Commander, 7th Air Communication Service	Col	Lee Chun Seo
Commander, 108th Air Base Group	Col	Kim Sung Iae
Commander, Accommodation Center	Col	Chang Sung Kun
Commander, Training Aide Center	Col	Kim Yoon Young
Commander, Air Material Depot	B/G	Kwon Sung Koun
Commandant, Air Force Flying Training School	Col	Lee Hyung Bui

REPUBLIC OF KOREA MARINE CORPS, HEADQUARTERS

Commandant	L/C	Yong Jung Shik
Asst Commandant & Chief of Staff	M/G	Yun Young Jun
Deputy Chief of Staff	B/G	Chung Kwang Ho
AG of S, G-1(Acting)	Col	Chung Chang Long
AG of S, G-2	Col	Lee Dong Ho
AG of S, G-3	Col	Kim Yun Sang
AG of S, G-4	Col	Gho Chung Cha
Director, Comptroller Division	Col	Lee Bong Chool
Foreign Liaison Officer	L/C	Ch Hak Yong
Aide to Commandant	Maj	Hyang Van Ho
Chief, Secretary	Col	Kim Suk Ku
Chief, Administration	Col	Heon Suk Seo
Chief, Recruiting & Res	Col	Cha Duk Seo
Inspector General	Col	Yoo Kook Yee
Chief, Supply	Col	Ch Jung Hae
Chief, TIC & TEE	Col	Iang Yong Hoo
Chief, Procurement	L/C	Hong Jung Moon
Surgeon General	Capt	Chang Kyung Han(Navy)
Judge Advocate General	CDR	Park Hyung Chil(Navy)
Chaplain	CDR	Fan Ki Mon(Navy)
Chief, Engineer	L/C	Yoon Sang Won
Chief, Communication	Col	Kim Kyung Eup
Chief, Ordnance	L/C	Chung Chai Hwan
Chief, Transportation	Col	Cho Sung Goo
Chief, Finance	Col	Won Hang Duk
Chief, GPC	L/C	Cho Jae Chung

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OTHER MARINES CORPS ACTIVITIES

Commanding General, 1st MWD Div	M/G	Kang Ki Chul
Asst Dir, Commander, 1st MWD Div	B/G	Park Won Jeon
Chief of Staff	Col	Kim Jong Shik
Commanding General, 1st MCB Brigade	B/G	Park Sung Do
Chief of Staff	Col	Lee Won Kyung
CG, Marine Island Security Unit	Col	Cho Sun Rang
Commanding General, Marine Base-Chinhae	B/G	Kim Yong Kook
Deputy CG & CDR Marine Corps School	B/G	Kim Han Soo
Chief of Staff	Col	Yoo Kwan Shik
CG, Supply & Maintenance Depot Chinhae	B/G	Park Sung Chol
CG, Marine Corps Base Pohang	B/G	Lee Yong Moo
Chief of Staff	Col	Park Thea Jik
CG, Special Security Units(Acting)	L/C	Sung Tae Suk
CG, Incheon Security Units	L/C	Kim Sung Han
CG, Busan Security Units	L/C	Kim Jin Tak
CG, Chinhae Security Units(Acting)	L/C	Shin Kyu Mong
CG, Ulsan Security Units	L/C	Im Rhee Shik
CG, Cheju Security Units	L/C	Oh Moo Iwa
CR, 2nd Amphibious Training Center	B/G	Lee Hyung Moon
Chief of Staff	Col	Cha Duk Soo

MEMBERS OF REPUBLIC OF KOREA DELEGATION TO UNCMAC

ROK Members, UNCMAC, ROKAF	M/G	Chang Chi Ryang (Mrs)
ROK Member, UNCMAC, ROKN	COMM	Yi Kyong Won (Mrs)
ROK, Adv Gp, UNCMAC, ROKAF	Col	Kim Young Soo (Mrs)
Planning Asst ROK Mbr, UNCMAC Adv Gp, ROKA	Maj	Byun Hae Young (Mrs)
Admin Asst ROK Mbr, UNCMAC Adv Gp, ROKN	Lt	Chang Soo Ho (Mrs)
Asst to ROK Mbr, UNCMAC adv Gp, ROKA	Capt	Park Chung Teo
Admin Supervisor	Mfc	Choi Bong Haeng (Mrs)
Protocol, Liaison & Translation	Sgt	Shim Jae Hoo (Mrs)
JSA Tour	S/Sgt	Chi Jong Kan
DNS Admin	SM	Suh Jae Sung
General Admin	Sgt	Kim Sung Chun
Clerk & Typist	Mfc	Lee Wui Jung



FILE:	7-1-1

~~MR. SPENCER~~
~~MR. SMITH~~
~~MR. CLARKE~~
~~MR. GAVARD~~
~~MR. BLACKWOOD~~
~~MR. HILTON~~

and file

FM WASHDC JUL8/64 CONF
TO EXTERNAL 2464
INFO LDN NATOPARIS EMBPARIS
TT TOKYO CCOS DE OTT
BAG HKONG CNBRA WLGTN DE LDN
KOREAN POLITICAL SITUATION

SOUTH KOREA REMAINS UNDER MARTIAL LAW PROCLAIMED JUN3 AND, ACCORDING TO NORRED OF STATE DEPT KOREAN DESK, EFFORTS TO NEGOTIATE AN ALLEVIATION OF MARTIAL LAW REGIME WITH OPPOSITION PARTY HAVE SO FAR BEEN UNSUCCESSFUL.

2. STUDENT DEMONSTRATIONS WHICH LED TO PROCLAMATION OF MARTIAL LAW INVOLVED SOME 20,000 OUT OF 100,000 UNIVERSITY STUDENTS IN SOUTH KOREA; THIS CONTRASTS WITH FIGURE OF 150 TO 200 THOUSAND STUDENTS, (INCLUDING SCHOOLBOYS) INVOLVED IN DEMONSTRATIONS WHICH LED TO RHEES OVERTHROW IN 1960. NORRED SAID THAT MOST OF THE STUDENT GROUPS WHICH HAD ORGANIZED DEMONSTRATIONS WERE LINKED WITH OPPOSITION PARTIES; ONLY ONE GROUP HAD MINOR LEFT-WING CONNECTIONS. ALTHOUGH OPPOSITION TO KOREA-JAPAN TREATY WAS THEME OF EARLIER DEMONSTRATIONS THE LAST AND MOST VIOLENT FOCUSED EXCLUSIVELY ON DOMESTIC ISSUES SUCH AS CORRUPTION IN GOVT. NONE OF DEMONSTRATIONS WAS ANTI-AMERICAN ACCORDING TO NORRED. WE UNDERSTAND THAT RELATIONS WITH USA HAVE NOT RPT NOT RECENTLY BEEN AN ISSUE AMONG MAIN LEGAL POLITICAL GROUPS IN SOUTH KOREA, EXCEPT INASMUCH AS EACH GROUP TRIES TO DEPICT RIVALS AS LESS CAPABLE OF FOSTERING GOOD RELATIONS WITH USA.

3. TO ENFORCE MARTIAL LAW KOREAN GOVT REQUESTED UN COMMAND TO RELEASE TWO KOREAN DIVISIONS TO JURISDICTION OF GOVT IN ORDER

PAGE TWO 2464

TO ESTABLISH PUBLIC ORDER. UN COMMAND (IE USA AUTHORITIES) IN AGREEING TO RELEASE INDICATED PUBLICLY THAT THIS DID NOT RPT NOT IMPLY EITHER APPROVAL OR DISAPPROVAL OF MARTIAL LAW.

4. WE ALSO ASKED NORRED ABOUT AN ARTICLE SOME WEEKS AGO BY CORRESPONDENT OF LDN SUN TIMES THAT SOUTHKOREA WAS MOVING CL₇ OSER TO NORTHKOREA AND THAT FRENCH GOVT HAD PROMISED ASSISTANCE, BOTH IN AID FIELD AND WITH PEKING, TO BRING ABOUT QUOTE NEUTRALIZED UNIFICATION UNQUOTE ON GAULLIST MODEL. NORRED SAID THAT AS FAR AS STATE DEPT WAS AWARE THIS STORY HAD ABSOLUTELY NO RPT NO BASIS IN FACT; IT APPEARED TO HAVE BEEN DERIVED ALMOST ENTIRELY FROM AN ARTICLE IN THE ECONOMIST CONFID QUOTE FOREIGN REPORT UNQUOTE WHICH HAD FREQUENTLY BEEN BADLY MISINFORMED ON KOREAN AFFAIRS. IN ANY CASE IT SEEMED MOST IMPROBABLE THAT FRANCE HAD ANY DESIRE TO PURSUE AN ACTIVE POLICY IN THIS PART OF ASIA.

5. WHEN WE ENQUIRED (WITH TOKYO TEL 305 JUN 12 IN MIND) WHETHER NORRED THOUGHT THERE WAS ANY INCREASED INTEREST IN REUNIFICATION AND NEUTRALISM IN SOUTHKOREA, HE DECLINED TO ADMIT THAT THERE HAD BEEN ANY SIGNIFICANT CHANGE IN PUBLIC SENTIMENT ON THESE SUBJECTS. A GREAT DEAL OF THOUGHT HAD BEEN DEVOTED ALL ALONG IN SOUTHKOREA TO SUBJECT OF REUNIFICATION AND HE CONSIDERED THAT THERE WAS A GREATER INTEREST IN REUNIFICATION ACCORDING TO UN FORMULA THAN EVER BEFORE. FORMER PRES RHEE HAD TALKED A GREAT DEAL ABOUT REUNIFICATION IN FORM OF QUOTE THE MARCH TO THE NORTH UNQUOTE BUT PRESENT REGIME HAD QUIETLY SHIFTED EMPHASIS OF POLICY TO A MORE MODERATE POSITION ALTHOUGH IT COULD NOT RPT NOT STRESS THE FACT IN PUBLIC. NORREDS REPLY TO OUR QUESTION ON KOREAN NEUTRALISM WAS IN GENERAL RATHER UNILLUMINATING, WHICH IS NOT RPT NOT SURPRISING CONSIDERING SENSITIVITY OF SUBJECT HERE.



FILE: 7-1-1

~~AMBASSADOR~~
~~MR. MCGILL~~
~~MR. SMITH~~
~~MR. [unclear]~~
~~MR. SPENGLER~~
~~MR. BILD~~
~~MR. CLARKE~~
~~CAPT. GORDON~~
~~MR. SHAW~~
~~MR. BLACKWOOD~~
~~MARTINSON~~

and file

FM EXTERNAL OTT JUN12/64 CONFID
TO NATOPARIS Y449 OPIMMED
INFO WASHDC PERMISNY LDN EMBPARIS TOKYO
REF YOURTEL 1105 JUN9
PAC-SOUTH KOREA

IF SITUATION IN SOUTH KOREA IS DISCUSSED YOU MIGHT SIMPLY EXPRESS
CDN CONCERN OVER SERIOUSNESS OF POPULAR UNREST AND APPARENT
INABILITY OF THE PARK REGIME TO MAKE ECONOMIC PROGRESS. IT SEEMS TO
US ESPECIALLY REGRETTABLE THAT OPPOSITION ELEMENTS HAVE BEEN ABLE
TO FOCUS THIS BROAD POPULAR DISSATISFACTION ON THE NARROW ISSUE OF
NEGOTIATIONS WITH JAPAN AT A TIME WHEN SOME SORT OF ECONOMIC
RAPPROCHEMENT BETWEEN THE TWO COUNTRIES IS MORE DESIRABLE THAN EVER.
2. OTHERS HAVE EXPRESSED TO US THEIR CONCERN WHICH WE ARE INCLINED
TO SHARE THAT CONTINUED POPULAR UNREST LACK OF ECONOMIC PROGRESS
DECLINING UN INTEREST AND SUPPORT AND GENERAL DIMINUTION OF ROK
PRESTIGE ABROAD MAY RESULT IN A SITUATION WHICH NORTHKOREANS ALWAYS
ANXIOUS TO TALK ABOUT REUNIFICATION MAY BE ABLE TO EXPLOIT. ''''

✓ Very definitely true. Are we doing what we
might to help?
B.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	JUNE 12/64	7 - 1 - 1	CONFID.
TO: EXTERNAL OTT.	NUMBER		PRECEDENCE
	305		PRIORITY
INFO: WASHDC CNBRA WLGTON LDN NATOPARIS CCOS			

Ref.: YOURTEL Y-412 OF JUNE 5/64

Subject: PRESSURES FOR KOREAN REUNIFICATION

OUR INFORMATION ON KOREA IS LARGELY SECONDHAND AND THE AUSTRALIANS WITH AN EMBASSY IN SEOUL ARE IN A MUCH BETTER POSITION TO ASSESS THE SITUATION. HOWEVER, WE BELIEVE THERE ARE PROBABLY GOOD GROUNDS FOR THE AUSTRALIAN FEAR THAT PRESENT TREND OF EVENTS IN KOREA WILL INCREASE PRESSURE FOR ACCOMMODATION WITH THE NORTH.

2. IN OUR LETTER 246 OF JUNE 5 REVIEWING THE PROSPECTS FOR KOREA WE TOUCHED ON THIS SUBJECT AND EXPRESSED THE OPINION THAT THERE IS CONSIDERABLE THINKING ABOUT REUNION WITH THE NORTH GOING ON BELOW THE SURFACE IN SOUTH KOREA ALTHOUGH THE SUBJECT IS ALMOST COMPLETELY TABOO IN PUBLIC. WE POINTED OUT THAT THERE ARE STRONG NATIONALISTIC OVERTONES IN THE RECENT DISTURBANCES IN KOREA AND IT WOULD BE SURPRISING INDEED IF THOSE ELEMENTS OF THE POPULATION WHICH ARE PARTICULARLY FRUSTRATED AND DISENCHANTED WITH ROK LEADERSHIP ARE NOT BECOMING MORE

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ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME..... A.S. McGill/rg...			Original Signed by A.S. McGill NAME..... E.P. Bower

- 2 -

AND MORE SUSCEPTIBLE TO PROPAGANDA APPEAL FROM THE NORTH. WE UNDERSTAND THAT PYONGYANG PROPAGANDA HAS BEEN FAIRLY SKILFULLY PLAYING ON THE DISCONTENT IN THE SOUTH. FOR EXAMPLE, IN MARCH THE NORTH BROADCAST A SPECIFIC ENUMERATION OF THE COMMODITIES AND MATERIALS IT COULD MAKE AVAILABLE TO THE SOUTH, INCLUDING SUCH THINGS AS CEMENT AND FERTILIZER WHICH ARE IN PARTICULARLY SHORT SUPPLY IN THE SOUTH.

3. THIS PARTICULAR ITEM WAS DRAWN TO OUR ATTENTION BY ONE OF OUR COLLEAGUES IN TOKYO WHO SERVES ON UNCURK. WE UNDERSTAND THAT MEMBERS OF UNCURK HAD SOME DISCUSSION JUST LAST WEEK ABOUT THE APPEAL TO THE SOUTH KOREAN POPULATION ~~OF~~ THE IDEA OF REUNIFICATION AND NEUTRALIZATION ON ~~THE~~ LINES ADVOCATED BY THE NORTH. THEY APPARENTLY AGREED THAT THE PRESSURE FOR ACCOMMODATION WITH PYONGYANG WAS LIKELY TO INCREASE. THE OPINION WE ATTRIBUTED TO A CDN MISSIONARY IN OUR REFLET THAT ~~MOST~~ ^{MANY} SOUTH KOREANS WOULD SOONER COME TO TERMS WITH THE COMMUNISTS IN THE NORTH THAN WITH THE JAPANESE IS APPARENTLY ALSO CURRENT AMONG UNCURK MEMBERS.

4. ONE SENIOR FOREIGN MINISTRY OFFICIAL IN SEOUL WITH WHOM WE DISCUSSED THE HANDLING OF KOREAN QUESTION IN UN GENERAL ASSEMBLY SAID FIRMLY THAT HIS GOVT COULD NOT RPT NOT CONTEMPLATE NEGOTIATIONS WITH THE NORTH BECAUSE THEY COULD NOT RPT NOT TRUST THE COMMUNISTS. HOWEVER, HE DID SAY THAT PERHAPS NORTH AND SOUTH MIGHT COME TO TERMS IN TEN OR FIFTEEN YEARS WHEN THE ROK GOVT WAS STRONGER AND MORE STABLE AND THE NORTHERN REGIME HAD MELLOWED AND PERHAPS BECOME MORE INDEPENDENT OF CHINA. WE BELIEVE IT IS VERY UNUSUAL FOR KOREAN OFFICIALS TO DISCUSS THIS EVEN IN SUCH LONG-RANGE TERMS. IT HAS OCCURRED TO US THAT THE VEHEMENCE WITH WHICH KOREAN GOVT REPRESENTATIVES REACT AGAINST ANY SUGGESTION OF NEGOTIATIONS WITH THE NORTH MAY BE PARTLY ATTRIBUTABLE TO FEAR ON ~~THEIR~~ THEIR PART THAT MANY OF THEIR OWN PEOPLE DESIRE SUCH AN ACCOMMODATION AND WOULD CREATE VERY GREAT PRESSURE FOR IT IF THE POSSIBILITY OF COMING TO TERMS WITH THE NORTH WERE EVER OPENLY CONTEMPLATED BY THE ROK GOVT.

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FILE: 7-1-1	

AMBASSADOR
MR. MCGILL
MR. DUFFUS
MR. SPENCER
MR. GILD
MR. CLARKE

*file
asm*

FM EXTERNAL OTT JUN5/64 CONFD

TO TOKYO Y412

INFO WASHDC CNBRA WLGTN LDN CCOS **NATO PARIS**

PRESSURES FOR KOREAN REUNIFICATION

ALTHOUGH UN FORMULA SEEMS TO HAVE BEEN THUS FAR SUCCESSFUL IN
PLACATING DOMESTIC ROK PRESSURE FOR UNIFICATION, AUSTRALIANS HAVE
ASKED US WHETHER WE CONSIDER PRESENT TREND OF EVENTS IN KOREA MAY
NOT RPT NOT LEAD TO WIDESPREAD DEMANDS FOR SOME SORT OF ACCOMMO-
DATION WITH NORTHKOREAN COMMUNISTS. WHILE ROK GOVT UNDOUBTEDLY FIRMLY
ANTI COMMUNIST AND NORTHKOREAN LINE ON UNIFICATION (WITHDRAWAL OF UN
TROOPS ETC) SEEMS TO HAVE HAD LITTLE APPEAL TO STUDENTS OR PUBLIC
GENERALLY, AUSTRALIANS FEEL THAT CONTINUING SOCIAL INSTABILITY
AND ANY SUBSTANTIAL WEAKENING OF ROKS EXTERNAL
POSITION COULD SHARPEN DOMESTIC PRESSURES FOR INCREASED CONTACT
WITH NORTHKOREA.

2. GRATEFUL YOUR AND MAJOR DURES COMMENTS.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Security:.....CONFIDENTIAL.....

No:.....296.....

Date:.....

June 5, 1964.

Enclosures:.....

FROM:

...The Canadian Embassy,.....

Reference: TOKYO, Japan.....

Subject:.....

.....The Prospects for Korea.....

Air or Surface Mail.....

Post File No: 7-1-1 Copy 7-1-2

Ottawa File No. []

References

The first-hand impressions brought back by officers of this mission from a recent trip to Seoul, combined with what information we have from other sources, do not support a very optimistic assessment of the current prospects for the Republic of Korea. It is evidently still a fragile state, governed by an essentially unstable regime and heavily dependent on American bounty, and it is hard to find grounds for believing that the situation will improve.

2. Nevertheless, one can say that the economic outlook is not altogether discouraging. While South Korea cannot easily overcome the basic handicaps of meagre natural resources, an excessive ratio of population to arable land and a high rate of population increase (2.88% per annum), the groundwork has largely been laid for a break-through to an expanding economy. Three of the fundamentals for industrialization -- power, transport and communications -- have been developed to a point which would be the envy of most underdeveloped nations. The railways are adequate and are being re-equipped with AID and IDA help. Electric generating capacity is now significantly in excess of demand. The Koreans are a literate people and, although their educational system may be deficient in some technical fields, lack of educational facilities is not the major obstacle that it is in so many other developing countries. Numerous manufacturing enterprises are springing up, some of them first-class, efficient plants capable of producing competitively for the world market. As a result, indices of industrial production have been showing a fairly healthy rise of the order of 10% - 15% per annum, despite shortages of raw material which keep some factories operating well below capacity. GNP rose by a respectable 5.9% last year.

3. On the other hand, agriculture, the laggard sector of practically all Asian economies, is also the weakest part of the Korean picture. Even in agriculture, however, productivity is rising appreciably with much greater use of fertilizer and there are good prospects of further increased yields from irrigation schemes, hillside terracing and other measures.

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4. It appears, therefore, that there are now no insurmountable obstacles in the way of Korean economic development. Particularly encouraging to the American officials charged with prodding the Koreans to greater efforts in their own behalf has been the export performance. Exports totalled about \$60 million in 1962, increased to \$86 million in 1963 and hopefully will come to about \$125 million this year. Of course, the bill for essential imports this year will be something like \$250 million, excluding food grains, so there is yet a long road ahead to anything like a commodity trade balance. Nevertheless, if the pace of economic advance achieved in 1963 could be kept up for another 5 years, Korea might be in sight of economic self-sufficiency. U.S. economic experts in Seoul believe this is not beyond possibility and no doubt their belief is justified, given a reasonable degree of sensible management on the part of the Koreans.

5. But the pursuit of sensible and consistent economic policies by the Korean Government is unfortunately not to be counted on in present circumstances. The problem does not seem to be one of sheer ineptitude, although foreign observers in Seoul do point out some foolish actions — the \$5 million spent on the pleasure domes at Walker Hill, the insistence on immediate construction of an integrated steel works, the three new power stations located on the east coast while industry in the south is short of power. This kind of mistake, however, arises from overambitious planning in many countries and is not necessarily fatal. What seems to us to be much more serious is the continued failure of Korean Governments to stick to the economic policies and programmes drawn up by their own quite capable experts with foreign advice. Inflation is seriously threatening to wipe out the economic gains of the past year or so but the Government has a discouraging record so far of falling away from successive stabilization schemes. In the first week of May a fresh start was made with revaluation of the currency and appointment of a new Cabinet. According to American officials in Seoul, the revaluation exercise was efficiently carried out and the new Cabinet is stronger than the previous one in talent and integrity. But several fresh starts have been made in Korea in recent years without lasting results.

6. The really discouraging feature of the Korean scene is that there is no sign of forceful leadership emerging or, conversely, of the growth of a political consensus which might produce at least one strong party. The lack of cohesion is so striking that one might almost conclude that there is some congenital defect in the Korean character which inhibits group action in a common cause. More likely the origins of the present state of affairs lie deep in Korean history. The country has always been a meeting ground for conflicting cultural, political and military forces in North-East Asia. At any rate, excessive factionalism, captious opposition and pursuit of individual self-interest are characteristic of Korean politics today.

. . . 3.

- 3 -

7. President Park Chung Hee is clearly not equipped by temperament or inclination to assert effective leadership. He is regarded as well-meaning but shows a positive distaste for the political platform and does little more than issue periodic exhortations for redoubled effort to solve the country's problems. Kim Chong Pil, Chairman of the Democratic Republican Party, who is generally credited with organizing the military revolution in 1961, is undoubtedly the individual wielding the greatest amount of power after the President, but even his power is strictly circumscribed. He commands the personal allegiance of perhaps two-fifths of the members of the DRP, the rest being divided into three or four factions, and he is widely distrusted as an unscrupulous schemer by important segments of civilian and military opinion. There does not appear to be much likelihood of Kim's playing Nasser to President Park's Neguib.

8. None of the political parties at present on the stage in South Korea has any well-defined ideology or platform. They are all anti-communist and ostensibly in favour of a democracy and some seem slightly more liberal or more conservative as the case may be but beyond that they are more like factions owing allegiance to some individual than political parties in the proper sense. The leading party, the DRP, is of course an outgrowth of the military junta. Kim Chong Pil made an attempt to give it some sort of platform by enunciating a set of principles but the fact that no one we spoke to in Korea seemed to remember quite what the principles were demonstrates his failure to produce a "philosophy of the revolution".

9. The military revolution also failed to provide, for any appreciable length of time, the kind of efficient, puritan rule which may sometimes lend a degree of justification to the intervention of soldiers in politics. Initially the military junta did clear up some scandals, throw a number of rascals out of office and introduce more effective administration, but the new-broom effect did not last long. The military leaders soon began to be corrupted by office and relapsed increasingly into familiar Korean bad habits to such an extent that they were eventually not much of an improvement over their civilian predecessors. As examples, we noted in the Korean newspapers reports of the arrest of the Army Judge-Advocate General and five other Army legal officers on charges of accepting bribes from civilians, and the indictment of the former Finance Minister of the military regime for complicity in the illegal sale of land in a public park.

10. Corruption is endemic in Korea and it is not surprising that the military regime was undermined by it. The Australian Ambassador in Seoul and the First Secretary of the British Embassy, both of whom happened to have served in Thailand, expressed the opinion that corruption is not quite as widespread or blatant in Korea as it is in Thailand but it is serious enough. On the other hand, Korean graft is evidently much less sophisticated than the Thai version. A Korean who obtains public office is likely to take the attitude that he must grab all he can for himself and his friends before the next turn of the wheel throws his party or faction out and he is denounced. This is obviously most destructive of orderly administration.

. . . 4.

- 4 -

11. We found that United States representatives in Korea professed a degree of optimism about the future. They emphasized that there is a lot of talent, knowledge, and initiative among the Koreans and they believe that, as long as democracy can be preserved, enough public-spirited men will be found to steer the nation through its present difficulties. We do not mean to suggest that there is anything pollyanna-ish about the American assessment. The American officials on the spot know the realities of the Korean situation. On the other hand they have to seize on the hopeful factors and make the most of them because they are so deeply committed to seeing the Republic of Korea through to self-sufficiency. We are impressed by the good sense and determination with which most Americans in Korea seem to be pursuing their immensely difficult task. They seek to hold the ring for democracy and ensure the military and economic underpinning to prevent disaster while cajoling, urging, advising or even threatening the Koreans to make the necessary efforts on their own behalf. They try to give support to the best elements in the country and withhold it from the worst, although they dare not employ the ultimate sanction of walking away and leaving the Koreans to their own devices.

12. There are grave doubts in our minds, however, that there is time enough for the building up of a stable basis for democracy in Korea on the lines hoped and worked for by the United States. Some factors threaten to reverse the little progress painfully achieved in the past few years, perhaps irrevocably. The rioting in Seoul this week is ominously symptomatic of these underlying threats.

13. The British Ambassador in Seoul vouched for the alarming statistic that only 600 out of 20,000 graduates of the local universities last year had obtained jobs. This illustrates at least one of the reasons why Korean students have again been rioting in the streets. They are hard-pressed by rising prices, frustrated by lack of employment opportunities and resentful of ineffectual and dishonest politicians. Many liberal intellectuals teaching in the high schools and universities are also completely out of sympathy with the present civil and military leadership and they encourage the rebellious students.

14. It seems to us that nationalism is also an important component in the students' attitude. They are intensely proud of their national heritage and much more conscious of it than the less educated elements of the population, who share their economic grievances. During the week of our last visit to Seoul, a long line of statues of Korean national heroes was being installed on the main avenue leading to the capitol as a result of the initiative of university students. It is significant that one of the main targets of the student demonstrations is the Government's "humiliating" diplomacy in negotiations with Japan. There has also apparently been some expression of anti-American sentiment in the latest demonstrations.

. . . 5.

- 5 -

15. It is much clearer, however, what the students are against than what they are for. While the opposition parties evidently hope to profit from the student unrest and perhaps take power if the present government falls, the students do not show much sign of working positively on behalf of any particular party.

16. The events of the past two weeks seem to us to raise the distinct possibility of another coup by military elements. This was strongly discounted by all those we spoke to in Seoul at the beginning of May but events have moved rapidly since then. There was an incident ten days ago of paratroopers calling on a judge on their own initiative and demanding sterner measures against rioters, which suggests impatience in the Army, and now, of course, the Government has had to call in the troops to enforce martial law.

17. Even if the Korean Government survives the present immediate crisis, its longer term outlook is not good. It now seems highly improbable that any further progress can be made toward a settlement with Japan in the foreseeable future. The students have made this issue the focus of their discontent and should the Government succeed in suppressing the agitation and negotiating successfully the remaining issues with Japan, there would still be the problem of putting the agreement through the Korean Assembly. It was freely predicted by diplomatic observers in Seoul that the Assembly would pick to pieces any agreement with Japan and never ratify it. The opposition to the projected normalization with Japan is just as much a matter of suspicion of Korea's own representatives' motives as it is of distrust of the Japanese, although that, too, is widespread.

18. Failure to come to terms with Japan will be particularly discouraging to the Americans who have been counting greatly on this. Perhaps too much emphasis has been placed on the settlement with Japan as a panacea for all Korea's ills but, still, it would be a great help. The Japanese grants and loans, the trade, the technical and managerial assistance, which would be available would undoubtedly give a strong impetus to economic progress in Korea. One Canadian missionary with some ten years' service in Korea remarked to us, however, that he suspected many South Koreans would sooner come to terms with the Communist regime in the North than with the Japanese, although they dared not say so.

19. We suspect that there may be a considerable amount of thinking about reunion with the North going on below the surface in South Korea, although the subject is almost completely taboo in public. The students are obviously highly susceptible to the propaganda which is broadcast steadily from Pyongyang. The contrast between apparent order and progress in the North and confusion and corruption in the South, coupled with the appeal of a reunited Korean nation, may incline many South Koreans to gloss over the harsh nature of the Northern regime and the brutalities of the war, which is now more than ten years past. With a ROK army of half a million men well trained and equipped by the Americans, as well as 50,000 American troops, the North is not likely to try force again but it may insidiously undermine the will of the South Koreans to remain committed to the free world.

20. It would be risky indeed for us to try to predict the course of events in Korea. Our knowledge is too limited and there are too many incalculable factors. We can only revert to what we said at the beginning of this report, that it is hard to find grounds for optimism. If, as seems probable,

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- 6 -

political stability is going to remain a distant goal and the prospects for a settlement with Japan are also remote, the United States will have to shore up the Republic for a long time yet. We can only hope they will maintain their determination and not tire of the burden for it is not likely to get any easier. In fact, the Americans will probably find that they are increasingly a target for the frustrations and resentment engendered in the Koreans by their dependent status.

Original Signed by
A. S. MCGILL

The Embassy.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: TOKYO	DATE	FILE	SECURITY	
	MAY 20 19/64	7-1-1	CONF.D.	
TO: EXTERNAL OTT	NUMBER	PRECEDENCE	COMCENTRE USE ONLY	
	242	OPIMMED.		
INFO: WASHDC IDN PERMISNY NATOPARIS EMBPARIS				
TT FROM OTT.				

Ref.:

Subject: KOREAN CABINET CHANGES

FOLLOWING OBSERVATIONS ON FORMATION OF NEW CABINET IN SOUTH KOREA ON MAY TENTH WERE COLLECTED BY MCGILL IN COURSE OF VISIT TO SEOUL LAST WEEK.

2. UNDER PRESENT CONSTITUTION CABINET MEMBERS ARE APPOINTEES OF PRES. MORE OR LESS ON LINES OF USA GOVT. THERE ARE ONLY SEVEN NEW MEMBERS IN THE CABINET, NOT RPT NOT COUNTING THOSE WHO HAVE MERELY CHANGED PORTFOLIOS, AND MOST OF THE SEVEN WERE ALREADY HOLDING GOVT POSTS AT LOWER LEVELS. FOR SOME TIME THERE HAS BEEN PRESSURE ON THE PRES. FROM DRP FOR MORE MEMBERS OF THE PARTY TO BE TAKEN INTO THE CABINET. KIM CHONG PIL, CHAIRMAN OF DRP, HAS BEEN URGING THIS PROBABLY WITH THE OBJECTIVE OF INCREASING HIS OWN POWER AND INFLUENCE ON THE GOVT ALTHOUGH THE ARGUMENT HAS ALSO BEEN MADE THAT THE GOVT WOULD STAND A BETTER CHANCE OF GETTING SUPPORT FOR ITS ACTIONS IN THE ASSEMBLY IF THIS STEP WERE TAKEN. KIM'S URGINGS COMBINED WITH THE MANIFEST INEFFECTIVENESS OF THE PREVIOUS CABINET IN TACKLING VARIOUS PROBLEMS FACING THE COUNTRY THEREFORE BROUGHT THE PRES. TO RECONSTITUTE THE CABINET. . . . 2.

LOCAL DISTRIBUTION

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME.....A. S. McGill/rg.....			SIG..... NAME.....E. P. Bower.....

- 2 -

3. KIM HAS SUCCEEDED IN FORCING A CHANGE AND IS GENERALLY ASSUMED TO BE ARCHITECT OF NEW CABINET BUT ON OTHER HAND HE HAS BY NO RPT NO MEANS ENTIRELY GOT HIS OWN WAY. WHILE THE NUMBER OF DRP MEMBERS HAS BEEN INCREASED THEY STILL COMPRISE ONLY FIVE OUT OF A TOTAL OF SEVENTEEN ALTHOUGH THE PREMIER AND TWO OTHER NEW MEMBERS JOINED THE PARTY IMMEDIATELY AFTER THEIR APPOINTMENTS. THE NEW PREMIER IS DEFINITELY NOT RPT NOT KNOWN AS A KIM CHONG PIL MAN. IN MAKING THE NEW APPOINTMENTS THE PRESIDENT APPEARS TO HAVE ATTEMPTED TO BRING IN MEN OF TALENT AND INTEGRITY WHILE AT THE SAME TIME TAKING SOME ACCOUNT OF THE PRESSURES FOR REPRESENTATION OF VARIOUS POLITICAL FACTIONS.

4. SINCE KIM EVIDENTLY DID NOT RPT NOT GET ALL HE WANTED, THE COMPOSITION OF THE NEW CABINET IS LOOKED UPON BY SOME AS A SET-BACK FOR HIM AND THERE ARE PERSISTENT RUMOURS IN SEOUL THAT PRES. PARK IS BECOMING MORE AND MORE DISENCHANTED WITH KIM AND LESS AND LESS INCLINED TO FOLLOW HIS ADVICE OR ACQUIESCE IN STRENGTHENING HIS INFLUENCE ON THE GOVT. THERE ARE A GOOD MANY PEOPLE IN KOREA, INCLUDING THE USA EMB, WHO WOULD LIKE TO SEE THE UNSCRUPULOUS KIM GET HIS COME-UPPANCE.

5. THE NEW PREMIER, CHUNG IL-KWON, HAD AN IMPRESSIVE MILITARY RECORD, BECOMING ARMY CHIEF OF STAFF AT THE AGE OF THIRTY-TWO. SINCE 1957 HE HAS BEEN SUCCESSIVELY, AMBASSADOR TO TURKEY, AMBASSADOR TO FRANCE, AMBASSADOR TO WASHINGTON AND FOREIGN MINISTER, WITH TIME OUT ON TWO OCCASIONS FOR POST GRADUATE STUDY AT HARVARD AND OXFORD. HE RETAINS PORTFOLIO OF FOREIGN AFFAIRS. USA REPRESENTATIVES IN KOREA THINK VERY WELL OF HIM AND PLACE CONSIDERABLE HOPE IN HIS PREMIERSHIP.

6. THE OTHER KEY FIGURE IN THE NEW CABINET IS CHANG KEY-YOUNG, WHO IS VICE-PREMIER AND MINISTER OF ECONOMIC PLANNING. HE HAS CONSIDERABLE BACKGROUND IN BANKING AND LATTERLY HAS BEEN PRES. OF ONE OF LEADING KOREAN NEWSPAPERS WHICH HE BUILT UP THROUGH PERSONAL EFFORTS. HE IS REPUTED TO BE AN ABLE ECONOMIST AND A MAN OF CONSIDERABLE EXECUTIVE ABILITY BUT FOREIGN OBSERVERS IN KOREA ARE NOT RPT NOT QUITE SO SURE IN HIS CASE THAT HE WILL PUT NATIONAL INTERESTS ABOVE PERSONAL AMBITION.

. . . 3.

- 3 -

7. LEE SOO-YOUNG, LATELY KOREAN AMBASSADOR TO UNITED NATIONS AND TO CDA, HAS BEEN APPOINTED MINISTER OF INFORMATION. HIS REPLACEMENT IN NEW YORK IS LIKELY TO BE KIM YONG-SHIK, A FORMER MINISTER WITHOUT PORTFOLIO WHO IS SAID TO BE PRETTY MUCH OF A SECOND RATER.

8. IN NEW PREMIER'S FIRST STATEMENT HE MADE AN APPEAL FOR A MORATORIUM ON QUOTE EXCESSIVE POLITICAL DEMANDS UNQUOTE FOR A PERIOD OF SIX MONTHS TO ONE YEAR IN ORDER TO GIVE HIS CABINET A CHANCE TO MAKE SOME PROGRESS WITH ECONOMIC PROBLEMS IN PARTICULAR. HE SAID HE WOULD STEP DOWN AT THE END OF THAT TIME IF HE FAILED TO SHOW RESULTS. CHUNG MADE PLEDGES TO TACKLE THE JAPAN - KOREA NEGOTIATIONS AFRESH AND TO ROOT OUT CORRUPTION. HE PROMISED SALARY INCREASES FOR LOWER LEVEL CIVIL SERVANTS, ABSOLUTE FREEDOM OF THE CAMPUS FOR THE STUDENTS, PRODUCTION OF MORE FERTILIZERS AND PESTICIDES FOR THE FARMERS, AND FREEDOM OF THE PRESS.

9. THERE APPEAR TO BE SOME GROUNDS FOR THE RESTRAINED OPTIMISM OF USA OFFICIALS IN KOREA THAT THE RECONSTITUTED CABINET WILL DO BETTER THAN THE LAST TEAM. THE GOVT IS DEFINITELY STRENGTHENED BY HAVING CHUNG AND CHANG AS PREMIER AND VICE-PREMIER RESPECTIVELY. AMERICANS PARTICULARLY HOPE THAT THE CABINET WILL HAVE THE COURAGE TO STICK TO THE ECONOMIC STABILIZATION PROGRAMME WHICH HAS BEEN DRAWN UP WITH AMERICAN ADVICE AND OF WHICH THE DEVALUATION OF THE HWAN TWO WEEKS AGO WAS AN IMPORTANT STEP. THEY ALSO HOPE THE GOVT WILL PERSEVERE WITH THE JAPAN - KOREA NORMALIZATION TALKS. WE FOUND THE BRITISH AMBASSADOR SOMEWHAT MORE SKEPTICAL THAN THE AMERICANS ABOUT THE OUTLOOK FOR THIS CABINET. HE POINTED OUT THAT KOREA IS NOT RPT NOT LACKING IN TALENT AND THAT OTHER ABLE MEN HAVE CONSCIENTIOUSLY TRIED TO GRAPPLE WITH THE COUNTRY'S IMMEDIATE PROBLEMS BUT SOONER OR LATER THEY ALL COME TO GRIEF IN FACE OF THE APPARENTLY INCURABLE KOREAN HABIT OF SEEKING PERSONAL GAIN WITHOUT REGARD TO THE PUBLIC INTEREST.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	DEC12/63	7-1-1	CONFD
TO: EXT OTT	NUMBER		PRECEDENCE
	508		PRIORITY
INFO: WASHDC/LDN/NATOPARIS/PERMISNY			

Ref.: OURTEL 493 AND WASHTEL 3929 OF NOV29/63

Subject: SOUTH KOREA: CURRENT DEVELOPMENTS

U.S. OFFICIALS IN TOKYO TOLD US YESTERDAY THAT COMPREHENSIVE ASSESSMENT OF KOREAN ELECTION JUST RECEIVED FROM THEIR EMB IN SEOUL CONFIRMS THAT NATIONAL ASSEMBLY ELECTION IN SOUTH KOREA WAS GENERALLY CONDUCTED IN QUIET AND ORDERLY FASHION. ON THE OTHER HAND, ELECTION WAS LESS FAIR THAN PRESIDENTIAL ONE AND THERE IS ELEMENT OF TRUTH IN ALLEGATIONS OF IRREGULARITIES RAISED BY OPPOSITION PARTIES. HOWEVER, GENERAL AGREEMENT IN SEOUL IS THAT IRREGULARITIES WERE CLEARLY NOT OF SUFFICIENT MAGNITUDE TO AFFECT OUTCOME OF ELECTION. U.S. OFFICIALS IN SEOUL WHO ARE NOT INCLINED TO BE INDULGENT TOWARDS GEN PARK'S REGIME TAKE VIEW THAT OPPOSITION'S ACCUSATIONS APPEAR QUITE EXAGGERATED AND MENTION THAT PRO-OPPOSITION PRESS, FOR INSTANCE, HAS NOT TAKEN THEM UP.

LOCAL DISTRIBUTION

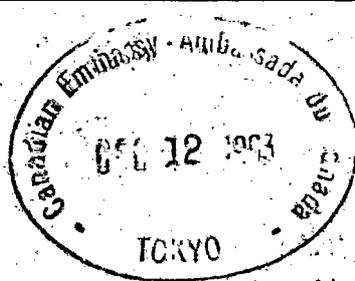
Capt Cogdon

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG NAME J.DUPOUIS/bt			SIG NAME

- 2 -

2. U.S. EMB IN SEOUL HOPES THAT PARK'S REGIME WILL USE DEMOCRATIC MANDATE RECEIVED FROM KOREAN ELECTORATE TO IMPROVE ITS MANAGEMENT OF ECONOMY. ACHIEVEMENT OF THIS OBJECTIVE WILL DEPEND IN LARGE MEASURE ON MAINTENANCE OF POLITICAL STABILITY. MAJORITY OF KOREAN PEOPLE WOULD PROBABLY BE PREPARED TO GIVE AT LEAST PASSIVE SUPPORT TO AUSTERITY MEASURES WHICH ARE NEEDED AT THIS TIME BUT THERE IS DANGER THAT FACTIONAL DISPUTES WITHIN GEN PARK'S DEMOCRATIC REPUBLICAN PARTY WILL HINDER INTRODUCTION OF STRINGENT ECONOMIC REFORMS. INDICATIONS ARE THAT POWER STRUGGLE IS CONTINUING WITHIN PARTY ALTHOUGH U.S. OFFICIALS FIND SOME COMFORT IN FACT THAT OPPONENTS OF KIM CHUNG PIL SEEM TO HAVE OBTAINED LARGER NUMBER OF KEY POSTS IN NEW ADMINISTRATION THAN EARLIER EXPECTED. HOWEVER, KIM IS LIKELY TO TRY TO GAIN UPPER HAND AGAIN AND OUTCOME WILL DEPEND IN FINAL ANALYSIS ON ATTITUDE OF PRES PARK WHO UNTIL NOW APPEARS TO HAVE BEEN MAINLY CONCERNED TO MAINTAIN BALANCE BETWEEN RIVAL FACTIONS.

3. JAPANESE OFFICIALS ARE CLEARLY PLEASED AT OUTCOME ON BASIS THAT WITH AN ASSURED MAJORITY PARK'S REGIME WILL BE MORE READY TO CONCLUDE AGREEMENTS FOR NORMALIZATION OF RELATIONS WITH JAPAN. THEY COMMENTED, HOWEVER, THAT THERE IS SOME DANGER THAT FACTIONS WITHIN DRP WILL FALL TO BICKERING AMONG THEMSELVES AND WEAKEN EFFECTIVENESS OF NEW GOVT.



FILES	
7-1-1	

~~Ambassador~~
~~Mr. Smith~~
~~Mr. Dupont~~

file
asm

FM EXTERNAL OTT DEC11/63 CONF

TO TOKYO Y446 OPIMMED

REF YOURTEL 501 DEC9

INAUGURATION OF KOREAN PRESIDENT

NO RPT NO INVITATION TO ATTEND RECEIVED. NO RPT NO PLANS MADE TO
ATTEND.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

File

OUTGOING MESSAGE

FM:EMB TOKYO	DATE	FILE	SECURITY	
	DEC 9 1963	7-1-1	REST'D	
TO:EXT OTT	INDEXED			
	NUMBER	PRECEDENCE	COMCENTRE USE ONLY	
	501	OPIMMEDIATE		
INFO:				

Ref.:

Subject: INAUGURATION OF PRESIDENT OF REPUBLIC OF KOREA

1. INAUGURATION CEREMONIES FOR PRESIDENT PARK ARE SCHEDULED FOR DEC 17/63 IN SEOUL. MOST COUNTRIES WHICH HAVE DIPLOMATIC RELATIONS WITH SOUTH KOREA HAVE APPARENTLY BEEN INVITED TO SEND A SPECIAL ENVOY FOR THE INAUGURATION AND A NUMBER OF MY COLLEAGUES IN TOKYO HAVE BEEN APPOINTED SPECIAL ENVOYS FOR THIS PURPOSE.
2. I WOULD BE INTERESTED TO KNOW WHETHER YOU HAVE RECEIVED AN INVITATION TO SEND A CDN REP TO THE INAUGURATION.

BOWER.

LOCAL DISTRIBUTION

ORIGINATOR	DIVISION	PHONE	APPROVED BY
Original Signed by SIG..... A. S. McGILL			<i>R.P. Bower</i>
NAME..... A.S. McGill/ja			NAME..... R.P. Bower

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LO 1-6 (S)

SECRET
CANADIAN EYES ONLY

*Mr. MacNeil file
asm*

United Nations Compound
Seoul, Korea.

2 Dec 63

Capt N Cogdon, RCN
Chief, UNC Liaison Group for Canada
APO 503.

ROK - General Election
26 Nov 63

1. Further to telephone conversation Capt Cogdon - Maj Dure, 29 Nov 63.
2. In the final election returns the DRP won 110 seats out of a total of 175 seats; their closest rival (Minjong-dang) won 41 seats.
3. A total of 9,600,000 votes were cast of which the DRP gained 3,100,000 (33 percent). The remaining 6,500,000 votes were split among eleven opposition parties with the Minjong-dang gaining 1,800,000 (20 percent) and the Democrats 1,200,000 (13 percent for 13 seats)
4. It is my opinion that approximately 66 percent of the ROK voters defeated their own wishes by voting in such a diversified manner; the DRP voters were united.
5. This date I had an interview with Mr GV Brady (Charge D' Affaires, Australian Embassy) a member of the UNCURK Observer Team. In his opinion there was no pressure brought to bear on the voters at the polling booths and that the counting of ballots was honest. As I mentioned on the phone the Thai Ambassador was quoted in the paper as saying "the elections were carried out in an orderly and quiet atmosphere".
6. As of writing, approximately two hundred persons (candidates and campaigners) have been charged with election violations. In the opinion of Mr Brady these charges are NOT serious and that they merely represent the normal post election "groans". He stated that, in his opinion, the elections were fair and that there was no overall "rigging".
7. It is my opinion (and that of Mr Bradys) that the DRP won because of better organization, that they possibly had more finances at their disposal for electioneering and that their voters were united.

J A Duffe
(J A Duffe) Major
Liaison Officer for Canada to
Headquarters United Nations Command

SECRET
CANADIAN EYES ONLY

~~SECRET~~
MR. BLACKWOOD
MR. HILTON

and file

PH

FM WASHDC NOV29/63 CONF

EXTERNAL 3929 PRIORITY

INFO TT TOKYO DE OTT

REF YOURTEL Y430 NOV27 AND TOKYO TEL493 NOV29

KOREAN ELECTION

NORRED OF STATE DEPT KOREAN DESK SAID TODAY THAT KOREAN ELECTION HAD NOT RPT NOT BEEN AS FREE AS SOME OTHER RECENT KOREAN ELECTIONS, AND THAT THERE WERE A NUMBER OF EXAMPLES OF GOVT PRESSURE THROUGH POLICE AND OTHER OFFICIALS BUT THAT SUCH IRREGULARITIES AS HAD OCCURRED HAD PROBABLY NOT RPT NOT AFFECTED OUTCOME OF ELECTIONS.

2. NORRED EXPRESSED EMBARRASSMENT THAT PREDICTION HE AND OTHER OBSERVERS HAD MADE THAT GOVT WOULD WIN ONLY 40 SEATS BY DIRECT ELECTION(PARA4 OURTEL3675 NOV8)HAD PROVED TO BE SUCH AN UNDE-REESTIMATE. PAKS DEMOCRATIC REPUBLICAN PARTY HAD WON 85 SEATS BY DIRECT ELECTION AND ANOTHER 22 BY PROPORTIONAL REPRESENTATION, TO MAKE A TOTAL OF 107 OUT OF 175 SEATS. POPULAR VOTE FIGURES TOLD DIFFERENT STORY HOWEVER: HIS PARTY HAD ONLY 34PERCENT(2.8 MILLION) OF TOTAL. NORRED THOUGHT ONE REASON PREDICTIONS HAD PROVED INACCURATE WAS THAT THEY HAD BEEN BASED ON ELECTORAL RESULTS IN FORMER 233-SEAT CHAMBER. NEW CONSTITUENCIES WERE ALL LARGER AND PRO-OPPOSITION ELECTORATE SEAT WHICH IN OLD CONSTITUENCIES KNEW WHICH OPPOSITION CANDIDATE WAS LIKELY TO DO WELL AND THUS DID NOT RPT NOT WASTE ITS VOTE. THIS TIME HAD ALLOWED ITS STRENGHT TO BE DISSIPATED AMONG SEVERAL OPPOSITION CANDIDATES IN MAJORITY OF CONSITUENCIES.

3. ALTHOUGH LACK OF UNITY AMONG OPPOSITION HAD BEEN MOST IMPORTANT FACTOR IN GOVT VICTORY THERE WERE OTHER CAUSES. OPPOSITION HAD BEEN TOO NEGATIVE AND HAD NOT RPT NOT OFFERED COUNTRY ALTERNATIVE POLICIES. PAKS ATTENDANCE AT PRES KENNEDYS FUNERAL AND HIS INTERVIEW WITH PRES JOHNSON, WHICH HIS PARTY HAD TAKEN PAINS TO PUBLICIZE WIDELY ON EVE OF ELECTION, HAD HELPED TO REBUT OPPOSITONS CHARGE THAT REGIMES RELATIONS WITH USA WERE POOR. RELEASE TO KOREA OF TEN

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PAGE TWO 3929

MILLION DOLLARS OF BLOCKED USA AID ON NOV10 (PARA3. OURTEL3715 NOV14) HAD BEEN USED BY GOVT FOR SAME PURPOSE. NORRED SAID DECISION TO RELEASE THIS DOLLARS 10 MILLION HAD BEEN EXTREMELY DIFFICULT AS OPPOSITION HAD BEEN CHARGING THAT AID SUSPENSION WAS DUE TO POOR RELATIONS OF REGIME WITH USA AND STATE DEPT KNEW THAT WHATEVER IT DID WOULD BE USED BY ONE SIDE OR THE OTHER AS AN ELECTORAL ARGUMENT. IN THE END ECONOMIC CONSIDERATIONS HAD HAD TO PREVAIL.

4. NORRED EVIDENTLY IN CHASTENED MOOD HAD NO RPT NO FIRM PREDICTIONS ABOUT FUTURE COURSE OF EVENTS IN KOREA. HE SAID THAT AT THE WORST THE KIM CHONG PIL GROUP COULD RETURN TO PREDOMINANT INFLUENCE AND IMPEL GOVT IN AUTHORITARIAN AND ANTI-USA DIRECTION WITH DEMANDS BOTH FOR MORE USA AID AND LESS USA CONTROL OVER ITS USE. MOST DESIREABLE ALTERNATIVE WOULD BE FORMATION OF A BASICALLY SUPRA-PARTY ADMIN WHICH WOULD PRESS ON WITH BADLY-NEEDED MEASURES OF ECONOMIC REFORM AND STABILIZATION.

5. ACCORDING TO NORRED PAK WAS PLEASED BY RESULTS OF HIS TRIP TO ATTEND FUNERAL AND HIS CONTACTS WITH OTHER LEADING PERSONALITIES PRESENT IN WASHDC FOR THE CEREMONY. NORRED SAID THERE WAS LITTLE OF SUBSTANTIVE NATURE IN PAKS CONVERSATIONS WITH AMERICANS HERE, ALTHOUGH LIKE REPS FROM MOST OTHER COUNTRIES HE RECEIVED ASSURANCES THAT USA POLICY WOULD REMAIN UNECHANGED.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

File

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY	
	NOV 29 1963	7-1-1	CONFID	
TO: EXT OTT	INDEXED			
	NUMBER	PRECEDENCE	COMCENTRE USE ONLY	
	493	OPIMMEDIATE		
INFO: WASHDC		PRIORITY		

Ref.: YOURTEL Y-430 NOV 27/63

Subject: KOREAN ELECTION

1. YOU HAVE PROBABLY SEEN AP REPORT THAT QUOTE ALTHOUGH BALLOTING GENERALLY ORDERLY THROUGHOUT THE COUNTRY THE OPPOSITION UNLEASHED A SEVERE CHARGE OF ALLEGED IRREGULARITIES BY THE JUNTA PARTY UNQUOTE. KOREAN PRESS REPORTS THAT 200 VIOLATIONS ARE UNDER INVESTIGATION.
2. REPORTS AVAILABLE TO US EMBASSY TOKYO SAY THAT IT REMAINS TO BE SEEN WHETHER IRREGULARITIES WERE AS SERIOUS AS OPPOSITION ALLEGES. AMERICANS FIRST ASSESSMENT SEEMS TO BE THAT ELECTION WAS CONDUCTED FAIRLY ON THE WHOLE.
3. DURE REPORTS THAT UNCURK TEAM IS BEHIND CLOSED DOORS WRITING REPORT WHICH WILL NOT BE AVAILABLE TODAY. HE WILL REPORT UNCURK FINDINGS WHEN AVAILABLE.
4. KOREAN PRESS REPORTED THAI AMB, WHO IS MEMBER OF UNCURK TEAM, SAYING THAT QUOTE ELECTION WAS CARRIED OUT IN AN ORDERLY AND QUIET ATMOSPHERE UNQUOTE BUT HE MADE NO COMMENT ON QUOTE FAIRNESS UNQUOTE.
5. NA VISITED POLLING STATIONS IN SEOUL WITH DURE ON ELECTION DAY AND NOTED NO CROWDS AROUND STATIONS, NO SIGNS OF TROUBLE, NO EXTRA POLICE. BOTH HE AND DURE GOT IMPRESSION OF GENERAL APATHY. UK AMB SAID HE RECEIVED SAME IMPRESSION. WHEN NA SAW

LOCAL DISTRIBUTION

cc: Capt. N. Cogdon

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME...A.S. McGill/ja.....			SIG..... NAME..... <i>Original Signed by</i> A. S. MCGILL

2.

HIM JUST AFTER POLLS CLOSED HE HAD NO SUBSTANTIATED REPORTS OF IRREGULARITIES.

6. WE HAVE NOT BEEN ABLE TO SPEAK TO JAPANESE OFFICIALS TODAY SINCE THEY ARE OCCUPIED WITH GENERAL PARK WHO IS STOPPING BRIEFLY IN TOKYO EN ROUTE HOME FROM FUNERAL IN WASHDC.

7. WE HOPE TO BE ABLE TO SEND YOU MORE COMMENTS AFTER WEEKEND BUT SO FAR IT APPEARS THAT WHATEVER IRREGULARITIES OCCURRED WERE NOT ON LARGE SCALE AND THAT ELECTION WAS REASONABLY WELL CONDUCTED.

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*file
asm*

29 November, 1963

MEMORANDUM TO: Mr. McGill

KOREAN ELECTIONS

Further to my previous memo on this subject, Dure has now called back from Seoul. He reports that,-

- (a) the UNCURK team is behind closed doors writing their report - it will almost certainly not be available today.
- (b) the local press has reported the Thai Ambassador (a member of the UNCURK team) as saying the "election was carried out in an orderly and quiet atmosphere". He made no comment on the "fairness".
- (c) the Korean press reports that 200 violations are now under investigation.

2. Major Dure will report the UNCURK findings when available.

N. Cogdon
(N. Cogdon)
Captain, RCN.

7-1-1
file
adm - -

29 November, 1963

MEMORANDUM TO: Mr. McGill

KOREAN ELECTIONS

The following comments are offered in connection with Externals Y430 asking for observations concerning conduct of Korean elections.

- (a) Major Dure and myself toured several of the polling stations in Seoul about mid-morning of election day. I was impressed by the complete absence of any signs that the day was any different from any other national holiday - no crowds around the stations, no trouble of any kind, no extra police, etc. The following day there were no more than 20 or 30 people gathered around the large tote boards set up downtown to show up to the minute returns. Dure claims the lack of congestion about the polls was in direct contrast to the presidential elections. We both got an impression of general apathy.
- (b) I had ten or fifteen minutes conversation with the British Ambassador M. Godfrey just after the polls had closed. He also had toured several of the Seoul polling stations in company with an interpreter. His impression also was one of general apathy. Up to that time he had had no substantiated reports of irregularities.
- (c) The local staff at the UN Compound mess - waitresses, cooks, etc - during the presidential elections had kept their own tote boards of latest returns and were able to supply up to the minute results at any time. During the general elections none of them voted and had no idea how the various parties were faring.
- (d) News media speculated that the weather had caused the poor turn out, however, while it was chilly (as Seoul often is) it was also a beautifully clear, sunny day - an invigorating day during which it was a real pleasure to be out of doors.
- (e) At the time I left Seoul the UNCURK observers were still at their posts in the field and no impressions from this group were yet available. Major Dure has been requested to phone me by 1500 today, Friday, if he can obtain any UNCURK comment.

N. Cogdon

(N. Cogdon)
Captain, RCN.



FILE:	7 - 1 - 1
INDEXED	-

~~Mr. Smith~~
~~Mr. McGill~~
Mr. Dupuis on
return

&
file

RHO

FM EXTERNAL OTT NOV27/63 CONF

TO TOKYO Y430 OPIMMED

INFO WASHDC

KOREAN ELECTION

GRATEFUL FOR ANY OBSERVATIONS AVAILABLE IN TOKYO CONCERNING CONDUCT OF KOREAN ELECTIONS. PRELIMINARY ASSESSMENT BY PRINCIPAL SECRETARY OF UNCURK, BY MAJOR DURE, AND BY OTHER OBSERVERS IN SEOUL WOULD ALSO BE USEFUL. INFO URGENTLY REQUIRED.

MR. SAWARD
MR. BLACKWOOD
MR. HUTTON

and file

240

FM LDN NOV22/63 CONF
TO EXTERNAL 3266 PRIORITY
INFO WASHDC PERMISNY EMBPARIS PRIORITY
TT TOKYO PRIORITY DE OTT
BAG HKONG CNBRA WLGTN SAIGON KLUMPUR JAKARTA DE LDN
REF WASHDC TEL3675 NOV8

SOUTHKOREA

WE ASKED LAWTON, KOREAN DESK OFFICER FO, FOR ASSESSMENT OF RECENT DEVELOPMENTS IN KOREA AND FUTURE PROSPECTS. LAWTON ALSO EXPRESSED SURPRISE AT CLOSENESS OF GEN PAKS VICTORY DURING LAST PRESIDENTIAL ELECTIONS. IT WAS MAINLY HEAVY MAJORITY IN SOUTHERN DISTRICTS WHICH HAD ENSURED GEN PAKS VICTORY. NORTHERN DISTRICT HAD RATHER SURPRISINGLY VOTED IN STRENGTH FOR OPPOSITION. HE NOTED THAT GREAT PART OF ARMY UNITS ARE IN NORTHERN DISTRICTS AND THAT PEOPLE IN THESE AREAS ARE GENERALLY MUCH MORE CONCERNED WITH REUNIFICATION.

2. THERE WERE SIGNS, HOWEVER, THAT ELECTIONS FOR NEXT ASSEMBLY ON NOV26 WOULD BE QUOTE BETTER ORGANISED UNQUOTE. LAWTON DID NOT RPT NOT SEEM AS PESSIMISTIC AS NORRED (PARA4 WASHDC REFTTEL) ON PROSPECTS OF DEMOCRATIC REPUBLICAN PARTY. MUCH WORK WAS BEING DONE EITHER TO NEUTRALIZE OPPOSITION OR TO ENSURE THAT MODERATES WHO WOULD SUPPORT GOVT. HE THOUGHT THAT IF ELECTIONS PRODUCE A STALEMATE BETWEEN PRESIDENT AND ASSEMBLY THIS MIGHT HAVE BAD CONSEQUENCES FOR DEBATE IN UN ON KOREAN ITEM WHICH HE UNDERSTOOD WAS DUE TO TAKE PLACE EARLY IN DEC. IT WAS HOPED, HOWEVER, THAT GOVT WOULD BE ABLE TO HAVE SUPPORT OF A WORKING MAJORITY.

3. IN REPLY TO OUR QUESTION LAWTON SAID HE DID NOT RPT NOT EXPECT ITEM WOULD CREATE TOO MUCH DIFFICULTY IN UN. THERE WAS ALWAYS DANGER, HOWEVER, THAT SOME NEW UNCOMMITTED COUNTRY WOULD SEIZE OPPORTUNITY

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PAGE TWO 3266

TAKE CENTRE OF STAGE AND CREATE TROUBLE. HE SAID GHANA HAD THREATENED TO BE DIFFICULT IN THIS WAY IN 1961. HE THOUGHT IT WOULD BE MUCH BETTER IF IN FUTURE KOREAN ITEM WAS NOT RPT NOT PUT ON AGENDA OF UN AT LEAST UNTIL SOUTHKOREA WOULD BE ABLE TO BECOME STRONG ENOUGH ECONOMICALLY TO BE ABLE TO ENVISAGE REUNIFICATION. AT MOMENT KOREAN ITEM SUFFERED LARGELY FROM DEFECT OF BEING WESTERN (GRP CRPT) WITH WHICH LARGER AND GROWING NUMBER OF UNCOMMITTED COUNTRIES WERE BECOMING DISSATISFIED.

4. LAWTON COMMENTED ON CHAOTIC SITUATION OF ECONOMY AND ON URGENT NEED FOR NEW GOVT TO MAKE SUBSTANTIAL PROGRESS IN THIS FIELD.

THIS WAS MOST IMPORTANT TASK OF PAK GOVT AND ITS SUCCESS AND VIABILITY WOULD LARGELY DEPEND ON THIS.

5. WE ASKED FOR HIS COMMENTS ON DIFFICULTIES ARISING FROM RECOGNITION OF BOTH NORTH AND SOUTHKOREA AND MAINTENANCE OF DIPLO RELATIONS WITH BOTH OF THEM. LAWTON SAID IT WAS SOUTHKOREA, OF COURSE, WHICH WAS MOST RELUCTANT TO ACCEPT RECOGNITION OF BOTH GOVTS BY OTHER COUNTRIES AND MAINTENANCE OF DIPLO RELATIONS WITH BOTH. THIS WAS BASED, OF COURSE, ON FACT THAT SOUTHKOREA CONSIDERED ITSELF BY RIGHTS TO BE SOLE LEGITIMATE GOVT FOR WHOLE OF KOREA. ALSO SINCE IT WAS RECOGNIZED BY 62 COUNTRIES IT HAD MORE TO LOSE THAN NORTHKOREA WHICH WAS RECOGNIZED BY ONLY FIVE COUNTRIES OUTSIDE OF COMMUNIST BLOC. THERE HAD BEEN SOME DIFFICULTY RECENTLY IN UGANDA WHERE GOVT HAD MENTIONED ITS INTENTION TO ESTABLISH DIPLO RELATIONS AT LEVEL OF CHARGE DAFFAIRES WITH BOTH NORTH AND SOUTHKOREA. BRIT, HOWEVER, INTERVENED AND WHILE UGANDA HAD NOT RPT NOT SPECIFICALLY RETRACTED ITS STATEMENTS IT HAD IN FACT ACCEPTED ONLY THE PRESENCE OF SOUTH KOREAN CHARGE. NO RPT NO DOUBT HOWEVER UNCOMMITTED COUNTRIES WOULD NOT RPT NOT WANT TO TAKE SIDES. LAWTON THOUGHT GENERALLY THAT MOST SATISFACTORY SOLUTION IN NEUTRAL COUNTRIES WAS FOR BOTH SOUTH AND NORTHKOREA TO BE REPRESENTED AT CONSUL-GENERAL LEVEL. DISRUPTION IN THIS PATTERN, HOWEVER, HAD APPEARED RECENTLY IN CAIRO WHERE GOVT

PAGE THREE 3266

HAD ANNOUNCED ITS INTENTION TO RAISE NORTHKOREAN CONSULATE GENERAL
TO LEVEL OF DIPLO MISSION HEADED BY A CHARGE. THERE WAS NO RPT NO
DOUBT DANGER THAT INCREASINGLY NEUTRAL COUNTRIES WOULD WANT TO RECOG-
NIZE AND MAINTAIN DIPLO RELATIONS WITH BOTH GOVTS.

MR. SMITH
MR. S. ENGER
MR. LEE
MR. ROBERTSON
MR. BLACKWOOD
MR. HUTTON

FM WASHDC NOV15/63 CONF

TO EXTERNAL 3737

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SOUTH KOREA: FOREIGN RELATIONS AND LEGAL STATUS

DURING RECENT TALK WITH NORRED OF STATE DEPT KOREAN DESK WE PUT TO HIM YOUR VIEWS EXPRESSED IN REFTEL AS TO HOW SOUTH KOREA MIGHT BEST DEFEND ITSELF AGAINST DANGER OF SPREAD OF NORTH KOREAN DIPLO RELATIONS. ALTHOUGH WE NOTE FROM NATOPARIS LET N-1403 OCT25 THAT THERE WAS NO RPT NO PARTICULAR USA COMMENT ON CDN THESIS IN NATO PAC WHEN THIS QUESTION WAS DISCUSSED, NORREDS COMMENTS MADE IT CLEAR THAT USA IS NOT RPT NOT IN ENTIRE AGREEMENT WITH YOUR SUGGESTED TACTICS.

2. NORRED SAID THAT STATE DEPT DID NOT RPT NOT THINK THAT SOUTH KOREANS SHOULD BE ACTIVELY DISSUADED FROM INSISTING ON BREAKING RELATIONS WITH COUNTRIES RECOGNIZING NORTH KOREA, SUCH AS UAR. ACCORDING TO NORRED, SOUTH KOREANS ARE STILL STRONGLY INCLINED TO WITHDRAW FROM REPRESENTATION IN CAIRO IF NORTH KOREAN AMBASSADOR IS ACCREDITED THERE, AND USA DOES NOT RPT NOT INTEND TO ADVISE THEM AGAINST THIS. SOUTH KOREANS CERTAINLY DESIRE TO MAINTAIN THEIR REPRESENTATION AT CAIRO IF THIS IS POSSIBLE, AND WILL NOT RPT NOT WITHDRAW THEIR CONSUL GEN UNTIL UAR GOVT ACTUALLY IMPLEMENTS ITS ANNOUNCEMENT REGARDING ESTABLISHMENT OF DIPLO RELATIONS WITH NORTH KOREA, WHICH IT HAS NOT, RPT NOT YET DONE. ACCORDING TO NORRED, STATE DEPT UAR DESK HAS SOME HOPE THAT CAIRO WILL NOT RPT NOT ESTABLISH RELATIONS, BECAUSE OF A DESIRE TO MAINTAIN GOOD RELATIONS WITH USA. WE EXPRESSED SOME SCEPTICISM ABOUT THIS HOPE, BECAUSE OF IMPORTANCE TO CAIRO OF MAINTAINING ITS NEUTRALIST STANCE, AND DESIRE TO PLACATE CHINA AFTER UARS PRO-INDIAN ATTITUDE IN SINO-INDIAN DISPUTE.

and file
[Signature]

PAGE TWO 3737

3. NORRED SAID THAT SOUTH KOREAN RESOLVE TO BREAK RELATIONS WITH CAIRO IF NECESSARY WAS MOTIVATED BY FEELING THAT THIS WAS ESSENTIAL IN ORDER TO PREVENT THE ROT SPREADING TO OTHER COUNTRIES IN AFRICA. IT WAS TRUE THAT VIGOROUS ACTION HAD SO FAR PREVENTED UGANDAN RECOGNITION OF NORTH KOREA; NEVERTHELESS NORTH KOREAN REP HAD BEEN PERMITTED TO REMAIN IN KAMPALA, ALTHOUGH WITHOUT DIPLO STATUS, AND USA AMBASSADOR THOUGHT THAT DANGER OF RECOGNITION HAD NOT YET BEEN FINALLY AVERTED. CAIRO WAS AN INFLUENTIAL CENTRE, AND OTHER AFRICAN COUNTRIES MIGHT BE IMPRESSED BY WHAT WENT ON THERE.

4. NORRED AGREED WITH YOUR COMMENT THAT SOUTH KOREAN CONSULATES IN INDIA AND CAMBODIA, WHERE THERE ARE ALSO NORTH KOREAN CONSULATES, HAVE SERVED A USEFUL FUNCTION, BUT HE SAID THAT THIS DID NOT PROVE OUR POINT, SINCE SITUATION IN DELHI AND PHNOMPEN NOW WAS SIMILAR TO THAT WHICH HAD EXISTED IN CAIRO BEFORE CAIRO ANNOUNCEMENT OF AUG 25. POINT WAS THAT SITUATION IN CAIRO HAD SINCE ALTERED AND WAS NO LONGER SATISFACTORY.

5. NORRED SAID THAT SOUTH KOREAN OPPOSITION TO DIPLO RELATIONS WITH NORTH KOREA WAS, OF COURSE, BASED ON DEC 12/48 UNGA RESLN DECLARING THAT GOVT OF REPUBLIC OF KOREA WAS THE ONLY LAWFUL GOVT IN KOREA. HE POINTED OUT THAT ARTICLE 9 OF SAME RESLN WAS ALSO RELEVANT: THIS QUOTE RECOMMENDS THAT MEMBER STATES AND OTHER NATIONS IN ESTABLISHING THEIR RELATIONS WITH GOVT OF REPUBLIC OF KOREA TAKE INTO CONSIDERATION FACTS SET OUT IN PARA 2 OF PRESENT RESLN UNQUOTE (IE THE ARTICLE ABOUT LAWFUL GOVT). WHEN WE POINTED OUT THAT SOUTH KOREA HAD IN PAST INTERPRETED THIS RESLN TO MEAN THAT ROK HAD JURISDICTION OVER ALL KOREA AND ASKED WHAT USA POSITION WAS, NORRED REPLIED THAT IT WAS PARTICULARLY THE FORMER RHEE GOVT WHICH HAD CLAIMED JURISDICTION OVER ALL KOREA ON BASIS OF 1948 RESLN. PRESENT REGIME DID NOT STRESS THIS PARTICULAR LEGAL ARGUMENT, AND LATEST SOUTH KOREAN CONSTITUTION HAD DROPPED PREVIOUS

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PAGE THREE 3737

PROVISION FOR ASSEMBLY SEATS FOR NORTH KOREAN DISTRICTS.

6. LATER NORREDS OFFICE GAVE US IN WRITING FOLLOWING DESCRIPTION OF USA POSITION: QUOTE THE PERTINENT UN RESLNS CONCERNED WITH THE STATUS OF THE GOVT OF THE REPUB OF KOREA ARE, AS WORDED AS CONSTRUED, LIMITED IN SCOPE. THEY INDICATE THAT (A) THE GOVT OF THE REPUB OF KOREA IS THE ONLY LEGITIMATE GOVT (NOT RPT NOT THE ONLY GOVTL AUTHORITY) IN KOREA AND THAT (B) ITS AUTHORITY EMBRACES ONLY THAT AREA OF KOREA IN WHICH ELECTIONS WERE HELD UNDER THE UN SUPERVISION. UNQUOTE WE WERE TOLD THAT ALTHOUGH THIS TEXT HAD BEEN DRAFTED IN COOPERATION WITH STATE DEPT LEGAL EXPERTS TO MEET OUR REQUEST, TO SAVE TIME IT HAD NOT RPT NOT BEEN PUT THROUGH THE CUMBROUS PROCESS OF OFFICAL CLEARANCE WITHIN DEPT AND MUST THEREFORE NOT RPT NOT BE PUBLICLY CITED AS USA POSITION. IF WE WISHED TO STATE A PUBLIC CDN POSITION BY REFERRING EXPLICITLY TO IT, WE SHOULD OF COURSE CONTACT STATE DEPT AGAIN.

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TO: Tokyo 
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 EXT.AFFAIRS/ECONOMIC

MEMORANDUM
Department of External Affairs

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CONTAINS CONFIDENTIAL INFORMATION

November 15, 1963

and file

One

To: Members of the Executive Board

From: The Secretary

Subject: Korea - 1963 Article XIV Consultations

There follows the Secretary's record of the decision taken by the Executive Board at Meeting 63/60, November 15, 1963, on the 1963 Article XIV consultations with Korea. This text will be included in the minutes of that meeting and will be transmitted to the member after the close of business on Monday, November 18, 1963.

1. The Government of Korea has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of its transitional arrangements.
2. The rate of growth of GNP in real terms was smaller in 1962 than in 1961, largely because of poor agricultural harvests owing to unfavorable weather. A further decline in the 1963 summer grain harvest contributed to a serious foodgrain shortage and high grain prices but the situation is being relieved by a good fall rice crop. Output of industrial products increased markedly in 1962 and the expansion continued in the first half of 1963. The Five-Year Economic Development Plan is in the process of downward adjustment.
3. Inflationary pressures increased in 1962 and grew further in 1963. A financial stabilization program for 1963 is being implemented with a view to restoring monetary stability. The Fund welcomes this action by the Korean authorities. Although the rate of increase in money supply slowed down noticeably during 1962, the rate of increase in wholesale prices was about the same in 1962 as in 1961. Money supply declined in the first half of 1963, chiefly because of a large drop in exchange reserves and a considerable growth in time and savings deposits. However, prices rose at an accelerated rate, owing in part to activation of earlier excess liquidity and to the poor harvests. Active measures have been taken to reduce the 1963 budget deficit to a lower level, and a small surplus was realized in the first half of the year. However, the expansion of credit to the private sector, financed in large part by central bank rediscounts, was substantial in the first half of 1963. During September, monetary expansion was considerable, bringing money supply over the target of the stabilization program. The Fund urges the Korean authorities to continue a firm budgetary policy and to pursue a more stringent monetary policy in order to attain the stabilization targets.

4. The international payments position deteriorated markedly in 1962 and in the first half of 1963 despite a continuing large flow of U.S. economic aid. There occurred an impressive growth of exports, but commercial imports increased even more. After a substantial gain in 1961, foreign exchange reserves dropped considerably both in 1962 and in the first seven months of 1963. The Fund notes that the Korean authorities are seriously concerned about this decline and intend to stabilize the level of reserves in the coming months.

5. Restrictions on payments for imports and invisibles have been tightened and the restrictive system has been made more complex by the reintroduction of the linking device and its associated regulations and by the expansion of barter arrangements. The Fund recommends that early and substantial steps be taken to simplify the complex multiple rate system.

6. In concluding the 1963 consultations, the Fund has no other comments to make on the transitional arrangements maintained by Korea.

Other-Distribution: [illegible]
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TRANSMITTAL SLIP

TO: ~~The~~ Under-Secretary of State for External
 Affairs, Ottawa.....
 FROM: The Canadian Embassy,
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Copies	Description	Also referred to:
1	KOREA - Fortnightly Report No. 23 October 29 - November 11, 1963	<p>Ambassador Mr. McGill Mr. Dupuis Mr. Smith Capt. Cogdon <i>Alach...</i> & file <i>PM</i></p>

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KOREA - FORTNIGHTLY REPORT

NO.23

October 29 to November 11, 1963

Preparations for the Assembly elections on November 26 are proceeding calmly. There are signs of considerable indignation with the Americans over aid.

Assembly Elections

2. In the new National Assembly there will be 131 seats filled by direct election and 44 by proportional representation. At the close of registration on November 1 847 candidates had been nominated for the regional seats and 152 for the PR ones. A few names have since been withdrawn. The candidates (who have to belong to a properly registered party) are divided between the following parties:-

Democratic Republican Party
Minjong Party
Party of the People
Liberal Democratic Party
Democratic Party
Conservative Party
Liberal Party
Right Citizens League
Chupung-hoe
Shinmin-hoe
Shinhung Party
Korea: Independent Party

Only the first five are of any consequence at all as parties, but if, as seems likely, the D.R.P. do not obtain an overall majority even the smaller groups may turn out to be important in the Assembly.

3. It would be wrong to say that the campaign so far has excited no interest: there is quite a lot of interest, but it is purely local and personal and no broad issues are being aired, and at joint special meetings prescribed under the electoral law attendance has been small. As in the Presidential election campaign, the various opposition candidates and groups are concentrating on the doubtful antecedents of the D.R.P. and its leaders. There seems to be considerable dissension within the D.R.P. and there have been a number of defectors amongst those who failed to secure registration as candidates. A considerable proportion of candidates, including those of the D.R.P., are ex-members of the former assembly.

4. There is much interest in the probable composition of the future Government, which, under the Constitution, is appointed by the President from persons not members of the Assembly. It is notable that Huh Chung has decided not to stand for election, and this has given rise to suggestions, denied by the P.O.P.,

/that

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- 2 -

that he has made a deal with Pak Chung-hi. Lee Bum-suk, who is also not standing, seems a more likely candidate for a government appointment. Kim Chong-pil is standing for his home town, Puyo, and will doubtless lead the D.R.P. in the Assembly. He made a long and much-criticised speech recently to students of Seoul National University advocating "nationalist democracy", which, he contended, would not be anti-American, but rejected "Yankeeism".

5. The Army has been promised a shorter call-up period and bigger rations - a move perhaps not unconnected with the elections.

Song Yo-chan

6. Song Yo-chan announced on November 2 that he had severed his short-lived connexion with the L.D.P. and would support Pak Chung-hi, though without taking any personal part in politics. A week later he was released on bail. He is still in the military hospital.

Student Plot

7. A retired Brigadier-General of the Marine Corps, Song In-Myong, has been arrested in connexion with the 'student plot'. He had retired about the time of the Military coup and subsequently become a district chairman of the D.R.P.

Relations with Japan

8. Both Pak Chung-hi and the Prime Minister have indicated that the Government are studying plans for "bona fide economic cooperation" with Japan to be put into effect before a resumption of diplomatic relations. A senior member of the Japanese fishery administration is due here this week. It seems possible that the recently concluded Japanese fishery agreement with China may make agreement with Korea more difficult, in that the Koreans feel that the Japanese have granted concessions to the Chinese which they are still refusing to the Koreans.

Vietnam

9. The news from Vietnam has been followed with great interest here, and the Koreans are pleased at having been asked, it appears, for advice by General Minh. The new régime was recognised by the Koreans on November 8.

Labour

Dispute between United States Army Korean Employees
and the U.S. 8th Army

10. The dispute continues between the trade union of Koreans employed in U.S. Army installations and the 8th Army here (please see last report). Korean workers are now reporting to work wearing tags reading: "Give us better salaries!" The Central Labour Committee has refused to intervene in the dispute on the grounds that no status of forces agreement has yet been concluded between Korea and the United States.

/Economic

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- 3 -

Economic Affairs

Economic Indicators

11. Exports during October came to a total of U.S. \$5,937,000, some 30 per cent lower than for September. The reason was partly the outbreak of cholera, which reduced food exports, particularly fish, and partly a shortage of imported raw materials.

12. The Wholesale Price Index on October 25 stood at 290.1 (1955 = 100).

13. The Seoul Consumer Price Index on the same day was 238.8 (1955=100). These figures showed a slight rise, after an earlier substantial fall.

1964 Budget

14. The 1964 Budget has been presented to the S.C.N.R., but returned for pruning. As proposed it involved a reduction in expenditure by comparison with last year but a substantial increase in indirect taxation to which the S.C.N.R. took exception.

Rice

15. Government distribution of rice was recently discontinued, after being in operation for nine months, following the appearance of this year's crop on the market.

A.I.D. and the Korean economy

16. The Director of USOM returned to Korea after a three-weeks stay in Washington. Though firmly optimistic about the future generally, he indicated to the press at the airport that aid next year would be less than it has been this year. Speculation has centred on whether he has brought back with him plans for the release of the U.S. \$15 million of Support Assistance which was granted as an extra to the original amount for Financial Year 1963 of U.S. \$75,000,000, subject to certain conditions designed to improve and stabilize the financial situation which the Koreans have failed to observe. The Koreans now assert that the failure so far to release this sum is a major factor in the present difficulties of the economy and there has been a growing volume of criticism of U.S. failure to understand Korea's economic situation. The Director of USOM declined comment on the prospects of release and tried to point out that the sum is small in relation to total U.S. aid to Korea this year - without much affecting the volume of criticism. After a number of meetings with the Prime Minister and the Chairman of the Economic Planning Board, and on November 11 it was announced that \$10 of the \$15 million would be released.

17. Foreign exchange reserves have risen slightly, and the responsible ministers declare themselves satisfied that money supply at the end of the year will be within the ceiling of Won 38,500 million. (It is tacitly admitted that at one point

/recently

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- 4 -

recently it was above this figure.) On the other hand, there is great pressure from the Ministry of Agriculture for a sharp increase in the Government purchasing price for rice, and any large increase would make it difficult to keep the volume of money down.

Price Control

18. The Central Commodity Price Measures Committee was established early in November, to study economic problems, and in particular how to stop prices rising sharply. The Committee meets daily, and comprises Ministers and Presidents of trade associations.

British trade with North Korea

19. The subject continues to interest the local press which has picked up a London report dealing with a contract supposed to have been concluded between a London metals firm and North Korea.

Pusan fish market

20. The integrated fish market in Pusan opened on November 1. It incorporates a refrigeration plant of 600 tons capacity, freezing plant (22 tons), storage plant (300 tons), ice-making plant, etc. Some 65,000 tons of fish a year (one-fifth of Korea's total catch) will go through the market, which was built at a cost of Won 139 million plus U.S. \$250,000 A.I.D. funds.

Beryllium

21. The Korea Beryllium Mining Company has resumed the mining of this mineral after a lapse of 18 years. Their mine is at Toridong, Kangwon, and they hope to produce three to five tons a month.

Atomic Energy

22. A mission from the International Atomic Energy Agency left Korea on October 31, after a ten-days visit. The mission expressed the view that Korea would have to come, eventually, to the use of atomic energy for domestic power, basing its view on the factors of limited coal resources, the virtual absence of oil production, and the difficulties of adequate and rapid construction of hydro-electric plants. The earliest that an atomic power plant might be expected to be in operation in Korea was, the mission thought, 1971 (the final year of the second five-year coal development plan), and Dr. Krymn - the mission's leader - said that his Agency would consider technical aid to Korea, and would assist in making international loans available. The mission included a British member - Mr. H.C. Armstead.

23. The Korean government is reported to have a tentative plan for an atomic plant of generating capacity of 150,000 h.p.

/Stock

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- 5 -

Stock Exchange

24. Dealings on the Stock Exchange have recently become irregular and prices have fallen, after a period of relative steadiness. There has been some delay over settlements, and uncertainty about whether "earnest-money" (i.e. a deposit to guarantee good faith in futures dealings) was still being collected. The root cause of the difficulty was lack of ready cash combined with a sense of uncertainty about the economic future.

Korea/Japan liner service

25. The Korea Shipping Corporation (a government organisation) has made an arrangement with two Japanese companies, Kansai Steamship and Kyushu Yusen, for a regular liner service between Korea and Japan, to start on December 4. Three ships will operate on the route; Pusan will be the terminal for Korea. Passengers and freight will be accepted, and to a certain extent the scheme is an experiment. No subsidy will be paid.

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SOUTHKOREA

and file

ACCORDING TO NORRED STATE DEPT KOREAN DESK OFFICER RESULTS OF RECENT KOREAN PRESIDENTIAL ELECTIONS WERE MODERATELY REASSURING IN THAT THEY GAVE EVIDENCE OF EXISTENCE OF AN INCREASINGLY SOPHISTICATED ELECTORATE AND OF POLITICAL TRENDS AND VOTING PATTERNS WHICH WERE BECOMING MORE COMPLEX AND THUS MORE SIMILAR TO THOSE OF A WESTERN DEMOCRATIC STATE. NORRED MADE NO RPT NO CLAIMS THAT SOUTH KOREA WAS FULLY DEMOCRATIC BUT HE EXPRESSED SOME OPTIMISM ABOUT PROSPECTS.

2. HE POINTED OUT THAT AS HE HAD PREDICTED IN CONVERSATION REPORTED IN REFTEL ELECTIONS HAD NOT RPT NOT BEEN EXTENSIVELY RIGGED BY REGIME ALTHOUGH HE ADMITTED THAT GEN/PAKS PARTY HAD BEEN PASSING OUT FOR ELECTORAL PURPOSES. (WE ARE REPORTING SEPARATELY ON FACT THIS WAS PROBABLY CDN FLOUR). RELATIVE ABSENCE OF ELECTORAL RIGGING ACCORDING TO NORRED WAS NOT RPT NOT DUE TO ANY EXCESS OF VIRTUE ON PART OF PAK AND HIS FOLLOWERS BUT TO FACT THEY DID NOT RPT NOT DARE MANAGE ELECTIONS BECAUSE OF LIKELIHOOD OF VIOLENT POPULAR EXPLOSION OF KIND THAT HAD OCCURRED AFTER RIGGING OF 1960 ELECTIONS WHICH HAD RESULTED IN DOWNFALL OF RHEE. GROWING COMPLEXITY OF ELECTORAL SITUATION WAS ILLUSTRATED BY FACT THAT WHEREAS RHEE HAD BEEN STRONG IN ALMOST ALL RURAL AREAS IN THE OLD DAYS PAK HAD DONE WELL IN SOME AREAS PARTICULARLY IN THE SOUTH BUT NOT RPT NOT IN OTHERS.

3. EXTENT OF OPPOSITION TO PAK WAS EVEN GREATER THAN WAS INDICATED BY HIS SLIM MAJORITY OF 150 THOUSAND. OVER 900 THOUSAND OF THESE WERE SO LISTED BECAUSE THEY WERE CAST IN FAVOUR OF PRESIDENTIAL CANDIDATES WHO HAD WITHDRAWN FROM RACE SHORTLY BEFORE ELECTION DAY. IN OTHER WORDS THESE 600 THOUSAND VOTES HAD ALL

PAGE TWO 3675

BEEN CAST AGAINST THE REGIME AND IN EFFECT WIPED OUT PAKS MAJORITY. FACT THAT HE HAD DONE POORLY AMONG MILITARY VOTERS WAS PARTICULARLY IMPORTANT AND MIGHT DISCOURAGE HIM FROM ARBITRARY RULE SINCE BOTH HE AND THE POPULACE NOW KNEW HE DID NOT RPT NOT HAVE FULL SUPPORT OF ARMY.

4. NORRED SAID THAT PAKS DEMOCRATIC REPUBLICAN PARTY WAS EXPECTED TO DO EVEN WORSE IN FORTHCOMING ASSEMBLY ELECTIONS. CLOSE STUDY OF INDIVIDUAL CONSTITUENCIES HAD CONVINCED STATE DEPT THAT NOT RPT NOT MORE THAN FORTY OUT OF 131 DIRECTLY ELECTED CANDIDATES WERE LIKELY TO BE PAK FOLLOWERS ALTHOUGH HE WOULD OBTAIN ADDITIONAL SEATS FROM THE OTHER PROPORTIONALLY-ELECTED CANDIDATES.

5. PAK WAS INCLINED TO BE MORE SOCIALIST AND NATIONALIST-MINDED THAN MOST OF THE OPPOSITION AND HIS PARTYS THEME EARLY IN CAMPAIGN HAD BEEN THAT OPPOSITION SOUGHT TO TOADY TO USA. LATER IN CAMPAIGN HIS LINE HAD CHANGED BECAUSE OF EFFECTIVENESS OF OPPOSITIONS COUNTERATTACK THAT HIS REGIME POLICY HAD WORSENERED KOREAN-USA RELATIONS LED TO SLOWDOWN IN USA AID ETC. HE HAD THEREFORE SOUGHT TO SHOW HOW WELL HE WAS GETTING ALONG WITH USA. HIS LEADING SUPPORTER KIM CHONG PIL HAD SPENT A WHOLE MONTH IN USA BEGINNING MID SEP IN EFFORT TO OBTAIN INTERVIEW WITH LEADING USA OFFICIALS WHICH COULD BE USED TO SHOW THAT KIM ENJOYED USA FAVOUR. HE HELD NO RPT NO OFFICIAL POSITION HOWEVER AND NO RPT NO USA OFFICIAL HAD SEEN HIM. HE WAS NOW RUNNING IN ASSEMBLY ELECTIONS BUT HIS CANDIDATURE WAS BEING USED AS CAMPAIGN ISSUE BY OPPOSITION AND HE MIGHT EVEN BE DEFEATED.

6. NORRED QUALIFIED HIS REMARKS ABOUT STRENGTH OF OPPOSITION BY POINTING OUT THAT PRESENT KOREAN CONSTITUTION ALTHOUGH MODELLED PARTLY ON THAT OF USA GAVE MORE EXTENSIVE POWERS TO EXECUTIVE.

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SM/63/97
Supplement

November 7, 1963

and file

RMO

To: Members of the Executive Board
From: The Secretary
Subject: Korea - 1963 Article XIV Consultations

Attached is a supplement to the staff report on the 1963 Article XIV consultations with Korea, together with revised recommendations. This subject has been tentatively scheduled for Board discussion on Friday, November 15.

Att: (1)

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KOREA

1963 Consultations - Supplementary Information
and Revised Recommendations

Prepared by the Asian Department and
the Exchange Restrictions Department

Approved by D.S. Savkar and F.A.G. Keesing

November 6, 1963

The following information on recent economic developments has become available since the issuance of the staff report on the 1963 Consultations with Korea (SM/63/97).

1. Financial Stabilization Program

Following a steady decline in April-July, money supply resumed a rising trend in August and its expansion accelerated in September. Foreign exchange reserves remained relatively stable in August and in September, in contrast to a sharp decline in previous months. The tendency toward a budget cash surplus and private credit expansion continued in July-August, as in the first half of 1963.

Money supply increased by 3 per cent during August, to 36.1 billion won. The latter figure represents a decline of 2 per cent for the first eight months of the year. The money supply ceiling for the end of 1963 under the financial stabilization program is 38.5 billion won. The principal factors affecting contraction of money supply in the first eight months of 1963 were a reduction of net foreign assets, an increase in time and savings deposits, and a surplus of government cash transactions. These contractionary factors more than offset the substantial expansion of bank credit to the private sector and a reduction in net unclassified liabilities. The private credit expansion in 1963 was almost entirely attributed to loans of the specialized banking institutions, whereas the expansion of private credit in the corresponding period of 1962 had resulted mainly from operations of the commercial banks. According to preliminary data just received, money supply increased by 12 per cent during September to 40.5 billion won, 5 per cent more than the target under the stabilization program. Details regarding factors affecting this increase during September are not available.

2. First Supplementary Budget

The first supplementary budget adopted in August 1963 anticipated a consolidated budget deficit of 2.8 billion won, compared with the deficit of 1.2 billion won in the April budget implementation program and that of 5.7 billion won in the original approved budget for fiscal year 1963 (see Table 1, and for further details, SM/63/97, Part II, p. 20 and p. 23). The components of financing the consolidated deficit in the supplementary budget remain unchanged from the April program, except that cash balances show a decline of 0.2 billion won in contrast to an increase of 1.4 billion won in the April program.

The Korean authorities have recently estimated the expansionary impact of over-all fiscal operations on money supply to be 2.0 billion won in 1963, compared with 0.4 billion won under the April program and 5.3 billion won under the originally approved budget. The recent estimate is based on the supplementary budget and takes account of the following: expansionary factors of 2.8 billion won (consolidated budget deficit) and of 2.4 billion won (carry-over receipts to be spent in 1963); and non-inflationary factors of 2.2 billion won (foreign borrowings), 0.6 billion won (sales of bonds to nonbanking institutions), and 0.4 billion won (capital subscription to international agencies and others).

3. Prices and Production

After a sharp rise in July and a further increase in August 1963, the indices of both consumer and wholesale prices declined slightly in September, and the downward movements appear to have continued in the early weeks of October, reflecting a marked seasonal decline in the price of foodgrains. The lower foodgrain prices resulted chiefly from the shipment of newly harvested rice to the market and from the expected good current rice crop, which is estimated to be about 20 per cent larger than the 1962 harvest. However, prices of nongrain commodities continued to show an upward trend in September.

The revised index of consumer prices^{1/} shows a rise of 28 per cent in January-September 1963 compared with 14 per cent in the corresponding period of 1962; the increase in 1963 reflected a rise of 60 per cent in

^{1/} The index of consumer prices was revised in September 1963 to include a weighted portion of government-rationed foodgrains in the foodgrain component of the index. Prior to this change, the index of the grain component of consumer prices was based solely on free market prices, thereby disregarding the effect of government-rationed foodgrains (which became increasingly important beginning in February 1963) on consumer expenditures. During August when foodgrain prices reached a record high, the free market retail prices of foodgrains were about 250 per cent higher than those of government-rationed foodgrains.

Table 1. Summary Budget, Fiscal Years 1960-1963

(In billions of won)

	Actual FY			Approved FY 1963		
	1960	1961	1962	Original	Revised 1/	First Supple- ment 2/
I. General Budget						
<u>Expenditures</u>						
Ordinary	19.7	22.2	37.6	33.6	33.5	31.2
Defense	14.7	16.6	20.5	21.3	21.2	21.4
Financed with domes- tic revenue	(9.4)	(--)	(5.5)	(6.3)	(6.2)	(6.4)
Financed with counterpart funds	(5.7)	(16.6)	(15.0)	(15.0)	(15.0)	(15.0)
Economic development		17.0	23.9	23.4	20.0	20.3
Financed with counterpart funds	6.9	(6.3)	(12.9)	(10.7)	(10.7)	(9.9)
Financed with all other funds						
Total	<u>41.3</u>	<u>55.8</u>	<u>82.0</u>	<u>78.3</u>	<u>74.7</u>	<u>72.9</u>
<u>Receipts</u>						
Taxes	24.6	21.3	28.2	28.1	30.9	31.6
Monopoly profits	2.3	2.6	4.0	4.3	4.3	4.6
Other revenue	2.0	4.6	13.4	15.8	13.6	10.8
Total revenue	28.9	28.5	45.6	48.2	48.7	47.0
Counterpart fund collections	13.6	22.3	28.7	27.1	27.1	25.8
Total	<u>42.5</u>	<u>50.8</u>	<u>74.3</u>	<u>75.3</u>	<u>75.9</u>	<u>72.8</u>
<u>Surplus or Deficit</u> <u>(-)</u>	1.2	-5.0	-7.7	-3.0	1.2	-0.1
II. Other Special Accounts						
<u>Surplus or Deficit (-)</u>	1.8	-0.5	-2.5	-2.7	-2.4	-2.7
III. Consolidated Surplus or Deficit (-)	3.0	-5.5	-10.2	-5.7	-1.2	-2.8
IV. Finance of Consolidated Surplus or Deficit						
Use of cash balance	-1.6	-2.3	0.1	0.2	-1.4	0.2
Use of counterpart fund balance	-1.4	1.6				
Increase in overdrafts	-0.6	3.3	5.9	--	--	--
Net sales of bonds	0.6	2.9	4.0	3.2	0.4	0.4
Borrowing from abroad	--	0.1	0.2	2.2	2.2	2.2
Total	<u>-3.0</u>	<u>5.5</u>	<u>10.2</u>	<u>5.7</u>	<u>1.2</u>	<u>2.8</u>

Source: Data provided by Korean authorities.

1/ Adjusted data according to the budget implementation program approved in April under the financial stabilization program for 1963.

2/ Approved by the Supreme Council for National Reconstruction on August 12, 1963.

the foodgrain component and of 17 per cent in the nongrain component of the index. The index of wholesale prices shows an increase of 38 per cent in January-September 1963 compared with 16 per cent in the same period of 1962; in 1963, the foodgrain component rose by 98 per cent and the nongrain component by 19 per cent.

4. Foreign Trade and Exchange Reserves

Merchandise exports (f.o.b.) amounted to \$64 million in January-September 1963, compared with an annual target of \$81 million for 1963 and \$35 million of exports in the corresponding period of 1962. Imports (c.i.f.) amounted to \$325 million in January-September 1963 compared with \$302 million in the same period of 1962, resulting in a trade deficit of \$261 million in the 1963 period compared with \$267 million a year earlier. Total imports in the 1963 period included \$185 million financed with Korean foreign exchange (KFX) and \$140 million with aid funds, while in the same period of 1962, KFX imports amounted to \$141 million and aid-financed imports, \$161 million. Exchange earnings from sales of goods and services, including sales of local currency to UN forces, totaled \$46 million in January-September 1963 compared with \$63 million in the same period of 1962 and an annual target of \$75 million for 1963.

Mainly because commercial imports increased far more than did exchange earnings, gross gold and foreign exchange holdings of the Bank of Korea declined by \$60 million in the first nine months of 1963 to \$107 million at the end of September, compared with a reduction of \$23 million in the same period of 1962. However, after a marked steady decline in January-July 1963, the exchange reserves remained relatively stable during August-September, resulting mainly from stricter import restrictions and a greater use of usance facilities for financing commercial imports after July.

5. Restrictive System

A few changes in the restrictive system were made in August and September 1963. The linking system was partially relaxed in August by permitting additional imports of raw materials to be used for re-export and for supplies to UN forces within the amount of export earnings expected in the remaining months of 1963, provided that such earnings are received by the end of 1963. Previously, total commercial imports were limited to the actual exchange earnings from exports.

The Ministry of Commerce and Industry announced in September certain revisions of the import program for the second half of 1963. Under these changes, \$10 million of imports scheduled to be paid on an L/C basis in

- 5 -

the second half of 1963 were shifted to payment on a D/A or a usance L/C basis with a minimum period of deferred payment of 18 months and more than two installments. This arrangement was designed primarily to enable importation of essential commodities needed for currently programmed economic activities despite a shortfall of certain exchange earnings that were expected in the latter part of 1963, and to alleviate further pressures on exchange reserve holdings in 1963 and 1964.

Also, beginning in September, certain imports, mainly end-user commodities and some essential goods, were permitted under the automatic approval procedure whereas all commercial imports had been subjected to prior licensing beginning in August 1963. However, imports of these commodities on a D/A basis continue to require licenses.

Finally, the export subsidy scheme was adjusted in September. The revision considerably raised the subsidy rates applied to earnings from practically all bonded workshop and processed exports, while those applied to earnings from ordinary exports remained unchanged.

6. Recommendations

In view of the new information received, two changes are required in the Recommendations. The second sentence in Paragraph 2 of the Recommendations would be revised to read:

A further decline in the 1963 summer grain harvest contributed to a serious foodgrain shortage and high grain prices but the situation is being relieved by a good fall rice crop.

Also, the following would be inserted as the penultimate sentence of Paragraph 3:

During September, monetary expansion was considerable, threatening the stabilization program.

The revised recommendations would then read as follows:

Revised Recommendations

The following draft decision is submitted for the consideration of the Executive Board:

1. The Government of Korea has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of its transitional arrangements.

2. The rate of growth of GNP in real terms was smaller in 1962 than in 1961, largely because of poor agricultural harvests owing to unfavorable weather. A further decline in the 1963 summer grain harvest contributed to a serious foodgrain shortage and high grain prices but the situation is being relieved by a good fall rice crop. Output of industrial products increased markedly in 1962 and the expansion continued in the first half of 1963. The Five-Year Economic Development Plan is in the process of downward adjustment.

3. Inflationary pressures increased in 1962 and grew further in 1963. A financial stabilization program for 1963 is being implemented with a view to restoring monetary stability. The Fund welcomes this action by the Korean authorities. Although the rate of increase in money supply slowed down noticeably during 1962, the rate of increase in wholesale prices was about the same in 1962 as in 1961. Money supply declined in the first half of 1963, chiefly because of a large drop in exchange reserves and a considerable growth in time and savings deposits. However, prices rose at an accelerated rate, owing in part to activation of earlier excess liquidity and to the poor harvests. Active measures have been taken to reduce the 1963 budget deficit to a lower level, and a small surplus was realized in the first half of the year. However, the expansion of credit to the private

- 7 -

sector, financed in large part by central bank rediscounts, was substantial in the first half of 1963. During September, monetary expansion was considerable, threatening the stabilization program. The Fund urges the Korean authorities to continue a firm budgetary policy and to pursue a more stringent monetary policy in order to attain the stabilization targets.

4. The international payments position deteriorated markedly in 1962 and in the first half of 1963 despite a continuing large flow of U.S. economic aid. There occurred an impressive growth of exports, but commercial imports increased even more. After a substantial gain in 1961, foreign exchange reserves dropped considerably both in 1962 and in the first seven months of 1963. The Fund notes that the Korean authorities are seriously concerned about this decline and intend to stabilize the level of reserves in the coming months.

5. Restrictions on payments for imports and invisibles have been tightened and the restrictive system has been made more complex by the reintroduction of the linking device and its associated regulations and by the expansion of barter arrangements. The Fund recommends that early and substantial steps be taken to simplify the complex multiple rate system.

6. In concluding the 1963 Consultations, the Fund has no other comments to make on the transitional arrangements maintained by Korea.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	NOV1/63	7-1-1	CONFID
	INDEXED		
TO: EXT OTT	NUMBER		PRECEDENCE
	443		OPIMMED
INFO: CCOS (6)			
PERMISNY/WASHDC/LDN/NATOPARIS			
BAG FM LDN: KARACHI/DELHI/COLOMBO/KLUMPUR/			
DJAKARTA/WELLINGTON/CANBERRA			

Ref.: OURTEL 413 OF OCT4/63

Subject: SOUTH KOREA - CURRENT DEVELOPMENTS

NARROW MARGIN OF PARK CHUNG HEE'S VICTORY IN SOUTH KOREAN PRESIDENTIAL ELECTION ON OCT15 CAME AS GREAT SURPRISE TO OFFICIAL CIRCLES IN JAPAN WHICH NOW ADMIT TO HAVING GROSSLY OVERESTIMATED BEFORE ELECTION SUPPORT COMMANDED BY PARK. ON OTHER HAND, U.S. OFFICIALS HERE HAVE TOLD US THAT THEIR EMB IN SEOUL HAD UNDOUBTEDLY NOT GIVEN CREDIT TO MILITARY REGIME IN QUESTIONING ITS WILLINGNESS TO CONDUCT HONEST ELECTIONS. FROM ALL ACCOUNTS, NO SERIOUS RIGGING TOOK PLACE AND ELECTION IS REPORTED TO HAVE BEEN CLEANEST IN SOUTH KOREA'S HISTORY. IN SUCH ATMOSPHERE NORTHERN DISTRICTS CLOSE TO 38th PARALLEL WHERE ROK TROOPS ARE HEAVILY CONCENTRATED VOTED IN GENERAL AGAINST PARK WHILE SOUTHERN REGIONS WHICH HAD IN THE PAST BEEN TRADITIONAL STRONGHOLDS FOR MEN LIKE YUN POSUN SHIFTED THEIR SUPPORT TO PARK. WITHDRAWAL FROM PRESIDENTIAL RACE OF SONG YO CHAN AND HUH CHUNG IN TEN-DAY PERIOD PRECEDING ELECTION TRANS-

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ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG NAME: J. DUPUIS/bt			SIG NAME

TURNED CAMPAIGN INTO STRAIGHT FIGHT BETWEEN PARK AND YUN POSUN AND CONSTITUTED MAJOR FACTOR IN LATTER'S REMARKABLE SHOWING AT THE POLLS.

2. ACCORDING TO U.S. OFFICIALS IN TOKYO, FEARS THAT CLOSE ELECTION RESULTS MIGHT LEAD TO DISTURBANCES HAVE NOT YET MATERIALIZED ALTHOUGH TWO SMALL GROUPS OF PLOTTERS HAVE ALLEGEDLY BEEN UNCOVERED IN PAST TEN DAYS BY CENTRAL INTELLIGENCE AGENCY. ON THE WHOLE, CAMPAIGN FOR NATIONAL ASSEMBLY ELECTIONS, WHICH WILL BE HELD NOV26, APPEARS TO HAVE STARTED IN ATMOSPHERE OF CALM AND MUCH OF CREDIT FOR THIS IS ATTRIBUTED TO DEFEATED PRESIDENTIAL CANDIDATE YUN POSUN WHO HAS ASKED KOREANS TO RALLY BEHIND NEW PRESIDENT. FOR HIS PART, PRESIDENT PARK HAS PUBLICLY ADMITTED THAT HIS MANDATE IS LIMITED BY SUCCESS OF OPPOSITION AT POLLS AND HAS PROMISED TO TAKE THIS FACTOR INTO ACCOUNT IN FORMULATING NATIONAL POLICIES. IN ORDER TO APPEASE OPPOSITION, PARK HAS ALSO RELEASED NUMBER OF POLITICAL PRISONERS INCLUDING GEN KIM DONG HA WHO WAS FOUND GUILTY A FEW MONTHS AGO OF HAVING PLOTTED AGAINST PARK AND THE FORMER DIRECTOR OF CENTRAL INTELLIGENCE AGENCY KIM CHONG PIL. LATTER HAS NOW RETURNED FROM "EXILE" TO SEOUL AND WILL MOST PROBABLY RUN AS CANDIDATE IN ASSEMBLY ELECTION ON DEMOCRATIC REPUBLICAN PARTY'S TICKET. KIM'S ASCENDANCY OVER PARK IS CONSIDERABLE AND U.S. OFFICIALS FEAR THAT HE MIGHT USE THIS INFLUENCE TO GAIN UPPER HAND AGAIN IN DEMOCRATIC REPUBLICAN PARTY WITH ATTENDANT RISKS OF CREATING ANOTHER POWER STRUGGLE IN PARTY ITSELF AND OF WIDENING GAP BETWEEN GOVT AND OPPOSITION.

3. ACCORDING TO U.S. SOURCES, CONSENSUS IN SEOUL IS THAT WHILE NO SINGLE PARTY IS LIKELY TO WIN ABSOLUTE MAJORITY IN NOV26 ELECTION, PRESIDENT PARK'S OWN DRP WILL MOST PROBABLY BE IN A MINORITY POSITION IN NATIONAL ASSEMBLY. RESULT OF ELECTION DEPENDS ON SUCH UNKNOWN FACTORS AS LOCAL ISSUES, STRENGTH OF "NATIVE SONS" IN NUMBER OF RIDINGS, AND ALSO ABILITY OF OPPOSITION PARTIES TO UNITE THEIR EFFORTS AGAINST PRESIDENT'S PARTY. U.S. OFFICIALS BELIEVE THAT WHILE CONSTITUTIONAL POWERS OF PRESIDENT ARE CONSIDERABLE, TEMPTATION FOR PARK AND HIS SUPPORTERS TO ABUSE THEM WILL BE REDUCED BY PRESENCE OF LARGE OPPOSITION FORCES IN FUTURE NATIONAL ASSEMBLY.

- 3 -

IT SEEMS TO US HOWEVER THAT FAILURE OF DRP TO WIN CLEAR MAJORITY MAY LEAD TO RENEWED POLITICAL INSTABILITY.

4. JAPANESE WERE AT FIRST EXTREMELY DISAPPOINTED BY RESULT OF PRESIDENTIAL ELECTION WHICH THEY DESCRIBED TO US AS DEFEAT FOR PRO-JAPANESE ELEMENTS IN SOUTH KOREA. WHILE THEY STILL FEAR THAT OPPOSITION PARTIES IN KOREA WILL TRY IN FUTURE MONTHS TO WHIP UP ANTI-JAPANESE FEELINGS IN ORDER TO EMBARRASS PRESIDENT PARK AND HIS PARTY, THEY HAVE BEEN SOMEWHAT ENCOURAGED BY STATESMANLIKE ATTITUDE OF YUN POSUM WHO HAS PUBLICLY ADVOCATED A NON-PARTISAN APPROACH TO PROBLEM OF JAPANESE-KOREAN NORMALIZATION TALKS. BILATERAL DISCUSSIONS WILL ONLY RESUME IN DEC, I.E. AFTER ELECTIONS ARE HELD BOTH IN KOREA AND JAPAN AND JAPANESE OFFICIALS HAVE SOME HOPE THAT PROSPECT OF LARGE-SCALE ECONOMIC AID FROM JAPAN WILL LEAD MOST POLITICAL GROUPS THERE TO AGREE TO EARLY OVER-ALL SETTLEMENT WITH JAPAN.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	OCT4/63	7-1-1	CONFD CDN EYES ONLY
TO: EXT OTT	INDEXED		
	NUMBER	PRECEDENCE	
	413	OPIMMED	
INFO: CCOS (6)			
PERMISNY/WASH/LDN/EMBPARIS/NATOPARIS			
BAG FM LDN: KARACHI/DELHI/ ^{COLUMBO} COLUMBIA/KLUMPUR/			
DJAKARTA/WELLINGTON/CANBERRA			

Ref.: OURTEL 303 OF AUG2/63

Subject: SOUTH KOREA - NATIONAL ELECTION PROSPECTS

FROM CONVERSATIONS WE HAD THIS WEEK WITH FOREIGN MINISTRY AND U.S. EMB HERE, THERE SEEMS TO BE LITTLE DOUBT THAT GEN PARK CHUNG HEE, WHO RETIRED FROM ARMY ON AUG30, WILL WIN AS CANDIDATE OF DEMOCRATIC REPUBLICAN PARTY IN PRESIDENTIAL ELECTIONS WHICH WILL BE HELD IN SOUTH KOREA ON OCT15. JAPANESE ASSESSMENT, AS GIVEN US BY MAEDA OF FOREIGN MINISTRY, WHO HAS JUST RETURNED FROM 5-WEEK TRIP TO KOREA, IS THAT PARK'S VICTORY WILL BE OVERWHELMING. MAEDA SAID THAT WHILE PARK'S PERSONAL AUTHORITY AND PRESTIGE HAVE UNDOUBTEDLY DECLINED IN PAST YEAR, HE COMMANDS MORE POPULAR SUPPORT THAN ALL OF THE FIVE OTHER CANDIDATES IN ELECTIONS. JAPANESE ALSO BELIEVE THAT PROSPECTS OF GOOD RICE HARVEST WILL HELP PARK'S CAUSE PARTICULARLY IN RURAL AREAS. MOREOVER, IN CONTRAST TO OTHER

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Capt. Cozdon

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME..... J. DUPUIS/bt.....			SIG..... NAME.....

- 2 -

PARTIES WHICH REMAIN MORE DIVIDED THAN EVER FOLLOWING THEIR FAILURE TO AGREE ON A SINGLE PRESIDENTIAL CANDIDATE TO OPPOSE PARK, DRP CAN COUNT ON LARGE FINANCIAL RESOURCES AND A STRONG ORGANIZATION BOTH AT NATIONAL AND LOCAL LEVELS.

2. ON BASIS OF REPORTS RECEIVED FROM THEIR MISSION IN SEOUL, U.S. EMB HERE ALSO BELIEVES THAT PARK'S ELECTION IS ALMOST FOREGONE CONCLUSION BUT POINT OUT THAT IN SPITE OF DIVISIONS AMONG THEM STRENGTH OF OTHER PARTIES SHOULD NOT BE UNDER-ESTIMATED. THEY STRESS THAT THE CONTINUING DETENTION OF ONE OF PRESIDENTIAL CANDIDATES, FORMER P.M. SONG YO CHAN, IS SERIOUS TACTICAL ERROR ON PART OF MILITARY GOVT AND LENDS CREDENCE TO OPPOSITION'S CAMPAIGN DENOUNCING GOVT DETERMINATION TO HINDER FREE ELECTIONS. STRATEGY ADOPTED BY PARK'S OPPONENTS SEEMS TO BE DESIGNED TO PROVOKE MILITARY LEADERS TO COMMIT FURTHER BLUNDERS AND THERE IS DISTINCT POSSIBILITY THAT GOVT MAY BE DRIVEN IN PARTICULAR TO CLAMP DOWN BEFORE ELECTIONS ON THOSE WHO PERSIST IN ACCUSING PARK OF HAVING BEEN ASSOCIATED WITH 1949 COMMUNIST PLOT IN SOUTH KOREAN ARMY. U.S. OFFICIALS SAID THERE IS NO EVIDENCE AS YET OF LARGE-SCALE RIGGING BY GOVT. IN THEIR OPINION, HOWEVER, MILITARY REGIME WILL NOT BE HINDERED BY ANY MORAL SCRUPLES IF PARK'S VICTORY APPEARS LESS SECURE ON EVE OF ELECTIONS.

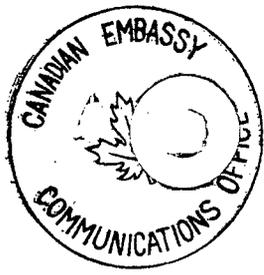
3. JAPANESE AND U.S. OFFICIALS ARE MUCH MORE CAUTIOUS IN THEIR PREDICTIONS ABOUT OUTCOME OF NOV26 ELECTION TO NATIONAL ASSEMBLY. ALTHOUGH MAJORITY OF THOSE WHO WILL RUN AGAINST DRP CANDIDATES ARE DISCREDITED POLITICIANS, MANY ARE "NATIVE SONS" WHO BECAUSE OF FAMILY AND FRIENDSHIP TIES CAN RELY ON STRONG SUPPORT IN LOCAL RIDINGS. THE VIEW OF MOST OBSERVERS IN SEOUL SEEMS TO BE THAT RESULTS OF PRESIDENTIAL ELECTION AND IN PARTICULAR MARGIN OF PARK'S PERSONAL VICTORY WILL BE DECISIVE FACTOR IN DETERMINING OUTCOME OF ASSEMBLY ELECTIONS. ANOTHER FACTOR MAY ALSO BE PUBLIC REACTION TO

- 3 -

"RETURN FROM EXILE" OF KIM CHONG PIL. THE AMBITIOUS AND CONTROVERSIAL FORMER DIRECTOR OF CENTRAL INTELLIGENCE AGENCY IS SCHEDULED TO ARRIVE IN SEOUL AFTER PRESIDENTIAL ELECTION AND WILL ALMOST CERTAINLY BE A CANDIDATE FOR SEAT IN NATIONAL ASSEMBLY AND IN ANY EVENT WILL CONTINUE TO BE, AFTER PARK, DOMINANT FIGURE IN DRP AND FUTURE GOVT.

4. THE JAPANESE ARE ELATED BY PROSPECTS OF GEN PARK'S VICTORY AND ARE ALSO HOPEFUL THAT DRP WILL OBTAIN CLEAR MAJORITY IN NATIONAL ASSEMBLY. BOTH PARK CHUNG HEE AND KIM CHONG PIL ARE PRO-JAPANESE AND THERE IS FIRM CONVICTION IN JAPANESE POLITICAL CIRCLES THAT THEY ARE ONLY KOREAN LEADERS WHO HAVE ENOUGH COURAGE AND AUTHORITY TO CONCLUDE FINAL SETTLEMENT OF DISPUTES WHICH HAVE EMBITTERED JAPANESE-KOREAN RELATIONS SINCE END OF JAPANESE OCCUPATION IN 1945. THERE ARE EVEN UNCONFIRMED REPORTS THAT SOME OF LARGEST JAPANESE COMPANIES HAVE CONTRIBUTED HEAVILY TO APPARENTLY INEXHAUSTIBLE FUNDS WHICH DRP HAS AT ITS DISPOSAL. ON OTHER HAND, U.S. OFFICIALS ARE VERY PESSIMISTIC ABOUT U.S.-KOREAN RELATIONS IN NEAR FUTURE. THEY POINT TO FACT THAT PARK IS CONVINCED THAT U.S. IS SUPPORTING ALL HIS OPPONENTS IN PRESIDENTIAL ELECTION AND HAS PUBLICLY ACCUSED SONG YO CHAN OF BEING AMERICAN PUPPET. KIM CHONG PIL, WHOM THE U.S. AUTHORITIES REGARD AS PARK'S EVIL GENIUS, IS SAID TO BE EVEN MORE EMBITTERED FOLLOWING REFUSAL OF U.S. AUTHORITIES TO RECEIVE HIM IN WASHINGTON WHEN HE WAS IN U.S. LAST MONTH ON PRIVATE VISIT.

5. ALTHOUGH PUBLIC CRITICISM BY U.S. ADMINISTRATION ON SOME OCCASIONS IN RECENT MONTHS OF DICTATORIAL TENDENCIES OF SOUTH KOREAN MILITARY REGIME MAY HAVE HARDENED REGIME'S ATTITUDE, WE BELIEVE THAT IN LONG RUN U.S. HAS NO CHOICE BUT TO MAINTAIN ~~THE~~ FIRM TACTICS IN DEALING WITH PRESENT KOREAN LEADERSHIP. THERE IS REAL DANGER THAT A MORE INDULGENT ATTITUDE ON PART OF U.S. WOULD, IN FACT, CONTRIBUTE TO GRADUAL RETURN TO CONDITIONS OF POLITICAL AND ECONOMIC CHAOS WHICH EXISTED IN KOREA BEFORE 1961 MILITARY REVOLUTION.



7 - 1 - 1	
INDEXED	-

FM WASHDC SEP16/63 CONF
 TO EXTERNAL 2953
 INFO LDN EMBPARIS
 TT CCOS OTT TOKYO FM OTT
 BAG DELHI CAIRO CNBRA WLGTN FM LDN
REF OURTEL 2194 JUL9

KOREA--USA HELICOPTER INCIDENT

NORRED OF STATE DEPT KOREAN DESK TOLD US SEP13 THAT USA WAS CONTINUING EFFORTS TO OBTAIN RELEASE OF TWO USA OFFICERS IMPRISONED IN NORTHKOREA SINCE MAY17 HELICOPTER INCIDENT. IN ADDITION TO MAKING APPROACHES TO ITS FRIENDS OF WHICH YOU ARE ALREADY AWARE USA HAD ALSO ASKED ASSISTANCE FROM VARIOUS NEUTRALISTS. UAR HAD INITIALLY PROMISED TO HELP BUT HAD SUBSEQUENTLY CHANGED ITS MIND. ALGERIA HAD READILY AGREED TO HELP AND WHEN ITS INITIAL APPROACH TO NORTHKOREAN REP IN ALGIERS WAS RATHER CURTLY REJECTED IT HAD INDICATED IT WOULD TRY AGAIN.

2. MEANWHILE THERE HAVE BEEN CONTACTS IN GENEVA BETWEEN NORTHKOREAN RED CROSS AND INTERNATIONAL CTTEE OF RED CROSS--SOMEWHAT SURPRISING DEVELOPMENT SINCE NORTHKOREAN RED CROSS HAS HAD VERY LITTLE USE FOR ICRC SINCE KOREAN WAR. NORTHKOREAN REP HAS INFORMED ICRC THAT CONDITION OF AIRMEN IS SATISFACTORY AND HAS PROMISED TO TAKE UP WITH HIS AUTHORITIES QUESTION WHETHER LETS TO AND FROM FAMILIES COULD BE TRANSMITTED IN ACCORDANCE WITH USUAL RED CROSS PRACTICE. REP PERSONALLY SAW NO RPT NO REASON WHY NOT RPT NOT.

3. NORRED SAID USA WOULD STILL BE GRATEFUL FOR ANY ASSISTANCE CDA MIGHT BE ABLE TO GIVE BUT APPRECIATED OUR VIEW THAT WE WERE NOT RPT NOT IN A POSITION TO DO ANYTHING USEFUL.



7-1-1 INDEXED -

Ambassador
~~Mr. McGill~~
Capt. Cogden
~~Mr. Dupuis~~

W. B. Blaywood

L. & file

TO EXTERNAL 2952

INFO PERMISNY LDN EMBPARIS

TT TOKYO FM OTT

BAG HKONG CNBRA WLGTN KARACHI DELHI COLOMBO KLUMPUR JAKARTA FM LDN

SOUTHKOREA

NORRED STATE DEPT KOREAN DESK OFFICER CONFIRMED TO US SEP13 THAT USA HAD REPEATEDLY EXPRESSED CONCERN TO SOUTHKOREAN GOVT OVER RECENT RE-ARREST ON RATHER FLIMSY AND ANCIENT CHARGES OF FORMER PM SONG YO-CHAN. STATE DEPT PRESS OFFICER HAD SAID PUBLICLY SEP5 THAT ARREST QUOTE CAN BE VIEWED ONLY AS RAISING SERIOUS DOUBTS THAT PRESIDENTIAL ELECTIONS(OCT15) WILL BE FREE. WE WILL BE WATCHING THE ELECTION CAMPAIGN WITH EVEN GREATER CONCERN UNQUOTE. SONG HAS FILED PAPERS FROM JAIL AS LIBERAL DEMOCRATIC PARTY PRESIDENTIAL CANDIDATE IN OPPOSITION TO JUNTA CHAIRMAN GENERAL PAK (OR PARK) CHONG-HUI. *PARK CHUNG Hee*

2. NORRED SAID USA FELT COMPELLED TO REGISTER A PROTEST NOT RPT NOT FROM IDEALISTIC (GRP CORRUPT) BUT BECAUSE FAIR ELECTIONS IN KOREA WEE IMPORTANT FOR ANNUAL UN KOREAN DEBATE AND ALSO FOR POLITICAL STAB-ILITY IN COUNTRY. ONLY EFFECT OF USA DEMARCHE SO FAR HAD BEEN TO PROVOKE ACCUSATIONS THAT USA WAS INTERFERING IN KOREAN INTERNAL AFFAIRS BUT EVEN IF SONG YO-CHAN REMAINED BEHIND BARS PROTESTS OF THIS NATURE MIGHT HAVE EFFECT OF DISCOURAGING FURTHER ACTS OF SAME KIND BY JUNTA.

3. ACCORDING TO NORRED WHO HAS BEEN FOLLOWING KOREAN ELECTIONS OVER THE PAST FIFTEEN YEARS AMERICAN EFFORTS AFTER 1945 TO ENCOURAGE DEMOCRATIC METHODS IN KOREA HAD CREATED A GENUINE ENTHUSIASM FOR REPRESENTATIVE GOVT AMONG THE KOREAN PEOPLE GOING DOWN SURPRISINGLY FAR INTO THE POPULATION. ALTHOUGH KOREAN POLITICS WERE FAR FROM CLEAN AND CONTAINED A GREAT MANY IMPERFECTIONS NORRED FELT POPULAR DEMOCRATIC SENTIMENT WAS A REAL FACTOR OF WHICH RHEE AND SUBSEQUENTLY THE MILITARY JUNTA HAD HAD TO TAKE SERIOUS ACCOUNT. PRESENCE OF UN COMMISSION ON THE SCENE WAS ALSO HELPFUL IN PRESERVING DEMOCRATIC FORMS. !

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PAGE TWO 2952

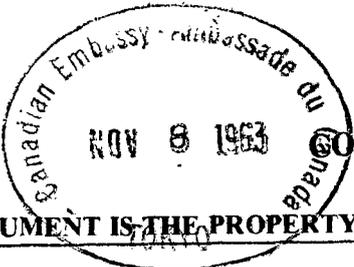
4. IN LIGHT OF THESE FACTORS NORRED THOUGHT THAT OCT15 PRESIDENTIAL ELECTIONS WOULD NOT RPT NOT NECESSARILY BE A RIGGED CONTEST ALTHOUGH JUNTA WOULD OBVIOUSLY TRY TO USE EVERY ADVANTAGE IT POSSESSED TO ASSURE VICTORY FOR ITS CANDIDATE. IT WOULD BE ASSISTED BY ELECTORAL LAW IT HAD DRAWN UP FOR THE CURRENT CONTEST PREVENTING PARTIES FROM THROWING THEIR SUPPORT TO CANDIDATES OF OTHER PARTIES. THIS WOULD EFFECTIVELY PREVENT FORMATION OF UNITED FRONT AMONG OPPOSITION PARTIES UNLESS THEY MERGED INTO A SINGLE GROUP. THIS THEY HAD FAILED TO DO AND THERE WERE A NUMBER OF OTHER CANDIDATES BESIDES THE IMPRISONED SONG YO-CHAN. HOWEVER A RESOUNDING VICTORY FOR THE GOVERNING PARTY WAS NOT RPT NOT ALTOGETHER AUTOMATIC AND EVEN IF IT WON OPPOSITION MIGHT WELL BE ABLE TO MAKE LARGE GAINS IN THE SUBSEQUENT ELECTIONS FOR ASSEMBLY NOW FIXED FOR NOV26.

5. NORRED SAID THAT THE CONTROVERSIAL FORMER DIR OF KOREAN CU XKIM CHONG PIL WHOSE REMOVAL FROM OFFICE WAS FORCED ON GENERAL PAK EARLIER THIS YEAR BUT WHO STILL MAY ASPIRE TO BE PAKS CHIEF POLITICAL LIEUTENANT IS STILL IN PARIS ALTHOUGH HE MAY BE PLANNING TO VISIT USA SOON; HE WOULD BE UNWELCOME VISITOR.

6. NORRED CONFIRMED POOR ECONOMIC CONDITIONS REPORTED IN TOKYO TEL 303 AUG2. HE SAID THAT PARTLY AS RESULT OF UNSETTLED POLITICAL CONDITIONS AS WELL AS OTHER FACTORS STABILIZATION PROGRAMME HAD FAILED FOR TIME BEING AND INFLATION WAS INCREASING.

7. THERE HAVE BEEN NO RPT NO SIGNIFICANT DEVELOPMENTS ON FRONTIER WITH NORTHKOREA SUBSEQUENT TO FLAREUP LATE JUL REPORTED IN TOKYO TEL303. THERE WAS NO RPT NO FIRM EVIDENCE TO INDICATE THESE INCIDENTS HAD BEEN PART OF PREMEDITATED NORTHKOREAN PLAN TO HEIGHTEN BORDER TENSION.

20-ROK-19



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MR ROBER + file

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KOREA
August 28, 1963
Section 1

and file
DWA

PROSPECTS FOR THE SOUTH KOREAN ELECTIONS

Mr. Whitwell to Lord Home. (Received August 28)

SUMMARY

General Pak has promised that the elections, fixed for the 15th of October and the 26th of November, will be held in an exemplary manner. Recent events however throw some doubt on the purity of the Government's intentions (paragraph 1).

The return to power within the ruling group of the friends of Kim Chong-pil has coincided with a number of indications of a renewal of vindictiveness and intolerance of criticism. Reaction to the border incidents (which now seem almost certain to have had only local significance) may also indicate that critics of the régime risk being smeared as pro-Communist (paragraphs 2 and 3).

The latest such indication is the arrest on trumped-up charges of "Tiger" Song after he had criticised General Pak. The importance of this cannot yet be assessed. It has been taken calmly in Korea but the Americans, who admire Song, are very upset (paragraphs 4 and 5).

These are only indications, not proofs. General Pak's Government has had much to contend with, particularly the serious economic situation. It is not possible to forecast whether or to what extent the elections will be rigged. The present difficulties may only be another indication of the occasional weakness and impatience which has characterised the military Government. General Pak as future President is probably to be preferred to any Opposition candidate, but the outlook is not encouraging (paragraphs 6-8).

(No. 42. Confidential) Seoul,
My Lord, August 20, 1963.

On the 18th anniversary of the Japanese surrender General Pak Chung-hi assured the people of the Republic of Korea, friendly diplomats, American purveyors of aid and United Nations Commanders that as a last act in the "revolution" which brought them to power his military Government would organise the straightest, fairest and most exemplary elections for the new President and for the National Assembly. Unfortunately few informed people who heard him are likely to have felt complete confidence that he spoke the truth. Recent events, which I have the honour briefly to review in this despatch, taken together, cast fresh doubt both on the purity of the Government's intentions and on their capacity to conduct these elections, which have now been definitely fixed for the 15th of October and the 26th of November respectively, in a

manner satisfactory both to the Koreans and to the world at large. These events are the return to power within the ruling junta of the friends of Kim Chong-pil, the North Korean incursions across the armistice line, and the arrest of Song Yo-chan, and they need to be seen against the background of a more than usually unhappy economic situation.

2. It has long been clear that the military junta's primary intention is to use the elections to return its members (minus the few with no political ambitions) and their civilian supporters from all walks of life to power in the new Assembly with Pak Chung-hi as their constitutional head. More recently, after the failure of the attempt to form a pan-national party, it has been equally clear that the instrument used to perform this would be the Democratic-Republican Party, founded by Kim Chong-pil and staffed

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mainly by his friends (the party is not entirely monolithic). The disappearance from posts of importance of Kim Chae-chun, Director of the Central Intelligence Agency, and of Major-General Yu Yang-su of the Supreme Council for National Reconstruction was therefore to be expected, since one was a declared enemy and the other a very uncertain friend of Kim Chong-pil, and the reappointment of both of them to honorific but powerless posts (respectively Minister without Portfolio and Ambassador to the Philippines) seemed to indicate that there were no hard feelings. Other indications were less reassuring. One was the return to military duty of the well-liked Governor of South Cholla province, and his replacement by one of Kim Chong-pil's former colleagues of the eighth class at the Military Academy. Another was the complete vindication by the court of those accused of manipulating the stock exchange in May of last year, followed by the contemptuous refusal of the Opposition's request that the matter be reinvestigated. The death sentences passed on Lieutenant-General Pak Im-hang and two other defendants in the farcical military plot trial, though not confirmed, have a vindictive look. The emergence of Kim Du-han's "Patriot Groups" is an unwelcome reminder that the methods employed in elections under Syngman Rhee could be used again although there is no real evidence so far that the régime intends to employ the "Patriots" in their customary role of hired thugs.

3. Perhaps it is fanciful to see anything sinister in these events, and even more so to take issue with the authorities in their reaction to the incidents of the 29th and 30th of July when a small body of North Koreans, apparently intending to infiltrate as agents, first ambushed an American jeep and then crossed the Imjin River and perished after a gun battle. Kim Hyong-uk, the new Director, C.I.A., immediately announced that this was clearly part of a "desperate" attempt by the Communists to send in agents to disrupt the elections and the transfer of power, and that no less than 25 such agents had been killed or captured since the 12th of July. His figures cannot easily be checked, and he might have been putting out a warning that anyone interfering with the Government's conduct of the elections risked denunciation as a Communist agent. (Incidentally it seems unlikely, in retrospect, that this North Korean raid and exchanges of fire on the

two or three succeeding days, which aroused considerable interest outside Korea, were anything more than part of the North Korean celebrations of the 10th anniversary of the armistice or perhaps even a routine agent infiltration operation albeit on a slightly larger scale than usual and in an area not normally employed for the purpose. However, the raid did reveal some lack of watchfulness on the part of the United Nations troops, and it seems possible that more North Koreans have succeeded in getting through the demilitarised zone than was formerly supposed.)

4. Against this background, the arrest on the 11th of August of Song Yo-chan on patently absurd charges looks like final proof of the vindictiveness of the military rulers and their determination to stifle all criticism. Song had published three days before an open letter urging General Pak to stand down and saying that for the military to perpetuate their rule was a betrayal of the "revolution". He reiterated his personal friendship for Pak. There was, of course, nothing new in this, but it is reliably reported that General Pak, who had been in touch with Song and had apparently tried to dissuade him from public criticism at this time, was bitterly angry, and when the C.I.A. proposed to arrest Song agreed that it could be done on whatever charges they liked to fabricate. They have resurrected the old charge that Song's execution of a battalion commander in the heat of battle in September 1950 was manslaughter, they have charged him with responsibility for the shootings in the student revolution of April 1960, have put it about that he tried to denounce Pak Chung-hi to the Americans as a Communist and, for good measure, was a leading election rigger in March 1960. All this seems to argue a very real fear on the part of the authorities of what Song might reveal, but curiously enough the procedure proposed, though obviously designed to discredit him, will not necessarily keep him silent. Song has denied the charges and been released to await his trial which will be by civil court.

5. Although he was not an unpopular figure when Prime Minister, Song seems to have no personal following, either civilian or military, and his arrest has excited remarkably little interest in the country. On the Americans, however, the effect has been considerable and may yet be disastrous. "Tiger" Song is well known and well liked by many Americans as the symbol of the

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revival of the Korean army in the war; he made more American friends as one of the few seemingly reliable supporters of the military Government and one who was known to distrust Kim Chong-pil; and in his outspoken denunciation of the continuation of Pak Chung-hi's rule he finds an echo in the hearts of those who hope against hope to see a real democracy established here. His arrest comes at a time when the Americans are anxious about the conduct and outcome of the elections, and irritated at the impotency of the Koreans in begging for food grains which they, the Americans, fear would be used simply to acquire votes.

6. On the count so far General Pak may seem to have done pretty badly, but the case against him is by no means completely proven and there is something besides to be said in mitigation. It is not altogether his fault that he has so little to show the electors in either the economic or the political field. If he must take the blame for the Five-year Plan being already in ruins, and for the wastage of foreign exchange, very poor rice and barley harvests in the preceding year could not be budgeted for (although more could undoubtedly have been done to improve official statistics, the inaccuracy of which gave rise to wildly fluctuating estimates of shortages and the imports required to meet them). The grave shortage of food grains in July, causing angry murmurings in the poorer parts of the country, may have led him to fear that a fair election might not after all be won and so to incline his ear to the wild boys. Things are already better, and wiser counsels may yet prevail. Plans for holding the elections have gone forward smoothly, and though the main opposition demands that independents should be allowed to run and that several or more parties should be allowed to support a single presidential candidate have not been met, an important concession with regard to the conduct of the elections has been made in enlarging the

electoral committees to include Opposition representatives. It looks at the moment as if there is to be no agreement with Japan before the elections, but few can really have expected that there would be and certainly the attitude of the Government towards Japan has been more responsible than that of Opposition.

7. To the question "Will the military Government rig the elections, and if so will they rig them so much as to cause serious trouble here or to invalidate the mandate of the new Assembly in the eyes of the world?" I can give no answer.

8. A certain naiveté, an impatience of criticism and a sudden tendency apparently to despair and stop trying have characterised the military Government's period of rule since May 1961. We, as observers, probably take these failings more to heart than the Koreans do, and it was not to be expected that they would suddenly disappear at the awkward moment just before the elections. It is too early to judge the effect of Song's arrest, or to say whether the deterioration which seems to have affected the military Government is real or only apparent. July and August are sultry and oppressive months, when tempers are not ever at their sweetest. Perhaps it is just the weather: things may improve as the leaves begin to fall. For all its obvious faults, the military Government still seems preferable to the divided and intellectually bankrupt Opposition, but it is difficult to be optimistic about the outlook for the future, whoever prevails in the autumn elections.

9. I am sending a copy of this despatch to Her Majesty's Representatives at Washington and Tokyo.

I have, &c.

STEPHEN J. WHITWELL
(Chargé d'Affaires).

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REPUBLIC OF KOREA
MARKS
18TH ANNIVERSARY OF THE LIBERATION
ON August 15, 1963

~~Ambassador
Mr. [unclear]
Mr. [unclear]
Mr. [unclear]
Capt. Cogdon
Mr. Spencer
Mr. [unclear]~~

and file

Handwritten signature or initials, possibly "SLS", written in dark ink.

Today, August 15, is the 18th anniversary of the liberation of Korea from Japanese rule. And also fifteen years ago today people rejoiced in having their own independent government after 36 years of subjugation to the Japanese and three years of interim period.

With the liberation ended decades of the anti-Japanese independent movement that continued tenaciously in and out of Korea. The history of the independence movement dates back to the latter days of the Yi Dynasty, when Japan, having defeated her rivals in the 1894 Sino-Japanese wars, grasped hold of this peninsula. In 1905, the Japanese forced the Korean Government to sign a protectorate pact depriving its diplomatic sovereignty. This touched off covert resistance throughout the country. High court officials addressed an anti-Japanese memorial to the Throne, a society of pundits disseminated anti-Japanese literature, daily newspapers denounced the treaty, and a number of prominent figures killed themselves in protest.

In August 1909, Japan at last swallowed Korea by signing the infamous annexation agreement, which ended the 500-year-old Yi Dynasty. Along with a governor-general came tens of thousands of Japanese troops and policemen who ruthlessly suppressed the resistance. This forced the independence leaders to flee abroad or to go underground. But the movement within Korea by no means was extinct. On March 1, 1919, 33 nationalist leaders read the famous Declaration of Independence, which triggered the passive but tenacious resistance known as the Samil Movement.

In suppressing nationwide resistance, the Japanese shot, bayoneted, burned, hanged, or beat to death no fewer than 7,509 patriots. At least 49,984 were thrown into jail. The Samil Movement did not attained independence immediately, but it resulted in the establishment of the Republic of Korea provisional government in Shanghai. The provisional government became the highest command of the independence movement in and out Korea. With liberation Korean people rejoiced in having new era, and through the establishment of a sovereign government, many thought that all problems would be solved and that there would be immediate security and prosperity for all. What was left after the Japanese withdrawal was an artificial division drawn between north and south Korea. To compound this problem, the Soviet Union controlled the industrial sector in north Korea. To make matters worse, politics became so treacherous that two revolutions were brought on in 1960 and 1961.

The military revolution, which both the military and the people hope will be the last revolution, is a dramatic symbol of the nation's aspirations to bind up its wounds and to establish a new government that will assure national unity, freedom and democracy. Military rule is to end sometime next year. Preparations are now under way for turning over the reins of government to civilian control.

For the purpose of review, contemporary history of Korean politics may be classified into the following three major periods:

1. 1945-1948: U.S. efforts to establish a Korean government and the establishment of the Republic of Korea government under the auspices of the United Nations.

2. The era of eclipsing democracy under the Liberal regime headed by Dr. Syngman Rhee (1948-1960), and finally,

3. Chaotic situation following the 1960 student revolution and subsequent military take over in 1961.

On August 15, 1945, the flag of Taeguk, so dearly cherished in the hearts of all Korean under Japanese tyranny, was hoistered throughout the Peninsula. The Korean people named the advent "Kwangbokjol" or "Glory Restoration Day".

Tragically enough, however, the peninsula was automatically divided into two halves at the 38th Parallel. A few days after the Japanese emperor announced his unconditional surrender in August, 1945, Russian troops occupied Korean territory north of the 38th Parallel, and the southern half was occupied by U.S. troops. When the Moscow Three Ministers' decision for a five-year trusteeship was announced, all Korean patriots rose against it, and the U.S.-USSR Joint Commission met in Pyongyang and Seoul in the winter and spring, 1946-1947, but the meeting ended in failure because of the different opinions of the two sides. As the talks got nowhere, the U.S. military government in 1947 recommended that the unification issue be solved by the United Nations. The U.N. Assembly resolved that a general election be held in Korea to establish a unified government, and that a special commission be created to enforce resolution. The U.N. Temporary Commission on Korea, was appointed and on January 12, 1948, the Commission met in Seoul and reported to the U.N. that it was unable to contact authorities in north Korea. Therefore, by resolution of the United Nations, an election under U.N. supervision was held in south Korea on May 10, 1948, which resulted in the formation of a Korean National Assembly, and the establishment of the Government of the Republic of Korea with Dr. Syngman Rhee as the first President.

On August 15, 1948, the new government took over from the U.S. Military Government and commenced to function as a sovereign power. The United Nations recognized the Republic of Korea as the sole legitimate government on the entire Korean peninsula. Meanwhile, the north Korea Communists established a puppet regime of their own. By this time, the U.S. occupation forces had withdrawn from south Korea, leaving only a small constabulary force armed only with light weapons. In the early hours of Sunday, June 25, 1950, the Communist regime unleashed 10 divisions of well-armed troops, and, spearheaded by Russian-built tanks, overran the 38th Parallel. The capital city of Seoul fell three days later, and the Communist forces marched on southward with amazing swiftness. Immediately upon news of the Communist invasion, the U.N. Security Council convened, branded the north Korea regime as an aggressor, and appealed to the member nations of the world body to contribute troops in defense of the Republic. On September 15, the U.N. forces landed at Inchon in one of the most brilliant amphibious assaults in history, turning the tide of war. Seoul was recaptured on September 28. Chasing the fleeing remnants of north Korean aggressors, the U.N. forces kept advancing, and on October 19, the U.N. forces took the Red Capital of Pyongyang. In May 1951, Russian delegate to the United Nations hinted that a negotiated settlement would be welcome. After two years' dragging, the armistice was finally signed on July 27, 1953 at Panmunjom, providing an uneasy, precarious peace in Korea, putting an end to the shooting hostilities. Estimated casualties inflicted on the U.N. forces totaled 405,775 dead or wounded; the Communist invaders suffered almost two million dead or wounded.

At the later part of his twelve year rule of Korea as the President, President Syngman Rhee became increasingly impatient of criticism. Convinced that he and only he knew what was right for the country, isolated more and more from the general public by a horde of sycophantic, self-seeking politicians, and further hampered by the mental rigidity of advancing senility the President's dictatorial personality hardened.

Graft and corruption on a massive scale was the order of the day among his officials, and the plight of the people worsened daily.

In March, 1960, the Government and the Liberal Party politicians conducted one of the most fraudulent elections to elect Rhee's popular henchman, Ki Poong Lee, to the office of Vice-President.

The reaction of the country was electrifying. Led by college and university students who rose en Masse, the people staged huge demonstrations against the government defying gunfire from police.

Instead of suppressing the demonstration, however, the indiscriminate killings increased the numbers and determination of the demonstrators.

The Army, called in under martial law, stopped the killings, but the demonstrations continued until aging Syngman Rhee, at long last accepting the reality of his situation, resigned.

After a few months under an interim government headed by Chung Huh, new and honest elections were held. The people gave an overwhelming majority to the Democratic Party headed by John Chang and Posun Yun. The new legislature met and amended the Constitution to provide for a bicameral legislature, the reduction of the presidency to a figurehead ceremonial chief of state, and for the creation of a Prime Minister as the executive head of the country. Posun Yun was elected President, and John Chang became Prime

Minister.

No sooner had the new administration taken office than the Democratic Party fell apart in numberless warring factions, groups, cabals, and sub-groups, each vying for political, personal and financial preference and advantage. Activities of the government as well as almost to a complete halt. Government and private corruption equaled or exceeded that of Liberal Party days.

The streets of every city and town were plagued by a constant and continuing series of demonstration. Day after day the demonstrations went on. Many of these were nonpolitical in nature, but they did display a deep-seated discontent among the people--- and also a basic lack of understanding of democratic processes.

It was government by demonstration--- mobocracy. The National Police, cowed by their defeats during the Student Revolution, were powerless to control the mobs.

Communist agents, swiftly infiltrating from the north, capitalized on the unsettled situation. While the overwhelming majority of the people retained their bitter hatred for Communism, a few--- among whom were some misguided young students--- began to clamor for various types of exchanges with Communist groups in north Korea.

The situation continued to deteriorate until May 16, 1961, when the one remaining stable and disciplined group left in the Republic, the Armed Forces, was forced to assume power in a swift, bloodless coup under the leadership of General Chung Hee Park.

One of the first pronouncements of the military government was a public statement that it was temporary in nature, that after having eliminated the corruption and evils of the past, and having laid the foundations for a new and workable democracy suited to the culture, traditions and conditions in Korea, the military government would turn the government back to competent and

honest civilians.

Progress has been steady and impressive. Corruption has been eliminated. Law and order have been restored. Smuggling has been stopped. Diversions of foreign military and economic aid supplies and funds have been halted. The public payroll has been decreased by the dismissal of thousands of inefficient and redundant minor officials. Efficiency has been brought into all government operations. Hundres of thousands of jobs have been created for the unemployed in public construction projects.

All over the nation, streets, railroads, highways, bridges, and irrigation works have newly built or repaired.

Most important of all, a Five-Year Economic Plan has been adopted and is being implemented with a notable success. Under this plan, the foundation for future industrial development which will bring economic self-sufficiency to the nation, will be built.

The Government and the people alike are marching forward vigorously and gallantly toward the goal of a free, democratic and prosperous life.

With warm understanding and assistance from all friendly nations around the world, the people of Korea and its Government are confident that a bright future will dawn by the time competent and conscientious civilians take over the reins of government.



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MESSAGE BY REPUBLIC OF KOREA AMBASSADOR TO JAPAN
TOKYO ON THE OCCASION OF
18TH ANNIVERSARY OF NATIONAL LIBERATION

By Ei Whan Pai
ROK Ambassador To Japan

On this day, August 15, the Republic of Korea commemorates her 18th year of liberation. And in addressing myself to the Japanese people and the foreign audience, I cannot but feel for the first time a genuine confidence that the old difference between Korea and Japan will soon be resolved and relations normalized between our two countries. This is as it should be, for within the limits of mutual respect for each other's national integrity and sovereignty, normalization concerns the vital interests of both our countries. It involves mutual security against Communist expansion, mutual prosperity for the betterment of human livelihood and it also involves the peace of northeast Asia and the Free World.

In looking back over the past 18 years of our country's history, I cannot help but marvel and feel ~~uncommonly proud of the way~~ our people have held together and survived despite the visitation of the most devastating adversities any people have had to face since the end of the 2nd World War. Liberation then should have brought true freedom, peace and a chance for a better life for every Korean. Instead, liberation came with the cruel division of the country first to each other between the industrial north and the agricultural south. As if that was not bad enough, the Communists imperialists had to invade the south wreaking untold havoc and suffering upon the Korean people as well as decisively deterring the progress of the country.

The 12 years of Dr. Syngman Rhee's regime which founded the new Republic confronted many overwhelming problems - - some natural to the circumstances of sudden self-government and others unnatural to the division, such as the destruction that followed the war, its demoralizing and disruptive effect on the people and the added problem of caring for 3 million refugees who fled into the Republic from Red tyranny in the north. It is significant to note that prior to the war, north Korea had a population of 10 million people. Now, it is believed there are only 9 million. In contrast, the population in the south increased from 20 to 26 million during the same period.

The downfall of the Rhee regime caused by the student revolution, a transitional government and the 2nd Republic of the Chang Myon regime followed. Conspicuous for its failures, the latter was forced to relinquish its power to a band of military leaders who saw in the political instability and economic deterioration the strong arm of Communist subversion engulfing the land.

With the establishment of the military government under General Park Chung-hee, no one will deny the major reforms which took place especially those related to widespread and massive corruption, gangsterism and bureaucratic excesses. In addition many public and social welfare projects were launched plans for economic rehabilitation were drawn and projects actually begun and many completed. Most visible improvements were in the field of power production, transportation and communications.

Their weakness was in the field of finance and banking from which one cannot help but observe that as men with military background they succeeded in a field where they had knowledge and experience and dare say they would not have failed had they the same in the field of money and banking which even in the best of countries is one of the most difficult problems a government must constantly face.

There is no doubt that vaster strides could have been made toward economic well-being except that Korea was struck down by severe drought last year and rain floods this year unprecedented in decades.

However, the Korean people are aware of their lacks and shortcomings; they are making heroic efforts to overcome them and all present signs indicate they will succeed. It is to be remembered that Korea is a very old and cultured nation. The creative ability of the Korean people is reflected throughout her past history of which Koreans can justly be proud of, and from which Japan received many benefits such as her Buddhist religion, silk, textile and ceramic industries.

In 647 A.D. during the Silla dynasty, Koreans built a solar observatory which is believed to be the first of its kind in the world. In 1234 A.D. during the Koryo dynasty, the Koreans invented the first metal movable printing press which antedated the Gutenberg press by 216 years. The Koryo celadon is one of the most beautiful and highly prized treasures for sheer artistry and skill. The Korean syllabary, one of the most comprehensive ever devised, was introduced as a basis of Korean's own written language in 1446. The most famous invention of all was Admiral Yi Sun-sin's

"turtle" ship which is believed to be probably the first prototype of the modern metal clad battle ship and which caused untold headaches to the Japanese during the Hideyoshi invasions of 1592- - 1597.

The human potential of Korea is also not without significance. Their literacy rate is 80%; under compulsory primary education, the school enrollment is 95%. There are 85 universities throughout Korea with yearly graduates averaging 25,000, and there are 6,000 students studying abroad in Europe and the United States.

The year 1963 will be a memorable year for our people. The diplomatic normalization between Korea and Japan is at its optimum point. The Korean government has announced that its duly elected civilian government will be inaugurated this year and there is every reason to believe a larger participation of enlightened, public spirited leadership will take place. In any case, the Koreans are moving forward. They will build for themselves a better society as individuals and for themselves as a nation to share a larger responsibility as a member of the free world dedicated to the principle that honors the dignity and brotherhood of man.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	AUG2/63	(7-1-1) and 6-2-5 INDEXED	CONFID
TO: EXT OTT	NUMBER		PRECEDENCE
	303		Priority
INFO:			

Ref.:

Subject: SOUTH KOREA

WE TOOK OPPORTUNITY OF CALL ON US EMBASSY YESTERDAY TO MAKE GENERAL REVIEW OF CURRENT DEVELOPMENTS IN SOUTH KOREA. FOLLOWING SUBJECTS WERE COVERED DURING OUR CONVERSATION.

BORDER INCIDENTS

2. ON BASIS OF PRELIMINARY REPORTS RECEIVED FROM US EMB IN SEOUL, US OFFICIALS SAID THAT TWO SERIOUS INCIDENTS THIS WEEK INVOLVING EXCHANGE OF FIRE AND LOSS OF LIFE DO NOT APPEAR TO BE RELATED TO ANY NORTH KOREAN PLAN TO STEP UP MILITARY AGRESSION ALONG BORDER. BOTH INCIDENTS OCCURRED SOUTH OF DMZ AND AVAILABLE EVIDENCE SUGGESTS THAT THEY WERE CONNECTED WITH ATTEMPTS TO INFILTRATE AGENTS INTO SOUTH KOREA. (MATERIAL FOUND IN POSSESSION OF NORTH KOREANS INVOLVED IN SECOND SKIRMISH INCLUDED PHOTOGRAPHIC EQUIPMENT, US AND SOUTH KOREAN CURRENCY, AS WELL AS CLOTHES THAT MIGHT HAVE BEEN USED FOR DISGUISE.)

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NAVAL ATTACHE

ORIGINATOR	DIVISION	PHONE	APPROVED BY
JACQUES DUPUIS			ORIGINAL SIGNED BY
SIG..... NAME J. DUPUIS/bt			SIG..... NAME R. P. BOWER

- 2 -

3. ON OTHER HAND, US OFFICIALS BELIEVE THAT INCREASING CHINESE INFLUENCE ON DIRECTION OF NORTH KOREAN POLICY IS RESULTING IN MARKED HARDENING OF NORTH KOREAN POSITION. THIS IS REFLECTED NOT ONLY WITHIN CONTEXT OF MILITARY ARMISTICE COMMISSION DISCUSSIONS BUT ALSO IN GROWING VIRULENCE OF NORTH KOREAN PROPAGANDA IN GENERAL. OUR US COLLEAGUES ARE INCLINED TO DISCOUNT FOR THE BEING POSSIBILITY OF NORTH KOREANS RESORTING TO INCREASED MILITARY ACTIVITIES ALONG BORDER UNDER CHINESE PRESSURE. NEVERTHELESS, PRESENT SITUATION IN WHICH USA IS UNABLE TO BRING EFFECTIVE PRESSURE TO BEAR ON NORTH KOREANS IN SUCH CASES AS RECENT HELICOPTER INCIDENT POCES DIFFICULT DILEMMA FOR US GOVT. US OFFICIALS ADMITTED THIS AND TOLD US THAT IN LONG RUN UNC MIGHT LOSE GROUND AND NORTH KOREANSIDE BECOME MORE ABUSIVE IF NO PRACTICAL WAY IS EVOLVED OF DEALING WITH SITUATION.

4. AS WELL AS CAN BE JUDGED FROM HERE, I WOULD DOUBT THAT USA WOULD RESORT TO MILITARY RETALIATION EVEN ON A SMALL SCALE IN ORDER TO CUT NORTH KOREANS TO SIZE, WHILE HAVING NO REASON TO DOUBT ANTI COMMUNIST CONVICTIONS OF SOUTH KOREANS, A BIG ELEMENT IN PRESENT US THINKING MUST BE THAT POLITICAL AND ECONOMIC SITUATION IN SOUTH KOREA WILL REMAIN TOO PRECARIOUS FOR SOME TIME TO COME TO JUSTIFY ANY RISKS IN THAT DIRECTION.

INTERNAL SITUATION

5. WE FOUND US OFFICIALS HERE LESS OPTIMISTIC ON SOUTH KOREA'S POLITICAL PROSPECTS THAN THEIR COLLEAGUES IN US EMB IN SEOUL WHEN EMB OFFICERS VISITED THERE IN MAY. A SUCCESSION OF CHANGES IN TOP ECHELON OF MILITARY REGIME SEEMS TO INDICATE THAT FORMER DIRECTOR OF POWERFUL CENTRAL INTELLIGENCE AGENCY KIM CHONG PIL IS MANOEUVERING TO RETURN FROM EXILE IN EUROPE PROBABLY WITH SUPPORT OF SUPREME COUNCIL CHAIRMAN GEN. PARK. LATTER HAS MADE HIS CHOICE BETWEEN TWO PARTIES FORMED BY RIVAL FACTIONS OF MILITARY REGIME WHO WANTED HIM AS THEIR PRESIDENTIAL CANDIDATE IN ELECTION

- 3 -

TO BE HELD LATE FALL. HARK HAS INDICATED THAT HE WOULD RUN AS CANDIDATE FOR DEMOCRAT REPUBLICAN PARTY CREATED BY KIM CHONG PIL LAST JAN. FOLLOWING THIS DEVELOPMENT GEN YOO YANG SOO, A LEADING MODERATE IN MILITARY JUNTA SINCE 1961 REVOLUTION, RESIGNED FROM SUPREME COUNCIL AND TWO NEW MEMBERS OF COUNCIL APPEAR TO FAVOUR KIM CHONG PIL'S CAUSE. MORE IMPORTANT, HOWEVER, WAS APPOINTMENT ON JUL12 OF ONE OF KIM'S CLOSEST ALLIES TO POSITION OF DIRECTOR, CENTRAL INTELLIGENCE AGENCY.

6. WE WOULD AGREE WITH US ASSESSMENT THAT RETURN OF KIM CHONG PIL TO POLITICAL SCENE WOULD BE UNFORTUNATE DEVELOPMENT. KIM IS BRILLIANT, BUT AMBITIOUS, SOMEWHAT UNSCRUPULOUS AND VERY CONTROVERSIAL SO THAT HIS PRESENCE MIGHT BRING ABOUT RECURRENCE OF PLOTS AND COUNTER-PLOTS WHICH ROCKED SOUTH KOREA IN EARLY MONTHS OF THIS YEAR.

7. ECONOMIC CONDITIONS APPEAR TO HAVE DETERIORATED WITH FOREIGN EXCHANGE CRISIS TAKING TURN FOR WORSE. BRITISH EMB REPORTS ESTIMATE THAT RESERVES ON JUL1 WERE DOWN TO ABOUT 0110 MILLION. GOVT HAS SUSPENDED PUBLICATION OF ALL INFO ON FOREIGN EXCHANGE RESERVES IN PAST TWO MONTHS. AS COUNTER MEASURES, MILITARY REGIME HAS STOPPED ISSUANCE OF IMPORT LICENSES AND LETTERS OF CREDIT AND NUMBER OF IMPORTANT DEVELOPMENT PROJECTS APPEAR TO HAVE BEEN ABANDONED FOR THE BEING.

8. FOOD SITUATION REMAINS PRECARIOUS AND PRICES OF RICE AND CEREALS HAVE BEEN SOARING. PROBLEM SEEMS TO BE NOT ONLY SHORT SUPPLY BUT ALSO INADEQUATE DISTRIBUTION SYSTEM. OUR IMPRESSION IS THAT IF SERIOUS FOOD SHORTAGE IS TO BE AVERTED, CONSUMPTION OF RICE AND BARLEY, IN PARTICULAR, WILL HAVE TO BE SHARPLY CURTAILED FOR SOME TIME TO COME. ADDITIONAL AGRICULTURAL PRODUCTS VALUED AT 020 MILLION OBTAINED FROM THE UNITED STATES UNDER P.L. 400 ARRANGEMENTS MAY NOT BE SUFFICIENT TO COMPENSATE FOR SUCCESSION OF POOR HARVESTS.

JAPANESE-KOREAN RELATIONS

9. SOUTH KOREA'S FOREIGN MINISTER KIM YONG SHIK RETURNED TO SEOUL FROM TOKYO ON JUL31 FOLLOWING WEEK OF DISCUSSION

- 4 -

WITH FOREIGN MINISTER OHIRA AND OTHER JAPANESE LEADERS. TALKS WERE CONFINED TO FISHERIES PROBLEM AND VEXED QUESTION OF RHEE LINE WHICH REMAIN LAST MAJOR HURDLES IN NEGOTIATIONS FOR GENERAL SETTLEMENT OF BILATERAL PROBLEMS. AFTER MONTHS OF DIFFICULT NEGOTIATION, ENCOURAGING PROGRESS HAS BEEN MADE TO POINT WHERE KOREANS WOULD NOW SEEM PREPARED TO CONSIDER ABOLITION OF RHEE LINE AND ESTABLISHMENT OF 12-MILE FISHING ZONE UNDER EXCLUSIVE KOREAN JURISDICTION IN RETURN FOR JAPANESE AGREEMENT TO PROVIDE LARGE-SCALE ASSISTANCE TO KOREAN FISHERIES. FOREIGN MINISTER KIM INDICATED HIS GOVT WOULD LIKE TO OBTAIN ASSISTANCE IN FORM OF VESSELS, FISHING EQUIPMENT AND TRAINING FACILITIES UP TO TOTAL VALUE OF \$150 MILLION. THIS SUM WOULD BE IN ADDITION TO \$300 MILLION GRANT AND \$200 MILLION LOAN AND CREDITS ALREADY OFFERED BY JAPAN AS SETTLEMENT OF CLAIMS QUESTION LAST JAN. IN SHORT, KOREANS ARE NOW ASKING FOR TOTAL OF \$650 MILLION WHICH JAPANESE HAVE EMPHASIZED THEY ARE NOT IN POSITION TO DISBURSE. UNREASONABLE KOREAN DEMANDS SOMEWHAT SPOILED ATMOSPHERE OF DISCUSSIONS IN TOKYO THIS WEEK, BUT JAPANESE VICE MINISTER FOR FOREIGN AFFAIRS SHIMA TOLD ME THAT, ON WHOLE, KIM'S VISIT HAD ADVANCED PROSPECT OF SETTLEMENT OF FISHERIES DISPUTE. MODERATE OPTIMISM ON JAPANESE SIDE SEEMS TO REST ON FACT THAT FOR FIRST TIME KOREANS HAVE AGREED TO DISCUSS FISHERIES PROBLEM ON BASIS OF JAPANESE PROPOSAL FOR 12-MILE FISHING ZONE.

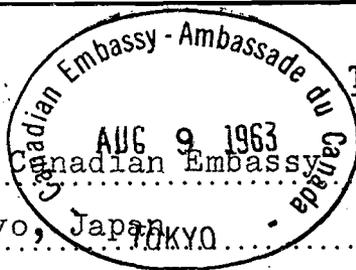
10. IN GENERAL BILATERAL RELATIONS APPEAR TO HAVE IMPROVED IN LAST MONTH WITH KOREANS CEASING TO HARASS JAPANESE FISHING BOATS IN VICINITY OF RHEE LINE AND JAPANESE GOVT MAKING GESTURES OF GOODWILL INCLUDING DONATION OF 40,000 TONS OF RICE AND WHEAT TO ALLEVIATE FOOD SHORTAGE IN KOREA.

11. AS SEEN FROM TOKYO, SITUATION IN KOREA DOES NOT APPEAR ENCOURAGING AT THIS POINT AND LONG-TERM PROSPECTS

- 5 -

REMAIN BLEAK. BECAUSE OF ECONOMIC BACKWARDNESS AND POLITICAL INSTABILITY, SOUTH KOREANS APPEAR UNABLE TO HELP THEMSELVES. SOUTH KOREA IS NOT A VIABLE ENTITY AND IN LONG RUN ONLY THREE COURSES APPEAR POSSIBLE: (1) LEFT TO ITSELF, SOUTH KOREA WOULD RAPIDLY DISINTEGRATE TO POINT WHERE THE NORTH WOULD TAKE OVER AND COUNTRY AS WHOLE WOULD BECOME PART OF CHINESE SPHERE OF INFLUENCE; (2) UNITED STATES WILL CONTINUE FOREVER TO HELP SOUTH KOREA SURVIVE BY MAINTAINING PERMANENT MILITARY PRESENCE AND CONTINUING LARGE-SCALE ECONOMIC ASSISTANCE; (3) KOREA TO ACCEPT CO-OPERATION IN FORM OF TECHNICAL AND CAPITAL AID FROM JAPAN WHICH FOR HISTORICAL ~~AND~~ CULTURAL AND GEOGRAPHIC REASONS IS BEST QUALIFIED TO GIVE IT. THIS IN LONG RUN WOULD BRING ABOUT GRADUAL INTEGRATION OF KOREA'S ECONOMY INTO THAT OF JAPAN. THIS SOLUTION MAY BE QUITE UNPALATABLE TO OLDER GENERATION OF KOREANS WHO HAVE SUFFERED UNDER JAPANESE OCCUPATION BUT IT APPEARS BEST FROM VIEWPOINT OF BOTH SOUTH KOREA AND FREE WORLD.

BOJER



TRANSMITTAL SLIP

7-1-1
 Canadian Eyes Only
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TO: The Canadian Embassy
 Tokyo, Japan TOKYO

FROM: Under-Secretary of State
 for External Affairs

Security.....

Date..... July 31, 1963.

Air or Surface..... Air

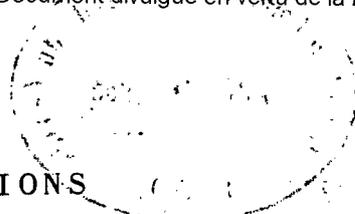
No. of enclosures..... One

- ~~Ambassador~~
- ~~Mr. McGill~~ *am*
- ~~Mr. [unclear]~~
- ~~Mr. [unclear]~~
- ~~Mr. [unclear]~~
- ~~Mr. [unclear]~~

The documents described below are for your information.

Despatching Authority... Far Eastern/G.A.Cowley/meg.....

Copies	Description	Also referred to: and file
1	New Zealand Ministry of External Affairs summary of political events in South Korea, dated June 13, 1963.	Permis N.Y. <i>RAA</i> D.L. 2



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PM 324/2/1

June 13, 1963.

(Received from NZHCO File 19/63)

All Posts

SOUTH KOREA

The political situation in South Korea remains volatile. The excesses and inadequacies of the politicians after the overthrow of the authoritarian-but corrupt and increasingly ineffective Syngman Rhee régime in 1960 paved the way for the takeover by a military junta in an almost bloodless coup in May 1961. The country is now ruled by the Supreme Council for National Reconstruction (SCNR) composed of military officers. The military themselves were however divided by factions: the Hamgyong faction, the Pvongan faction, the Japanese faction, the Manchuria faction, the China faction, the "eighth class" (the graduates of 1949 from the Officer Candidate School), the "four-year" men (graduates of more recent four-year courses at the Korean Military Academy). Among these, a basic division can be seen between the older "generals" - among whom the powerful figure in recent years has been Kim Dong Ha, of the Hamgyong faction - and the younger "Colonels" especially the "eighth class" led by Kim Chong Pil. The leader of the junta, Park Chung Hee, remained more or less above the factional struggles and endeavoured to maintain a balance among the factions. The civilian politicians were perhaps even more divided by multifarious family, regional, business and other ties, constantly reshuffled into new balances. Plotting and counter plotting were thus naturally a key Korean political technique.

2. In order to make the progress the military junta thought essential, it banned political activity after the coup and, when it was decided to move towards a restoration of civilian rule in accordance with its earlier general pledge, it instituted measures to screen and control the politicians and to form a new party within which the military could continue to operate. Under the Political Activities Purification Law of March 1962 all past politicians who wished to resume activities were screened. About 1350 politicians were cleared for activities when the ban was lifted, but over 3000 were classed as ineligible to take part in politics until 1968. On 5 November 1962 a revised Constitution was published; this provided for a presidential type government and was modelled largely on that of the United States.

3. On 5 December 1962 martial law was lifted in preparation for a referendum on the new constitution which was held on 17 December and resulted in an approximately 80% vote in favour of the acceptance of the constitution. On 1 January 1963 most of the restrictions on political activities were lifted and the formation of political parties was permitted in preparation for the presidential and assembly elections in April and May respectively. Despite the restrictions there had previously been some activity on the part of politicians towards the formation of parties prior to the lifting of the ban. In the case of civilian politicians such steps had been limited mainly to the re-establishment of personal contacts; more substantial progress was made by Brigadier General Kim Chong Pil, the Director of the Central Intelligence Agency (CIA) towards the organization of the government political party.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

4. In late December Kim Chong Pil resigned his position with the CIA in order to concentrate on organizing the party, which by January had been established on a nation-wide basis with the help of CIA resources. On 18 January the party was inaugurated as the Democratic Republican Party (DRP) and Kim Chong Pil elected as provisional chairman. He was in firm control of the party's central organization and whereas the party had apparently been intended by the military leaders of the revolution to become their civilian political vehicle it became apparent that influence and power in the party was coming to rest mainly with Kim Chong Pil. The anti-Kim faction in the junta, led by Kim Dong Ha, realized that they were on the way to being excluded from power. Kim Dong Ha thereupon resigned and endeavoured to force Kim Chong Pil also to resign from the party which would then be reorganized. At the same time there were other defections from the party. By outmanoeuvring Kim Dong Ha and with the support of General Park who had increasingly come to feel dependent upon him, Kim Chong Pil, having submitted his resignation, was re-elected chairman of the party on 2 February. He retained control in the form he wanted, with a token concession of a few posts to members of the opposing faction. This was the peak of Kim Chong Pil's power.

5. The campaign against Kim Chong Pil was far from finished however and the generals applied very heavy pressure upon Park. Kim Chong Pil also lost support from within his own CIA and the "eighth class faction" and from the DRP which had grown beyond his ability to control. Popular discontent had increased and Kim Chong Pil was an exposed and vulnerable target. The feeling grew among the military generally that to save their own position Kim Chong Pil must go. The US apparently shared some of opposition's concern over possible military intentions and during the first two weeks of February the US Ambassador had talks with leading civilian politicians, General Park, and Kim Chong Pil. It had been understood that Park would be the DRP presidential candidate, but under pressure he gradually lost heart and backed down. On 13 February he indicated his own readiness to step down if that would help ease the situation. There followed a period of intense manoeuvring and on 18 February he announced he would withdraw from politics if all parties accepted a nine point proposal, the main features of which were demands for fair political practices, protection of the rights of the military, upholding of the constitution, acceptance of the "spirit" of the 1960 and 1961 resolutions, and agreement on the junta's policy towards Japan. If the conditions were accepted, he would take no part in the new government, the political ban would be removed entirely (with some exceptions) and the presidential and assembly elections would be postponed until "after May". In effect, in exchange for assurances of no reprisals and the continuation of the junta's policies, a return would be made to civilian rule.

6. The pressure on Kim Chong Pil continued to mount, and on 20 February he announced his resignation from "all public posts" but said he had no need to go abroad. On 25 February he suddenly announced he was going abroad and left the same day, as "roving ambassador". Kim's former office of Director of the CIA was taken by Kim Chae Chun of the "Japanese faction", who proceeded to begin a purge of the "eighth class" men in the CIA and within the administration generally. At the same time (21 February) four members of the SCNR resigned and seven new members were appointed. Those resigning were anti-Kim, while the new men had not previously been involved in politics and were regarded as neutrals loyal to Park. The effect of the change was thought to be to make the SCNR a less controversial but also less influential body; it was therefore all the less capable of controlling the next stage of political confusion.

CONFIDENTIAL

000217

CONFIDENTIAL

- 3 -

7. The first reaction of political parties other than the DRP to Park's conditions was favourable and Kim Chong Pil's departure opened the way for their acceptance on 27 February. 2322 politicians were released from the ban, leaving 268 banned because they had fled abroad, been convicted of "counter-revolutionary activities" or failed to pay the fines levied on their illicit fortunes.

8. At the end of 1962 and through January 1963, the entrenched position of the military and their head start in political organization appeared certain to ensure their victory in the presidential and assembly elections. As a result of the internecine struggles of the military, the renewed vigour of the civilian opposition, and the evident public feeling, the way had now been made open for a civilian victory. There remained however a feeling among sections of the military that their own positions and the achievements of the military coup would be threatened were the civilians to be allowed to take power.

9. The next stage, in which the decision to return to civilian rule was reversed, has not been fully clarified. Between 8 and 12 March, a number of high ranking military officers, subordinate officers and civilians, were arrested and charged with the plotting. They included Kim Dong Ha (of the Hamgyong faction, the leader of the anti-Kim Chong Pil group), Pak Im Hang, and a number of air force officers. Whatever the soundness of some of the charges, the opportunity seems to have been seized by Park to eliminate all opposition and by Kim Chae Chun and others of the Japanese faction to promote that faction's fortunes. Two small demonstrations on 13 and 14 March by a group of civilians were followed on 15 March by more serious military demonstrations, apparently not staged, on which the execution of the plotters and the continuation of military rule were demanded. The Prime Minister presented Cabinet's resignation on 15 March, and, although it was not accepted by Park, three ministers were replaced. Then, on 16 March, in what would appear to be the culmination of a process of increasing disillusionment with the civilian politicians and concern for the position of the military, Park announced his intention to prolong military rule for a further four years and to seek popular approval for this in a referendum to be held as soon as possible. In the period of interim military rule, he proposed the inclusion of civilians in a reorganized SCNR, the establishment of an advisory body of senior political leaders, the creation of a dual party system by abolishing old political cliques, and other measures. All party political activities were once again banned.

10. Opposition among civilian politicians to this decision to prolong the period of military rule was led by Yun Po Sun and Huh Chung. After meeting five opposition leaders, including Yun Po Sun and Huh Chung, General Park announced on 19 March that he would withdraw his proposal of 16 March if "tainted" politicians would withdraw; he emphasized his previously expressed desire that a new generation of politicians take over from the old. There were no apparent moves by politicians to meet this demand. On 22 March over 150 military officers published a statement supporting the extension of military rule; Yun Po Sun and Huh Chung organized street demonstrations protesting against the extension. Talks between opposition politicians and the Government organized by the Prime Minister, Kim Hyun Chul, failed to find a settlement; further talks between General Park and Yun Po Sun and Huh Chung also resulted in a failure to produce a compromise solution. The United States Ambassador indicated to General Park both immediately prior and after the 16 March announcement that the United States could not accept the

CONFIDENTIAL

000218

CONFIDENTIAL

- 4 -

extension of military rule; statements from the State Department also stressed the desirability of a quick return to civilian government and indicated that United States policy towards South Korea was being reserved. The State Department was also active with the politicians. Under this combined pressure Park's position weakened.

11. On 8 April General Park announced that the national referendum proposed on 16 March would be postponed until September, at which time the Government would make an overall review of the political situation with leaders of political parties and decide whether to hold the referendum on the extension of military rule or to proceed with the presidential and general elections before the end of the year as provided in the Constitution approved in December 1962. The ban on political activities was lifted. This compromise in effect appeared to give something to the politicians and to the United States demands while still retaining the form of the position after the 16 March announcement. While the idea of a referendum to decide on extended military rule appears to have been in line with Park's 16 March announcement, the Prime Minister indicated privately to foreign diplomats that there was a strong likelihood that elections would be held in November and the transfer to civilian power carried out. This was confirmed publicly on 9 May by an official spokesman of the SCNR, who said that it was the firm policy of the Supreme Council to transfer power this year.

12. Following the 8 April announcement General Park indicated his desire that a supra-partisan political party be formed in preparation to the transfer of political power to civilians. There is a strong possibility that this party, the Pan-National Party, would in effect be a stronger form of the DRP, which the junta has admitted privately it intends to re-organize. Rumours that General Park is once again intending to contest the presidential election were not denied, and on 27 May Park was nominated as the DRP presidential candidate.

13. If the politicians showed a surprising strength in their opposition to the military junta, they showed no greater effectiveness than before in forming strong and principled parties. The first move towards the formation of an opposition party to be known as the Minjong Dang (Civil Rule Party) was made by an assorted group, including Yun Po Sun (New Democrat, former president), Kim Byung No (Independent, former Minister of Justice), Chun Chin Han (Independent, former Assemblyman) and Mrs. Pak Jun Chun (Democrat). This move almost immediately ran into difficulties. The Democrats withdrew and began moves to set up a separate party and looked to Huh Chung for leadership; this eventually emerged as the Shinjong Dang. The Liberals began to organize local branches, and other movements began to take shape. A Minjong sponsored "round table" to consider the formation of a "national government" was not attended by most other leading politicians. Yun Po Sun and Huh Chung took the lead in the March and April dealings with General Park.

14. Since the resumption of political activities, there has been further evidence of the tendency to factionalism. The Minjong is the scene of a struggle between its former New Democratic and non-New Democratic faction, and other factional disputes. The Shinjong is disturbed by the quarrels between the diehard members of the former Democratic Party and Huh Chung and a group of supporters. The Liberals continue to look around for a leader. Not all Democrats have gone to the Shinjong; the leftovers apparently will have a separate party. There is a separate organization around Pyung Yong Tae. And no doubt there are or will be others. The Government has endeavoured

CONFIDENTIAL

000219

CONFIDENTIAL

- 5 -

to bring some stable organization into the political scene by regulating party formation and activities through the Political Party Law and Presidential Election Law which were promulgated on 31 December and 31 January respectively and are apparently still in force. Some regulations, such as that which forbids parties to co-sponsor presidential candidates, are not unfavourable to the military's political ambitions.

15. The situation at the end of May appears to be basically similar to that pertaining before Park's 18 February announcement and its confirmation on 27 February. The return to civilian government, this time with more time for party organization, can probably not now be disturbed, short of provoking disturbances and incurring United States displeasure that would together bring down the régime. The present military rulers apparently intend to try to take a leading part in the new government. Political stability is by no means assured; the political ambitions of the present rulers will probably cause a continued friction between the military and the politicians; factional disagreements among the military leaders could also lead to a repetition of the events of January and early February. If attempts by the military rulers to take control of the civilian government prove successful, South Korea could well find itself ruled by a dictatorship which would be barely disguised by apparently democratic procedures. On the other hand, past experience and recent events have shown that factionalism among politicians renders stable democratic government difficult to attain. The only successful and acceptable solution may well be a type of the democracy-with-conditions for which Park professes to be striving.

16. The political confusion in Korea has caused considerable concern in western countries, especially the United States, which have been anxious that power should be transferred back to a democratically elected civilian government, especially in light of the difficulties that may otherwise be encountered in the debate on the question in the United Nations. The United States has made its position clear to the Korean leaders throughout the recent crises. While further United States aid has not been in any way related to the political situation, the Koreans have been aware of this possibility, especially in light of recent Congress moves to cut down foreign aid. The United States will be likely to be concerned that the transition to civilian does in fact take place in accordance with the latest proposals.

17. In the last session of the United Nations General Assembly the West did better than had been expected in gaining support for its case. This was largely due to the intransigence of the North Koreans and their attacks on the United Nations, and partly because of the apparently listlessness of the Soviet Union when the main debate took place shortly after its withdrawal over Cuba. On the preliminary procedural matter of Korean representation at the debate, the West won a very satisfactory majority for the move of excluding North Korea on the grounds of its defiance of the United Nations instead of the previous tactic of inviting both Koreas on the condition of their acceptance of United Nations competence in the matter. This majority was maintained on the main resolution, drafted by the 15 nations which, with the United States, formed the United Nations forces in the Korean war, reaffirming United Nations objectives for Korea, calling upon North Korea to accept them, and requesting the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) to continue its work.

18. As this success was probably dependent to a large extent on the inflexibility of the Communist side, the West should be prepared to counter a change in Communist tactics with the possibility of the

CONFIDENTIAL

000220

CONFIDENTIAL

- 6 -

adoption of a less intransigent attitude in future debates, unlikely though that appears. The West for its part should avoid being placed in a position in which it in turn appears inflexible and should keep open the possibility of some new initiative which the United Nations could take. For the present however it appears to be the case that the standard Western position in the Assembly, albeit awkward and unconstructive, is reasonably secure. A good deal could depend however upon the progress made towards the restoration of civilian rule. Continued unseemly wrangling could weaken the Western (and South Korean) position in the United Nations.

(Sgd.) C. Crow

(for) Secretary of External Affairs.

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On July 27 this year, General Park Chung-hee, Acting President of the Republic of Korea and Chairman of the Sumpreme Council formally announced his government's plan for the transfer of power to civilian control by the end of this year. The following is the text of the statement he addressed to the Korean people:

"My beloved countrymen: In August last year an announcement was made stating that generalelection would be held this summer in order to establish a new and sound Third Republic. However, to my utmost regret and disappointment, prevailing political realities made it impossible to consider detailed plans to carry out this transfer.

"The political intention of the Revolutionary government to transfer its power to civilian rule was already made quite clear in the amended Constitution which was approved by an overwhelming majority of the people in the referendum held late last year. Under this new Constitution, the government's final task was for the peaceful formation of a healthy and truly democratic civilian government that would carry out the revolutionary ideals. This government, in good faith, has bent all its energies to bring this about.

"However, in the light of political activities subsequently resumed, there emerged no signs or basis for a hopeful and optimistic belief that a democratically reconstructed government would be established.

"Faced with this critical political reality and the urgent necessity for the solution thereof, I had no alternative but to propose the March 16 plan (ed.: military government extension subject to popular referendum).

I was well aware that there suspicions and complaints by some people and some of the opposition politicians on all my proposals regarding the transfer of power to civilians. On this point, I wish to make it emphatically clear that at no time did the Revolutionary government intend to betray the people or violate their sovereign rights by trying to accomplish reforms by force or without ascertaining the will of the people.

"Consequently in April, the proposal for the national referendum to extend military rule was set aside for reconsideration. Meanwhile, I asked the people and all the politicians to reform and purify the political atmosphere, to cooperate and labor together to build a sound basis for a democratic government. I assured the people that after studying the political situation and reviewing the views of the opposition politicians, a decision would be made whether or not general elections would be held as provided for in the amended Constitution.

"A more wholesome political atmosphere was soon becoming apparent when to our great misfortune, we were struck by a series of disastrous storms and floods the severity of which was unprecedented in many decades. Vast areas of grain crops were destroyed. Food became scarce as a result of which prices rose and we were faced by a serious crisis.

"However, thanks not only to the efforts of the Revolutionary government but also to the positive and generous assistance of the United States, our other Free World allies and to your patience and cooperation, I believe we will overcome this crisis.

"With good faith and utmost sincerity, I have done my best to make the proper preparations for the transfer of the government to civilian hands by the end

of this year as originally planned. I believe it is the wish of the politicians and the general public to abide by the amended Constitution and see the transfer of power take place within this year. Believing also that a new and healthier political atmosphere will become a reality; on behalf of this government, I solemnly swear before the people that the Third Republic will be established through general elections for President and a National Assembly as provided for in the amended Constitution.

"With this in mind, I fervently appeal to the people to become devoted workers ~~in the~~ task of creating the Third Republic and this government pledges itself to implement the transfer of government to civilians as expressed in the Revolutionary pledges and the April 8 announcement in the following manner:

"1. Measure will be taken to rescind the pending bill concerning the national referendum on the March 16 proposal.

"2. Presidential elections will take place in mid October, 1963, the National Assembly elections will follow in late November the same year.

"3. The government will ensure re-codification and implementation of election laws to insure fair and honest elections.

"4. The first session of the National Assembly after the general elections will be opened in mid December at which time the inauguration of the Third Republic will take place."

7-1-13	



General Park presumably

27 July, 1963

*Mr. McC...
file
R.H.*

Chairman's Statement on General Election Schedule

In August last year I stated that a general election would be held this summer in order to give birth to a new and grand Third Republic. I regret bitterly the political realities which have hitherto made it impossible for me to announce a definite plan.

The intention of the Revolutionary Government to turn power over to civilians was evidenced by the Amended Constitution approved by an overwhelming majority of the people last year. Under this constitution the government's ultimate political task is to preside over the peaceful formation of a healthy and democratic civilian government that can carry out the revolutionary ideals and this government has devoted all of its energies to that end.

However the political situation arising after the reopening of political activities as had been promised, was not encouraging, and provided no basis for optimistic belief that our nation could be democratically reconstructed at that time under existing conditions.

Faced with these urgent political realities I was obliged to make the March 16th declaration.

However, some of the people and some opposition politicians complained about this announcement, which was inevitable and necessary in the light of existing distorted political reality I was therefore obliged by circumstances to reconsider it. This was because the Revolutionary Government could not betray the people and because we had no intention to accomplish reforms by force or without ascertaining the will of the sovereign people of this Republic. Consequently,

last April, I decided against the planned National Referendum and sought to reform and purify politics. I called upon politicians to cooperate and devote their energy to the construction of a solid foundation for the transfer of power to civilians, I assured you, the people, that after studying the situation and reviewing the views of opposition politicians I would decide whether or not to hold general elections as provided by the amended constitution.

During this period of political evaluation in preparation for a democratic civilian government disastrous storms and floods of severity unknown for many decades seriously damaged our grain crops and brought on a food shortage, as a result of which prices rose, bringing about a serious crisis.

However, thanks not only to the efforts of the Revolutionary Government but also to the positive and generous assistance of the United States, other Free World Allies, and to your patience and cooperation, I believe we will overcome this crisis. I have done my best to prepare for the restoration of the Government to civilian hands by the end of this year as originally planned. I believe that both the politicians and the general public want to abide by the Amended Constitution and desire the transfer of power to civilians before the end of the year. In the belief that a new and healthy political atmosphere will be created in the near future, I swear before the people that we shall create the Third Republic by holding elections for President and Members of the National Assembly as provided by the Amended Constitution. The Government earnestly appeals to the people that they be devoted workers in the task of creating the Third Republic, and pledges itself to implement the transfer of government to civilians as indicated below in accordance with the Revolutionary pledges and the April 8 Announcement.

(1) Measures shall be immediately taken to withdraw the Amendment Bill to the Amended Constitution now on public notice;

(2) The Presidential elections will be held in mid October 1963, and the National Assembly Elections late in November of the same year;

(3) The Government will ensure re-codification and implementation of election laws to insure honest elections.

(4) The first session of the National Assembly after the General Elections will be called in mid December to inaugurate the Third Republic.

- The End -

7 - 1 - 1	
INDEXED	-



Canadian Embassy - Ambassade du Canada
 JUL 10 1963
 TOKYO

~~Ambassador~~
 Mr. McGill *[Signature]*
 Mr. Dupuis
 Capt. Cogdon *[Signature]*

&
 file
[Signature]

FM WASHDC JUL9/63 SECRET

TO EXTERNAL 2194

INFO LDN

TT TOKYO CCOS OTT FM OTT

BAG CNBRA WLGTN DELHI FM LDN

REF YOURTEL Y263 JUL5

KOREA--USA HELICOPTER INCIDENT

WE SPOKE TO YAGER JUL8 AS INDICATED IN PARA1 YOUR REFTEL. YAGER WAS GRATEFUL FOR OUR EXPRESSION OF HOPE THAT PILOTS WOULD BE RELEASED AND WAS NOT RPT NOT SURPRISED TO LEARN THAT WE DID NOT RPT NOT THINK WE COULD MAKE ANY PRACTICAL CONTRIBUTION TO BRING PRESSURE TO BEAR ON DPRK. ACCORDING TO HIS REMARKS MAIN USA HOPE RESTED ON BRIT AUTHORITIES BEING ABLE TO DO SOMETHING IN HKONG.

2. LATER IN DAY FORSTER OF THE BRIT EMB INDICATED TO US THAT BRIT RESPONSE TO USA REQUEST HAD BEEN RATHER NEGATIVE FOR PRACTICAL REASONS SOMEWHAT SIMILAR TO OUR OWN. VERY FEW NORTHKOREANS PASSED THROUGH HKONG AND SO FAR AS WAS KNOWN VERY LITTLE TRADE EXISTED BETWEEN NORTHKOREANS AND BRITAIN EITHER THROUGH HKONG OR ANY OTHER CHANNELS. FORSTER INDICATED AUSTRALIAN AND NZ RESPONSES HAD ALSO BEEN ALONG THE SAME LINES IE NO RPT NO MEANS OF PROVIDING PRACTICAL PRESSURE.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE



FM: EMB TOKYO	DATE	FILE	SECURITY
	JUL9/63	7-1-1	SECRET CDN EYES ONLY
TO: EXT. OTT	INDEXED		PRECEDENCE
			PRIORITY
INFO: WASHDC			
CCOS			

Ref.: YOURTEL TO WASHDC Y263 OF JUL5/63

Subject: KOREA-USA HELICOPTER INCIDENT

ON BASIS OF CONVERSATIONS I HAD WITH MAJ CR BAKER, FORMER
 CDN LO TO UNC, WHEN HE STOPPED OVER IN TOKYO/^{LATE JUNE} ON RETURN TRIP TO
 CDA, I WOULD AGREE WITH ASSESSMENT IN PARA2 OF REFTTEL THAT
 NORTH KOREANS WILL WISH TO EXPLOIT PROPAGANDA VALUE OF INCIDENT
 TO THE FULL BEFORE RETURNING US PILOTS. IN MY OPINION, PRES-
 SURE TACTICS ON WORLD WIDE BASIS AS ADVOCATED BY US GOVT WOULD
 ONLY TEND TO HARDEN NORTH KOREAN POSITION.

2. I SUGGEST YOU OBTAIN REPORT ON BACKGROUND OF INCIDENT
 FROM BAKER WHO, I BELIEVE, IS NOW ON LEAVE IN OTT. BOWER

LOCAL
DISTRIBUTION

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME J. DUPUIS/bt			<i>[Signature]</i> NAME

July 7-1-1
[Handwritten signature and date in a box]



Refer to:
Tokyo
Canberra
Wellington

~~Ambassador~~
Mr. McGill
~~Mr. [unclear]~~
Mr. Dupuis
Capt. Cogdon
Mr. Spencer
Teakles

Far Eastern/J.M.
July 5/63

and file
[Signature]

FM WASHDC JUL2/63 SECRET
TO EXTERNAL 2134 PRIORITY
INFO LDN EMBPARIS
TT CCOS DELHI FM OTT
TT VIENTIANE FM DELHI
BAG MOSCOW WARSAW SAIGON PHNOMPENH FM LDN
REF OURTEL 2104 JUN28
KOREA--USA HELICOPTER INCIDENT

YAGER, DIR OFFICE EASTASIAN AFFAIRS, TOLD US JUL2 THAT THE JUN29
MTG OF THE MAC WAS QUITE UNSUCCESSFUL AND PRODUCED NO RPT NO BASIS
FOR EXPECTING DPRK ACTION TOWARDS RELEASE OF USA OFFICERS. HE THERE-
FORE REQUESTED THAT WE REGARD CONTINGENT SUGGESTIONS IN PARA 2
OURREFTEL REGARDING PRESSURE ON DPRK TRANSIT AND TRADE AFFAIRS
AS NOW CONSTITUTING A FORMAL REQUEST TO US. WE REITERATED OUR
UNDERSTANDING THAT CDA HAD NO RPT NO RELATIONS IN EITHER OR THESE
TWO FIELDS WHICH NORTHKOREA. YAGER SAID THAT NEVERTHELESS USA AUTHO-
RITIES WOULD BE GRATEFUL AT LEAST FOR OUR MORAL SUPPORT. HE MENTIONED
THAT JAPANESE HAD BEEN APPROACHED JUL1 WITH FORMAL REQUEST FOR
ACTION IN THESE FIELDS AND THAT IT WOULD BE HELPFUL TO CITE OUR
SUPPORT FOR USA POSITION AS WELL AS SUPPORT FROM OTHER GOVTS,
MENTIONED IN OURREFTEL, TO WHOM FORMAL REQUESTS HAD BEEN, OR WOULD
BE MADE. WE SHOULD BE GRATEFUL TO KNOW WHAT FURTHER RESPONSE WE
SHOULD MAKE.

2. YAGER COMMENTED THAT IT WAS NOT RPT NOT INTENDED TO MAKE PUBLIC
USA PLANS FOR BRINGING INTERNATIONAL PRESSURE TO BEAR ON THE DPRK,
AS INDICATED IN OURREFTEL. STATE DEPT PREFERRED TO LET THE LESSON
SINK IN QUIETLY. JAPANESE AND BRIT IN HKONG WOULD, OF
COURSE FOR GEOGRAPHICAL REASONS, BE THE TWO COUNTRIES LIKELY TO BE
MOST DIRECTLY INVOLVED IN ACTUALLY APPLYING PRESSURE. °

Very dangerous
B



7 - 1 - 1	
-	-

FM WASHDC JUN28/63 **SECRET**

TO EXTERNAL 2104 OPIIMMED

INFO LDN PRIORITY PERMISNY

BAG TOKYO CNBRA FM LDN

KOREA-USA HELICOPTER INCIDENT

YAGER DIRECTOR OFFICE EAST ASIAN AFFAIRS, CALLED US IN JUN27 TO EXPRESS SOME VIEWS ON MAY17 INCIDENT IN DMZ INVOLVING LANDING IN DPRK TERRITORY AND SUBSEQUENT DETENTION OF TWO USA ARMY CAPTAINS. YAGER SAID HELICOPTER HAD BEEN MAKING A ROUTINE SURVEY OF DMZ MARKERS AND THAT HELICOPTER HAD CARRIED NEITHER ARMAMENTS NOR CAMERAS. HELICOPTER HAD CLEARLY MADE A FORCED LANDING, THOUGH REASON FOR DOING SO WAS NOT RPT NOT KNOWN. HOWEVER SMALL ARMS FIRE HAD BEEN HEARD AT TIME OF INCIDENT AND YAGER INCLINED TO BELIEF THAT HELICOPTER MAY HAVE BEEN DISABLED, AND THUS FORCED TO LAND, BY GUNFIRE. TWO OCCUPANTS HAD BEEN SEEN WALKING AWAY, ESCORTED BY DPRK MILITARY. SENSITIVE SOURCE HAD INDICATED AT END OF MAY THAT DETAINED OFFICERS WERE STILL LIVING.

2. YAGER SAID THAT IN SIX SUBSEQUENT MTGS IN PANMUNJOM, USA HAD DEMANDED RELEASE OF USA OFFICERS AND NEWS OF THEIR WELFARE. DPRK HAD RESPONDED THUS FAR WITH NOTHING BUT INSULTS AND CHARGES OF USA VIOLATION OF ARMISTICE AGREEMENT, ALTHOUGH, CURIOUSLY ENOUGH, THESE CHARGES HAD BEEN RESTD TO GROUND AND NAVAL VIOLATIONS RATHER THAN AIR. THESE CHARGES WERE BEING INVESTIGATED BY USA SIDE AND PRELIMINARY VIEW OF USA MILITARY WAS THAT THEY WERE UNFOUNDED IN FACT. AT LAST MTG JUN22, IN RESPONSE TO DPRK COMPLAINTS THAT THERE HAD BEEN NO RPT NO QUOTE APOLOGY UNQUOTE FOR INCIDENT, USA REP HAD READ A STATEMENT WHICH INCLUDED LANGUAGE TO EFFECT THAT USA QUOTE HEREBY TENDER FORMAL APOLOGIES FOR THIS INADVERTENT INFRACTION UNQUOTE OF ARMISTICE AGREEMENT. YAGER SAID THAT IN FACT USA HAD MUCH EARLIER EXPRESSED QUOTE REGRET UNQUOTE OVER THE INCIDENT. HOWEVER, IF CONTINUED DETENTION OF OFFICERS COULD BE ENDED.



PAGE TWO2104

BY FORMAL APOLOGY USA HAD BEEN QUITE PREPARED TO COMPLY. DPRK HAD NOW ASKED FOR A MAC MTG ON JUN29 AND IT WAS CONCEIVABLE THAT THEY MIGHT BE PREPARED TO COMPLY WITH USA DEMAND FOR RELEASE.

IF NOT RPT NOT, USA WOULD WISH TO TAKE FURTHER STEPS TO BRING PRESSURE TO BEAR ON DPRK. TWO MAJOR AREAS WHICH STATE DEPT THOUGHT WORTH EXPLORING WOULD BE DENIAL OF DPRK TRANSIT PRIVILEGES AROUND THE WORLD, ESPECIALLY THROUGH HONGKONG (AND BRIT HAD BEEN ASKED TO LOOK INTO THIS); AND ACTION TO SLOW DOWN OR TERMINATE ANY SIGNIFICANT OR IMPORTANT TRADE DEALS BETWEEN DPRK AND FREE WORLD. THIS LAST WOULD NOT RPT NOT BE A COMPLETE EMBARGO, BUT SIMPLY THE APPLICATION OF PRESSURE IN RESPECT OF PARTICULAR DEALS OF KNOWN OR PRESUMED IMPORTANCE TO DPRK. YAGER SAID THAT HE WAS NOT RPT NOT MAKING A FORMAL REQUEST TO US OR TO OTHERS FOR ACTION ON EITHER OR BOTH OF THESE POSSIBILITIES AND WOULD NOT RPT NOT DO SO UNTIL OUTCOME OF JUN29 MAC MTG WAS KNOWN. HOWEVER, HE WANTED US TO BE AWARE OF POSSIBILITY OF A FORMAL REQUEST AND ENQUIRED WHETHER WE HAD ANY TRADE RELATIONS WITH DPRK WHICH MIGHT PROVE USEFUL. WE SAID IT WAS OUR UNDERSTANDING THAT WE HAD NOT RPT NOT, AND THAT IN PARTICULAR WE HAD NOT RPT NOT SUPPLIED ANY CEREALS TO DPRK. YAGER SAID THAT IN ANY EVENT STATE DEPT WOULD BE MOST GRATEFUL FOR ANY SUGGESTIONS THAT WE MIGHT HAVE FOR ACTION BY OURSELVES OR OTHERS IN THIS OR ANY OTHER FIELD.

3. YAGER ALSO SKETCHED OUT OTHER ACTION TAKEN ALREADY BY USA TO ATTEMPT RELEASE OF OFFICERS. ICRC IN GENEVA HAD, AT USA REQUEST, MADE ENQUIRIES OF DPRK AND HAD RECEIVED NO RPT NO REPLY. USSR HAD BEEN ASKED IN MOSCOW TO INTERCEDE FOR RELEASE AND NO RPT NO REPLY HAD BEEN RECEIVED FROM RUSSIANS. A FURTHER APPROACH TO RUSSIANS WAS TO BE MADE AND WOULD BE REINFORCED BY ADDITIONAL APPROACH THROUGH USSR MISSION TO UN. BRIT, AT USA REQUEST, HAD MADE ENQUIRIES IN PEKING. FOREIGN MINISTRY REPLY HAD, TO SAY THE LEAST, BEEN UNSATISFACTORY. MINISTRY OFFICIAL HAD DENIED KNOWLEDGE OF INCIDENT

PAGE THREE 2104

(DESPITE PRESS REPORTS OF IT IN PEKING DAILIES) AND HAD ASSERTED THAT USA SHOULD APPROACH DPRK DIRECTLY. (YAGER SAID THIS, OF COURSE, HAD LONG SINCE BEEN DONE DIRECTLY AT PANMUNJOM). NNSC HAD BEEN ASKED TO INTERCEDE AND HAD DECLINED TO DO SO, ALTHOUGH SWEDISH MEMBER HAD WRITTEN TO SENIOR DPRK REP ON MAC AND HAD NOT RPT NOT RECEIVED A REPLY.

4. YAGER SAID THAT AUSTRALIANS AND NZS, AS WELL AS OURSELVES AND BRIT, WOULD BE GIVEN INFORMAL INDICATIONS OF PRESENT USA THINKING. IT WAS EXPECTED THAT JAPANESE ALSO WOULD BE ASKED TO EXERT ANY INFLUENCE THEY COULD. FINALLY, ALTHOUGH NO RPT NO DECISION HAD YET BEEN TAKEN, STATE DEPT MIGHT ASK UN SEC GEN TO INTEREST HIMSELF IN THE MATTER. FOR ITS PART USA WOULD PROBABLY ACCELERATE AND INTENSIFY ITS NORMAL EFFORTS TO OBSTRUCT DPRK OPERATIONS IN FREE WORLD AREAS.

5. YAGER MENTIONED CRITICAL JUN 27 NY TIMES EDITORIAL CHARGING USA GOVT INACTION. YAGER SAID THAT, AS COULD BE SEEN FROM FOREGOING, USA GOVT HAD BEEN VERY ACTIVE BUT HAD SOUGHT TO KEEP MATTER OUT OF PRESS IN ORDER TO AVOID INVOLVING DPRK FACE AS A POTENTIAL OBSTACLE TO RELEASE. PRESENT APPROACH TO COMWEL COUNTRIES WAS NOT RPT NOT, OF COURSE, IN RESPONSE TO NY TIMES PRESSURE BUT HAD BEEN PLANNED SOME DAYS AGO.

6. WE EXPECT TO HEAR FROM YAGER AGAIN JUL 1 OR 2. IF YOU HAVE ANY COMMENTS OR SUGGESTIONS FOR STATE DEPT, WE SHOULD BE GLAD TO HAVE THESE BY TEL.

File

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

DATE	FILE	SECURITY
APR 11 1963	7-1-1 cc: 6-2-5 INDEXED	CANADIAN EYES ONLY

FM: EMB TOKYO

NUMBER	PRECEDENCE
141	OPIMMEDIA TE

TO: EXT OTT

INFO: TT CCOS DMI PERMISNY WASDC LDN EMBPARIS NATOPARIS
 OPIMMED FM OTT
 BAG KARACHI DELHI COLOMBO KLUMPUR JAKARTA WLGTN CNBRA
 FM LDN

Ref: OURTEL 106 OF MAR 22/63
Subject: SOUTH KOREA - JAPANESE VIEWS

- WE OBTAINED FIRST-HAND IMPRESSIONS ON CURRENT DEVELOPMENTS IN KOREA FROM TOSHIKAZU MAEDA, CHIEF OF KOREAN SECTION IN FOREIGN MINISTRY, WHO RETURNED A WEEK AGO FROM OFFICIAL 3-WEEK TOUR OF ROK. DURING HIS TRIP, MAEDA, WHO SPEAKS KOREAN AND HAS SPECIALIZED IN KOREAN AFFAIRS, HAD CONVERSATIONS IN SEOUL WITH KOREAN OFFICIALS, MEMBERS OF BUSINESS COMMUNITY, FOREIGN DIPLOMATIC REPS AND ALSO VISITED FOUR OTHER KOREAN CITIES AND SOME RURAL AREAS.
- MAEDA, WHO PAINTED A VERY DARK PICTURE OF CURRENT SITUATION IN ROK, SUMMED UP HIS OBSERVATIONS BY SAYING THAT HE HAD FOUND THE COUNTRY IN STATE OF ECONOMIC STAGNATION AND POLITICAL CONFUSION. BUSINESS APPEARED TO BE MORE OR LESS AT A STANDSTILL WITH INDUSTRY FUNCTIONING AT ONLY PERCENTAGE OF POTENTIAL CAPACITY. ALTHOUGH HE SAW NO SIGNS OF FAMINE OR EXTREME POVERTY IN RURAL AREAS, THERE WAS OBVIOUS EVIDENCE OF LARGE-SCALE

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ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME..... Dupuis/ja.....			SIG..... NAME.....

2.

UNEMPLOYMENT IN CITIES. SPIRALING INFLATION IS FAVOURITE TOPIC OF CONVERSATION THROUGHOUT COUNTRY AND MAEDA SAID GENERAL ECONOMIC SITUATION IS EXPECTED TO WORSEN MAINLY BECAUSE MEAGRE WINTER BARLEY HARVEST MAY NOT BE SUFFICIENT TO COMPENSATE FOR POOR RICE CROP LAST YEAR.

3. IN POLITICAL FIELD MAEDA GAINED IMPRESSION THAT KOREAN PUBLIC AT LARGE, WHICH HAS BECOME USED TO INTERNAL CRISES, APPEAR GENERALLY APATHETIC TO CURRENT POWER STRUGGLE BETWEEN MILITARY REGIME AND POLITICIANS. HE FOUND LITTLE SYMPATHY ANYWHERE FOR GEN. PARK'S GOVT WHICH SEEMS TO HAVE LOST GREAT DEAL OF PRESTIGE AS RESULT OF ECONOMIC MISMANAGEMENT, SCANDALS AND POLITICAL VACILLATION. MAEDA SAID ON THE OTHER HAND THAT MOST KOREANS HE SPOKE TO APPEARED ATTACHED TO IDEAL OF DEMOCRACY ALTHOUGH THEY HAD NO FAITH WHATSOEVER IN POLITICIANS' ABILITY TO ESTABLISH ANY VIABLE DEMOCRATIC GOVT. HE FOUND THIS FEELING PARTICULARLY PREVALENT AMONG STUDENTS WHO OBJECT TO EXTENSION OF MILITARY RULE AS PROPOSED BY PARK IN HIS MAR 16 STATEMENT, BUT ALSO CLAMOUR FOR WITHDRAWAL FROM PUBLIC LIFE OF OLD DISCREDITED POLITICIANS.

4. MAEDA SAID HE FOUND FOREIGN OBSERVERS VERY RELUCTANT TO MAKE ANY PREDICTION CONCERNING OUTCOME OF CURRENT KOREAN CRISIS. THERE SEEMED TO BE GENERAL AGREEMENT AMONG DIPLOMATIC REPRESENTATIVES, HOWEVER, THAT IT WOULD BE DIFFICULT FOR MILITARY REGIME TO REMAIN IN POWER VERY LONG FOLLOWING GEN. PARK'S RETRACTION ON MAR 19 OF HIS PROPOSAL TO EXTEND MILITARY RULE FOR 4-YEAR PERIOD. JAPANESE FOREIGN MINISTRY BELIEVES THAT FUTURE HAS BECOME EVEN MORE UNCERTAIN AS RESULT OF GEN. PARK'S OFFER ON APR 8 TO PUT OFF UNTIL SEPT REFERENDUM ON EXTENSION OF MILITARY RULE. PARK ALSO IMPLIED IN SAME STATEMENT THAT PARLIAMENTARY ELECTIONS MIGHT BE HELD INSTEAD OF REFERENDUM IN SEPT IF POLITICAL SITUATION PERMITS. JAPANESE FEAR THAT CURRENT CONFUSION MIGHT LEAD TO COMPLETE DISORDER IN NEXT FEW MONTHS WITH DISTINCT POSSIBILITY THAT JUNIOR OFFICERS IN ARMED FORCES MAY BECOME RESTLESS AND STEP IN TO ESTABLISH A RADICAL MILITARY DICTATORSHIP.

5. FROM CONVERSATION WITH MAEDA AND PREVIOUS TALKS WITH OTHER JAPANESE OFFICIALS, WE HAVE GAINED IMPRESSION THAT JAPANESE ARE SATISFIED WITH US GOVT'S HANDLING OF KOREAN SITUATION. IN FACT, SENTIMENT OF BITTERNESS HAS CREPT INTO PUBLIC JAPANESE PRONOUNCEMENT

.3.

OF SUBJECT, AND P.M. IKEDA IMPLIED IN RECENT SPEECH THAT JAPAN WOULD HAVE WELCOMED SOME EXTENSION IN LIFE OF MILITARY REGIME. JAPANESE INTEREST, OF COURSE, WOULD HAVE BEEN TO CONCLUDE WITH PARK'S GOVT FINAL SETTLEMENT OF LONG-STANDING BILATERAL DISPUTES WITH SOUTH KOREA. SINCE RESUMPTION OF POLITICAL ACTIVITIES IN KOREA LAST JAN, NEGOTIATIONS HAVE BEEN COMPLETELY UNPRODUCTIVE AND JAPANESE ARE EVEN LESS HOPEFUL OF ACHIEVING AGREEMENT WITH ANY GROUP OF KOREAN POLITICIANS WHO DID THEIR BEST IN PAST TO EXPLOIT ANTI-JAPANESE SENTIMENT IN KOREA IN ORDER TO DIVERT PUBLIC ATTENTION FROM THEIR OWN INABILITY TO GOVERN. JAPANESE BELIEVE THAT A PROLONGATION OF MILITARY RULE IN KOREA, EVEN FOR A SHORT TIME, MIGHT HAVE MADE POSSIBLE INJECTION OF JAPANESE AID WHICH WOULD HAVE ASSISTED IN LAYING SOLID ECONOMIC FOUNDATION FOR RETURN TO DEMOCRATIC INSTITUTIONS.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

FM: EMB TOKYO	DATE	FILE	SECURITY
	JUN26/63	7-1-1	CONFD
TO: EXT OTT	INDEXED		
		NUMBER	PRECEDENCE
		245	ROUTINE
INFO: T&C-OTT			
PERMISNY/WASHDC/LDN/PARISEMB/			
BAG FM LDN: KARACHI/NDELHI/COLOMBO/KLUMPUR/			
DJAKARTA/WELLINGTON/CABNERRA			

Ref.:

Subject: DEVELOPMENTS IN SOUTH KOREA

FOLLOWING IS SUMMARY OF GENERAL IMPRESSIONS WHICH DUPUIS AND BLACKWOOD FORMED ABOUT POLITICAL AND ECONOMIC CONDITIONS IN SOUTH KOREA DURING RECENT TRIP.

2. IN OPINION OF MOST FOREIGN OBSERVERS IN SEOUL POLITICAL ATMOSPHERE IS NOW MUCH CALMER THAN IT WAS DURING FIRST THREE MONTHS OF YEAR WHEN COUNTRY WAS ROCKED BY WORST INTERNAL CRISIS SINCE MILITARY REVOLUTION OF MAY1961. CHAOTIC SITUATION IN RECENT MONTHS WAS NOT SO MUCH RESULT OF PRESSURE BY POLITICIANS FOR RESTORATION OF DEMOCRATIC INSTITUTIONS AS IT WAS REFLECTION OF A POWER STRUGGLE AMONG FACTIONS OF MILITARY REGIME FOR CONTROL OF PARTY THROUGH WHICH JUNTA HOPED TO PERPETUATE ITS RULE FOLLOWING NATIONAL ELECTIONS SCHEDULED FOR LATTER PART OF 1963. OUTCOME OF RECENT UPHEAVALS SEEMS TO HAVE BEEN EMERGENCE OF MORE MODERATE REGIME DOMINATED BY GEN. PARK AND OFFICERS OF GENERAL

LOCAL DISTRIBUTION

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG.....			ORIGINAL SIGNED BY
NAME J. DUPUIS/bt			R. P. BOWER
			NAME.....

- 2 -

RANK WHO ARE ABLE TO CONTAIN AMBITIONS OF RADICAL GROUP OF YOUNG OFFICERS. ORIENTATION OF REGIME APPEARS TO HAVE CHANGED FOR THE BETTER IN RECENT MONTHS, PARTLY AS RESULT OF EXPERIENCE GAINED BY GOVT FROM ECONOMIC MISTAKES AND POLITICAL AGITATION AND ALSO BECAUSE OF DEPARTURE FROM POLITICAL SCENE OF SUCH CONTROVERSIAL FIGURES AS KIM CHONG PIL, FORMER HEAD OF CENTRAL INTELLIGENCE AGENCY WHO REMAINS IN EXILE. EMBASSY OFFICERS FOUND THAT DOMINANT POLITICAL FIGURES LIKE GEN. YOO YANG SOO, WHO HAD SPOKEN TO US LAST YEAR WITH MISSIONARY FERVOUR OF NECESSITY TO CHANGE EVERYTHING AND EVERYBODY IN KOREA, ARE NOW PREPARED TO ADMIT THAT MILITARY GOVT HAS MADE SERIOUS MISTAKES AND TO AGREE THAT THEY MUST CONCENTRATE ON PRACTICAL TASK OF STABILIZING POLITICAL AND ECONOMIC SITUATION.

3. OFFICERS GAINED DEFINITE IMPRESSION, WHICH IS BORNE OUT BY ASSESSMENT OF DIPLOMATIC REPRESENTATIVES IN SEOUL, THAT MEMBERS OF MILITARY REGIME ARE SINCERE IN THEIR EXPRESSED DESIRE TO RE-ESTABLISH SOME FORM OF DEMOCRATIC INSTITUTIONS IN SOUTH KOREA THIS YEAR. AT SAME TIME GEN. PARK, MEMBERS OF HIS REGIME AND A GREAT MAJORITY OF ARMED FORCES ARE CONVINCED THAT ONLY MILITARY MEN WILL HAVE COURAGE AND STRENGTH TO PRESERVE ACHIEVEMENTS AND ATTAIN OBJECTIVES OF THE 1961 REVOLUTION. THERE SEEMS TO BE LITTLE DOUBT THAT GEN. PARK HIMSELF WILL RECEIVE MAJORITY OF VOTES IN PRESIDENTIAL ELECTIONS WHICH WILL PROBABLY BE HELD IN OCT OR NOV. HOWEVER THE GREATEST DIFFICULTY FOR GEN. PARK WILL BE TO OBTAIN SUPPORT OF A UNITED MAJORITY PARTY IN NATIONAL ASSEMBLY FOR WHICH ELECTIONS WILL BE HELD SUBSEQUENTLY. SUPPORTERS OF MILITARY REGIME HAVE ALREADY DIVIDED THEIR ALLEGIANCE BETWEEN THE DEMOCRATIC REPUBLICAN PARTY AND THE PAN NATIONAL PARTY WHICH ARE COMPETING FOR GEN. PARK'S FAVOURS AND BOTH WANT HIM AS THEIR PRESIDENTIAL CANDIDATE. THIS FACTIONAL STRIFE MAY CONSTITUTE AN IRRESISTIBLE TEMPTATION FOR SOME MILITARY ELEMENTS TO RIG ELECTIONS IN FAVOUR OF THEIR OWN CAUSE AND COULD CONSIDERABLY REDUCE CHANCES OF ANY PARTY SUPPORTING PARK GAINING MAJORITY IN ASSEMBLY.

- 3 -

4. IT APPEARS TO BE FOREGONE CONCLUSION THAT WHATEVER THE COMPOSITION OF NATIONAL ASSEMBLY OUR WILL REMAIN ALMOST ENTIRELY IN HANDS OF GEN. PARK AND GROUP OF CLOSE ADVISERS RECRUITED AMONG LEADING ELEMENTS OF JUNTA. IN OPINION OF DIPLOMATIC REPRESENTATIVES IN SEOUL, INCLUDING BRITISH AMBASSADOR, THIS POLITICAL SYSTEM IS PERHAPS THE MOST ADVANCED FORM OF DEMOCRACY WHICH SOUTH KOREA CAN AFFORD FOR SOME TIME TO COME. ALL AGREE THAT NO CONFIDENCE WHATSOEVER CAN BE PLACED IN ABILITY OF CIVILIAN POLITICIANS TO PROVIDE SOUTH KOREA WITH STABLE AND COMPETENT LEADERSHIP. AS MANY AS 19 POLITICAL PARTIES HAVE BEEN RE-GROUPING SINCE MILITARY GOVT ALLOWED RESUMPTION OF POLITICAL ACTIVITIES AT TURN OF THIS YEAR. ONLY THREE SEEM TO HAVE ANY SIGNIFICANT FOLLOWING AND ALL REMAIN HOPELESSLY DIVIDED AND HAVE BEEN INFILTRATED BY DISCREDITED POLITICIANS WHO FORMED CORE OF PREVIOUS CORRUPT REGIMES.

5. IN ECONOMIC FIELD MILITARY GOVT IS CONCENTRATING EFFORTS ON PRESSING PROBLEMS OF SPIRALLING INFLATION AND FOREIGN EXCHANGE CRISIS. KOREAN AUTHORITIES HAVE IMPOSED RESTRICTIONS ON CREDIT, AND ALSO RELEASED STOCKS OF RICE AND OBTAINED ADDITIONAL US AGRICULTURAL PRODUCTS VALUED AT NEARLY \$20 MILLION (UNDER P.L. 480 ARRANGEMENTS) TO ALLEVIATE FOOD SHORTAGE WHICH WAS MAIN CAUSE OF PRICE INCREASES. THERE IS ALSO HOPE THAT MEASURES TAKEN TO REPLENISH FOREIGN EXCHANGE RESERVES MAY SOON BEGIN TO SHOW RESULTS. GOVT HAS LAUNCHED AN EXPORT DRIVE WHICH GIVES GROUND FOR HOPE THAT EXPORT TARGET OF \$72 MILLION FOR 1963 MAY BE SURPASSED. SALES OF KOREAN PRODUCTS TO UN FORCES WHICH AMOUNTED IN 1962 TO \$86 MILLION ARE ALSO INCREASING. IN LONG RUN GOVT INTENDS TO CURTAIL ITS FOREIGN EXCHANGE SPENDING BY SCALING DOWN 5-YEAR ECONOMIC PLAN. US OFFICIALS ARE PARTICULARLY ENCOURAGED BY POLICIES OF ECONOMIC STABILIZATION PURSUED BY KOREAN GOVT. THEY POINTED OUT TO EMB OFFICERS THAT SUCCESS OF RECENT ECONOMIC MEASURES WAS ALREADY REFLECTED IN BRISKER BUSINESS ACTIVITIES AND CITED AS AN ILLUSTRATION THAT INDUSTRIAL PRODUCTION IS SAID BY KOREANS TO HAVE REACHED RECORD FIGURES IN PAST TWO MONTHS.

- 4 -

6. WITH RECENT IMPROVEMENT IN POLITICAL AND ECONOMIC CONDITIONS IN KOREA, PROSPECT OF A RELATIVELY PEACEFUL TRANSITION TO SOME FORM OF DEMOCRACY NOW APPEARS TO BE SOMEWHAT BRIGHTER. IN A LONG-TERM PERSPECTIVE, HOWEVER, DEVELOPMENT OF A SELF-SUSTAINING ECONOMY AND GROWTH OF STABLE DEMOCRATIC INSTITUTIONS REMAIN LONG-TERM OBJECTIVES WHICH CAN ONLY BE ACHIEVED AFTER A LENGTHY SOCIAL AND ECONOMIC EVOLUTION. SOUTH KOREA IS POOR IN NATURAL RESOURCES AND MOST OF ITS POPULATION STILL LIVES AT SUBSISTENCE LEVEL. A MORE SIGNIFICANT FACTOR IS THAT, IN SPITE OF SUCH ASSETS AS A HIGH LITERACY RATE, THERE APPEARS TO BE IN KOREA A GENERAL, IF PASSIVE, RESISTANCE TO PROGRESS. NO UNIFYING FORCE SEEMS TO BE PRESENT WHICH WOULD GIVE KOREAN SOCIETY SOME COHESION AND DISCIPLINE. EVEN NATIONALISM WHICH IS CLEARLY NOTICEABLE SEEMS TO EXPRESS ITSELF IN A NEGATIVE WAY THROUGH VAGUE ANTI-COMMUNIST SLOGANS OR ANTI-JAPANESE FEELINGS. IN GENERAL, EMB OFFICERS GATHERED IMPRESSION THAT SOUTH KOREA WILL REMAIN A PROBLEM CHILD FOR WESTERN COUNTRIES FOR SOME YEARS TO COME.

KOREAN MISSION IN JAPAN

AR DEPUIS

April 9, 1963

Fed
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PRESS RELEASE

Following is the full text of the declaration by General Chung Hee Park, Chairman of SCNR and acting as president of Republic of Korea, on April 8, 1963.

DECLARATION

The Government allowed the freedom of political activities beginning Jan. 1 this year with the object of giving birth to a new, responsible and competent civil government which would inherit the spirit and ideal of the May 16 Revolution. After a lapse of barely three months following the resumption of political activities, however, we find the political situation today again precipitated into a state of tension and confusion, bringing consternation and uneasiness to the innocent people. The political confusion dealt a severe and immediate blow to the national economy as a whole, and the people, now facing an extreme spring famine, as a result of the unprecedentedly severe crop failure of the past year, are worried about tomorrow's living. Such a series of political and economic uncertainties has caused a temporary blank in the functions of the Government whose duty it is to maintain order and promote the public welfare and on this score I give my sincerest apology to the people. I believe, however, the politicians ought also to awaken to the fact that at least part of the blame lies with themselves. While this country does not exist for the exclusive benefit of the Revolutionary Government, neither is it a monopoly of the former politicians. Now that things have come to this pass, not only the Government's program of carrying out a constitutional reform of the body politique but also the normal pattern of democracy, advocated by the former politicians, have been reduced to "a fire on the other shore" to the general public. Statesmanship is to be accompanied by responsibility. This being so, I believe that all persons engaged in politics should, without hesitation, yield ground even on what they have held as their golden tenets and irrevocable principles, and before turning their attention to the question of changeover of government, join all their forces to carry out the difficult tasks of ameliorating the people's hardship.

Now, it is the intention of the Government to carry out the following measures with the view of first securing political stability, solving the urgent question of bettering the people's living conditions and positively responding to the people's wishes; and it is hoped that the people will fully understand the Government's sincere intentions in this regard and render whole-hearted cooperation.

Emergency Measures:

- 1) The national referendum for a constitutional amendment as proposed in the March 16 Declaration will be suspended until the end of September.
- 2) The Government will meet with the representatives of political parties during September to make a comprehensive study of the general political situation, and to decide by consultation whether to carry out a national referendum for a constitutional amendment as notified in public, or hold presidential and national assembly elections under the amended constitution.
- 3) In the meantime, the Government will strengthen its administrative functions and do its best to improve the people's living conditions.

- 2 -

- 4) Political activities will be allowed again. During this period, all political parties are encouraged to carry out a reorganization and readjustment of the body politique, execute a constitutional improvement and purification of the political circles and create a fresh political climate, so as to consolidate a sound basis for the transfer of power to civilians. (The Provisional Measures Law For Settlement of Emergency Situation is repealed.)

Note: This is an unofficial translation.

7-1-1	
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CONFIDENTIAL

FROM SEOUL TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Mr. Godfrey
No. 106
April 9, 1963

D. 7.48 a.m. April 9, 1963
R. 2.27 p.m. April 9, 1963

PRIORITY
CONFIDENTIAL

Addressed to Foreign Office telegram No. 106 of April 9.

Repeated for information to Washington	Singapore
Tokyo	Hong Kong

My immediately preceding telegram: Internal Situation.

General Pak's statement amounts to little more than a postponement of a decision on the continuation of military rule.

2. The Prime Minister told me last night that the decision in September whether to hold a referendum or elections would depend on the situation then and one factor would be the extent to which "tainted" politicians had withdrawn. He admitted that the interval would be used to organize a Government party, and hinted that it might be based on DRP. He professed not to know whether General Pak would be a candidate for the Presidency but S.C.N.R. spokesman in replying to questions from reporters did not rule out the possibility and there seems to be a general impression that he will.

3. The Prime Minister said to me that his belief was that there would be elections early in November. Meanwhile there would be no restriction on political activity and even criticism of the existence of the régime itself would be permitted.

4. The Prime Minister claimed that eight out of fourteen politicians consulted by the Government before the statement was issued approved of it, and he thought Huh Chung (despite his lukewarm public reaction vide my immediately preceding telegram) would accept it. He seemed also to hope that the Americans would not object publicly.

5. The main reasons for this decision are presumably the strength of the opposition from the old politicians and the /fear

CONFIDENTIAL

CONFIDENTIAL

Seoul telegram No. 106 to Foreign Office

- 2 -

fear that the referendum might result unfavourably, coupled with American pressure for the civilian Government. It seems probable that the régime's intention is to give itself time to build up political strength behind General Pak in order to ensure that in any future régime the military retain their influence. The Prime Minister's reference to "tainted" politicians suggests that there has been no real change in the attitude towards them since the political purification law of 1962. It is no doubt also hoped that with more time available and without having a fixed date to work to, the old politicians will find it difficult to retain their present limited cohesion and there will be time for attempts to weaken them.

Foreign Office pass Washington 36, Tokyo 66, Singapore 35, Hong Kong 38.

[Repeated as requested to Foreign Service posts.

Copy passed to Telegraph Section, C.O. for repetition to Hong Kong.]

XXXXX

CONFIDENTIAL



FILE: 7-1-1

FROM SEOUL TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Mr. Godfrey

- Ambassador
- Mr. ~~McGill~~ *am*
- Mr. ~~Bischoff~~
- Mr. ~~Dupuis~~
- Capt. ~~Gordon~~
- Mr. ~~Spencer~~
- Mr. ~~Bild~~

No. 105

D. 4.30 a.m. April 9, 1963

April 9, 1963

R. 9.34 a.m. April 9, 1963

PRIOPITY

Addressed to Foreign Office telegram No. 105 of April 9,

and file
am

Repeated for information to : Washington
Tokyo
Singapore
Hong Kong.

My telegram No. 101: Internal Situation.

Presidential spokesman Lee Hu Rak announced yesterday afternoon General Pak's decision to,

- (a) postpone the holding of a referendum at least until September 1963;
- (b) review the situation with political leaders in September to decide whether to hold either a referendum or presidential and assembly elections;
- (c) permit the resumption of political activities in order to bring about "a new political atmosphere" for the transference of power (the March 16 emergency measures banning political activities were repelled yesterday); and
- (d) strengthen the Government's administrative functions and make the utmost effort to solve pressing economic problems.

2. No firm date for a transfer of power to civilian hands was mentioned and General Pak did not comment on his own political future.

3. In a strongly-worded statement, Yun Posun criticised these proposals as lacking sincerity, accused General Pak of attempting to disguise the prolongation of military rule, and warned that the general insistence on withdrawal of the "old generation" of politicians would lead to disorder.

/Huh Chung,

Seoul telegram No. 105 to Foreign Office

- 2 -

Huh Chung, although approving the decision to defer the referendum, reiterated the recent opposition proposal for a transfer of power to civilians by December 26. Reactions from other leading politicians were mixed. Only Kim Dong Hwan, Secretary General of the D.R.P. welcomed the announcement unreservedly.

4. 76 Minjong and Shinjong supporters detained after last week's demonstrations were released late last night.

Foreign Office please pass to Washington as my telegram No. 35.

[Repeated to Washington]

SSSSS

Embassy - Ambassade du Canada
MAY 8 1963
TORONTO

7-1-1
NEW YORK TIMES

Subject: _____
Date: APR - 8 1963 Publication: _____

Test of Nerves in Seoul

U. S. Firmness in Crisis Over Election Brings Victory and Diplomatic Prestige

By A. M. ROSENTHAL
Special to The New York Times

SEOUL, South Korea, April 6 — The prestige and word of the United States have been put to a grinding test in South Korea in the last three weeks by day-to-day crisis and almost hour-to-hour pressure. The crisis is inherent in the splintered political life of Korea and in the fears and suspicions between political leaders and military men. And so the crisis will continue in South Korea for months, perhaps years. But as far as the United States diplomacy is concerned, it has emerged from this stage of the crisis with a sort of blunted respect from South Koreans for its determination — from those who eagerly backed United States pressures on the military regime and even from officers who were vehemently opposed to it.

It has been impossible, these last three weeks, to separate the story of the Korean domestic crisis from the story of United States diplomacy. One acted and reacted upon the other and the great power and the small power could not escape from their mutual involvement.

Election Gets Go Ahead

The specific political situation at the moment in Seoul is this:

Gen. Chung Hee Park, head of the junta that swept to power by a coup d'état in May, 1961, has taken a decision to permit elections for a civilian government to be held this year, instead of pushing on with his plan for a referendum to continue military government.

It is now to be seen whether General Park and the generals and admirals who support him can make this decision stick against the opposition of some younger officers who believe civilian rule would be a disaster for their country and for their careers. The United States believes General Park has enough strength to carry out the decision. In Seoul, however, nobody bets on politics because from day to day allegiances and power alignments shift.

A great deal has been at stake in South Korea for the last few weeks — men's futures, South Korea's political destiny, and the prestige of the United States.

Opposition Was Expected

In mid-March, when the military junta decided to renege on its promises to hold elections this spring and to try to extend military rule for four years, it knew quite well that it would run into opposition from the United States.

General Park had given his word to the Korean public and officially to President Kennedy

in a 1961 agreement that 1963 would be the year of transition to civilian government.

The junta took the calculated gamble that the United States would complain loudly, but that if would in the end bow to a fait accompli lest chaos be created in a country facing a Communist enemy.

Many South Koreans who oppose the government were also skeptical about how much help they could count on from the United States.

For more than a week the United States said nothing. The military was heartened and civilian politicians began to worry more and more. Both sides felt that the economic and military aid given to Seoul by the United States made Washington the deciding factor. The United States Embassy, headed by Ambassador Samuel D. Berger — "Silent Sam" as the Korean press calls him — remained silent and the State Department did, too.

But all day and late into the night embassy officers worked, trying vainly to convince the military that Washington could not accept an imposed decision. At the same time they worked out tactics and timing with the State Department and the White House.

Awareness of Dangers

When it came, the State Department's announcement that the United States believed continuation of a military government contributed to South Korea's instability seemed plain enough. But junta leaders seemed convinced that the United States was bluffing.

As the days passed and the United States kept repeating its opposition and kept calling for an agreement between both sides, the South Korean Government began applying pressures of its own.

These took the form of repeated warnings that unless the United States relaxed its stand, the government would collapse, or that rebellious officers would take to arms, or that anti-American demonstrations, would take place, or that Communist agents would be able to capitalize on the situation.

None of these warnings was ignored or dismissed. In a country where 50,000 United States soldiers are stationed and depend on the reliability of the 600,000-man South Korean army for their safety, the dangers were a matter of agonizing importance, and they still are.

What took place then between the United States and South Korea — and to some extent is still taking place — was a test of nerves and of judgment.

That's not the way we heard it.

Refer: _____
U.S.A. Div.
Tokyo
File 8254-40
10497-40

APR 11 1963
M. H. GILLMAN
D. J. ADAMS
CPT. COOPER
+ file

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1
2
3
4
5
6
7
8
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DUPLICATE

FILE	7 - 1 - 1
INDEXED	-

Original on 8-7-3-1

*File
MP*

FM PERMISNY APR5/63 CONF
 TO EXTERNAL 452 PRIORITY
 INFO WASHDC CONGENNY
 TT TOKYO FM OTT
 TANDC BOFC PCO AGRIC FM OTT
REF WASHDC TEL 992 APR4

COLOMBO PLAN: POSSIBLE KOREAN REQUEST FOR COMMODITY ASSISTANCE

AS A FOOTNOTE TO WASHDC REFTEL WE SHOULD REPORT THAT DR WOOSAN CHOI
 NEW COUNSELLOR OF KOREAN PERMIS (AND CHARGE D'AFFAIRES UNTIL RETURN
 OF KOREAN AMB NEXT WEEK FROM VISIT TO AFRICA) CALLED ON US YESTERDAY.

2. CHOI HINTED AT KOREAN INTEREST IN POSSIBLE COLOMBO PLAN ASSISTANCE
 FROM CDA BUT ONLY IN VERY GENERAL TERMS. HE ALSO ASKED ABOUT FEAS-
 IBIITY OF ADDING NAMES OF KOREAN PERMIS OFFICERS TO THAT OF KOREAN
 AMB ON OTT DIPLO LIST. ON THIS LATTER POINT WE SUGGESTED THAT IF
 KOREAN AMB WISHED TO PURSUE IT HE SHOULD GET IN TOUCH WITH CHIEF OF
 PROTOCOL IN OTT.

3. IF KOREAN PERMIS REQUESTS US TO DO SO WE ARE OF COURSE PREPARED
 TO ACT AS A POST OFFICE IN TRANSMITTING CORRESPONDENCE TO CDN
 AUTHORITIES RE COLOMBO PLAN. WE WILL HOWEVER ALSO SUGGEST THAT IT
 MIGHT BE MORE ADVANTAGEOUS IF THEY WERE TO AVAIL THEMSELVES OF
 THEIR ACCREDITATION IN OTT AND DEAL DIRECTLY WITH CDN AUTHORITIES
 THERE.

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~~TT~~ WASHDC APR4/63 CONF

TO EXTERNAL 992 OPIMMED
IN. PERMISNY TANDC OTT OPIMMED
TT TOKYO OPIMMED FM OTT
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OPIMMED FM OTT

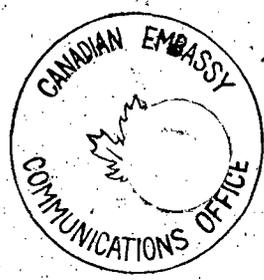
COLOMBO PLAN: POSSIBLE KOREAN REQUEST FOR COMMODITY ASSISTANCE

YIEJOON CHANG, ECONOMIC ATTACHE AND KIM OF KOREAN EMB CALLED ON US THIS AFTERNOON ON INSTRUCTIONS TO ENQUIRE ABOUT THE POSSIBILITY OF OBTAINING COMMODITY ASSISTANCE FROM CDA UNDER THE COLOMBO PLAN. ALTHOUGH INITIALLY THEY SPOKE IN GENERAL TERMS IT SOON TRANSPIRED THAT THEY WERE REALLY INTERESTED IN POSSIBILITY OF OBTAINING BARLEY UNDER THE COLOMBO PLAN.

2. WE EMPHASIZED THAT THE CDN GOVT COULD NOT RPT NOT FORMALLY CONSIDER THIS MATTER UNTIL AN OFFICIAL REQUEST HAD BEEN RECEIVED FROM THE KOREAN GOVT AND THAT ANY SUCH REQUEST WOULD REQUIRE A DECISION IN PRINCIPLE BY CDN GOVT ON WHETHER OR NOT RPT NOT TO GRANT COMMODITY ASSISTANCE TO KOREA. THIS DECISION WOULD BE TAKEN ON THE MERITS OF THE CASE AND IN THE LIGHT OF THE MANY AND VARIED CONSIDERATIONS INVOLVED.

3. WE OUTLINED THE PROCEDURES NORMALLY FOLLOWED BY COLOMBO PLAN MEMBERS REQUESTING CDN COMMODITY ASSISTANCE AND POINTED OUT THE PROBABILITY THAT ALL COLOMBO PLAN FUNDS AVAILABLE IN FISCAL YEAR 1963/64 WOULD ALREADY HAVE BEEN ALLOCATED. WE MENTIONED ALSO THAT RECIPIENT COUNTRIES FINANCE THE OCEAN SHIPPING CHARGES ON COMMODITIES AND NORMALLY ARE EXPECTED TO SET UP IN LOCAL CURRENCY COUNTERPART FUNDS EQUIVALENT TO THE CDN DOLLAR COST OF THE GRANT. WE SUGGESTED THAT NEXT STEP SHOULD BE FOR KOREAN GOVT IN THE LIGHT OF THIS INFO TO DECIDE WHETHER THEY WISHED TO SUBMIT A FORMAL REQUEST FOR ASSISTANCE. WE GATHERED THAT IF SUCH A DECISION WERE TAKEN THE FORMAL APPROACH PROBABLY WOULD BE THROUGH PERMISNY, WITH A SUPPLEMENTAL APPROACH IN WASHDC.

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FILE: 7-1-1 INDEXED -

- Amassador
Mr. [redacted]
Mr. Bissonnet
Mr. Dupuis
Capt. Cogson
Mr. Spencer
Mr. Bida

Austerity!

and file

FM WASHDC APR4/63 UNCLAS
TO EXTERNAL 985 PRIORITY
INFO TT TOKYO LDN EMBPARIS NATOPARIS CCOS OTT FM OTT
TT DMI FM CCOS
PERMISNY
AIRMAIL KARACHI DELHI COLOMBO KLUMPUR JAKARTA WLGTN CNBRA
REF OURTEL 951 MAR30

KOREA

ASKED AT HIS NEWS CONFERENCE APR3 HOW HE FELT ABOUT CONTINUATION OF MILITARY RULE IN KOREA PRESIDENT REPLIED:QUOTE: AS YOU KNOW,THE CONVERSATIONS HAVE BEEN GOING ON BETWEEN THE MILITARY GROUP AND THE CIVILIAN OPPOSITION.IT IS OUR HOPE THAT A SITUATION WILL DEVELOP WHICH WILL PERMIT THE BLOSSOMING OF DEMOCRATIC RULE--RESPONSIBLE AND STABLE DEMOCRATIC RULE IN SOUTH KOREA.THESE CONVERSATIONS HAVE NOT RPT NOT FINISHED.USA GOVT FEELS THAT THIS IS A FINALLY--IN THE THE FINAL SENSE--A DECISION FOR THE PEOPLE OF SOUH KOREA.WE INDICATED WHAT OUR HOPES ARE. BUT THIS IS A JUDGMENT WHICH THE PEOPLE OF SOUTH KOREA MUST MAKE AND THE RESPONSIBLE OFFICIALS. IN SOUTH KOREA.IN ANY CASE IT IS OUR HOPE THAT AN ACCORD WILL BE REACHED BETWEEN THE MILITARY GROUP-- ITS CHAIRMAN AND THE CIVILIANS--SO THAT WE WILL SEE IN THE FUTURE AN EMERGING PATTERN OF DEMOCRATIC RULE.BUT AS OF TODAY THE SITUATION IS NOT RPT NOT CLEAR.UNQUOTE.

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FILE:
7 - 1 - 1
INDEXED
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FM WASHDC MAR30/63 CONF.
 TO EXTERNAL 951 OPIMMED
 INFO LDN EMBPARIS NATOPARIS PERMISNY
 TT TOKYO PRIORITY CCOS FM OTT
 TT DMI FM CCOS
 BAG KARACHI DELHI COLOMBO KLUMPUR JAKARTA DELHI COLOMBO KLUMPUR
 WLGTN CNBRA FM LDN

- ~~Mr. McGinnis~~ *FM*
- ~~Mr. Bissonnet~~
- ~~Mr. Dupuis~~
- ~~Mr. Goggin~~
- ~~Mr. Spencer~~
- ~~Mr. Bild~~

and file

RLS

KOREA

ON MAR29 BACON DEPUTY DIRECTOR EASTASIAN AFFAIRS OFFICE ASKED US TO COME IN FOR REVIEW OF LATEST MAJOR DEVELOPMENTS. THESE WERE:

(A) ON MAR18 POLITICAL LEADERS HAD MADE STRONG REPRESENTATIONS TO GEN PARK WITH RESULTS OUTLINED IN TOKYO TEL106 MAR22. POLITICAL LEADERS HAD PROPOSED THAT THEY WOULD WITHDRAW FROM POLITICS IF PARK WOULD DO THE SAME. PARK SAID HE WOULD CONSIDER BUT WOULD NOT RPT NOT REPLY BEFORE END OF MAR.

(B) ON MAR22 PARK AND SEPARATELY THE SERVICE CHIEFS REAFFIRMED MAR16 POSITION (REFERENDUM FOR 4-YEAR PROLONGATION OF MILITARY RULE AND BAN ON POLITICAL ACTIVITY AND PRESS COMMENT) BUT INTIMATED THAT JUNTA WOULD CONSIDER RELINQUISHING POWER IF QUOTE CORRUPT AND TAINTED POLITICIANS UNQUOTE AGREED NOT RPT NOT TO RUN FOR OFFICE. DEMONSTRATIONS BY POLITICAL PARTIES AND BY MILITARY JUNTA TOOK PLACE AND EX-PREMIER CHANG AND EX-PRESIDENT YUN PO-SUN WERE ARRESTED FOR A BRIEF SPELL.

(C) DURING THIS PERIOD OFFICIAL USA STATEMENTS HAD BEEN KEPT TO A MINIMUM. ALTHOUGH STATE DEPT SPOKESMEN MAR18 STATED THAT IN VIEW OF PREVIOUSLY ANNOUNCED PLANS CONCERNING A RETURN TO CIVIL GOVT FOLLOWING ELECTIONS THIS SUMMER JUNTAS ANNOUNCEMENT QUOTE HAS CREATED A DIFFERENT SITUATION FROM THAT WHICH HAS EXISTED UNQUOTE. IT WAS ALSO MADE CLEAR BY STATE DEPT OFFICIALS THAT USA SILENCE IN NO RPT NO WAY IMPLIED ACQUIESCENCE IN THE JUNTAS PROPOSALS. ON MAR25 HOWEVER STATE DEPT SPOKESMEN ISSUED FOLLOWING STATEMENT.

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PAGE TWO 951

QUOTE WE BELIEVE THAT PROLONGATION OF MILITARY RULE COULD CONSTITUTE A THREAT TO STABLE AND EFFECTIVE GOVT AND WE UNDERSTAND THAT THIS WHOLE MATTER IS BEING REEXAMINED BY THE KOREAN GOVT. WE HOPE THE JUNTA AND THE MAJOR POLITICAL GROUPS IN KOREA CAN WORK OUT TOGETHER A PROCEDURE FOR TRANSITION TO CIVIL GOVT THAT WILL BE ACCEPTABLE TO THE NATION AS A WHOLE UNQUOTE.

(D) USA AMBASSADOR BERGER SAW PARK MAR28 TO EMPHASIZE USA POSITION ON ACCEPTABLE TRANSITION TO CIVIL GOVT. DURING MTG PARK SUGGESTED AN EXPANSION OF THE JUNTA BY THEIR SELECTING CIVILIANS FOR INCLUSION COUPLED WITH THE MAINTENANCE OF SUCH A TRANSITIONAL REGIME FOR A PERIOD SHORTER THAN FOUR YEARS. AFTER THE MTG JUNTA SPOKESMEN ALLEGED THAT BERGER HAD AGREED TO THIS PROPOSAL. BERGER HAS PUBLICLY DENIED THAT HE HAD AGREED. STATE DEPT SPOKESMEN WILL NOT RPT NOT REITERATE THIS DENIAL BUT WILL REAFFIRM POSITION SET OUT IN MAR25 STATEMENT.

2. BACON THOUGHT SEVERAL ELEMENTS IN SITUATION WERE SIGNIFICANT. RAPID SERIES OF EVENTS IN FEB AND EARLY MAR MADE IT CLEAR THAT KOREAN CIA UNDER KIM CHONG PIL HAD DEFINITELY BEEN GUILTY OF SERIOUS MALPRACTICES BUT THAT REGIME WAS NOT RPT NOT PREPARED TO LAY CHARGES AGAINST SENIOR LEVELS INCLUDING KIM CHONG PIL. SUBSEQUENT ALLEGED PLOT AGAINST JUNTA FOLLOWED BY ARREST OF SOME MEMBERS OF SUPREME CTTEE FOR NATIONAL RECONSTRUCTION SUGGESTED THAT STAGE WAS BEING SET FOR SOMETHING. PARKS MAR16 ANNOUNCEMENT LAID BARE OBJECTIVE.

3. JUNTAS BASIC FEAR APPEARED TO BE THAT IN VIEW OF KIM CHONG PILS ACTIVITIES AN ENERGETIC CIVIL GOVT COULD WITHOUT DIFFICULTY PROSECUTE CRIMINAL CHARGES AGAINST THE MILITARY REGIME. INDICATIONS WERE THAT SUBSTANTIAL NUMBERS OF JUNTA WERE INVOLVED AND THAT CIA CORRUPTION HAD SPILLED OVER INTO OTHER GOVT AGENCIES AS WELL. KIM CHONG PILS DEMOCRATIC REPUBLICAN PARTY AND ITS MILITARY

...3''''

PAGE THREE 951

SUPPORTERS HAD ALSO PRESUMABLY COME TO THE CONCLUSION THAT IN THE LIGHT OF JUNTAS DISARRAY PARTY WOULD NO RPT NO LONGER HAVE REASONABLE ASSURANCES OF WINNING AN ELECTION.

4. GEN PARK HAD NOT RPT NOT COME OUT OF THESE DEVELOPMENTS VERY WELL. THE LEADERSHIP AND DETERMINATION THAT MIGHT HAVE BEEN EXPECTED FROM HIM HAD VANISHED. BACON PERSONALLY THOUGHT THAT PARK WAS PROBABLY FED UP WITH MILITARY POLITICS WHICH HE HAD NOW DISCOVERED TO BE AS UNPRINCIPLED AS CIVIL POLITICS. ALSO IN ABSENCE OF A STRONG PERSONALITY LIKE KIM CHONG PIL HE SEEMED TO HAVE LOST HIS SENSE OF DIRECTION. HOWEVER IT WAS OBVIOUS THAT IN PRESENT TURN OF EVENTS PARK WAS ESSENTIAL TO THE MAINTENANCE OF THE JUNTA.

5. BACON WAS UNSURE HOW MATTERS WOULD NOW DEVELOP. CLEARLY CIVILIAN POLITICIANS WERE PREPARED TO PRESS AHEAD AND SEEMED TO HAVE CONSIDERABLE DEGREE OF PUBLIC SUPPORT. *for democracy, yes* STUDENTS, AN IMPORTANT ELEMENT IN FALL OF RHEE GOVT, WERE NOW STARTING TO COME OUT INTO OPEN. CIA AND JUNTA HAD LINED UP SOME STUDENTS BUT THESE WERE ALMOST CERTAIN TO BE A MINORITY NOW THAT THE JUNTA HAD BEEN SHOWN TO HARBOUR CORRUPT ELEMENTS HAD PROVED INEPT IN ITS DOMESTIC POLICIES AND HAD REPRESSED PRESS AND POLITICAL ACTIVITY.

6. DISADVANTAGES AND DANGERS IN PERPETUATION OF PRESENT REGIME WERE CLEAR ENOUGH AND USA WOULD PRESS FOR A SOLUTION BY WAY OF RESTORATION OF CIVIL GOVT. HOWEVER PROPER TACTICS AND FORMULA WERE DIFFICULT TO DEVISE AND USA LEVERAGE WAS NOT RPT NOT TOO GREAT. USA STANDING WITH JUNTA WAS AT A NEW LOW. MAIN CARDS WERE GENERAL SYMPATHY OF PEOPLE WITH USA OBJECTIVES AND APPROVAL OF SUBSTANTIAL ELEMENTS IN ROK ARMY STAFF MANY OF WHOM DISLIKED UNDUE MILITARY PARTICIPATION IN GOVT AS OPPOSED TO ITS PROPER MILITARY FUNCTIONS AND TASKS. OTHER ARMY OFFICERS WERE DISTINCTLY FEARFUL OF PROSPECTS FOR ADVANCEMENT AND A SATISFACTORY CAREER UNDER UNCERTAIN AND DANGEROUS CONDITIONS ESTABLISHED BY KIM CHONG PIL OR OTHERS

...4''''

PAGE FOUR 951

LIKE HIM.

7. AMBASSADOR BERGER WAS THEREFORE NOT RPT NOT IN A POSITION TO PLAY HIS CARDS TOO STRONGLY AND ALTHOUGH IT SOUNDED SOMEWHAT HACKNEYED BACON BELIEVED NATIVE QUOTE KOREAN SOLUTION UNQUOTE HAD TO EMERGE. THERE WERE AT LEAST CERTAIN NEGATIVE PRESCRIPTIONS WHICH BERGER WOULD ADVANCE. THE TRANSITIONAL REGIME PENDING ELECTIONS MUST NOT RPT NOT BE A MERE FACADE FOR A CONTINUATION OF MILITARY CONTROL. FURTHERMORE AGREEMENT OF POLITICIANS TO TRANSITIONAL REGIME MUST BE REAL AND SUBSTANTIAL IE MUST REFLECT THE WEIGHT AND AUTHORITY OF MAJOR KNOWN POLITICAL TENDENCIES AND NOT RPT NOT GIVE UNDUE OR IMPROPER WEIGHT TO TRANSITORY OR INSUBSTANTIAL SOCIAL OR OTHER ORGANIZATIONS. ABOVE ALL OBJECTIVE MUST BE EARLY ELECTIONS. STATE DEPT OFFICIALS WERE PREPARED TO RECOGNIZE THAT ANYTHING SHORT OF AMONTH WOULD BE TOO LITTLE TO GIVE OPPOSITION PARTIES TIME TO ESTABLISH THEIR CAMPAIGN. ON THE OTHER HAND FOR BOTH INTERNAL AND UN REASONS EVERY EFFORT SHOULD BE MADE TO TERMINATE TRANSITIONAL STAGE AS SOON AS POSSIBLE EVEN BEFORE END OF SUMMER.

8. WE ASKED BACON ABOUT IMPLICATIONS OF ENDING MILITARY GOVT FOR SUCCESS OF NEGOTIATIONS WITH JAPAN (PARA4 TOKYO TEL 106). BACON SAID THAT IN ADDITION TO KOREAN POLITICIANS ACCEPTANCE OF REPARATIONS AGREEMENT WITH JAPAN (ONE OF PARKS QUOTE NINE POINTS UNQUOTE OF FEB 18) POLITICIANS WERE NOT RPT NOT NECESSARILY BOUND TO REPUDIATE JUNTAS ACHIEVEMENTS. HE THOUGHT POLITICIANS WERE BEGINNING TO SMELL THE VERY SUBSTANTIAL AMOUNTS OF MONEY INVOLVED. FURTHERMORE EVEN DURING PRESENT POLITICAL DIFFICULTIES JUNTA HAD NOT RPT NOT ALLOWED QUESTION OF NEGOTIATIONS WITH JAPAN ON OTHER OUTSTANDING MATTERS (INCLUDING TERMINATION OF RHEE LINE) TO LIE DORMANT. WORK ON A SETTLEMENT WAS PROCEEDING EVEN THOUGH AT A SOMEWHAT SLOWER PACE.

9. BACON SAID THAT OTHER MEMBERS OF THE SIXTEEN WERE BEING KEPT INFORMED OF DEVELOPMENTS.

DEPARTMENT OF EXTERNAL AFFAIRS

FILE:	7 - 1 - 1
INDEXED	-

OUTGOING MESSAGE

c.c. 6-2-5

FM TOKYO MAR22/63 CONFID

TO EXTERNAL 106 OPIMMED

INFO TT CCOS DMI PERMISNY WASHDC LDN EMBPARIS NATOPARIS OPIMMED FM OTT
 BAG KARACHI DELHI COLOMBO KLUMPUR JAKARTA WLGTN CNBRA FM LDN
 REF OURTELS 85 FEB28 AND 88 MAR5

BOWING TO PRESSURE FROM RESURGENT POLITICAL PARTIES AND ALSO TO
 STRONG REPRESENTATIONS MADE BY USA GOVT, GEN PARK CHUNG HEE ANNOUNCED
 ON MAR19 HE WAS WITHDRAWING FOR 12-DAY PERIOD PROPOSAL HE MADE MAR17
 TO APPEAL TO KOREAN PEOPLE IN REFERENDUM FOR 4-YEAR PROLONGATION OF
 MILITARY RULE. AS CONDITION FOR RETRACTING HIS PLAN TO EXTEND LIFE
 OF MILITARY REGIME, PARK HAS DEMANDED VOLUNTARY RETIREMENT FROM
 PUBLIC LIFE OF QUOTE OLD CORRUPT POLITICIANS UNQUOTE. PARKS NEW MOVE
 HAS BEEN FLATLY REJECTED BY ALL POLITICAL PARTIES WHICH HAVE STAGED
 PROTEST DEMONSTRATIONS AND MTGS IN PAST TWO DAYS AGAINST MILITARY
 REGIME. SO FAR, HOWEVER, KOREAN PEOPLE APPEAR TO HAVE REMAINED ENTIRELY
 APATHETIC TO APPEALS BY CIVILIAN POLITICIANS, INCLUDING FORMER PRESI-
 DENT YUN PO SUN, FOR GENERAL UPRISING DESIGNED TO FORCE GOVT TO ABIDE
 BY ITS PLEDGE TO RESTORE DEMOCRATIC INSTITUTIONS THIS YEAR.

2. USA EMB HERE GAVE US EARLIER THIS WEEK SOME BACKGROUND INFO ON
 RECENT SUCCESSION OF CRISES IN KOREA ON BASIS OF HIGHLY TENTATIVE
 ASSESSMENTS RECEIVED FROM USA EMB IN SEOUL. DAY BEFORE HE ANNOUNCED
 HIS PLAN FOR CONTINUATION OF MILITARY RULE, GEN PARK TOLD USA
 AMBASSADOR BERGER THAT IN FACE OF PLOTS TO UNSEAT GOVT AND DEMONSTRATIONS
 STAGED BY CIVILIAN AND MILITARY GROUPS, HE HAD NO RPT NO ALTER-
 NATIVE BUT TO REMAIN IN POWER IN ORDER TO WARD OFF POLITICAL CHAOS.
 USA OFFICIALS BELIEVE THAT PARK FAILED TO PROVE HIS CASE. WHILE THERE
 IS SOME ELEMENT OF TRUTH IN KOREAN GOVTS ALLEGATION THAT MOST LEAD-
 ING PERSONALITIES ARRESTED ON MAR11 HAVE BEEN INVOLVED IN PLOTTING
 AGAINST REGIME, THERE IS STRONG EVIDENCE THAT SCALE OF CONSPIRACY
 HAS BEEN EXAGGERATED TO JUSTIFY MOVE BY MILITARY TO PERPETUATE THEIR
 RULE. THERE IS ALSO STRONG SUSPICION IN MINDS OF USA OFFICIALS

...2

Local

Distribution : CANAVAT TOKYO

000257

PAGE TWO 106

THAT AFFAIR MAY BE PARTIALLY ANOTHER MACHINATION OF FORMER CENTRAL INTELLIGENCE AGENCY DIRECTOR, KIM CHONG PIL. ALTHOUGH KIM LEFT KOREA ON FEB 25, HIS SUPPORTERS UNDOUBTEDLY RETAIN ABILITY TO INFLUENCE COURSE OF CURRENT CRISIS. USA EMB IN SEOUL APPEARS CERTAIN THAT GOVT AUTHORITIES ENGINEERED DEMONSTRATIONS BY MILITARY ELEMENTS ON MAR 15 AND ALSO POINT TO FACT THAT ALL CONSPIRATORS ARRESTED SO FAR ARE SWORN ENEMIES OF KIM CHONG PIL.

3. IN JUDGMENT OF USA OFFICIALS, SOUTH KOREA IS GOING THROUGH WORST INTERNAL CRISIS SINCE TROUBLED DAYS WHICH PRECEDED OVERTHROW OF SYNGMAN RHEE REGIME IN EARLY MONTHS OF 1960. USA POLICY REMAINS TO USE ALL ITS INFLUENCE TO FORCE PACE OF RESTORATION OF DEMOCRATIC INSTITUTIONS. THIS POLICY IS BASED ON FIRM CONVICTION THAT RISKS INVOLVED IN RAPID RETURN TO DEMOCRATIC GOVT ARE MUCH LESS THAN CONTINUATION OF MILITARY RULE. WE ARE INCLINED TO AGREE WITH USA ASSESSMENT THAT IN PRESENT CIRCUMSTANCES GEN PARK AND HIS REGIME COULD ONLY REMAIN IN POWER BY RELYING INCREASINGLY ON REAL BUT RUTHLESS POWER OF KIM CHONG PIL AND OTHER UNDESIRABLE ELEMENTS. SUCH A SITUATION MIGHT LEAD TO POPULAR UPHEAVALS SIMILAR TO STUDENT REVOLUTION OF 1960 OR EVEN TO SUCCESSION OF COUPS BY RIVAL MILITARY GROUPS ATTEMPTING TO UNSEAT EACH OTHER. PROSPECTS FOR SUCCESSFUL RESTORATION OF EFFECTIVE DEMOCRATIC GOVT IN SOUTH KOREA ARE NOT RPT NOT ENCOURAGING BUT IT MAY BE ONLY COURSE TO AVOID GRAVE DISORDER IN THAT COUNTRY.

4. IN CONVERSATION WITH DIRECTOR OF ASIAN AFFAIRS BUREAU IN JAPANESE FOREIGN MINISTRY THIS WEEK, WE FOUND THAT JAPANESE GOVT HAS ALSO COME AROUND TO VIEW THAT BY REVERSING HIS POSITION THREE TIMES IN A FEW WEEKS ON POLITICAL FUTURE OF KOREA, GEN PARK HAS PROBABLY LOST SO MUCH PRESTIGE THAT HE WILL BE UNABLE TO RE-ASSERT HIS AUTHORITY AND TO CONTINUE IN POWER. JAPANESE OFFICIALS AGAIN MADE NO RPT NO SECRET OF FACT THAT THEY HOLD USA GOVT LARGELY RESPONSIBLE FOR WEAKENING OF PARKS POSITION. WHILE RECENT PRESS RELEASES BY STATE DEPT

...3''''''''

PAGE THREE 106

CLEARLY HAD THIS EFFECT, WE SYMPATHIZE WITH POSITION OF USA GOVT
WHICH, TO USE WORDS OF USA COLLEAGUES HERE, HAS NOT RPT NOT FORGOTTEN
LESSON OF SYNGMAN RHEE REGIME

BOWER



EXTERNAL AID OFFICE, CANADA

NUMBERED LETTER

7 - 1 - 1	
c.c. 8-7-3-1	
INDEXED	-

To: The Canadian Embassy, Tokyo.

From: The Director General, External Aid Office, Ottawa 4, Canada.

Reference: Your Letter 129 of March 7, 1963

Subject: South Korea and the Colombo Plan

Ambassador
 Mr. ~~McGill~~ *am*
 Mr. ~~Dupuis~~ *d*
 Capt. ~~Coydon~~
 Mr. ~~Spencer~~ *cs*
 Mr. ~~Bla~~

Security: Restricted

No: XAO- /

Date: March 21, 1963

Enclosures:

Air or Surface Mail:

Post File No: 7-1-1

Ottawa File No. 129-69

References:

and file *am*

We appreciate your interest in writing as you have to enquire about the likelihood of Canada providing aid, whether capital or technical assistance, to Korea. You may not be aware that the Third Secretary of the Korean Embassy in Washington has visited us in December to discuss aid matters. He asked many of the questions of which you have predicted might arise during your forthcoming visits to Korea. A memorandum about his visit was prepared at the time and we are enclosing a copy of it for your information.

You will see that we have taken a line which, though not totally discouraging Korean requests, does not invite the Koreans to expect significant Canadian aid. We intend to proceed slowly with regard to aid for Korea though Korea would be able to participate in our technical assistance programme under the Colombo Plan.

If the Koreans raise the question of Canadian assistance with you we would be grateful if you would explain that there is at present no allocation under the Colombo Plan for capital assistance for Korea, but that we would be prepared to entertain requests for technical assistance, particularly training in Canada. We would prefer not to make an offer of a specific number of training awards. The Korean Third Secretary suggested that requests might be forthcoming for training in dairy production and presumably there are other fields in which the Koreans would be interested.

Internal Circulation

Far Eastern Division, External.

Distribution to Posts

Helman

Director General.

MEMORANDUM

CLASSIFICATION



TO
A

File

YOUR FILE No.
Votre dossier

OUR FILE No.
Notre dossier

DATE December 21, 1962

FROM
De

D. C. Reece

FOLD

SUBJECT
Sujet

Aid to Korea

At the suggestion of Far Eastern Division of External Affairs, we received a visit yesterday afternoon from Mr. Lee Sang Ock, Third Secretary in the Korean Embassy in Washington. He is up here primarily in connection with the visit to Canada of a delegation of six Korean businessmen who have been visiting various Canadian cities. After meeting Mr. Towe, Mr. Lee attended a meeting with Mr. Byron, Dr. Flomington and Mr. Miller. Mr. Lee said he had been instructed to follow-up the visit in August of this year of Ambassador Lee, the Korean Permanent Delegate to the United Nations in New York, and two colleagues. Ambassador Lee's main purpose in calling on Mr. Moran at that time (memorandum of August 8, 1962) was to discuss the possibility of Canadian assistance to a vocational training centre which it was hoped to establish in Seoul (Korea Government application dated June 8, 1962). This assistance was to take the form of equipment, training and advisers.

Mr. Lee raised the subject today and mentioned Korea's entry into the Colombo Plan. We suggested that if the Korean Government now wished to apply formally for this assistance they should provide as full information as possible including details about the proposed buildings to house the centre, their site and layout, the method of financing them and the schedule for their construction. Mr. Lee thought U.S.A. counterpart funds would be used for the buildings and that the Koreans could probably provide money for their own budget for this purpose if necessary and perhaps also for the purchase of equipment that Canada could not provide. It was suggested that the Korean Embassy in Washington might be the best channel through which to submit this and other applications pending the accreditation to Canada of the Korean Permanent Representative to the U.N. in New York.

Mr. Lee said Korea might now start to submit technical assistance applications for training and advisers. We suggested that the Koreans should not submit separate allocations for advisers or trainees for the proposed vocational training centre but put forward the project as a whole.

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- 2 -

Mr. Miller and the Directors present outlined the types of technical assistance that Canada could provide and the conditions governing Canadian assistance both technical and capital. We told Mr. Lee that most Canadian capital assistance under the Colombo Plan went to Commonwealth members but that it might be possible to extend some capital assistance to other members of the Colombo Plan. It was explained that the equipment involved in the proposed vocational training centre would be capital assistance.

Mr. Lee said that Ambassador Lee had discussed with some officials in Ottawa in August the question of Canada providing some training in dairy production, e.g. butter making and cheese making. (I can find no reference on the file to this discussion of dairy training during Ambassador Lee's visit this year). We told Mr. Lee that such training might be provided but that some advisers in this field could perhaps be made available to Korea.

In answer to his enquiry we gave Mr. Lee a general idea of the work of the Canadian Export Credit Insurance Corporation. We advised him to discuss its operations in detail with the Secretary of the Corporation.

ORIGINAL SIGNED BY
D. C. REECE

D. Reeco.

7 - 1 - 1	
-	-



PRESS RELEASE

- Ambassador
- Mr. McGill
- Mr. Bissonnet
- Mr. Dupuis
- Capt. Coombs
- Mr. Spencer
- Mr. [unclear]

Following is an unofficial translation of the declaration broadcast by General Chung-Hee Park, Chairman of the Supreme Council of National Reconstruction of the Republic of Korea on March 16, 1963.

Dear People:

and file
[Signature]

The peaceful birth of a new civilian Government, inheriting the revolutionary ideals, is the ultimate and most important task in concluding the revolution. You have been aware that the revolutionary Government has done its best, with all sincerity and by every means, to accomplish this ultimate task and pave the way for civilian Government.

Both the February 18th Statement and February 27th pledge were expressions of the determination of the Government to pave the way for civilian Government and to make all humanly possible efforts to improve the political constitution of this country in preparation for the peaceful birth of civilian Government.

Unfortunately, I am compelled to point out the stark problem of time -- the impossibility, by human efforts alone, of preparing for civilian Government in such a short period.

As you are well aware, in the first year of the Revolution we were busy with revolutionary adjustments; in the second year we began fullscale efforts for national reconstruction, including implementation of projects for the first year of the five-year economic plan; and in the eight months of the third year, we hoped to concentrate our energy on the transfer of power to civilians.

The transfer of power from military Government to civilian Government requires special determination and preparation, unlike the transfer of power from one civilian Government to another: an improvement in the political constitution should accompany it, so as not to necessitate military rule again, and to insure a healthy civilian Government.

This improvement in the political constitution requires not only supreme human efforts but, inevitably, a certain amount of time.

That eight months has not been enough time to improve our political constitution is plain if we consider the various events that have taken place during the two and a half months that have already passed.

Dear People

We must consider seriously two choice laid before us: To wait for the birth of a constitutionally healthy civilian Government, without danger of another revolution, though this may involve the prolongation of the military Government which has been an unfortunate necessity with us; or to hastily turn power over to civilians, even though this action be fraught with possibilities of another revolution.

A look at the underdeveloped nations in the latter half of the 20th century shows us that the vogue of military revolutions which are sweeping such countries - a phenomenon which to the inertia and indolence of their peoples - is not due to the greed for power of the military but is rather a national surgical operation to improve and overcome old social constitutions.

Those countries that have succeeded in this constitutional improvement will assuredly enjoy national prosperity; whereas those that have failed, cannot, as has been clearly proven by history, avoid the recurrence of revolutions.

Dear people

We should prudently consider our own position and posture, as to whether or not to turn Government power over to civilian control with a completed reform of our political and social constitution.

We cannot but admit that we are lapsing into the pre-revolutionary posture rather than achieving a reform of our constitution. We cannot overlook the plethora of political parties, the inconstant mergers and separations of political circles, their ugly feuds, and so forth. The anti-state plot by radical elements, including some military personnel, has given rise to extreme psychological terror and unrest among the people.

The present situation is too disorderly and fraught with unrest, and the nation's future too troubled, to turn Government power over to politicians not prepared to take over a regime. To do so would be the height of irresponsibility on the part of the revolutionary authorities.

A series of events which took place recently and the political and social situation urge the self-awakening of some military personnel, politicians and citizens, and we cannot but admit that the seeds of various evils still abound among us, waiting to sprout once again with the restoration of civilian Government.

Today, in deep consideration of the present tragic situation of this nation, and to prevent the repetition of revolutions, I am obliged to insist on the necessity for the establishment of a transitory period of military Government before the transfer of the power to civilian control, in order to assure the birth of a healthy civil Government.

Therefore, I have decided to seek, through referendum, the peoples will as to whether or not to extend the military Government for about four more years. The referendum will be held at the soonest possible time, and I hereby declare that measure will be taken to suspend for the time being all political party activities which may obstruct the right judgement of the people.

If the revolutionary Government wins popular confidence in this referendum, the Government, thus entrusted with the peoples mandate for the coming four years, will restore social order, stabilize the popular livelihood by bringing to fruition of the five-year economic development plan, and devote all of its energies to the establishment of a secure foundation for the restoration of civil Government.

To this end, the following policies will be devised:

1. The forum of revolutionary politics will be broadened and a wide range of personages will be enlisted to participate in revolutionary politics, regardless of past political connections and lineage.
2. The supreme council will be totally reorganized and reinforced as a legislative organ to be participated in by civilians in such capacities as functional and regional representatives, etc.
3. A consultative organ will be established comprised of prominent statesmen aloof from partisan politics.
4. A supra-partisan research organization to study the transfer of power to civilian control will be established.
5. All past political factions and pedigrees will be liquidated and efforts made for the creation of a (suitable) political atmosphere by heeding opinions for the development of a healthy and new bi-partisan system.

If the peoples confidence is not obtained for the prolongation of military administration, the Government will immediately declare the resumption of political activities, implement the transfer of power to civilian control as originally planned and as stipulated in the February 18 declaration and the February 27 pledge, and none of us will participate in the civil administration but will completely turn over power to politicians.

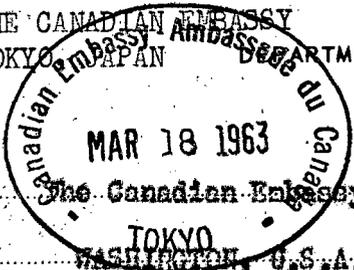
Dear people

The way to the lasting development of our nation lies in the reformation of our national political and social constitution. This is the very "remaking of men" and a major national movement for the remaking of the nation.

Without such a major reformation we will be unable to irrevocably free ourselves from our inertia or to achieve a great national leap forward.

We must courageously resolve whether we are to be the slave of our own evil or the charioteer of good.

It is ardently hoped that you, the people, will clearly understand my determination and my heart, and will give me wholehearted support today.



DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

NUMBERED LETTER

FILE: 7-1-1 (DUPLICATE)	

To: The Canadian Embassy,
TOKYO
WASHINGTON, U.S.A.

Security: Unclassified

No.: Y-172

Date: March 7, 1963

Enclosures:

From: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Air or Surface Mail: Air

Reference: Your Letter No. 1823 of December 10, 1962

Post File No.:

Subject: 22 International Electrotechnical Commission
Korean Application

Ottawa File No.

Mr. Dupuis
file
pkh

References

On receipt of your letter under reference we made enquiries and learned that the Canadian National Committee of the IEC is part of the Canadian Standards Association (officers of the latter make up the former). We were informed by the CNCIEC that the application of South Korea for membership in the IEC had been referred to it, as it was to all national member bodies, by the central office in Geneva for approval or rejection. By telephone we told the Secretary of the CNCIEC that we did not wish to offer any formal advice to a non-governmental body but that the Canadian Government had no objection to Korean membership and indeed would welcome it. The Secretary said he would inform us of the Committee's decision but apparently forgot to do so. We called again recently and were informed that the CNCIEC had notified the Secretary General of the IEC by letter dated February 18 that it had no objection to the Korean application.

J. M. TEAKLES
FOR THE
Under-Secretary of State
for External Affairs.

Internal Circulation

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Tokyo ✓

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(FILE COPY)

NUMBERED LETTER

TO: THE ~~EXTERNAL AID OFFICE~~ UNDER-SECRETARY OF STATE FOR
~~EXTERNAL OPERATIONS, OTTAWA, CANADA.~~

FROM: THE CANADIAN EMBASSY,
 TOKYO, JAPAN.

Reference:

Subject: South Korea and the Colombo Plan

RESTRICTED

Security:

No: 129

Date: March 7, 1963

Enclosures:

Air or Surface Mail: Air

Post File No: 7-1-1
 c.c. 8-7-3-1

Ottawa File No.	

References

External Affairs

As you are no doubt aware, this Embassy does a certain amount of reporting on developments in South Korea and from time to time members of our staff visit that country. Now that Korea has been admitted to participation in the Colombo Plan we have been wondering whether any decisions have been taken about possible Canadian Colombo Plan assistance and whether we can be of any help in providing you with information on Korea's needs in the development assistance field. Major Baker, the Canadian Liaison Officer stationed in Korea, has reported recently that he has had one or two enquiries about possible Canadian assistance from Korean officials. These enquiries were apparently rather casual and general in nature but they indicate that this subject is on the minds of the authorities in Seoul and that we may expect the Koreans to make some more definite approach in the near future.

2. In the course of the next month or so some officer from this Embassy will probably be making one of the periodic trips to Korea that are undertaken from Tokyo. This would be a likely occasion for the Korean Government to enquire what Canada might be prepared to offer in the way of assistance under the Colombo Plan. If you preferred, such enquiry could perhaps be handled by asking the Koreans to have their representatives in Washington, who are now accredited to Canada, take the matter up with you direct on their next visit to Ottawa. On the other hand, if they do have some specific requests for Canadian aid we might be able to give you some assessment of the practicability of their proposals after a visit to Seoul by one of our officers and we have contacts with the Korean Mission in Tokyo which could be used as a channel for further communication with the Korean authorities.

3. We appreciate that it is probably difficult to allocate funds for assistance to Korea at this time when the Colombo Plan appropriation has been reduced and the availability of funds for the coming fiscal year may be uncertain. It is our understanding, however, that some money might nevertheless be available for a limited amount of technical assistance to South Korea. We have made no study of the matter as yet and of course we will not speak to the Koreans without your authority and guidance, but it occurs to us that the easiest form of assistance that could be extended by Canada might be an offer to take in a small number of trainees in those fields of study that are most urgently required in terms of Korea's development plans. If such an offer were made immediately we assume that it might be possible for you to make arrangements to place some Koreans in Canadian institutions next fall. This would mean that Canada would be making some positive gesture in the current year toward recognition of Korea as a participant in the Colombo Plan.

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Internal Circulation

Distribution to Posts

- 2 -

4. If this suggestion is feasible from your point of view we would be glad to have some indication of the number of trainee nominations you would be prepared to consider from the Korean Government, along with any guidance you care to give on the categories that might be acceptable from your point of view, i.e., under-graduate students, graduate students, industrial trainees, etc., and also, of course, a supply of the appropriate application forms and administrative instructions.

5. It may turn out that the Koreans would also like to have the services of some Canadian advisors, experts or teachers. No doubt you would need to examine very carefully any such proposals and therefore it might not be possible to move very quickly in response to this particular type of technical assistance request. However, if you do wish us to engage in any discussion with the Korean authorities on Canadian assistance, we would appreciate any guidance you can give us on your willingness or ability to consider requests for the services of Canadian advisors.

6. May we emphasize that in raising this matter with you we are not seeking to promote a Canadian aid programme for Korea but simply anticipating the inevitable enquiries from the Korean Government. If you do not foresee any immediate possibility of Canadian aid to South Korea in any form we will, of course, govern ourselves accordingly in any contacts we have with the Koreans. If a specific offer of aid cannot be made at this time but you would like to have some information on South Korea's development programme and need for assistance, we would be glad to try to assist you to the extent possible with our limited opportunities for study of Korean affairs. If you are in a position now to make an offer of some modest assistance to Korea we would be glad to assist in transmitting and following up such an offer, again within the limits of our contacts with Korea.

R. P. B.
The Embassy

File

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

DATE	FILE	SECURITY
MAR 5 1963	7-1-1 and 6-2-5	CONFD
	INDEXED	

FM: EMB TOKYO

TO: EXT OTT	NUMBER	PRECEDENCE
	88	OPIMMEDIATE

INFO: TT CCOS DMI PERMISNY WASHDC LDN EMBPARIS NATOPARIS OPIMMED FM OTT
 BAG-KARACHI DELHI COLOMBO KLUMPUR DJAKARTA WLGTN CNBRA FM LDN

Ref: OURTELS 56 OF FEB 5 AND 85 OF FEB 28/63

Subject: JAPANESE-KOREAN RELATIONS

- WE LEARNED FRI AFTN FROM FO OFFICIALS CONCERNED WITH KOREAN AFFAIRS THAT JAPANESE GOVT IS VERY DISTURBED ABOUT RECENT POLITICAL UPHEAVAL IN SOUTH KOREA AND MORE PARTICULARLY ABOUT ITS EFFECT ON NEGOTIATIONS FOR SETTLEMENT OF BILATERAL PROBLEMS.
- WITH REGARD TO SITUATION IN KOREA, JAPANESE OFFICIALS FEAR THAT BY GIVING INTO PRESSURE BY CORRUPT POLITICIANS AND DISGRUNTLED MILITARY OFFICERS AND BY AGREEING TO DEMOTION OF KIM CHONG PIL, GEN. PARK CHUNG HEE'S MILITARY REGIME HAS BEEN REDUCED TO CARETAKER STATUS AND MAY WELL BE UNABLE TO GOVERN EFFECTIVELY/ FROM NOW ON. JAPANESE ASSESSMENT IS THAT POLITICAL DISORDER MAY AGAIN SET IN FOLLOWING PRESIDENTIAL AND ASSEMBLY ELECTIONS WHICH WILL PROBABLY BE HELD SOME TIME IN EARLY FALL. IN JAPANESE EYES, LONG TRADITIONS OF FACTIONALISM, INDISCIPLINE AND CORRUPTION IN KOREA MAKE IT VERY DIFFUCLT FOR DEMOCRATIC GOVT TO OPERATE WITH SUCCESS./ 3. ON SUBJECT

LOCAL DISTRIBUTION c.c. Capt. N. Cogdon

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG NAME J. J. Dupuis/ja			SIG NAME

2.

OF NEGOTIATIONS WITH SOUTH KOREA, FO OFFICIALS STRESSED THAT NO PROGRESS HAS BEEN MADE SINCE AGREEMENT WAS REACHED AT BEGINNING OF THIS YEAR FOR SETTLEMENT OF KOREAN PROPERTY CLAIMS UNDER WHICH SOUTH KOREA WOULD RECEIVE A TOTAL OF \$500 MILLION FROM JAPAN IN THE FORM OF GRANTS AND LONG TERM CREDITS. SINCE LATE JAN KOREAN NEGOTIATORS IN TOKYO HAVE BEEN WITHOUT INSTRUCTIONS FROM HOME GOVT. WITH POLITICAL AGITATION IN FULL SWING^{IN KOREA}/ ANTI-JAPANESE ELEMENTS HAVE ALREADY BECOME VOCAL AND FOREIGN MINISTRY HERE FEARS THAT PARK REGIME WILL NOT FEEL STRONG ENOUGH TO PURSUE NEGOTIATIONS. JAPANESE WILL NOT TAKE INITIATIVE ^{IN} BREAKING OFF TALKS BUT FEEL THAT SUSPENSION OF NEGOTIATIONS MAY BECOME INEVITABLE WITHIN A MONTH OR SO IF NO SUBSTANTIAL ADVANCE IS MADE.

4. KOREAN ISSUE DOMINATED DEBATES IN JAPANESE DIET LAST WEEK WITH GOVT SUBJECTED TO [REDACTED] HARASSMENT BY JAPAN SOCIALIST PARTY WHICH AFTER SUBMITTING RESOLUTION CALLING FOR IMMEDIATE SUSPENSION OF NEGOTIATIONS, ^{TABLED} [REDACTED] NON-CONFIDENCE MOTION AGAINST FOREIGN MINISTER [REDACTED] OHIRA ON GROUNDS THAT HE WAS MAINLY RESPONSIBLE FOR PUSHING TALKS WITH DISCREDITED MILITARY REGIME. THESE MOVES WERE DEFEATED, THE DEMOCRATIC SOCIALIST PARTY SUPPORTING THE GOVT IN BOTH CASES. IT IS [REDACTED] ENCOURAGING [REDACTED] THAT JSP TACTICS HAVE COMPLETELY FAILED IN STIRRING UP PUBLIC SENTIMENTS ON KOREAN ISSUE.

^{ALSO} THE RECENT TURN OF EVENTS IN KOREA HAS/HAD REPERCUSSIONS ON US-JAPANESE RELATIONS. WE LEARNED FROM US EMB LAST WEEK THAT JAPANESE FOREIGN MINISTRY FEEL THEY HAVE NOT BEEN KEPT FULLY AWARE ON DEVELOPMENTS IN SOUTH KOREA BY US AUTHORITIES. MEMBERS OF US EMB WERE ALSO TOLD BY JAPANESE OFFICIALS THAT PUBLIC US STATEMENTS EXPRESSING SUPPORT FOR RETURN TO DEMOCRATIC GOVT AND WELCOMING DECISION BY GEN. PARK TO RETIRE FROM POLITICS HAD DONE MORE HARM THAN GOOD IN STRENGTHENING THE HAND OF KOREAN POLITICIANS AGAINST THE MILITARY REGIME. US OFFICIALS HAVE TOLD US IN CONFIDENCE THAT JAPANESE REACTION IS QUITE UNDERSTANDABLE PARTICULARLY SINCE JAPAN AND KOREA HAD [REDACTED] BEEN CLOSE TO RECONCILIATION FOLLOWING MORE THAN TEN YEARS OF MOST DIFFICULT NEGOTIATIONS. AT SAME TIME US EMB HAS STRESSED THAT KOREAN SITUATION HAS IN RECENT WEEKS FOLLOWED COMPLETELY UNPREDICTABLE COURSE. [REDACTED] KOREAN MILITARY REGIME, [REDACTED] COMMITTED ITSELF TO RESTORE DEMOCRACY IN SOUTH KOREA FOR VARIETY OF REASONS INCLUDING ALMOST CERTAINLY ENCOURAGEMENT FROM THE US.

000270

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE



DATE	FILE	SECURITY
FEV28/63	2-1-1 and 6-2-5 INDEXED	CONFID CDN EYES ONLY

FM: EMB TOKYO

NUMBER	PRECEDENCE
85	OPIMMED

TO: EXT OTT

INFO: ~~TT~~ CCOS DMi PERMISNY WASHDC LDN EMBPARIS NATOPARIS OPIMMED FM OTT

BAG KARACHI DELHI COLOMBO KLUMPUR JAKARTA WLGTN CNBRA FM LDN

Ref: OURTEL 56 OF FEB5, 1963

Subject: SOUTH KOREA -- CURRENT DEVELOPMENTS

IN CONVERSATION YESTERDAY WITH OFFICIAL CONCERNED WITH KOREAN AFFAIRS IN U.S. EMBASSY HERE, WE WERE CONFIRMED IN OUR IMPRESSION THAT, FOLLOWING WEEKS OF POLITICAL CONFUSION IN KOREA DURING WHICH MILITARY REGIME WAS AT TIMES ON VERGE OF COLLAPSE, ATMOSPHERE IN SEOUL HAS BECOME SOMEWHAT RELAXED AS RESULT OF KIM CHONG PIL'S RESIGNATION FROM LEADERSHIP OF DEMOCRATIC REPUBLICAN PARTY AND HIS UNEXPECTED DEPARTURE FOR TOKYO ON FEB25 ON HIS WAY TO MIDDLE EAST AND EUROPE ON WHAT WAS DESCRIBED AS SPECIAL DIPLOMATIC MISSION.

2. IT APPEARS THAT KIM, WHO IS HIGHLY INTELLIGENT BUT VERY AMBITIOUS AND SOMEWHAT UNBALANCED, FINALLY FELL VICTIM TO HIS OWN MACHINATIONS. SHORTLY AFTER THE REVOLUTION IN MAY 1961 IT BECAME CLEAR THAT HIS POSITION AS DIRECTOR OF CENTRAL INTELLIGENCE

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ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME... J. DUPUIS/bt			SIG..... R. P. Bower NAME.....

- 2 -

AGENCY GAVE HIM CONTROL OF POLICE AND COUNTER-INTELLIGENCE ACTIVITIES THROUGHOUT COUNTRY AND MADE HIM MOST POWERFUL FIGURE IN KOREA AFTER GEN. PARK CHUNG HEE HIMSELF. AT TURN OF THE YEAR KIM RESIGNED FROM CIA TO ORGANIZE DEMOCRATIC REPUBLICAN PARTY DESIGNED TO ENABLE MEMBERS OF MILITARY JUNTA TO RUN AS CIVILIANS IN PROPOSED NATIONAL RE-ELECTION AND PERPETUATE THEIR RULE. KIM AGAIN OVERPLAYED HIS HAND BY FILLING ALL KEY POSTS IN PARTY EXECUTIVE WITH IMMEDIATE SUPPORTERS. IN RETALIATION ALL FACTIONS OF MILITARY REGIME UNITED, WITH SUPPORT OF PUBLIC OPINION, TO BRING ABOUT HIS DOWNFALL.

3. ASSESSMENT OF U.S. EMBASSY IN SEOUL IS THAT WHILE SITUATION REMAINS CONFUSED AND POTENTIALLY DANGEROUS, CHANCES ARE NOW BETTER THAT GEN. PARK AND SUPREME COUNCIL FOR NATIONAL RECONSTRUCTION, WHICH WAS AGAIN RESHUFFLED LAST WEEK TO EXCLUDE FOUR MEMBERS OF THE RADICAL YOUNG OFFICERS GROUP, WILL RETAIN CONTROL UNTIL AFTER PRESIDENTIAL AND PARLIAMENTARY ELECTIONS TO BE HELD IN LATE SUMMER OR EARLY FALL. TENSION IN SEOUL HAS EASED FOLLOWING SOLEMN DECLARATION MADE BY PARK YESTERDAY THAT HE WOULD NOT RUN FOR PRESIDENCY AND PLEDGES OF POLITICAL NEUTRALITY BY DEFENSE MINISTER AND CHIEFS OF ARMED FORCES. IN RETURN PARK HAS OBTAINED FORMAL UNDERTAKING BY REPRESENTATIVES OF ALL POLITICAL PARTIES THAT CIVILIAN GOVERNMENT WILL CARRY ON WITH OBJECTIVES OF MILITARY REVOLUTION.

4. FOR THE BEING, U.S. OFFICIALS SEEM TO DISCOUNT DANGER OF ANY SUBVERSIVE OR MILITARY MOVE BY NORTH KOREA TO EXPLOIT CURRENT INSTABILITY IN THE SOUTH. THEY ARE ALSO CONFIDENT THAT ARMED FORCES WILL ABIDE BY PROMISE MADE BY CHIEFS OF STAFF TO REFRAIN FROM INTERFERING IN POLITICS. MAIN DANGER IN THEIR EYES MIGHT COME FROM SUPPORTERS AND HENCHMEN OF KIM CHONG PIL WHO WILL SHORTLY BE SUBJECTED TO GOVERNMENT INVESTIGATION FOR ALLEGED MALPRACTICES AND ABUSES OF POWER AND MIGHT STILL, IN ABSENCE OF THEIR LEADER AND EVEN WITHOUT HIS CONSENT, ATTEMPT TO STAGE A COUP D'ETAT IN DESPERATE EFFORT TO SAVE THEMSELVES. CHANCES OF SUCCESS APPEAR SLIM. WHILE THE CENTRAL INTELLIGENCE AGENCY REMAINS POWERFUL, IT

IT IS PROBABLE THAT, FOLLOWING DISMISSAL OF KIM'S IMMEDIATE LIEUTENANTS IN LEADERSHIP OF ORGANIZATION, PURGE WILL TAKE PLACE IN LOWER ECHELONS AND STRICT SURVEILLANCE WILL BE MAINTAINED ON THOSE WHOSE LOYALTY TO GOVERNMENT MIGHT BE SUSPECT.

5. SOUTH KOREA'S POLITICAL FUTURE CONTINUES UNCERTAIN. KIM CHONG PIL'S DOWNFALL AND PARK'S DECISION TO RETIRE FROM PUBLIC LIFE SHOULD FACILITATE RETURN TO CIVILIAN GOVERNMENT. ON OTHER HAND, IT IS DOUBTFUL THAT ANY POLITICAL GROUPING OR EVEN COALITION OF DISCREDITED PARTIES WOULD BE ABLE TO PROVIDE SOUTH KOREA WITH STRONG AND STABLE LEADERSHIP FOLLOWING FREE ELECTIONS. RETURN TO CONDITIONS OF INSTABILITY AND GENERAL CORRUPTION WHICH EXISTED BEFORE MILITARY REVOLUTION WOULD BE TRAGEDY FOR SOUTH KOREA AND WEST. WE GATHER THAT GEN. PARK, IN SPITE OF SERIOUS POLITICAL AND ECONOMIC BLUNDERS ACCUMULATED BY HIS REGIME IN RECENT MONTHS, HAS MAINTAINED AN UNBLEMISHED PERSONAL RECORD AND REMAINS ONLY PERSON WITH ENOUGH AUTHORITY AND PRESTIGE TO CARRY OUT ESSENTIAL ECONOMIC AND POLITICAL REFORMS. U.S. OFFICIALS PRIVATELY AGREE WITH OUR ASSESSMENT BUT STRESS THAT PARK SHOULD NOT TRY TO APPOINT HIMSELF AS HIS OWN SUCCESSOR BY LETTING HIS SUPPORTERS RIG COMING PRESIDENTIAL ELECTION. THEIR FEELING IS THAT HE SHOULD RATHER WAIT UNTIL HE IS DRAFTED AS PRESIDENTIAL CANDIDATE OR GOVERNMENT LEADER WITH SUPPORT OF MAJORITY OF SOUTH KOREAN PEOPLE.

6. WE WILL BE REPORTING SEPARATELY ON THE JAPANESE REACTION TO CURRENT DEVELOPMENTS ON KOREAN SCENE.

BOJER

The Preparatory Committee For Establishment of Korean Democratic United Front
11, 2-chome, Shiba-Tama-cho
1-1-1, Shibuya-ku, Tokyo (Tel. 591-7726)

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PRESS RELEASE

- ~~Mr. [Name]~~

A group of South Korean seeking the return of a genuine democratic form of Government in their homeland today charged that the military regime had almost completed its preparations for perpetuating its rule through a "civilian" party which will be totalitarian in structure.

and file
MS

The Preparatory Committee for Establishment of a Korean United Democratic Front also charged in a declaration today that the ROK military regime was directly responsible for wide scale corruption and guilty of massive misuse of Government funds.

The Committee, whose members are all anti-communists and include Conservatives, Democratic Socialists, authors and former ROK diplomats, have put aside political differences in order to fight for a return of democratic government in ROK.

The Committee's declaration said that the military regime had not only failed to live up to its promise to eradicate corruption -- it was engaged in corrupt practices itself.

It also said that the military junta had violated its promises to permit a return of civilian rule. It said that the nation's military leaders had ensured that they would continue to rule -- the only difference after the elections this spring would be that the military leaders would wear civilian clothes instead of uniforms.

The Committee said that through the use of martial law regulations the military had placed "trusted military men in all administrative organizations, ranging from top national police posts down to the smallest village organizations."

It also charged that the military junta had made preparations for its change to a civilian political group by using the budget for

political purposes.

The Committee warned that the longer the military retained control, in whatever guise, the greater would be the discontent of the people of ROK. The Committee warned that if this occurred "the anger of the people may be directed finally to friendly nations which are giving political support to the autocratic military regime."

The Committee directed its strongest attack at the 30,000-men "CIA" -- "the Gestapo-type organization created in the last 18 months".

The Committee charged that "CIA" has developed into a "monster organization" with its tentacles reaching everywhere, directing everything -- an organization as expensive to run as "an army corps of 10 divisions".

The Committee charged that some of "CIA:s" funds are obtained through misproper use of foreign aid funds.

(The test of the declaration is attached).

, 1963

Automatic release (at 10:00 AM,
Jan. 28, 1963)

THE PREPARATORY COMMITTEE
FOR ESTABLISHMENT OF KOREAN
UNITED DEMOCRATIC FRONT

(11, 2-Chome; Shiba-Tamura-cho,)
(Minato-Ku, Tokyo)
(Tel. 591-7726)

DECLARATION

1. We strongly appeal to various political forces of the Republic of Korea and to the people, to make successful the movement for establishment of a united opposition front which is now rapidly developing in Korea. Without a united powerful national democratic political front which combines conservatives and progressives, which embraces all political forces interested in the maintenance of an anti-Communist stand and a desire for the establishment of democracy, which can obtain the strong cooperation and support of students, youth, educated people, workers and farmers, and which has, in response to the various basic demands of the people, fresh and brave policies and a dynamic organization, it will be extremely difficult to compete at all in the coming elections for president and National Assembly seats and to prevent the military regime from becoming a permanently established power through election of its "government party"-- which is nothing but an organization intended to camouflage the continuation of the military regime's rule.

Never since its liberation from Japan, has the Republic of Korea needed responsible political leaders with great courage and inspired leadership as it does today -- the men who would protect national

freedom and democracy. Thus the need for unity. However difficult it may be to become disentangled from deep-rooted factional antagonisms, it must be accomplished. This is a solemn, historical request. If the opposition forces are divided, the autocratic military regime will use this factor to its own advantage and will destroy the opposition, individual by individual, group by group.

2. We believe that those who engaged in political activities before the May 16 coup d'etat must give serious consideration to the fact that the improper political conditions of that time prevented suppression of a coup d'etat carried out by only a group of military officers. We also believe that lessons should be learned from this state of affairs so that the same mistakes are not repeated again. This will only be possible if the various forces, which have sometimes in the past been excessively antagonistic toward each other, will establish a united democratic front to prevent the military regime from becoming the permanent ruling power and to guarantee the establishment of a stabilized democratic system after the military regime has ended.

Moreover, the democratic political forces should not be divided or misled by malicious statements circulated by powerful groups with ulterior motives. They must concentrate their energies on obtaining the trust of the people; they must make a firm decision that corruption and political vendettas will end.

3. We demand that the military junta give up its intention of continuing its autocratic regime -- it is still not too late for them to abandon their plans -- and that they will give up all political activities.

after "transmission of power to civilians" as they promised at the time of the coup d'etat. If they do so, they will be able to claim in future that their motives in staging the coup d'etat were in fact pure. They would also be able to help make sure that the Korean military forces do not interfere with politics in the future.

However, if they go on to the end of the road they are now traveling, if they do reinforce their autocratic regime, they will not only have betrayed the people who believed in their publicly made promises, but they will have besmirched the history of the Korean people:

In that case, there will be no more political stability in The Republic of Korea because the people will fight against the military regime. There will be no stability until the military gives up political power. The anger of all sorts of people, at first directed against the military regime alone, may be directed finally to friendly nations which are giving political support to the regime.

4. We also demand the immediate dissolution of the so-called "Central Intelligence Agency" -- the Gestapo-type organization created in the last 18 months. The intelligence-gathering organizations of the armed forces and the police should be able to check and control any enemy activities, as was the case before May 16, 1961.

The "CIA" has not only developed into a secret police organization, with tentacles reaching every city, every village. It has also established control over prosecutors, police, -- is watching the military forces, supervising administration, and even directs the country's diplomatic affairs, jurisdiction, economy. In addition,

it is "CIA" which has been organizing and recruiting people for the new "government party".

All these "CIA" activities add up to one thing: totalitarianism.

Most of the corrupt deals engineered since the military coup have been planned and executed by the "CIA" -- a monster organization always in need of money, new sources of funds. The "CIA" at present is reported to employ 30,000 persons, a hidden ice berg consuming so much money for its operations that it is reported to be as costly as an army corps of 10 divisions.

The "CIA" gets its funds through under-the-table deals and through diversion of national budget funds -- including, of course, aid funds from friendly nations of the Free World.

5. We consider the "Political Party Regulations" and "Election Regulations" together with the "New Constitution" to be politically unjust, as well as being devices by which the military regime intends to stay in power permanently. They provide that people are given the right to be elected only through political parties -- but the very existence of political parties depends on the will of the military regime. Because of the unfair ratio representative system, the Assemblymen are to be elected by political parties regardless of the people's trust in individual persons. If the military power is going to implement these regulations by force, we demand that they should at least accept the united requests of democratic political forces to release political prisoners, to end all political purges and to postpone the date of the election.

The military regime, using its powers under the martial law decree, has gained control of the almost almighty Central Intelligence Agency, it has placed trusted military men in all administrative organizations, ranging from top national police posts down to the smallest village organizations, and it has almost finished organizing a "government party" which has a totalitarian structure.

If the military junta has any conscience at all regarding the competition to obtain people's support, if they have any regard for fair play at all, they should at least accept the demands outlined in the first paragraph of this section.

6. It is very painful for us to hear from time to time that the United States and other friendly nations think the military regime is clean and honest. The fact is that the military are corrupt. They oversupply currency and do not hesitate to use budget funds for their own political purposes. It is already an open secret among those who know conditions fairly well that they are engaged in large-scale corruption.

As shown in the Stock Market Scandals of last summer, they deceive, plunder and obtain rights and interests by controlling powerful organizations, and they have tied up with foreign capital.

Corruption is now rapidly expanding in scale and depth. Prevention of corruption is only possible through the sound functioning of democratic institutions which guarantee that the people's right to know about the work of government organizations is respected. Such guarantees will enable the people to effectively watch the Government

through a free press.

It is already clear that the military regime has illegally massed large sums of money for use in the coming election and for use in the future activities of the "government party".

NOTE:

Preparatory Committee for Establishment of a Korean United Democratic Front. This committee was established to rally those Korean living at home and abroad who are opposed to the present military regime.

It is composed of anti-Communist Korean politicians now living abroad.

Those who are composing of the Committee issued its first public statement on December 11, 1962, when it made known its critical views of the anti-democratic intentions of the military regime.

JOINT STATEMENT (for automatic release at 11 a.m. Tuesday,
Dec. 11, 1962)

AN APPEAL TO THE WORLD
AND TO KOREANS AT HOME

The enclosed statement below reflects the views of 10 Republic of Korea citizens -- nine men and one woman; people of conflicting political beliefs; ten individuals who despite past disagreements now speak up jointly.

The group is made up of four conservatives, two anti-communist democratic socialists, three former diplomats and an author. Three of the 10 are at present living in the United States. The names of the ten are listed at the end of the lengthy statement.

J O I N T S T A T E M E N T

A military clique rose to power in the Republic of Korea on May 16, 1961 by means of a coup d'etat, challenging democracy and utterly disregarding the collective will of the people. Such a takeover naturally means the anachronistic recurrence of a dictatorship in this age of democracy and is the cause of regret by every free nation. Despite the undemocratic aspects of the situation, however, we at first believed that the so-called "Revolution Pledges" would be fulfilled and have been closely watching the situation at home from abroad. We are particularly interested in the restoration of a civil administration in the Republic of Korea.

However, the recent chain of events and the words of the leaders of the military regime plus the contents of what they term the "Draft New Constitution" have completely disappointed us and dashed our hopes that the clique's pledges would eventually be carried out. Under such circumstances, we can no longer remain silent concerning the situation which exists at home.

On behalf of our fellow countrymen in the Republic of Korea who are unfortunately deprived of free and effective means of discussing the situation, we herewith express our

sincere desire that the sound growth and development of democratic institutions be permitted in our homeland. It is our belief that the following injustices and undemocratic events and policies presently exist in the Republic of Korea and should be called to the attention of free people everywhere:

1. The military regime has wrongfully imprisoned a number of politicians and journalists, suppressed some of the fair and just expressions of opinion and has denied free political activities to the democratic statesmen of the nation.

In addition, the military clique has committed serious blunders in its internal policies. For example, its Five Year Economic Plan was so loosely framed that it has been haunted by the specter of failure since the very first year. The currency reform did not prove a happy means of achieving economic stability, but only led to unnecessary confusion. The livelihood of the nation has been gravely affected by the ensuing inflation due to the overissue of bank notes, the decrease in production, the slackening of foreign capital induction, the uneasy stock market, the military government's misappropriation of funds and the extravagance of the national budget, including the loss of

foreign exchange.

In the meantime, the military regime, intent on maintaining power, has not only invited a confusing enlargement of the Government organization but has also been abusing the rights of the people through the unauthorized use of a secret police system known as the Central Intelligence Agency, an organization whose activities are suggestive of the coercive practices of the Middle Ages.

2. The fact that some members of the military regime have openly maintained that a government party should be created out of the military clique which would then monopolize control of the Government after the transfer of power to a "civilian" administration is an outright contradiction of the August 12 Declaration which clearly states that administrative power will be completely restored to civil control. It is also absolutely contrary to one of the "Revolution Pledges" that the military would return to its original duties of defending the nation after the transfer of power.

The military clique's intention to monopolize power is already obvious. We have continually seen evidence which offers ample corroboration of our fears. There have been successive arrests of politicians, a mass-purge of those politically active in the disguise of "purification of

political activities", unreasonable restrictions placed upon fundamental civil political rights (witness the "Draft Constitution"), undue concentration of power in the President, the referendum under virtual martial law envisaged by the military clique for the adoption of the "Draft Constitution", the regulations now believed to be in the making which are expected to provide prototypes for a new political party decree and an election decree which will enable the military to monopolize power.

3. It can easily be seen from the following that the much publicized "Draft Constitution" is aimed directly at the eventual transformation of the present military regime from its current position into a civil political party along more or less constitutional lines.

a) Amendment of the Constitution has been proposed by the military regime, but despite their revolutionary political procedures they are still not entitled to insist on their own versions of the amendments simply because they have proposed the action.

b) According to the proposed "Draft Constitution", all political parties must be democratic in nature and incorporate the necessary procedural

structure by means of which the free political opinions of the public can be reflected on the administration in power. However, the current military regime is planning to close the legislature to political parties other than their own members and representatives of parties which are considered friendly to their own clique. They plan to do this by suppressing the organizational activities of the genuine opposition parties with the intent to deny them the opportunity to organize local party branches necessary for qualification as a political party.

c) The military regime intends to constitutionalize a series of undemocratic regulations similar to those which would permit the arrest without issuance of a warrant of any person who is accused of committing a crime the punishment for which would normally be a prison term exceeding three years. Another article planned for the "Draft Constitution" is one which would set the standards for facilities of newspapers and news agencies. Yet one more repulsive article being planned is that which would restrict the time and place of out-door gatherings. Under no constitution of any free democratic nation today are

there any provisions which entitle the administration in power to suppress the political opponents freely and effectively whenever it is considered necessary.

d) The National Assembly would only enjoy the ineffective right to move for the dismissal of a Cabinet minister, but it would be without the right to approve or disapprove important financial measures or such jurisdiction over personnel administration (as provided to the U.S. Senate). However, the President would exert by far the greater influence, even greater than that enjoyed by former President Syngman Rhee, including both executive power and legislative control. In addition, he would be able to a considerable degree, to affect the powers of jurisdiction by using his influence upon the nomination of the Justices of the Supreme Court. The President would fully avail himself of the powers of the National Security Council by his direct control of that body in order to bolster the absolute authority of his regime. The National Security Council would have within its power the right to participate in internal policies and the subsidiary organ of this body, the Central

Intelligence Agency, would be able to engage in secret police activities in the field of domestic politics.

e) According to the proposed "Draft Constitution", workers would be deprived of the hitherto guaranteed profit sharing right, and public servants, except those serving under legal guarantee, would be denied the right of collective bargaining and the right of organization. Such regulations are a serious infringement upon the fundamental rights of workers.

f) The military regime tries to restrict the scope of activity of local self-governing organizations to activities related only to the welfare of the local population and to regulate by law the time of convocation and the competence of local assemblies. It even goes so far as to try to govern or regulate the election or appointment of heads of these organizations. All of this activity is undoubtedly designed to further postpone the reintroduction of local autonomy and to limit the competence of local governments as much as possible.

g) Although it is stipulated in the "Draft Constitution" that retroactive laws shall cease to exist, such current retroactive regulations as the Special

Crimes Penalty Law and the Political Activity Purification Law would still maintain their retroactivity free of all objection, modification or abolition.

In all probability, those who had been imprisoned or purged in accordance with the provisions of these laws and regulations would continue to be held in physical restraint or their rights deprived unless they are freed or depurged by the military regime prior to the promulgation of the "Draft Constitution".

4. The military regime should withdraw martial law in reality and not only nominally. It should immediately release those who have suffered undeserved punishment of imprisonment because of so-called political crimes, and the deprived rights of political and social personages who have been purged should be restored.

The military regime should, moreover, abandon the idea of amending the election law in order to send into the National Assembly those opportunistic politicians and members of the military clique who do not enjoy the confidence and support of the people.

No amendment of the Constitution should be considered until after a clean and democratic general election has been held. After such a prerequisite, and only then,

should the National Assembly consider this important problem.

The military regime should long ago have considered reform measures. They must do so now. Otherwise, the nation will no longer remain silent. Inevitably, if they do not take up the reform problem, they will be political instability.

5. No one can deny the urgent need for national solidarity in a country such as the Republic of Korea. The nation lies at the extremity of the Free World and is confronted by the daily threat of communism.

In spite of this stark international reality, the military regime is not merely encroaching upon the nation's fundamental rights by turning the country into a police state where terrorism rules, but has also created hostile tensions between the majority of the people and the opportunists. It is this very type of discrepancy that permits the communists to move in by taking advantage of an unpopular situation to suit their own purposes. And it stands firmly in the way of national reconstruction, a program dear to the hearts of all of us who are devoted to our country's welfare.

6. In such urgent circumstances, we earnestly propose that all the democratic forces of freedom at home and abroad work and extend their concerted efforts toward the development of an alliance a common front dedicated to the realization

of the following patriotic objectives:

- I Restoration of Democratic Rights
- II Extermination of Corruption
- III Prohibition of All Political Retaliation
- IV Formation of a Democratic United Front

Following Adjustment of Differences

IL-DONG YANG

A former member of Parliament (House of Representative).
Floor leader of the New Democratic Party.

CHEL-SEUNG LEE

A former member of Parliament (House of Representative).
Chairman of National Defense Committee of House of
Representative.
A leading member of Democratic Party.

KWON-HI PARK

A former member of Parliament (House of Representative).
A leading member of United Socialist Party.

LEE-WOOK CHANG

Former ambassador to the U.S.A.
President of The Heung-Sa-Dan.

KWANG-RIM KOH

Former Minister to the U.A.A.

CHUL KIM

Former Director of International Bureau of United
Socialist Party.

GIN-HO YUM

Former Director of Women's Department of the Democratic
Party.

HAN-JICK RHEE

Poet. Former lecturer of Korea University.
Former cultural attache to the Korean Mission in Japan.

CHAN-YONG CHOI

Former consul to the Korean Mission in Japan.
Member of Executive Committee of the Democratic Party.

HAK-WAN KIM

Former consul at San Francisco in U.S.A.



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~~CANADIAN EYES ONLY~~

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Mr. ~~Blid~~

KOREA

January 16, 1963

Section 1

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J.A. Millard

KOREA: ANNUAL REVIEW FOR 1962

Mr. Godfrey to Lord Home. (Received January 16)

SUMMARY

During 1962 the Government improved its position and made some progress towards the return to civilian Government but it clearly expects to remain in power. Economic progress has not been as much as hoped (paragraphs 1-4).

The publication of the Five-year Plan for Economic Development and the inauguration of an industrial complex at Ulsan were the main events in the first three months. After that interest switched to political happenings, the Political Purification Law and the resignation of the President, and subsequently further plots, and a difference with the Americans over the immediate conclusion of a Status of Forces Agreement (paragraphs 5-7).

Economic conditions were sharply disturbed in June by the introduction of a currency reform measure. The move, which was badly handled, followed on a Stock Exchange crisis and was finally withdrawn (paragraph 8).

Colonel Kim Chong Pil's position was shaken by a row attending the Stock Exchange crisis but he ended stronger despite an American intervention to limit his activities (paragraphs 8 and 9).

In the second half of the year the main concern was again with the return to civilian control. A well-conducted referendum approved a revised Constitution by a large majority: approximate dates for Presidential and Assembly elections were announced and the future of the members of the S.C.N.R. clarified. There were what looked like attempts to put pressure on the Press but martial law was lifted and Central Intelligence Agency supervision of political activity ceased (paragraphs 10 and 11).

There was a poor rice harvest but economic activity recovered steadily from the currency reform, and restrictions on imports and credit were imposed (paragraph 12).

Internationally Korea extended its contacts and joined the Colombo Plan. Relations with the United States were ruffled but smoothed over by the end of the year, whilst negotiations with Japan seemed finally to go better (paragraph 13).

(No. 1. Confidential)
My Lord,

Seoul,
January 7, 1963.

I have the honour to transmit to you herewith my review of Korea in 1962. A calendar of the principal events is annexed.⁽¹⁾

2. I am sending copies of this despatch to Her Majesty's Representatives in Tokyo and Washington, and to the Commissioner-General for South-East Asia at Singapore.

I have, &c.

WALTER GODFREY.

⁽¹⁾ Not printed.

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Enclosure

With the arrival of 1962 the Korean military Government moved from the "year of revolution" to the "year of construction". But its position was still not by any means certain; no firm political or economic foundations had been laid and dissensions within the régime itself seemed as if they might eventually break it up. Administrative improvements had been made and corruption largely eliminated and much help given to agriculture but little had been done to promote industrial development.

2. During 1962 the gloomier prophecies have not been fulfilled. Despite one or two internal shocks the military Government has held together with fewer apparent differences than in 1961. There has been no trouble in the country, and the resignation of President Yun Po Sun in March passed off quietly. Although the régime has clearly had difficulty in making up its mind how to effect the return to civilian government promised for 1963, positive steps have been taken towards carrying out that promise. The last month of the year saw the end of martial law and the approval by a large majority, in a well-conducted national referendum, of the Government's proposals for the amendment of the Constitution. Approximate dates for the elections for President and Assembly were announced, a law on the formation of parties promulgated, and the publication of an electoral law promised for early in the New Year.

3. The military régime does not seem to have gathered much positive support in the country, or from only a few amongst the old politicians, whilst the intellectuals generally remain opposed; nor has it produced a genuinely popular leader. It has nevertheless become increasingly clear that it has decided that it cannot hand over power to anyone else in 1963 but must retain it, as civilians. The internal dissensions remain but Colonel Kim Chong Pil, his prestige increased by tours in South-East Asia and the United States, despite a setback in the middle of the year, strengthened his own position and seems likely to emerge as the strong man of the future Government party, whilst remaining, for the present at least, in the background. With the approach of the resumption of political activity those politicians not debarred from it are trying to form groupings in opposition but their future prospects are uncertain.

4. In the economic field there was no very noticeable improvement. A start was made on the Five-year Plan and some success achieved in the field of public works and in securing loans and long-term credits for industrial development. Few new undertakings have been started however, whilst the estimated cost of the programme has risen and unexpected requirements for down payments on capital goods have strained foreign exchange resources. There have been some successes in some fields, e.g., coal mining, and the index of industrial production has risen to a higher level than before; the expansion however has been less than hoped, and business generally has only slowly recovered from the shock to confidence administered by the unfortunately-timed and badly managed currency reform. Prices except for food grains rose, the volume of money expanded steadily, although a restriction was applied in the fourth quarter, and at the end of the year there was great concern about the risk of increasing inflationary pressures. There was also concern about the foreign exchange situation, in view of the reduction in direct United States aid, the failure of exports to expand as hoped, and the effects of the "Buy American" policy on procurement in Korea.

5. The year opened with the somewhat delayed appearance of the final revision of the Five-year Plan for Economic Development, the scale of which, together with the inauguration in February of the big industrial complex to be constructed at Ulsan, betrayed the régime's tendency to be obsessed with "prestige" schemes, and its need for spectacular results. Prosecution of a firm economic policy was hindered by the resignation in March of Kim Yu Taek, Chairman of the Economic Planning Board, almost certainly due to his inability to get on with Song Yo Chan, the Prime Minister, and his unwillingness to subordinate himself to the Prime Minister in economic matters.

6. In March the emphasis switched from economics to politics. It had been known that the military Government intended to take definite steps to prevent the former politicians returning to power. The Political Activities Purification Law promulgated on the 16th of March excluded from all political activities until August 1968, unless screened by a Special Committee of the Supreme Council for National Reconstruction (S.C.N.R.), all members of

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the last Assembly, together with others holding certain public offices under Chang Myon, those who had earlier been deprived of rights for their connexions with Syngman Rhee's corrupt elections, and those convicted of illicit profiteering. The President of the Republic, Yun Po Sun, felt he could not stand out against the military Government to the extent of refusing to sign the measure but resigned immediately afterwards and would not be persuaded to resume his office. The Constitutional problem that the President represented the only Constitutional link between the democratic and military régimes was surmounted by an amendment to the Extraordinary Measures Law allowing the Chairman, S.C.N.R., to act as President until the transfer of power. General Pak apparently took this step with reluctance, having failed to find a civilian willing to become President, but it seems to have increased his public confidence. The screening of politicians led, as was expected, to the almost total exclusion of the Democrats, but the Chairman has power to reinstate any banned politician at any time.

7. The anniversary of the military *coup* of the 16th of May was made the occasion for some rejoicing, including the organisation of an industrial exhibition and various artistic festivals designed to encourage tourists, and was preceded by a display of liberality in the pardon and release of the former Lieutenant-General Chang Do Young. The Revolutionary Court was also dissolved shortly before the anniversary, having completed its work. Thereafter the skies darkened somewhat. At the end of May two groups, neither seemingly of great importance, were arrested for plotting against the régime. About the same time the Press, either in over-confidence, or in a mood of exasperated nationalism, encouraged by the authorities in the hope of forcing the Americans into immediate conclusion of a Status of Forces Agreement, began to give prominence to reports of incidents between American soldiers and Koreans. This culminated in abortive student demonstrations early in June in Seoul and Taegu (which the Government had apparently not intended, and squashed at once) and the confining of American forces to camp for a fortnight.

8. The unhappy feeling created between Koreans and Americans by this campaign was much exacerbated by the sudden announcement, on the evening of the 9th of

June, of a currency reform replacing the *hwan* by a new unit, the *won*, 10 times its value and freezing all deposits except for a very small personal allowance. This scheme had been kept secret from the Americans, who were not at all pleased. The move was badly handled and the Government were slow in making known their intentions, and it resulted in a sharp fall in business activity and a loss of confidence. When it became apparent that the large sums of hoarded currency which the reform was intended to reveal did not in fact exist the Government went quickly into reverse, and restored the *status quo ante* within five weeks. The financial authorities, at the time of the currency reform, were already in difficulties over an unsavoury situation on the Stock Exchange, which had been closed from the end of May after riotous speculation. On the 16th of June the Prime Minister, Song Yo Chan, resigned, together with the Minister of Finance after a difference between them on how to resolve the Stock Exchange crisis. General Pak took on his third high office, but only for three weeks, after which he appointed Kim Hyun Chul, a former Minister of Finance under Syngman Rhee who had been out of public office for three years, to the Prime Ministership. At the same time Brigadier-General Ryu Won Shik, who was the S.C.N.R. member chiefly responsible for the currency reform, resigned (together, incidentally, with his colleague who was responsible for education) and Kim Yu Taek returned to the Economic Planning Board. Consultation with the United States was resumed at all levels, and working talks on a Status of Forces Agreement (not actually to be concluded until after the transfer of power) started in September.

9. Much of the speculation attending these events was concerned with the part which may have been played in them by Colonel Kim Chong Pil. He was certainly concerned in the Stock Exchange affair, and the resignation of the Prime Minister was generally regarded as a victory for him. The Americans were from time to time during the year worried about his activities and his increasing strength behind the scenes and after the Stock Exchange crisis they intervened with General Pak Chung Hi to suggest that he should be restrained. General Pak Chung Hi is said to have considered dismissing him and Colonel Kim Chong Pil certainly lay low for some time.

CONFIDENTIAL

CONFIDENTIAL

The changes of June and July however probably left him in a slightly stronger position than before, and his visits to Japan and the United States in October and November have seemed to strengthen his position.

10. The second half of the year was largely concerned with the transition to civilian control and changes in the Constitution. Although there was much officially-inspired talk on this subject it attracted very little real interest. The "Amended" Constitution, published on the 5th of November, is a return to the presidential form of government of Syngman Rhee's time, but with only one chamber and various new additions and checks and balances designed to prevent corruption and "influence peddling" and to discourage factionalism. The national referendum on the revised Constitution on the 17th of December was efficiently conducted, with a surprisingly high vote, and with no evidence of any undue pressure, and was claimed by General Pak to have established a "tradition" of democracy in Korea.

11. The main political interest in the latter part of 1962 was the future political organisation—what parties would emerge, who would lead them, and what the present military leaders would do. Speculation was rife in spite of official discouragement and attempts to throttle discussion led to two major rows between the Press and the military Government. In the last few days of the year it was admitted that there would be a Government party organised by Colonel Kim Chong Pil and it was announced that the members of the S.C.N.R. would become civilians and run for election to the Assembly, whilst it had become certain that General Pak himself would stand as President. A less satisfactory development was the publication of a Press Standards Law in July and the arrests of staff in July and November of the *Tonga Ilbo* and the *Hankook Ilbo* for tendentious political reporting. Martial law was however lifted on the 5th of December and Central Intelligence Agency surveillance of political activity ceased on the 1st of December. The ban on political

activity until 1963 however still limited moves to form an Opposition.

12. Economic developments were few during the second half of the year but the level of activity recovered steadily from the effects of the currency reform. By October it was clear that the harvest would be poor, and concern was being felt about the likelihood of considerable shortages of food grains by the spring of 1963. As regards industry basic agreements were made with businessmen under the auspices of the Van Fleet Mission to create various industrial undertakings, including a steel mill, but they were dependent upon A.I.D. loans which may not be forthcoming. An agreement was concluded with an Italian-French group in August for a large credit for the development of the fisheries industry and a further German credit negotiated at the beginning of December. A tightening of restrictions on imports was imposed during the fourth quarter, and restrictions on credit to keep the volume of money within bounds were imposed at the same time.

13. Internationally, Korea did quite well and continued to extend her contacts with the neutral nations, notably with India, whose appeal for help in her dispute with China gave much satisfaction in view of her previous attitude to Korea, and the smaller countries of Europe and Latin America. She was invited to join the Colombo Plan. It was not a very smooth year for relations with the United States, but the relationship is a difficult one and the difficulties of the summer were smoothed over by the end of the year. With ourselves, there were no serious problems; the trickle of trainees for technical assistance has started, and a few Korean visitors of some distinction were well looked after in England. Negotiations with Japan continued throughout the year and, at times, the areas of disagreement seemed formidably large, but at the end of the year there seemed a stronger possibility than before that a settlement might be reached. The Koreans have reaffirmed their support of the United Nations and their determination not to seek unification except under United Nations auspices and were delighted with the results of the voting at the 17th Session.

CONFIDENTIAL

File

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OUTGOING MESSAGE

		DATE	FILE		SECURITY
FM:	EMBASSY TOKYO	20 29 NOV 62	0-1-1 ✓ 8-3-7		CONFID
			INDEXED		
TO:	EXTERNAL		NUMBER	PRECEDENCE	COMCENTRE USE ONLY
			291	OPTIMED	
INFO:					

Ref.:

Subject: SOUTH-KOREAN-INDONESIAN RELATIONS.

A MEETING TOOK PLACE IN TOKYO LAST WEEK BETWEEN PRESIDENT SUKARNO, WHO IS HERE ON THREE-WEEK INFORMAL VISIT AND KIM CHONG PIL, DIRECTOR OF KOREAN CENTRAL INTELLIGENCE AGENCY, WHO PASSED THROUGH JAPAN ON RETURN FROM US VISIT.

2. EI WHAN PAL, CHIEF OF KOREAN MISSION HERE, HAS TOLD ME THAT SUKARNO IMMEDIATELY TOOK TO KIM AND THAT BROAD MEASURE OF AGREEMENT WAS REACHED AT MEETING ON DIFFICULT PROBLEMS WHICH HAVE MARRED BILATERAL RELATIONS IN PAST. IT WAS AGREED THAT BOTH COUNTRIES SHOULD START WORKING TO EXPAND EXCHANGES IN THE FIELDS OF TRADE, SPORTS AND CULTURE WITH A VIEW TO ESTABLISHING FULL DIPLOMATIC RELATIONS QUOTE AT AN APPROPRIATE TIME UNQUOTE. SUKARNO ALSO PROMISED TO VISIT SOUTH KOREA IN 1963, PROBABLY IN THE FALL. FINALLY, SUKARNO PROMISED TO INVITE SOUTH KOREA TO ATTEND SECOND BANDUNG CONFERENCE, AN INVITATION WHICH SOUTH KOREA WILL UNDOUBTEDLY ACCEPT IF FORMOSA IS ALSO ASKED TO PARTICIPATE.

3. SOUTH KOREAN GOVT HAS WELCOMED RESULTS OF MEETING BETWEEN SUKARNO AND KIM AS SIGNIFICANT ACCOMPLISHMENT IN KOREAN EFFORTS TO GAIN INTERNATIONAL RECOGNITION, PARTICULARLY IN ASIA. JAPANESE FOREIGN MINISTRY OFFICIALS BELIEVE THAT CHANGE IN

LOCAL
DISTRIBUTION

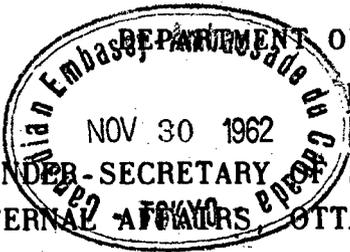
... 2

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG. JACQUES DUPUIS			SIG. (Sgd) W. F. Bull
NAME J. DUPUIS/WJ			NAME

- 2 -

SUKARNO'S ATTITUDE TOWARDS SOUTH KOREA ALMOST CERTAINLY ACCOUNTS FOR INDONESIAN
GOVT DECISION NOT TO OBJECT TO KOREAN MEMBERSHIP IN COLOMBO PLAN.

BULL



DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, WASHINGTON, D.C.

Reference: YOUR TELEGRAM Y362 OF NOV. 9/62

Subject: INTERNATIONAL UNION OF GEODESY AND GEOPHYSICS

Table with 2 columns and 2 rows, containing dashes.

UNCLASSIFIED

Security:

No: 1695

Date: NOVEMBER 14, 1962

Enclosures: ONE

Air or Surface Mail:

Post File No:

Ottawa File No. box with two rows and two columns.

Handwritten signature: Ambassador + FEL M

References NRC (OTT) with encl.

Attached is a copy of our Note of November 14 to the Embassy of the Republic of Korea, concerning the application by the North Korean Academy of Sciences for membership in the International Union of Geodesy and Geophysics.

D. R. TILSON for the

The Embassy

Internal Circulation

Distribution to Posts TOKYO PERMISNY with encl.

cc: External
NRC (Ott)
Tokyo
PERMISNY

The Canadian Ambassador presents his compliments to the Ambassador of the Republic of Korea and has the honour to refer to the latter's Note of September 21, 1962 concerning the application of the northern part of Korea for membership in the International Union of Geodesy and Geophysics which will hold a General Assembly at Berkeley, California, in August 1963.

The Canadian Ambassador has been informed by the competent authorities in Ottawa that the Canadian National Committee for the International Union of Geodesy and Geophysics received a request from the Secretary of the Union to agree to the adherence of the Academy of Sciences of the northern part of Korea, and replied in the affirmative. This decision was in accordance with the usual Canadian practice which is to accept the participation of bona fide scientific organizations in non-governmental bodies such as the International Union of Geodesy and Geophysics, and was based on the belief that there is independent geophysical research in the northern part of Korea, and that the Academy of Sciences of the northern part of Korea, which is a member of the International Council of Scientific Unions, is the appropriate body to speak for such scientific activity.

NDR

The Canadian Embassy,
Washington, D.C.

November 14, 1962.



7-1-1	
-	-

FM WASHDC NOV 9/62 RESTD
 TO EXTERNAL 3325 PRIORITY
 BAG TOKYO FM LDN
 REF YOURLET E1022 OCT2

*F-De
 All*

KOREA-AEGU FLIGHT INFO REGION

KOREAN EMB REPS NOV8 SOLICITED CDN SUPPORT FOR ADOPTION OF RECOMMEN-
 DATIONS MADE BY TECHNICAL CTTEES APPROVING ESTABLISHMENT OF TAEGU

FIR AT SECOND PACIFIC REGIONAL AIR NAVIGATION CONFERENCE AT

VANCOUVER. EMB PROMISED TO PROVIDE US NOV9 WITH WRITTEN EXPLANATION.

EMB REPS GAVE US TO UNDERSTAND THAT WHILE TECHNICAL CTTEES AT

VANCOUVER APPROVED TAEGU FIR, JAPAN, AS ONE OF FOUR STATES CLOSELY

CONCERNED, WAS ABLE AT THAT TIME TO PREVENT ADOPTION OF TECHNICAL

RECOMMENDATIONS, ALTHOUGH USA UK AND CHINA WERE AGREEABLE TO ADOPTION.

KOREAN EMB UNDERSTOOD ESTABLISHMENT OF TAEGU FIR COULD NOW BE APPROVED

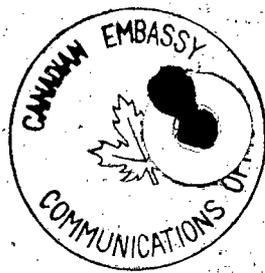
BY AIR NAVIGATION COMMISSION AND ICAO COUNCIL MTGS IN MONTREAL

NOV19 AND DEC12 RESPECTIVELY. KOREANS SAID THEY HAD APPROACHED US

FIRST BECAUSE OF OUR INFLUENTIAL POSITION IN ICAO, BUT THAT

APPROACHES TO BRITAIN, USA AND CHINA WERE ALSO BEING MADE.

(KCDV LDN 0000000Z TC6)



7 - 1 - 1	
INDEXED	-

Original on 8-7-3-1

DUPLICATE

FM CNBRA OCT12/62 CONF

TO EXTERNAL 293

INFO TT JAKARTA KARACHI DELHI COLOMBO KLUMPUR TOKYO LDN WASHDC FM OTT

WLGTN FM CNBRA

REF YOURTEL Y344 OCT4

COLOMBO PLAN-KOREAN MEMBERSHIP

AUSTRALIAN ATTITUDE DURING LAST FEW YEARS HAS BEEN TO SUPPORT
KOREAN CLAIMS RE COLOMBO PLAN, THEY SUPPORT ATTENDANCE AT
CONSULTATIVE MTG THIS YEAR AND WOULD MOST LIKELY SUPPORT APPLICATION
FOR MEMBERSHIP. '''



7 - 1 - 1	
INDEXED	-

Original on 8-7-3-1

DUPLICATE

FM KLUMBUR OCT12/62 CONED

TO EXTERNAL 142

COLOMBO

TT TOKYO CNBRA FM OTT

REF YOURTEL Y344 OCT4

COLOMBO PLAN-KOREAN MEMBERSHIP

ECONOMIC OFFICER IN MINISTRY OF EXTERNAL AFFAIRS AND IN PRIME
MINISTERS DEPT HAVE CONFIRMED TO US THAT MALAYAS ATTITUDE TOWARD
ROK MEMBERSHIP UNCHANGED FROM LAST YEAR.

2.KOREA HAS THUS FAR ASKED MALAYA ONLY FOR SUPPORT OF ITS APPLIC-
ATION TO ATTEND MELBOURNE CONFERENCE AS OBSERVER.MALAYA HAS AGREED.
SHOULD ROK REQUEST BE CONVERTED INTO BACKING FOR MEMBERSHIP MALAYA
WOULD BE SYMPATHETIC BUT WOULD REQUEST CONFERENCE TO DEBATE QUOTE
GEOGRAPHIC CONCEPT UNQUOTE ISSUE.

3.MALAYANS NOT RPT NOT CONVINCED THAT STRICT ADHERENCE TO GEOG-
RAPHICAL QUALIFICATION A GOOD THING.THEY ARE SYMPATHETIC TO ROK AND
(TO MUCH LESSER EXTENT)TO AFGHANISTAN BUT OPPOSED TO TAIWAN.

4.ANY ROK REQUEST FOR MEMBERSHIP AT CONFERENCE COULD INSPIRE
ARRANGING AND ACRIMONIOUS DEBATE AMONG ASIAN MEMBERS ON DESIRABLE
QUALITIES OF THEIR RESPECTIVE ASIAN NEIGHBOURS.'''

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

File

OUTGOING MESSAGE

FM: EMBASSY TOKYO	DATE	FILE		SECURITY
	11 OCT 62	8-7-3-1 7-1-1 ✓		CONF
TO: OTT EXTERNAL	NUMBER	PRECEDENCE	COMCENTRE USE ONLY	
	259	OPTIMED		
INFO: LON WASHDC OECD PARIS EXTAID OTT TANDC OTT FINANCE OTT				PRIORITY
BAG DELHI KARACHI COLOMBO KLUMPUR				Fm LON
DJAKARTA CNBRA WLGTA				

Ref.: YOUR TEL Y344 OCT 4/62 AND OUR TEL 153 JUN 4/62

Subject: COLOMBO PLAN - KOREAN MEMBERSHIP

WE UNDERSTAND FROM A CONVERSATION YESTERDAY WITH TOSHIKAZU MAEDA, CHIEF OF ASIAN SECTION IN FOREIGN MINISTRY, THAT JAPANESE POSITION ON SOUTH KOREAN MEMBERSHIP IN COLOMBO PLAN IS NOT YET FIRM. FOREIGN MINISTRY HAS PROMISED TO INFORM US IN DUE COURSE OF JAPANESE STAND ON THIS AND OTHER QUESTIONS WHICH MAY COME UP DURING FORTHCOMING COLOMBO PLAN MEETING.

2. FOR TIME BEING OFFICIALS HERE ARE MAINLY CONCERNED ABOUT PROBLEM OF ADMITTING SOUTH KOREAN OBSERVERS/ TO MELBOURNE CONFERENCE. JAPANESE BELIEVE THAT USA AND AUSTRALIA HAVE NO OBJECTION TO KOREAN ATTENDANCE BUT POINT OUT THAT THE WISH OF ASIAN MAJORITY SHOULD PREVAIL. WE WOULD AGREE WITH JAPANESE VIEW THAT EFFORTS SHOULD BE MADE TO AVOID REPETITION THIS YEAR OF DIFFICULT SITUATION WHICH AROSE IN KUALA LUMPUR LAST FALL WHEN INDONESIA AND CEYLON STRONGLY OBJECTED TO ATTENDANCE BY SOUTH KOREAN OBSERVERS.

3. ON THE WHOLE WE FIND THAT JAPANESE ARE FAVOURABLE TO SOUTH KOREA'S FULL MEMBERSHIP IN COLOMBO PLAN, ALTHOUGH THEY WILL NOT COMMIT THEMSELVES UNTIL THEY ARE CERTAIN THAT RECIPIENT COUNTRIES IN ASIA RAISE NO OBJECTION. IN THIS CONNECTION, WE HAVE LEARNED FROM MAEDA THAT SOUTH KOREAN GOVT RECENTLY ASKED JAPAN TO USE WHATEVER INFLUENCE IT HAS WITH

... 2

LOCAL DISTRIBUTION

ORIGINATOR	DIVISION	PHONE	APPROVED BY
JACQUES DUPUIS			JACQUES DUPUIS
SIG.....			SIG.....
NAME J. DUPUIS/wd.....			NAME.....

- 2 -

INDONESIAN AUTHORITIES TO PERSUADE THEM TO AGREE TO SOUTH KOREAN MEMBERSHIP. KOREANS HAVE BEEN TOLD THAT IN VIEW OF RECENT DETERIORATION OF JAPANESE-INDONESIAN RELATIONS AS A RESULT OF DIFFERENCES OVER CONDUCT OF ASIAN GAMES, JAPANESE INTERVENTION AT THIS TIME WOULD DO MORE HARM THAN GOOD TO KOREAN CAUSE.

4. AS POINTED OUT IN OUR TEL UNDER REF WE STILL HOPE THAT CANADA COULD DISCREETLY USE ITS INFLUENCE WITH RECIPIENT COUNTRIES IN ASIAN REGION TO FACILITATE KOREA'S ENTRY INTO COLOMBO PLAN.



7-1-1	
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FM WASHDC OCT4/62 CONFD
 TO EXTERNAL 2880 PRIORITY
 INFO TANDC OTT OECDPARIS
 EAO OTT FINANCE OTT BOFC OTT FM OTT
 BAG TOKYO FM LDN

The Ambassador
J.E.
5 Feb
MJ

CONSORTIUM FOR KOREA

WE LEARNED FROM KNAPP THAT THE ORGANIZATION OF A CONSORTIUM FOR KOREA BY IBRD IS NOT RPT NOT CONSIDERED JUSTIFIED IN VIEW OF SMALL AMOUNT OF WORLD BANK FINANCING TO THAT COUNTRY AND BECAUSE BANK FEELS IT CAN HANDLE NOT RPT NOT MORE THAN LIMITED NUMBER OF CONSORTIA OR CONSULTATIVE GROUPS AND MUST THEREFORE BE SELECTIVE AND CONSIDER EACH CASE VERY CAREFULLY. IT WAS NOT RPT NOT CLEAR FROM KNAPPS REMARKS WHETHER POTENTIAL DONOR COUNTRIES WERE SOUNDED OUT BY BANK ALTHOUGH IN CONVERSATIONS WE HAVE HAD WITH AID OFFICIALS WE WERE TOLD THIS QUESTION WOULD BE RAISED WITH IBRD AND DAK. IN FACT KNAPP REFERRED TO POSSIBILITY OF DAC ROLE IN KOREA.

ZRCVD LDN 050125Z/BEHXWL



7 - 1 - 1	
INDEXED	-

Original on 8-7-301

FM EXTERNAL OTT OCT4/62 CONED

TO COLOMBO Y344

JAKARTA KARACHI DELHI KLUMPUR TOKYO LDN WASHDC WLGTN CNBRA

REF OURTEL 301 AUG16

COLOMBO PLAN-KOREAN MEMBERSHIP

GRATEFUL TO LEARN LATEST POSITION OF GOVT

TO WHICH YOU ARE ACCREDITED REGARDING POSSIBLE SOUTH

KOREAN MEMBERSHIP IN COLOMBO PLAN. CDN POSITION REMAINS

SAME AS EXPRESSED PARA2 OF REF TEL.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(FILE COPY)

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY,
TOKYO.

Reference: Our Letter 516 of August 23, 1962

Subject: Developments in South Korea

CONFIDENTIAL

Security:.....

No:..... 576

Date:..... September 20, 1962

Enclosures:..... 2

Air or Surface Mail: Air

Post File No: 7-1-1

Ottawa File No.	

References

We are attaching for your information copies of the following reports which have been prepared by Major C.R. Baker, Liaison Officer to the U.N. Command in Korea:

- a) Monthly Intelligence Summary for August, 1962 dated August 31, 1962;
- b) Report No.15/62 of September 14, 1962 - Amphibious Exercise Seven Seas.

2. These reports have already been forwarded through D.N.D. channels, but we assume that the attached copies will be of interest to the Far Eastern Division.

Internal Circulation

JACQUES. DUPUIS

The Embassy

Distribution to Posts

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA. J. DUPUIS/wd (FILE COPY)

NUMBERED LETTER

**CONFIDENTIAL
CANADIAN EYES ONLY**

**TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.**

**FROM: THE CANADIAN EMBASSY
TOKYO**

Reference: Our Letter 516 of August 23, 1962

Subject: Visit to South Korea

Security:.....

No:..... 546

Date:..... September 7, 1962

Enclosures:..... 1

Air or Surface Mail:..... Air

Post File No:..... 7-1-1

Ottawa File No.

References

Attached for your information is Report No.9/62 of September 4, 1962 in which Captain N. Cogden, Naval, Military and Air Attache at this mission, has reported on a visit which he made to Korea between August 27 and September 1, 1962.

2. This report has already been forwarded through D.N.D. channels, but we assume that the attached copy will be of interest to the Far Eastern Division.

**Internal
Circulation**

JACQUES. DUPUIS

The Embassy

**Distribution
to Posts**

DEPARTMENT OF EXTERNAL AFFAIRS
CROSS REFERENCE SHEET

SecurityCONFIDENTIAL.....

8 - 7 - 1 - 1		
-	-	-

Type of Document.....Telegram..... No...195.....Date...Aug..27..1962....

From.....Colombo.....

To.....External (Info Tokyo).....

Subject:

COLOMBO PLAN KOREAN MEMBERSHIP

Original on File No.....8-7-3-1.....

Copies on File No.....NIL.....

Other Cross Reference Sheets on.....NIL.....

Prepared by.....P.H. Chevassu (Registry).....

J. DUPUIS/wd

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(FILE COPY)

NUMBERED LETTER

CONFIDENTIAL

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

THE CANADIAN EMBASSY

FROM: TOKYO

Our Letter No.512 of August 20, 1962

Reference: Developments in South Korea (Central

Subject: Intelligence Agency)

Security:.....

No:..... 516

Date:..... August 23, 1962

Enclosures:..... 1

Air or Surface Mail:..... Air

Post File No:..... 7-1

Ottawa File No.	

References

Attached for your information is Report No.11/62 of August 18, 1962 in which Major C.R. Baker, Liaison Officer to the U.N. Command, has offered some comments on a briefing given by the Korean Central Intelligence Agency to military attaches and liaison officers stationed in Seoul.

2. The two copies of the brochure distributed at that briefing, which were received at this post, have already been forwarded to the Director of Military Intelligence in Ottawa. Should such documentation be of interest to the Department, a copy can undoubtedly be obtained from D.M.I. on a loan basis. We would agree, however, with the comment made by Major Baker in the attached report that these briefings have become rather futile propaganda exercises designed to present for foreign consumption, an over-simplified and rosy picture of developments in South Korea.

Internal Circulation

JACQUES DUPUIS

The Embassy

Distribution to Posts

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(FILE COPY)

NUMBERED LETTER

SECRET
CANADIAN EYES ONLY

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.
THE CANADIAN EMBASSY

Security:.....

No:..... August 20, 1962

Date:.....

Enclosures:..... Air

Air or Surface Mail:.....
7-1-1

Post File No:.....

FROM: TOKYO

.....
Our Letter No. 447 of July 20, 1962

Reference:.....

ROK Army Mission to Viet Nam

Subject:.....

.....
.....

Ottawa File No.	

References

Attached is a copy of Report No. 13/62 of August 7, 1962 prepared by Major C.R. Baker, Liaison Officer to the U.N. Command in Korea.

2. This report has already been forwarded through D.N.D. channels but we assume that the attached copy will be of interest to Far Eastern Division.

JACQUES DUPUIS

The Embassy

Internal Circulation

Distribution to Posts

DEPARTMENT OF EXTERNAL AFFAIRS
CROSS REFERENCE SHEET

Security **CONFIDENTIAL**

7 - 1 - 1		
-	-	-

Type of Document.....Telegram..... No...X-301..Date...Aug...16,..1962...

From.....External.....

To.....Colombo..(Info...Tokyo).....

Subject:

COLOMBO PLAN - KOREAN MEMBERSHIP

Original on File No.....8...7...3...1.....

Copies on File No.....NIL.....

Other Cross Reference Sheets on.....NIL.....

Prepared by.....P.H..Chevassu..(Registry).



7-1-1	
—	—

Accu Ambassador
& fish
MF

KOREAN MISSION IN JAPAN
 Tokyo

Tel: 451-8206

ADVANCE: To be released after 2 a.m., JST, August 15

CHAIRMAN PARK GREETES FREE WORLD NATIONS

Following is the full text of Liberation Day greetings to nations of the free world from General Chung Hee Park, acting President of the Republic of Korea and chairman of the Supreme Council for National Reconstruction.

Today, August 15, is the 17th anniversary of the liberation of Korea from Japanese rule. During the first 15 and one-half years following the liberation, the Korean people, almost decimated by the terrible losses suffered during the Communist invasion, saw their democratic idealism frustrated by autocratic, corrupt, and incompetent politicians. As a result, Korea was forced to follow a weary and tortuous path which seemed to have no ending save in total despair.

Today, all has changed for the better. Since the Military Revolution, corruption has been eliminated from governmental, industrial, financial, and educational institutions. A vast public works program has reduced the number of unemployed. Timely assistance has been given to debt-ridden farmers and fishermen, who total 60 percent of our population. Smuggling and black market activities have been eliminated; law and order prevails throughout the land.

Our five-year economic plan, which will form the basis for our industrial expansion and eventual self-sufficiency is being implemented with all possible speed and efficiency, Our anti-Communist ideology is stronger than ever before; our military strength to repel any renewal of Communist aggression is at its highest peak.

We Koreans want, and are determined to create a new and workable democracy which will reflect our highest ideal, and which will be suited to existing conditions in our country. We want, and intend to achieve, a reasonable degree of economic security for each of our citizens.

These basic desires will not be realized overnight. But with the aid and understanding of our friends among the free world nations, we will eventually succeed in making this country an illuminating "showcase of democracy," which will put the regimented servitude of the Communists to shame.

On this National Liberation Day I express, for the Korean people and for myself, our deepest appreciation for the understanding and support of the free world nations, who have helped us through so many vicissitudes to reach this dawn of hope for better future.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

(DUPLICATE)

NUMBERED LETTER

UNCLASSIFIED

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA. Office of the High Commissioner

FROM: for Canada, Kuala Lumpur, Malaya

Tokyo letter No. 392 of June 28

Reference: South Korea - Diplomatic Activities

Subject:



Security:.....

No:..... 341

August 7, 1962

Date:.....

Enclosures:.....

Air

Air or Surface Mail:.....

Post File No:.....

Ottawa File No. []

References

As a footnote to Tokyo's interesting letter under reference, we might point out that although South Korea has an Ambassador here there is no Malayan Ambassador stationed in Seoul, nor is there even a non-resident Malayan representative accredited to Korea. Major General Hong Hi Choi presented his credentials as Korean Ambassador to Malaya on June 1, 1962.

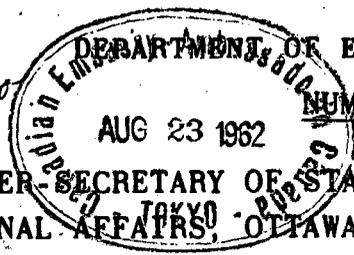
C. E. MCGAUGHEY

Office of the High Commissioner

Internal Circulation

Distribution Tokyo Posts

7-1-1



DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy, Santiago, Chile.

Reference: Our despatches No. 268 of Aug. 8, 1961 and 134 of May 8, 1962.

Subject: Diplomatic Relations Between Chile and South Korea.

*Ambassador
r file ml*

Security: RESTRICTED

No: 203

Date: July 13, 1962

Enclosures:

Air or Surface Mail: Courier

Post File No: C14, x-ref. F2

Ottawa File No. []

References

- Washington
- Permis NY
- NATO Paris
- Commonwealth Dist. (17)
- Far Eastern
- USSEA
- Mrs Ritchie
- Economic D.L. (2)
- Liaison Services
- All L.A. Posts
- CCOS (6)
- T.&C
- Bank
- Finance
- JIB
- NDC (Via L.S.)
- Latin American & file
- C.H. West
- July 31/62

In the second letter under reference, we reported that the Chilean Government had announced the establishment of diplomatic relations with South Korea. On July 3 the first Korean Ambassador to Chile, General Il Kwan Chung, presented his credentials to the President of the Republic. General Chung was at one time Commander-in-Chief of the Korean Army during the Korean war and is now Ambassador of his country in Washington, where he has his residence. As you know, he was also head of the goodwill mission which visited Canada a few months ago. He is also accredited to Colombia where he proceeded to present his credentials.

2. The Korean Ambassador made a brief courtesy call on Mr. Tremblay and said that originally he was scheduled to go to Canada this month to lead a Korean Trade Mission there. The visit of this Mission to Canada, he said, had been postponed for a month or so on account of the post-electoral period in Ottawa. The Ambassador also told us that a similar Trade Mission will be visiting Chile in the near future in order to discuss trade prospects between the two countries. Korea is hoping to find a market here for some of her cotton textiles and might be able to purchase a small quantity of copper.

3. In a statement he gave to the press, General Chung referred to the constant support given by Chile in favour of his government's position at the United Nations. In a similar connection, he reiterated his government's concern over the latest Soviet move to have all foreign troops leave North and South Korea. This, he said, could not be done except under certain conditions and certainly "not only Russian conditions". It is also his view that if any major change in the status quo in Korea were envisaged, it could not be achieved merely under the general aegis of the United Nations - this, in his view, would have to be under the actual supervision of UNCURK and not a sort of substitute commission which the Soviets could dominate.

Internal Circulation

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(Sgd.) J.Y. Grenon
(for) The Embassy

FILE: 7-1-1	
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Ambassador
Capital London
7 file
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2/20/7

FM LDN JUL12/62 CONFD CDN EYES ONLY

TO EXTERNAL 2528

INFO PERMISNY WASHDC EMBPARIS NATOPARIS

TT CCOS OTT FM OTT

BAG KARACHI DELHI COLOMBO KLUMPUR JAKARTA WLGTN CNBRA TOKYO FM LDN

KOREAN GOVT CHANGES

FOLLOWING IS TEXT OF TEL FROM BRIT AMBASSADOR SEOUL TO FO JUL11
 QUOTE.THE APPOINTMENT OF THE NEW PM HAD BEEN FORESEEN.IT WAS TO
 BE EXPECTED THAT GEN PAK WOULD TRY TO FIND SOMEONE WHO HAD NOT
 RPT NOT BEEN INVOLVED IN THE RECENT CABINET DISPUTES.EQUALLY,
 THE DEPARTURE OF THE FOORMER PM SONG LEFT THE WAY OPEN FOR THE
 RETURN OF KIM YU TAEK.THE RESIGNATION OF THE MINISTER OF COMMERCE
 AND INDUSTRY APPEARS TO HAVE BEEN ON GENUINE MEDICAL GROUNDS.
 YU CHANG SUN,WHO IS SAID TO HAVE LOST THE GOVERNORSHIP OF THE
 BANK OF KOREA BECAUSE HE WANTED FIRM ACTION AGAINST STOCK EXCHANGE
 MANIPULATORS ,WAS ALSO EXPECTED TO BE GIVEN A NEW APPOINTMENT.

SCNR CHANGES ARE HARDER TO ASSESS ,EXCEPT FOR THE RESIGNATION OF
 RYU WON SHIK,WHICH WAS UNDOUBTEDLY DUE TO ERRORS IN THE IMPLEMENT-
 ATION OF CURRENCY REFORM.KIM DUNG HAS DEPARTURE FROM THE FINANCE
 CTTEE MAY ALSO BE CONNECTED WITH THIS AND WITH STOCK EXCHANGE
 CRISIS.THE CHANGES SEEM TO LEAVE THE QUOTE GENS UNQUOTE FACTION
 IN A SLIGHTLY STRONGER POSITION,BUT ON THE OTHER HAND TWO OUTGOING
 QUOTE COLS UNQUOTE WERE NOT RPT NOT KNOWN TO BE SUPPORTERS OF
 KIM CHONG PIL.UNQUOTE.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

File



OUTGOING MESSAGE

FM: EMBASSY TOKYO	DATE	FILE		SECURITY	
	11 JUL 62	7-1-1		CONFID	
TO: EXTERNAL	INDEXED				
	NUMBER	PRECEDENCE	COMCENTRE USE ONLY		
	178	OPIMMED			
INFO: PERMISNY: WASHDC: LDN: EMBPARIS: NATOPARIS		OPIMMED			
CCOS					
KARACHI: DELHI: COLOMBO: KLUMPUR: JAKARTA: WLGTN: CNBRA		BAG FM LDN			

Ref.: OUR TEL 166 JUN 20/62

Subject: KOREA - CURRENT DEVELOPMENTS

SOUTH KOREA'S MILITARY GOVT ANNOUNCED ON JUL 10 THE RESIGNATION AS PRIME MINISTER OF GEN PARK CHUNG HEE, WHO HAD TEMPORARILY ASSUMED THIS POST ON JUN 19 AND HIS REPLACEMENT BY KIM HYUN GHUL, A FORMER FINANCE MINISTER IN THE SYNGMAN RHEE GOVT. THE NEW PRIME MINISTER WHO HAD JOINED THE CABINET AS HEAD OF THE ECONOMIC PLANNING AGENCY, FOLLOWING THE RESIGNATION OF THE SONG CABINET ON JUN 16, VACATES THAT POST WHICH IS NOW ASSUMED BY KIM YU TAIK WHO THUS RETURNS TO FUNCTIONS WHICH HE HAD PREVIOUSLY OCCUPIED. ANOTHER CABINET CHANGE INVOLVES GEN CHUNG NAE HYUK WHO HAS RESIGNED AS MINISTER OF COMMERCE AND INDUSTRY AND HAS BEEN SUCCEEDED BY THE FORMER GOVERNOR OF THE BANK OF KOREA, YOO CHANG SOON.

2. PARK ALSO ACCEPTED THE RESIGNATIONS OF TWO MEMBERS OF THE SUPREME COUNCIL, BRIG SON CHANG KYU AND BRIG YOO WON SHIK WHO RESIGNED FOR PERSONAL REASONS. IN ANOTHER SHIFT MAJ GEN YOO YANG SOO, CHAIRMAN OF THE FOREIGN AND DEFENCE COMMITTEE IN THE COUNCIL, WILL EXCHANGE POSTS WITH MAJ GEN KIM DONG HA, CHAIRMAN OF THE FINANCE AND ECONOMIC COMMITTEE.

... 2

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- 2 -

3. THESE CABINET CHANGES, WHICH ARE A SEQUENCE TO THE RESIGNATION OF THE SONG CABINET ON JUN 16, CAN BE REGARDED AS OF LITTLE POLITICAL SIGNIFICANCE SINCE THE CABINET CARRIES OUT POLICIES DRAWN UP BY THE COUNCIL. HOWEVER, IT IS ENCOURAGING THAT THE THREE MOST IMPORTANT CABINET POSTS ARE NOW OCCUPIED BY CIVILIANS WHO HAVE THE REPUTATION OF BEING MEN OF SUBSTANCE AND INTEGRITY AS WELL AS COMPETENT ADMINISTRATORS. THE MILITARY GOVT'S MOVE CAN ALSO BE INTERPRETED AS AN INDICATION THAT IT INTENDS TO ABIDE BY ITS PLEDGE TO GRADUALLY RETURN THE ADMINISTRATION TO CIVILIAN CONTROL.

4. OUR IMPRESSION, WHICH IS CONFIRMED BY USA AND BRITISH VIEWS,^{IS} THAT COMPETITION BETWEEN RIVAL GROUPS AND PERSONALITIES WITHIN THE MILITARY LEADERSHIP AS WELL AS DISAGREEMENTS OVER POLICY ARE CONTINUING. WHILE PARK RETAINS THE DOMINANT INFLUENCE HE HAS FOUND IT MORE DIFFICULT RECENTLY TO MAINTAIN THE BALANCE BETWEEN OPPOSING FACTIONS. KIM CHONG PIL, HEAD OF CIA, IN PARTICULAR HAS BECOME INCREASINGLY INVOLVED IN ALL POLICY MATTERS, AND HAS AROUSED THE RESENTMENT OF VARIOUS FACTIONS. WHILE DISCOUNTING THE POSSIBILITY THAT PRESENT DISSENSIONS MIGHT LEAD TO A STRUGGLE FOR POWER, WE BELIEVE THAT IT WILL BE SOME TIME BEFORE A STABLE EQUILIBRIUM OF POLITICAL FORCES WITHIN THE LEADERSHIP IS^{RE-} ESTABLISHED.

BULL

7-1-1	
-	-



H. H. FREY/as

July 10/62 X REF. ON 8-7-2-4

Far East Div.
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FM GENEVA JUL 9/62 RESTD
 TO EXTERNAL 1321 PRIORITY
 INFO TANDC OTT
 REF OURTEL 1254 JUNQI
 SOUTHKOREA AND GATT

Ambassador
~~For~~
r. f. m.

FURTHER TO PARA 5 REFTTEL WE HAVE OBTAINED FOLLOWING INFO CONCERNING PREVIOUS KOREA/GATT LINKS FROM SECRETARIAT.

2. ALTHOUGH KOREA PARTICIPATED IN TORQUAY NEGOTIATIONS, IT DID NOT RPT NOT SIGN TORQUAY PROTOCOL. KOREAN CONSOLIDATED LIST OF CONCESSIONS INCLUDED IN TORQUAY PROTOCOL WAS THUS VOIDED. DECISION OF CPS PROVIDING FOR ACCESSION OF KOREA (BISD VOL. II/33) DID NOT RPT NOT APPLY. IN ACCORDANCE WITH ART XXVII OF GENERAL AGREEMENT CDA WITH-DREW CONCESSIONS TO KOREA IN 19456KCF DOCU L/553).



DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

NUMBERED LETTER

7 - 1 - 1	(DUPLICATE)
INDEXED	-
Original on 8-7-9-1	

To: The Canadian Embassy, TOKYO, Japan

Security: CONFIDENTIAL

No.: E-231

Date: July 3, 1962

From: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA. Tel 153 of June 4 from Tokyo; letter 88 of May 28 from London to External Aid Office

Enclosures:

Reference: Colombo Plan: Possible Membership of South Korea

Air or Surface Mail:

Post File No.:

Ottawa File No.

References

The question of possible South Korean membership in the Colombo Plan has been reconsidered kinterdepartmentally in the light of your thoughtful telegram under reference. You will, of course, recall that our reply to a similar Korean enquiry in August last year, which was approved by the Minister, was to the effect that the Canadian Government was sympathetic to South Korea's need for assistance and would not oppose Korean participation in the Colombo Plan if such participation were acceptable to the Asian countries which are now members of the Plan. Although there were misgivings on our part about the extension of the geographical area of the Colombo Plan to include Korea, we did not do anything to oppose Korean attendance at last year's Colombo Plan meeting as an observer.

2. The Koreans were admitted as observers to the Colombo Plan Meeting at Kuala Lumpur last year, although Ceylon and Indonesia clearly indicated that they were not particularly happy at this decision. These two countries apparently refrained from pressing their objections to the point of barring Korean entry only out of regard for the embarrassment of the Malayan Government, which had a Korean Delegation sitting on its doorstep in Kuala Lumpur.

3. In view of what happened at last year's meeting of the Consultative Committee we do not favour any action by Canada to encourage Asian countries to accept Korea as suggested in your telegram under reference. We have consistently taken the position that we will accept the admission of k new members if all the existing Asian members are prepared to accept them and in this case we know that two of the Asian members were not favourably inclined last year. We appreciate the importance of encouraging the present Government of Korea in its efforts to save that country from economic and social disintegration, but we believe we would be making a rather serious departure from a well-founded policy if we were to do anything, even very discreetly, to canvass support for the entry of Korea. In any case, we continue to doubt the desirability of encouraging developments which might leave the way open for the indefinite geographical extension of the Colombo Plan.

4. In conclusion, therefore, we believe we should give the Koreans the same reply as last year to their enquiry about participation in an observer capacity at the next meeting of the Consultative Committee of the Colombo Plan, and as indicated

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- 2 -

in the attached letter No. 772 of July 3 we are instructing
our office in London in this sense.

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of State
for External Affairs.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

(DUPLICATE)

NUMBERED LETTER

To: **The Office of the High Commissioner
for Canada, London**

From: **THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.**

Reference: **Your letter 88 of May 28 to the External
AID Office**

Subject: **Colombo Plan: Possible Membership of
South Korea**

Security: **CONFIDENTIAL**

No.: **772**

Date: **July 3, 1962**

Enclosures:

Air or Surface Mail:

Post File No.:

Ottawa File No.	

References

We attach a copy of self-explanatory letter No. 231 of July 3 on the above subject addressed to the Canadian Embassy in Tokyo. As indicated in the final paragraph of the letter, your reply to the Korean Embassy should be the same as that given last year, i.e. based on telegram XAO 1104 of September 1, 1961.

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of State
for External Affairs.

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