CONFIDENTIAL SECTION 01 OF 02 SEOUL 08917

E.O. 12065: GDS 07/11/86 (GLEYSTEE, W. H.) OR-M
TAGS: PEPR MILI PINT SHUM KS US
SUBJECT: RESPONSES TO WOLFF SUBCOMMITTEE

REF: STATE 181043

1. (C - ENTIRE TEXT)

2. THE EMBASSY BELIEVES THAT IN GENERAL THE PROPOSED ANSWERS TO THE WOLFF SUBCOMMITTEE ARE APPROPRIATELY STRAIGHTFORWARD AND COMPLETE. WE HAVE THE FOLLOWING SUGGESTED CHANGES.

3. ANSWER 2 SHOULD READ AS FOLLOWS:

"FORMAL LEGITIMACY HAS BEEN RETAINED BY THE AUTHORITIES IN SEOUL. PRESIDENT CHOI KYU-HAH HAS CONTINUED IN HIS CONSTITUTIONAL OFFICE, AND A CIVILIAN CABINET REMAINS. HOWEVER, A NUMBER OF EXTRAORDINARY ARRANGEMENTS HAVE BEEN MADE SINCE MID-MAY, INCLUDING PREVENTING THE NATIONAL ASSEMBLY FROM MEETING OR FUNCTIONING AND THE ESTABLISHING OF MILITARY-CIVIL "SPECIAL COMMITTEES FOR NATIONAL SECURITY MEASURES" WHICH ARE INCREASINGLY ASSUMING CONFIDENTIAL CONFIDENTIAL:"

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AUTHORITY NORMALLY RESERVED TO THE CABINET, LEGISLATURE, AND OTHER AGENCIES OF THE GOVERNMENT.

THE SENIOR ARMY OFFICERS WHO WIELD GREAT AUTHORITY OVER ALL ASPECTS OF KOREAN GOVERNMENT AT THE PRESENT TIME DO SO FORMALLY THROUGH THE MECHANISM OF EXTENDED MARTIAL LAW, ALTHOUGH THEIR ACTIONS HAVE A DEPTH AND PATTERN WHICH GOES MORE DEEPLY INTO THE GOVERNMENTAL SYSTEM THAN WOULD APPEAR TO BE WARRANTED BY CONSIDERATIONS OF
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RESTORING SECURITY AND ORDER."

REMAINDER OF ANSWER 2 SHOULD REMAIN UNCHANGED.

4. ANSWER 3 SHOULD READ AS FOLLOWS:

"THERE HAVE NOT BEEN ENOUGH SIGNIFICANT RELEASES SINCE
THE EXTENSION OF MARTIAL LAW IN MID-MAY TO INDICATE A
MAJOR EFFORT AT RECONCILIATION OR LENTENCY. IN THE WAKE
OF THE LARGE STUDENT DEMONSTRATIONS IN SEOUL AND THE
SUBSEQUENT NEAR-INSURRECTION IN THE SOUTHERN CITY OF
KWANGJU IN MAY, LARGE NUMBERS OF PERSONS WERE DETAINED
BY MARTIAL LAW AUTHORITIES FOR INVESTIGATION. REPORTEDLY,
OVER 1,000 HAVE SUBSEQUENTLY BEEN RELEASED WITHOUT CHARGES,
BUT THIS WOULD APPEAR TO BE NO MORE THAN THE RESULT OF A
SCREENING AND INVESTIGATIVE PROCESS RATHER THAN RELEASES
OF THOSE AGAINST WHOM THE GOVERNMENT FELT IT HAD A CASE.

A SMALL NUMBER OF POLITICIANS, INCLUDING THE PRESIDENT
OF THE DEMOCRATIC REPUBLICAN PARTY, FORMER PRIME MINISTER
KIM JONG-PIL, AND SEVERAL OTHER FORMERLY PROMINENT
INDIVIDUALS WERE RELEASED AT THE BEGINNING OF JULY AFTER
HAVING REPORTEDLY AGREED TO TURN MOST OF THEIR WEALTH
OVER TO THE GOVERNMENT AND TO REFRAIN FROM ANY FURTHER
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POLITICAL OR POLITICAL PARTY PARTICIPATION. THESE
INDIVIDUALS HAVE BEEN PUBLICLY ACCUSED OF CORRUPTION,
ALTHOUGH NO LEGAL PROCEEDINGS WERE EVER HELD AND THEIR
REMOVAL FROM THE POLITICAL SPECTRUM SEEMS TO HAVE BEEN
EXTRACTED IN RETURN FOR THEIR FREEDOM. A VERY SMALL
NUMBER OF OTHER INDIVIDUALS WHO WERE DETAINED, INCLUDING
SOME NATIONAL ASSEMBLY MEN, HAVE ALSO BEEN RELEASED.

REMAINDER OF ANSWER 3 SHOULD REMAIN UNCHANGED.

5. ANSWER 6 SHOULD READ AS FOLLOWS:

"AFTER NEARLY TWO DECADES OF SPECTACULAR ECONOMIC GROWTH
DURING WHICH REAL INCREASES IN GNP AVERAGED ABOUT 9.5
PERCENT ANNUALLY, KOREAN ECONOMIC GROWTH SLOWED TO 7.1
PERCENT IN 1979. PART OF THE SLOWDOWWN WAS SELF-INDUCED
AS THE GOVERNMENT IN EARLY 1979 ADOPTED A STABILIZATION
PROGRAM TO COMBAT GROWING INFLATIONARY PRESSURES, BUT
THE DOWNTURN WAS MUCH SHARPER THAN EXPECTED DUE TO LAST
YEAR'S PETROLEUM PRICE INCREASE AND THE SLOWDOWN IN THE
WORLD ECONOMY. FOR THE FIRST HALF OF 1980, GNP HAS
DECLINED ABOUT 2 PERCENT AND OVERALL GROWTH FOR THE YEAR
WILL BE MINIMAL. ALTHOUGH KOREAN ECONOMIC PLANNERS
EXPECT THE INFLATION (#)

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ECONOMIC SLOWDOWN AND RISING UNEMPLOYMENT.

PARAGRAPH BEGINNING "WHILE KOREA EXPERIENCED..." REMAINS UNCHANGED.
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NOTE BY OC/T: SEOUL 8917/1. (#)OMISSION PARA 5 CORRECTION TO FOLLOW.
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