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25 November 1986

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director for Intelligence

FROM: [Redacted]
Director of East Asian Analysis

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SUBJECT: South Korea: The Time Bomb is Ticking

1. Action: No action required, for your background use only.

2. Background. The political dialogue between President Chun's ruling Democratic Justice Party and the opposition led by Kim Dae Jung and Kim Young Sam has broken down. Within the next few months Chun appears prepared to ram through a constitutional revision to create a parliamentary system to replace the current presidential system when his term expires in February 1988. Chun intends to handpick the Prime Minister.

3. My recent discussions in Seoul (31 October - 8 November) with representatives from the government and opposition left me with the following strong impressions that I would like to share with you before your impending visit.

- a. President Chun is widely perceived as determined to continue to manipulate the political process from behind the scenes after he steps down from office in February 1988; should Chun attempt to do so--and I believe he will--his efforts are likely to provoke political violence either in the form of a military coup or student/labor led popular uprisings.
- b. Both popular cynicism toward the effectiveness of a "military-dominated" government and various societal forces at work (including rising middle-class expectations and resentment over unequal distribution of the fruits of economic success) make it highly unlikely that Koreans will accept with equanimity yet another coup imposed leadership.
- c. Left entirely to their own devices, the Koreans are unlikely to forge a compromise providing for some form of equitable power sharing between the current ruling party and the opposition. At

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the same time, all sides view the US as the key source of legitimacy for any post-Chun political arrangement. Consequently, the possibility that the US can sit on the sidelines during the turbulent period between now and February 1988 is remote. Merely echoing our support for a peaceful transition and a government "supported by all the Korean people" is likely to be distorted by President Chun as endorsing his efforts to preserve "stability" by creating a parliamentary system over the objections of a "naive" and obstinate opposition. In sum, we need to avoid the tendency to underestimate our influence over the Korean political process, and we need to develop a game plan that takes account of the necessity for the US to actively fashion an effective compromise solution to South Korea's political imbroglio.

4. There are, as always, no easy answers. My impression of President Chun is that he is isolated from mainstream political opinion and overly confident that he can manage to manipulate the system to preserve himself as a "kingmaking" Korean-style Deng Xiaoping. Chun has enormous funds to buy delegates in the National Assembly and has handpicked followers in the military who owe him personal loyalty as a counterweight to the ambitions of his designated successor (presumably his hand-picked Prime Minister). Critical to Chun will be the continued perception that he has US support for his actions; his recent statement to Assistant Secretary Sigur that he would like to visit the US as "a private citizen" is an indication that he wants to create the impression that he will be personally favored by the US for carrying out a "peaceful" transition even as he attempts to wield behind the scenes power in a successor government. Conversely, should Chun not be able to maintain an appearance of US endorsement, his followers are likely to shift to whoever else appears to be gaining US support.

5. In contrast to Chun's determination to retain a key political role for himself, the opposition appears to be floundering. Apart from articulating the widespread public opprobrium for Chun's role, they have no firm game plan nor any leader more acceptable as an interlocutor with the ruling party and the military than either of the two Kims--Kim Dae Jung and Kim Young Sam. The opposition's decision to opt out of discussions on constitutional revision is testimony both to the bankruptcy of their ideas and their fear that some among their numbers might still be willing to sit down with some among the ruling party to hammer out a compromise that eliminates Chun while modifying the opposition's more extreme demands. The opposition, in short, is not a cohesive whole and appears inhibited from proposing compromise by the current "hang together or hang separately" mentality of the two Kims.

6. In my view, the opposition's call for a direct presidential election is a non-starter. The ruling party and its key military constituency assume such an election would be won by the opposition which in turn would seek

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severe retribution for the injustices perpetrated by years of military government. A parliamentary system also may well not be durable in a country with no tradition of decentralized power. Nevertheless, a renewed dialogue focusing on a cabinet style government and fairer electoral laws may be the best vehicle to facilitate compromise between the two sides. If this supposition is valid, recent events do not bode well for further compromise. Chun appears determined to enact a constitutional revision calling for a parliamentary system without the opposition's endorsement--perhaps as early as February. The opposition is sticking to its call for a direct presidential election--or, at least, a national referendum--and is planning to take its campaign back to the streets. The government, in turn, is preparing to crack down more harshly for the sake of preserving "stability." In such a charged atmosphere, the prospect for increasing student-led violence and growing anti-Americanism is high.

7. In the short term, it does not matter whether the game plan I believe Chun is pursuing will work. The near term danger is that Chun's perceived efforts to remain a key political player will act as a brake to genuine efforts at compromise and precipitate either popular violence or yet another coup by some general wrapping himself in the mantle of stability and national security. The window of political vulnerability in South Korea is very narrow and 1987 will be the critical year. Given the shortness of time, it is imperative for the US to fashion its own game plan and seek to influence the ruling party and the opposition back toward a dialogue of compromise.

8. The worst case scenario for the US in South Korea would be to stand idly by while Chun rammed through his own version of constitutional revision which would leave him as a dominant voice over a handpicked successor government. In my view there are elements within the ruling party--perhaps even both No Tae Woo and Chang Se Dong--who would be willing to conduct a dialogue with the opposition and distance themselves from Chun provided it was clear the US was not going to endorse Chun's efforts to cling to power. I also believe there are credible elements in the opposition who would prefer renewed dialogue over Kim Dae Jung's continuation of a confrontational strategy.

9. The foregoing are admittedly impressionistic views, and I have no ready answers for fashioning US policy. At minimum, however, I believe we should consider the merits of encouraging the opposition to reenter a dialogue while, at the same time, signaling US disapproval for Chun's efforts to crack down harder on the opposition and unilaterally press a constitutional amendment. In any event, I believe it would be salutary to convene a meeting following your visit to determine if there is some consensus among the various Directorates involved and yourself as to how we should approach the South Korea problem.

10. A final thought. Seoul is a dynamic city and bears clear testimony to South Korea's economic success. Unfortunately, I had the impression that

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political and economic tensions beneath the surface are potentially volatile enough to offset a strong economic base as a continuing guarantor of stability. The path to the top in Korean society is relatively narrow and egalitarianism is an exceptionally vibrant issue. The discontent of the so-called "have-nots" with corruption is so strong as to raise the real prospect of some segments of society imploding if existing political and economic discontents are not ameliorated.

11. From our perspective reason would seem to dictate that the South Koreans will pull themselves back from the political brink if only to preserve their real economic gains. Based on my conversations, however, I gained the distinct impression that economic gains have both fueled rising expectations of political participation among those who are making it in the present system and heightened the despair of those (e.g. textile workers) who perceive themselves as having little stake in a system they see as both inegalitarian and politically repressive. Against this backdrop, any notion that the South Koreans will somehow muddle through to a political resolution acceptable to themselves and the US conveys a misplaced optimism. A potentially large time bomb is ticking away in South Korea and a more assertive US role is going to be required to defuse it.



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