

# U.S. Involvement in the Gwangju Uprising



by Dr. George Katsiaficas

“Puppet Show”  
Woodblock by Hong Sung-dam

Part I:

United States Government  
Views and Actions

Secretary of State Cyrus Vance  
cable to Ambassador Gleysteen  
February 1979

US goals are to gain a  
“maximum US share of  
economic benefits from  
economic relations with  
increasingly prosperous  
South Korea.”



# US knew the opposition to the new military dictatorship was widespread

February 1980

US knew Chun had mobilized  
Special Warfare Command  
troops, trained to fight behind  
the lines in North Korea, to  
repress dissent in Gwangju.



--Tim Shorrock, Debacle in Kwangju: Were Washington's cables  
read as a green light for the 1980 Korean massacre? *The Nation*,  
December 9, 1996, available at  
[http://base21.jinbo.net/show/show.php?p\\_docnbr=20896](http://base21.jinbo.net/show/show.php?p_docnbr=20896)

- May 8, 1980 US Defense Intelligence Agency (DIA) reports to the Joint Chiefs of Staff (JCS) that the 7<sup>th</sup> Special Forces Brigade (responsible for worst brutalities in Gwangju) “was probably targeted against unrest at Chonju and Gwangju universities.”
- May 8, 1980 Gleysteen to Washington DC: reports Special Forces moved “to cope with possible student demonstrations.”
- May 9, 1980 Gleysteen meets with Chun Doo-hwan: US does not oppose South Korean “contingency plans to maintain law and order, if absolutely necessary, by reinforcing the police with the army.”
- May 9, 1980 State Dept. and DIA cables: US gave proper approval to Chun to use military on student demonstrations.
- May 10, 1980 Dep. Sec. of State Christopher to Gleysteen: “We should not oppose ROK plans to reinforce the police with the army.”

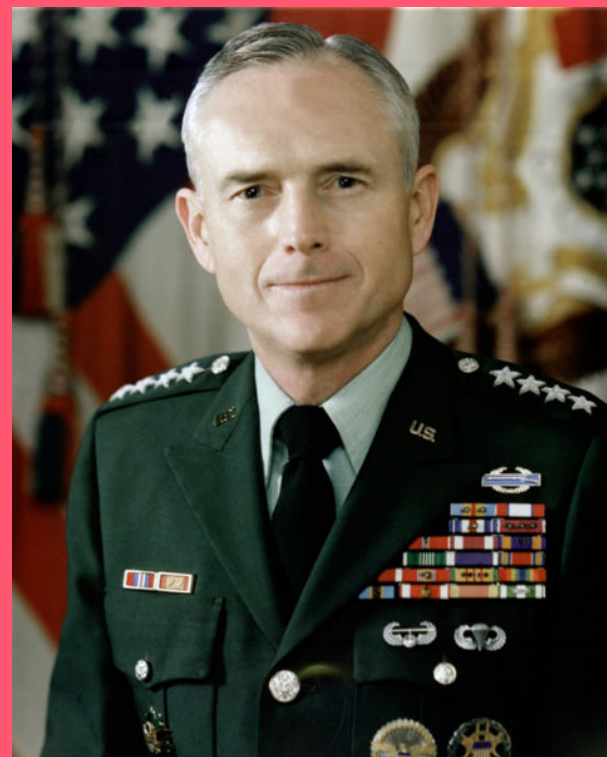
# More than 100,000 people protested at Seoul Station on May 15, 1980

Gleysteen observed  
the protesters,  
some of whom later  
tried to climb over  
the fence around  
the US embassy,  
and grew alarmed.



May 16, 1980

US releases 20<sup>th</sup> Division from its operational control; after “consulting with his own superiors in Washington,” Wickham agreed the 20<sup>th</sup> could be dispatched to Gwangju.



May 19, 1980

US Commanding Gen. John A. Wickham Jr.: “The only issues are the speed of consolidating power and the form in which it takes.”

*Korea on the Brink: A Memoir of Political Intrigue and Military Crisis* (Washington D.C.: Brassey's, 2000), p. 132.



May 21, 1980      Gleysteen to DC: “The massive insurrection in Gwangju is still out of control and poses an alarming situation...”;  
“...a large mob has gained temporary run of the city...”



# The Beautiful Community



The Union World 1

# May 22: Gleysteen to DC

...Gwangju “turned completely into a scene of horrors...Rioters were reported firing on helicopters overhead.”

3. KWANGJU- PRIOR TO THE MILITARY PULL OUT, A SEOUL BROADCAST MONITORED 8:00 P.M. YESTERDAY, MAY 21, BY FBIS, SAYS DEMONSTRATORS IN KWANGJU "INCREASED TO 150,000 TODAY AND FINALLY BECAME RIOTERS." THE "RIOTERS" WERE SAID TO HAVE SEIZED 238 VEHICLES, ABOUT 3,500 FIREARMS, AND 46,400 ROUNDS OF AMMUNITION. LOOTING AND SHOOTING INCIDENTS WERE  
~~CONFIDENTIAL~~  
CONFIDENTIAL

PAGE 02                      SEOUL 06522 221019Z

\* DESCRIBED, WITH THE OBSERVATION THAT "KWANGJU CITY (HAS) TURNED COMPLETELY INTO A SCENE OF HORRORS." NO CASUALTY FIGURES WERE GIVEN. PARATROOPERS WERE SAID TO BE DEFENDING AGAINST RIOTERS WHO WERE FIRING TWO AUTOMATIC WEAPONS FROM THE ROOF OF CHONNAM MEDICAL COLLEGE. RIOTERS WERE REPORTED FIRING ON HELICOPTERS OVERHEAD.

4. AS OF 2:00 A.M. MAY 22, ARMY TROOPS IN KWANGJU WERE ORDERED TO PULL BACK FROM THE CITY AND TO FIRE ONLY IF

~~CONFIDENTIAL~~ OADR

PAGE NO. 1

–GDMM IX:219. (80Seoul 006522). *May 18 Gwangju Democratization Movement Materials*, hereafter GDMM, Gwangju City May 18 Historical Materials Compilation Committee (광주광역시 5-18사료 편찬위원회, 5-18 광주 민주화운동자료총서), December 17, 1997.

# White House Meeting

At the White House at 4 p.m. on May 22, an extraordinary meeting to discuss Korea took place, attended by Secretary of State Edmund Muskie, Deputy Secretary of State Warren Christopher, Assistant Secretary of State for East Asian and Pacific Affairs Richard Holbrooke, National Security Advisor Zbigniew Brzezinski, CIA Director Stansfield Turner, Defense Secretary Harold Brown, and former Seoul CIA Station Chief Donald Gregg.



“...there was general agreement that the first priority was the restoration of order in Gwangju...”

See Gleysteen's book, *Massive Entanglement, Marginal Influence: Carter and Korea in Crisis* (Washington D.C.: Brookings Institution Press, 1999) p. 135.



# White House Meeting

May 22, 1980

They approved the suppression of the Gwangju Uprising, approved the 20<sup>th</sup> Division move from Combined Forces Command Seoul to ROK command, and simultaneously decided to sanction the June visit to Seoul by John Moore, president of the US Export-Import Bank so that he could arrange US financing of mammoth ROK contracts for US nuclear power plants and expansion of the Seoul subway system.

A few hours after the White House gathering, i.e., on May 23 in Seoul, Gleysteen requested and got a meeting with Korean Prime Minister Park Choong-hoon in which the US Ambassador acknowledged that “firm anti-riot measures were necessary.”



Gen. Wickham “has accepted and agreed to the request by the Korean government to allow the use of certain selected Korean armed forces under his operational control in operations to subdue the crowds.”

May 22, 1980

US DOD spokesperson

# May 23: Gleysteen to State



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FM AMEMBASSY SEOUL  
TO SECSTATE WASHDC IMMEDIATE 6548

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EXDIS

C O R R E C T E D C O P Y T E X T

E.O. 12065: RDS-1 5/23/00 (GLEYSTEN, W.H.) DR-M  
TAGS: PGOV, PINT, PINS, PEPR, KS, US  
SUBJECT: INITIAL CALL ON ACTING PRIME MINISTER

1. (S - ENTIRE TEXT)

2. SUMMARY: IN INITIAL CALL ON ACTING PRIME MINISTER PARK, I OUTLINED U.S. POLICY TOWARDS KOREA IN PERIOD FOLLOWING PRESIDENT PARK'S DEATH. I MADE CLEAR OUR UNHAPPINESS WITH THE EVENTS OF MAY 17 DID NOT RELATE TO MEASURES TO CONTROL RIOTING, WHICH WERE NECESSARY, BUT TO THE ACCOMPANYING POLITICAL CRACKDOWN WHICH HAD EXACERBATED EXISTING PROBLEMS AND HELPED BRING ABOUT THE KWANGJU CRISIS. I NOTED THAT WE ARE GOING ALL WE CAN TO CONTRIBUTE TO THE RESTORATION OF ORDER, CITING THE STATEMENT ISSUED IN WASHINGTON AND OUR AFFIRMATIVE REPLIES WHEN ASKED TO "CHOP" CFC FORCES TO KOREAN COMMAND FOR USE IN KWANGJU.

3. I SAID WE FEEL EQUALLY STRONGLY THAT, WHEN CALM IS RESTORED, POLITICAL PROGRESS MUST RESUME; UNLESS PEOPLE HAVE SOME HOPE FOR THE FUTURE THE SITUATION CANNOT BE TRULY STABILIZED. PARK AGREED, SAYING HE HAD MADE A SIMILAR COMMENT IN HIS FIRST SPEECH, MAY 22. PARK STATED THAT THE

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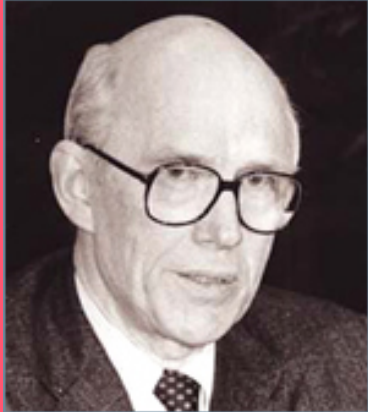
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-GDMM IX: 234. (80Seoul 006610).

# May 23 cont'd



TEXT OF TELEGRAM BOSEOUL 006610

4. AT MY REQUEST I PAID AN INITIAL CALL ON ACTING PRIME MINISTER CHOONG HOON PARK (M-R: PAK CHUNG-HUN) MAY 23. THE DCM ACCOMPANIED ME; PARK WAS ALONE. AFTER CONGRATULATING PARK (WHO IS LIKELY TO REMAIN "ACTING" A LONG TIME SINCE HE ALONE OF THE CABINET MUST BE APPROVED BY THE ASSEMBLY), I OUTLINED IN SOME DETAIL U.S. POLICY TOWARDS KOREA SINCE PRESIDENT PARK'S DEATH. I SAID THAT THE POLICY DECISIONS OF MAY 17 HAD STAGGERED US. WE AGREED THAT FIRM ANTI-RIOT MEASURES WERE NECESSARY, BUT THE ACCOMPANYING POLITICAL CRACK-DOWN WAS POLITICAL FOLLY AND CLEARLY HAD CONTRIBUTED TO THE SERIOUS BREAKDOWN OF ORDER IN KWANGJU. THE GOVERNMENT'S STATEMENT OF MAY 22 MAKING FURTHER ACCUSATIONS AGAINST KIM DAE JUNG (M-R: KIM TAE-CHUNG) HAD ONLY WORSENECED THE SITUATION.

5. THE UNITED STATES IS DOING ALL IT CAN TO HELP IN THE RESTORATION OF ORDER, I CONTINUED. WE ISSUED A STATEMENT IN WASHINGTON WHICH HAD THE APPROVAL OF ~~THREE~~\* THREE CABINET-LEVEL OFFICIALS. AND WE HAVE AGREED TO "CHOP" FORCES UNDER CFC COMMAND TO KOREAN AUTHORITIES FOR USE IN KWANGJU. HOWEVER, AS WE NOTED IN OUR STATEMENT, ONCE CALM IS RESTORED, WE ARE CONVINCED THE POLITICAL PROCESS MUST ONCE AGAIN RESUME. I COMPLIMENTED PARK FOR INCLUDING A REFERENCE TO THIS ISSUE IN HIS FIRST SPEECH MAY 22. PARK

~~SECRET~~

# White House news conference

On May 23 in Washington, State Department spokesperson Hodding Carter announced that the Carter administration “has decided to support the restoration of security and order in South Korea while deferring pressure for political liberalization.”



President Carter was even more explicit: he told a CNN interviewer on May 31 that security interests must sometimes override human rights concerns.



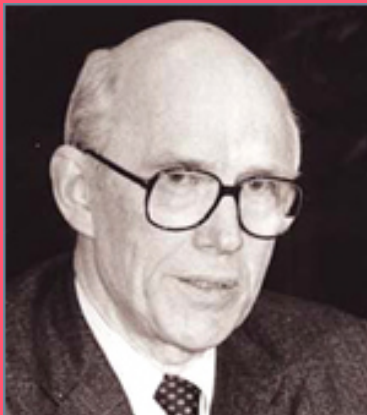


May 24, 1980                      US asks ROK to  
postpone suppression of Gwangju until arrival of  
USS Coral Sea.

May 25, 1980                      Sec. Muskie cables: “The situation  
in Gwangju has taken a rather grim turn.” According to his  
sources: “the moderate citizens’ committee has lost control of  
the situation and the radicals appear to be in charge. Peoples  
courts have been set up and some executions have taken  
place. Student demonstrators have been largely replaced by  
unidentified armed radicals who are talking of setting up a  
revolutionary government.”



– GDMM IX:254. (80State 138557).



May 26, 1980                      Gleysteen to DC:  
“Situation in Gwangju “took a sharp turn for the  
worse. There were reports of vigilante groups,  
recovery by radicals of weapons turned in earlier, and  
even of people’s courts and executions.”

– GDMM IX:257. (80Seoul 006660).

# May 26, 1980

Gwangju spokesperson  
Yoon Sang-won asks  
Gleysteen and the US to  
mediate a peaceful  
solution; Gleysteen  
declines to answer.



On May 27, Yoon is killed  
as the army attacks Province Hall.

May 27

Army retakes Gwangju



May 22, 1980

US DOD spokesperson:

Gen. Wickham “has accepted and agreed to the request by the Korean government to allow the use of certain selected Korean armed forces under his operational control in operations to subdue the crowds.”

June 19, 1989

State Department’s White Paper:

The US “had neither authority over nor prior knowledge of the movement of the Special Warfare Command units to Gwangju...”

--<http://seoul.usembassy.gov/kwangju.html>

Part II:

Neoliberalism

# Neoliberalism began in the early 1970s:

Nobel Prizes in economics were awarded to August von Hayek in 1974 and Milton Friedman in 1976, thereby legitimating monetarist neoliberal thought.

Chile was an example of “pure neoliberal practices after 1975.”

In 1979, “a dramatic consolidation of neoliberalism” at the national policy level occurred in both the UK and the US.

David Harvey, *A History of Neoliberalism*, pp. 22, 74.



# Immanuel Wallerstein

dated neoliberalism to the late 1970s: the “past 30 years of financial speculation, increased unemployment, and wider differentials between rich and poor...” He considers it a counterrevolution of the late 1970s and early 1980s.

2008 radio interview

<http://www.againstthegrain.org/>

# James Petras



dated “the first phase of neoliberalism” to the 1970s in Latin America and 1980 in Turkey. The first phase of neoliberalism “took place shortly after military coups” and

--was accompanied by “massive corruption, crisis, deepening inequalities, and the emergence of a kleptocratic state”

--produced greater class polarization

--led to massive privatization and the denationalization of banks, industry, telecommunications and other strategic sectors

“Turkey and Latin America: Reaction and Revolution”

<http://www.dissidentvoice.org/2007/09/turkey-and-latin-america-reaction-and-revolution/>



# Neoliberalism means that:

- The net worth of the world's 358 richest people in 1996 was equal to the combined income of poorest 45% of the world's population--2.3 billion people
- The world's 200 richest people more than doubled their net worth in the four years to 1998, to more than \$1 trillion.

United Nations Development Program, *Human Development Report*, 1996 and 1999.

Neoliberalism is the opening of nations' economies to penetration by large corporations and banks in the name of "free markets." It results in:

- Privatization of public companies
- Lower corporate taxes
- Attacks on trade unions
- a widening gap between rich and poor and an increase in the number of poor in a country
- A large number of temporary or part-time workers (now more than 50% of all jobs in South Korea)
- Creating conditions for the inflow of foreign investments

- In the US, the federal minimum wage matched the official poverty standard of living in 1980; by 1990 it was 30% below poverty.
- After 1990, an even steeper decline in real wages occurred.

# Neoliberalism means:

- Kenya became a net importer of corn, the country's most important food, after International Monetary Fund (IMF) structural adjustment and trade liberalization in the 1990s.
- Haiti grew all the rice required to feed its people in 1975. The IMF loaned the country \$24.6 million. The IMF loan required the country to reduce its import tariffs on rice and other agricultural products in order to open up the markets to outsiders. Within 2 years, farmers could not compete with "Miami rice" and stopped growing it. Today, poor people in Haiti eat "mud cookies."

# US Chamber of Commerce

- After the high point of the US New Left in 1970, Lewis Powell (about to be elevated to the Supreme Court by president Nixon) wrote a confidential memo to the US Chamber of Commerce (CoC):  
“...the time has come--indeed it long overdue--for the wisdom, ingenuity and resources of American business to be marshaled against those who would destroy it.”
- CoC expanded from 60,000 firms in 1972 to more than 250,000 in 1982.

# Neoliberalism in Korea

- Although many people believe neoliberalism came to Korea in the 1990s (especially with the “IMF Crisis” of 1997) its first phase in Korea began with the 1980 Gwangju Uprising
- The US supported suppression of the Gwangju Uprising in order to impose a neoliberal economic regime

# Three days after the bloody suppression of the Gwangju Commune, Gleysteen wrote:

\*

AND STABILITY OF EAST ASIA; IN THE MEANTIME, THE COMMITMENT OF THE UNITED STATES TO DEFEND KOREA AGAINST OUTSIDE AGGRESSION REMAINS A FUNDAMENTAL TENET OF U.S. FOREIGN POLICY. BUT IN OUR PRE-OCCUPATION WITH THE SECURITY RELATIONSHIP, WE SHOULD NOT FORGET THAT ECONOMIC AND COMMERCIAL TIES HAVE TAKEN ON AN ENORMOUS IMPORTANCE OVER THE YEARS. IN 1979, KOREA WAS OUR 13TH LARGEST TRADING PARTNER, ABSORBING ABOUT 4.2 BILLION DOLS IN U.S. EXPORTS, WHILE ACCOUNTING FOR 4.1 BILLION DOLS IN U.S. IMPORTS. EXPOSURE OF U.S. BANKS IN KOREA RUNS INTO MANY BILLIONS OF DOLLARS, AND DIRECT U.S. EQUITY INVESTMENT IN THIS COUNTRY AMOUNTS TO OVER 300 MILLION DOLS. ALL OF THESE TRENDS INTERLOCK TO FORM A

STRONG FOUNDATION FOR SUSTAINED GROWTH IN U.S. - KOREAN RELATIONS IN THE YEARS AHEAD.

WILLIAM H. GLEYSTEN, JR.

GMMM IX: 304-5: 80Seoul 006921.

# Gwangju and Neoliberalism

On May 30, Gleysteen finished his article for the June issue of *Nation's Business*, the national magazine of the US Chamber of Commerce:



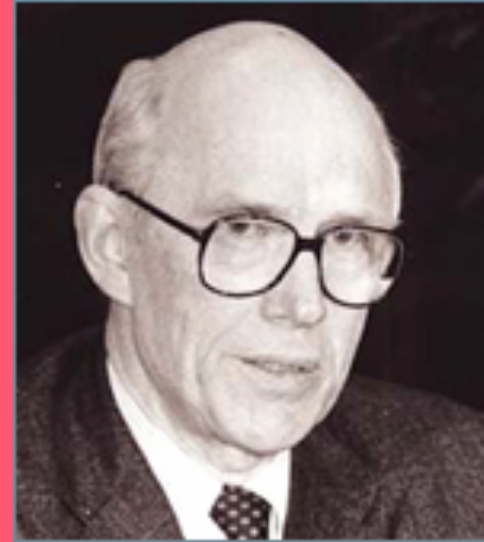
US Chamber of  
Commerce building

“Economically, the country is going through a massive shifting of gears, from the almost frenetic growth of the past two decades to a more moderate, stable, and market-oriented growth better suited to the economy’s present stage of development... The next crucial step in the country’s economic development — *liberalization of the economy from tight central control to a greater reliance on market forces*—is one which has been accepted in principle and is being pursued as conditions permit.” (my emphasis).



# Gwangju and Neoliberalism

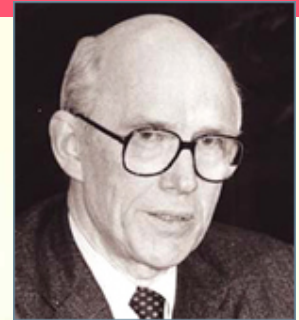
Gleysteen explicitly names the need for a shift from “central control” to “market forces” and “economic liberalization.”



The suppression of the Gwangju Uprising marked the bloody imposition of a neoliberal accumulation regime on Korea.

# June 6: Gleysteen telegram to Washington (cont'd)

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MIRRORS ACCURATELY THE ATTITUDES OF THEIR PRIMARY CONTACTS. U.S. BUSINESSMEN ARE CAUTIOUS OVER THE LONG-TERM STABILITY OF THE ROK BUT LESS CONCERNED OVER DEMOCRATIC DEVELOPMENT. IF THE MILITARY LEADERSHIP CAN DEVELOP AN APPARENTLY STABLE STRUCTURE AND REINVIGORATE THE ECONOMY, THEN U.S. BUSINESS AND BANKING CIRCLES WILL BE PREPARED TO GO BACK TO BUSINESS AS USUAL. THE MISSIONARY COMMUNITY, IN CONTRAST, IS ACUTELY DEPRESSED BY RECENT DEVELOPMENTS, CONCERNED OVER THE POSSIBLE MISTREATMENT OF THE NUMEROUS PEOPLE ARRESTED, AND CRITICAL -- OFTEN BITTERLY CRITICAL -- OF THE U.S. FOR NOT HAVING IN SOME WAY PREVENTED THESE DEVELOPMENTS. THEY ARE QUICK TO BRING TO THE EMBASSY TALES OF RISING ANTI-AMERICAN SENTIMENT, ARE NOT TAKEN WITH MOVES WE HAVE ALREADY MADE, AND CANNOT BE COUNTED ON FOR SUPPORT IN OUR DIFFICULT MANEUVERINGS OVER THE NEXT FEW MONTHS. SINCE THE U.S. CHURCH SUPPORTERS OF THIS LATTER GROUP ARE MORE NUMEROUS AND MORE VOCAL THAN THOSE OF THE BUSINESS COMMUNITY, WE WOULD EXPECT THAT COMPLAINTS REACHING THE DEPARTMENT WILL BE HEAVILY WEIGHTED ON THE SIDE OF THE CHURCH-RELATED AMERICAN RESIDENTS OF THE ROK. THESE TWO



The US encouraged Chun to provide stability for business reasons, and Chun's "purification" program was quickly implemented. To help allay investor fears, Chun dined on June 13 with leaders of the American Chamber of Commerce in Korea, including the president of 3-M and representatives of Bank of America, Dow Chemical, and Gulf Oil.



The secret to Chun's US support was his reliance on technocratic experts; like Pinochet's nods to Milton Friedman and the "Chicago boys," and like Turkey's new military rulers, Chun promoted men friendly to American business interests who implemented neoliberal economic policies.



Debt is the major way neoliberalism traps countries.

From 1980 to 2002, the debt of the developing world rose from \$580 billion to \$2.4 trillion.

# South Korean Foreign Debt

Year	Foreign Debt (\$billions)
1975	8.46
1976	10.53
1977	12.65
1978	14.87
1979	20.29
1980	27.17
1981	32.43
1982	37.08
1983	40.38
1984	43.05
1985	46.76
1986	44.51
1987	35.57

Sources:

Economic Planning Board,

Bank of Korea,

Martin Hart-Landsberg, *The  
Rush to Development*,

p. 146.)

- Neoliberalism was simultaneously a means to curb inflation/recession (stagflation). In South Korea in 1980, this was precisely the economic situation.
- Simultaneously, neoliberalism was a way to reverse the social democratic reforms (Keynesianism/U.S. New Deal) in advanced capitalist societies.

“Neoliberalism has meant, in short, the financialization of everything,”

David Harvey, *A History of Neoliberalism*, p. 33.



“The New York investment banks had always been active internationally, but after 1973 they became even more so, though now far more focused on lending capital to foreign governments. This required the liberalization of international credit and financial markets, and the US government began actively to promote and support this strategy in the 1970s.”

David Harvey, *A History of Neoliberalism*, p. 28.

On July 11, Deputy Secretary of State Christopher cabled Seoul that US bankers were in a titter about Korean political dynamics:

5. U.S. BANKERS WARN KOREA OF FINANCING DIFFICULTIES (C)

WE HAVE BEEN INFORMED BY ONE OF THE LARGE NEW YORK BANKS THAT DURING THE VISIT \* BANK OF KOREA GOVERNOR SHIN THIS WEEK SHIN WAS GIVEN A BLUNT MESSAGE. SHIN WAS INFORMED BY THE U.S. BANKERS THAT IF KOREA DID NOT GET ITS POLITICAL HOUSE IN ORDER SWIFTLY THEN IT WOULD BE EXCEEDINGLY DIFFICULT TO GET NECESSARY FINANCING BEYOND THIS YEAR. MOREOVER, -EVEN IF THE HANDLING OF KIM DAE-JUNG WERE ACCEPTABLE IN KOREA, THE AUTHORITIES WERE PROCEEDING AS

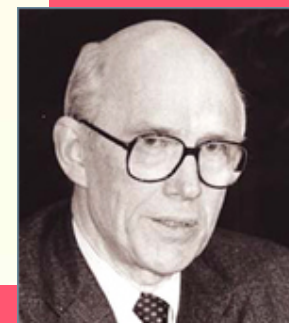
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IF THE REST OF THE WORLD DID NOT EXIST -- A DANGEROUS COURSE FOR KOREA IN VIEW OF ITS EXTERNAL FINANCING NEEDS. \* SHIN MAY BE ABLE TO PASS ON THE LECTURE EFFECTIVELY. WHILE IN NEW YORK HE RECEIVED WORD THAT HE IS TO BE THE NEW MINISTER OF COMMERCE. (RICH)



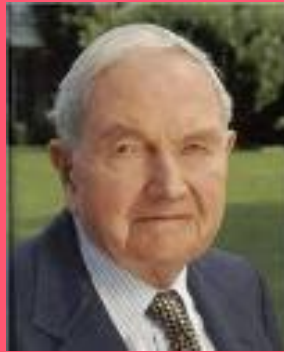
Nine days later, the press reported that 431 officials from Korea's banking sector had been fired.

-GDMM IX: 583: Department of State telegram, 11July80 State 182038;



On August 2, the largest US banks (Bank of America, Chase Manhattan Bankers Trust, Chemical Bank, Hanover and Citibank) hesitated on future medium- and short-term loans. Korea Electrical Company could not obtain commercial loans for nuclear power plants 7 and 8. Chun again moved even more harshly against his opponents. The same day that these bankers equivocated, the State Department noted in a classified telegram: “Having already purged the KCIA, arrested major political figures and fired more than 5,000 senior and middle grade officials South Korean military authorities turned their attention to other areas this week.” Over 67,000 people were sent to brutal “purification camps.”





On September 2, Gleysteen happily noted, “The new line-up should tend to reassure international business interests.”

On September 22, *The New York Times* ran a photo of David Rockefeller shaking hands with a smiling Chun.

Three days later, the ROK government announced new policies relaxing foreign investments, including 100% foreign ownership of companies, 100% repatriation of funds invested from abroad, and foreigners’ ownership of land.

Westinghouse Board Chairman Robert Kirby visited Seoul and described “recent Korean developments and Westinghouse’s prospects in euphoric terms.”



# Part III:

Why US Support for  
Democratic Reform ?

## Rationales for US support for the suppression of the Gwangju Uprising

- avoiding a “second Iran” (where American hostages and the US Embassy were still held by radicals in May 1980)
- preventing the debacle of “another Vietnam” (which had “fallen” only five short years earlier)
- repelling a possible North Korean threat
- responding to the Soviet invasion of Afghanistan on December 25, 1979
- stopping the threatened nationwide uprising against the military that loomed in 1980

Thousands of pages of US Embassy documents make clear the view of US officials that there was little or no North Korean threat to peace during the Gwangju Uprising. In its weekly status report on September 13, for example, the State Department cabled the US Embassy in Seoul that “North Korea continues to signal a desire to expand contacts with us...to ‘build a rainbow bridge’ between the U.S. and North Korea, which ‘spans the past troubled relations to a future of good friendly relations.’”

- GDMM IX: 355: 80Seoul 007266.
- GDMM X: 401: 80State 244450.



# Actually...

My reading of the US documents indicates that the chief perceived threat was a capital flight by US investors.

In 1980, a *democratic* national developmental state would have threatened global US neoliberal ambitions. Chun dismantled the developmental state.





# Chun's Neoliberal Policies

In 1983, Chun's government revised the Foreign Capital Inducement Law, removing nearly all restrictions on profit-taking and capital flow out of the country. Foreign investment in Korea, a little more than half a billion dollars in the five years from 1977-1981, jumped to that much *every year* by 1985.

In the first four years of his government, the country's foreign debt more than doubled, giving South Korea the dubious distinction of fourth place among the world's debtor nations behind Argentina, Brazil and Mexico.

In June 1987, a nationwide uprising in which “Remember Gwangju!” was one of the most important slogans won democratic reforms.

June 10-19

Nineteen consecutive days of illegal demonstrations involved millions of people



# So why did the US Change Policy in 1987 and Keep Chun from Using the Army?

Common understandings of the shift in US policy include:

- wishing to offset the kinds of virulent anti-Americanism that affected Korea after Gwangju 1980
- US understanding that liberal democracies provided even stronger bulwark against Communism than did pro-US dictatorships, like Marcos or Chun

Interviewed in his home by a sympathetic analyst in 1998, Chun maintained that US pressure, evident in a personal meeting he had with Ambassador Lilly on June 19, was the key reason for his cancellation of the order to deploy army units to urban areas in 1987.

See Jung-kwan Cho, “The Kwangju Uprising as a Vehicle of Democratization” in *Contentious Kwangju*, edited by Gi-Wook Shin, pp. 76-7.

## According to William Stueck, mainstream historian of the US role in Korea:

“The United States did nudge democracy forward in 1987, but this was under very different conditions [than in 1980]. By that time Chun could step down and not fear for life and limb...a continued effort to deny elections to determine his successor would likely produce broad civil conflict under circumstances in which the army’s loyalty to him below the top ranks was questionable. In that situation the United States would actually have assumed *more* risk if it had *failed* to press Chun against using the army to control the civilian population.”

--William Stueck, “Remembering the Kwangju Incident,” *Diplomatic History* (Winter 2002), p. 157.

# Richard Holbrooke reported to the Trilateral Commission in 1988:

“Once pressures for greater political participation become widespread, however, stubborn resistance is an equally likely cause of turbulence. In the new era of East Asia, this was amply demonstrated in the last years of the Marcos regime. The people of South Korea, by contrast, are beginning to fulfill their own aspirations for political participation under much more favorable circumstances, thanks to the last minutes recognition by the government in June of 1987 that blocked evolution might well open the door **to chaos or revolution.**”

--Richard Holbrooke, Roderick MacFarquhar, Kazuo Nukazawa, *East Asia in Transition: Challenges for the Trilateral Countries* (New York, Paris, Tokyo: The Trilateral Commission, 1988) p.5.



Between 1980 and 1987, US banks had made substantial investments in South Korea that would have been jeopardized if a nationwide uprising brought a radical regime to power.



# In the same report, Holbrooke added,

“The Trilateral nations have a clear and substantial stake in the successful political evolution of the East Asian nations. Without such political evolution, economic progress cannot continue for another two decades as it has over most of the last 20 years. This is the central challenge for the region over the next decade. Political structures and institutions must catch up to the economic achievements of the region, before the cushion afforded by economic growth erodes.” (p. 51)





# Chun's lasting effects

Military governments of the 1980s in Korea, Chile, and Turkey "...did not leave power until they had made extensive adjustments in the economy and deep changes in the structure of the political system..."

--Stephen Haggard and Robert R. Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995) p. 42.



Ahmet Kenan Evren  
Turkish President 1980-1989