

Oregon stake in Korea aided by U.S. policy

Editor's note: The following article concludes a two-part analysis of the "militarization" of American foreign policy and its relationship with U.S. business interests abroad. Today's article by Tim Shorrock, a graduate student in Asian studies and a member of the Korean Information Action Project, discusses the impact of foreign aid and private investment on Koreans.

By TIM SHORROCK
For the Emerald

General John Vessey, commander-in-chief of American troops in Korea, recently stated, "U.S. forces are located in the Republic of Korea to serve the interests of the United States."

Not the interests of Koreans, or the United Nations, or world peace or some other abstract notion, but the United States.

South Korea serves American interests as a producer of low-cost manufactured items like textiles, clothing, footwear and plywood for domestic consumers, and as a safe and profitable area for investment. Within the next few years, the Department of Commerce estimates that South Korea will become the United States' seventh largest overseas market.

That country's relationship with Oregon is particularly close: except for Japan, South Korea carries on more trade with Oregon businesses than any other nation. South Korea has become the second-largest foreign purchaser of Oregon products (\$247 million last year) and the fifth-leading source of the state's imports.

Since Park Chung Hee seized power in a 1961 coup, the South Korean economy has been geared toward a labor-intensive, export-first policy, based on foreign investment and loans.

The model is not unique. Since the early 1960's, the U.S. government has actively supported export-oriented industrialization throughout Asia by subsidizing U.S. subsidiaries manufacturing in Asia for the U.S. market. Financing through the World Bank and International Monetary Fund has built much of the infrastructure — factories, communications, transportation — needed to accommodate foreign investment.

U.S. military and security assistance to South Korea has helped suppress independent labor movements. Park's regime has outlawed strikes and allows only government-sanctioned unions. No minimum wage law exists, nor any statute limiting work hours. In foreign-owned companies and within the "Free Trade Zones" — special enclaves for foreign capital — unions are banned altogether.

Taking advantage of these conditions, Americans have directly invested \$232,334,000 in South Korea since 1962, 80 percent of that is manufacturing. Oregon firms include White Stag Clothing, Evans Product Company and Eugene-based Osaga Shoes. These companies employ thousands of workers who perform the most labor-intensive phase of the manufacturing operations.

Many such firms receive a special privilege under U.S. tariff laws. They are allowed to ship raw materials to their overseas subsidiaries, use foreign labor to assemble the materials and return the finished product for sale in the United States. These reimported items are taxed only for the value added during the overseas assembling process. Since foreign wages, including those of Korea, remain low — 30 to 40 cents an hour — that added value and accompanying taxes are very low.

In addition, investments can be pro-

ted by the Overseas Private Investment Corporation (OPIC), a government agency that insures U.S. foreign subsidiaries against expropriation, war or revolution. American firms operating in South Korea account for the third-largest coverage (by nation) of OPIC insurance.

While this export-oriented industrialization has been based on high growth rates in manufacturing, traditional sectors of the economy, particularly agriculture, have been ignored. This policy has forced many farmers and their families to seek low-paying jobs in the cities and manufacturing zones.

Another result is that South Korea, once the "rice bowl" of the peninsula, is now dependent on \$200 million worth of wheat a year from U.S. grain corporations. Nearly all this wheat is exported from Oregon. The demand for this non-traditional grain has largely been created by years of U.S. government "Food for Peace" aid, the financing of bakeries throughout South Korea by the Agency for International Development and aggressive marketing practices by Western Wheat Associates, the marketing arm of Northwest wheat corporations.

According to a U.S. Department of Agriculture publication, Western Wheat Associates has been "working to change eating habits . . . to build up markets for American wheat exports . . . The Korea arm . . . cooperated with other groups last year to teach 22,000 housewives to learn to make American-style sandwiches." Not surprisingly, Nestle Corporation, the producer of a controversial infant formula, has recently established a subsidiary in South Korea.

Judging from a recent seminar on Oregon foreign trade, sponsored at the University by the International Associa-

tion of Students in Economics and Business Management, business people would prefer to ignore the political impact of investments and commodity sales on third world economies.

"We are not involved in politics," replied one panelist to a question about grain sales to Korea. And if South Korea — like Iran — has "some trouble" (her phrase) and decides not to buy Northwest wheat? "Then we'll find more markets."

However, as much as they hate to admit it — American business is deeply involved in Korean politics. Investors in manufacturing depend on the repressive apparatus of the Park regime for an unorganized, cheap labor force. Wheat corporations have a financial stake in supporting a South Korean government whose agricultural policy is based on dependency on imports for basic grains. Remember Tong Sun Park, the Korean grain dealer?

The greatest tragedy of the U.S.-Korea relationship is that it is resulting in a permanent division of the peninsula. The deterioration in the U.S. balance of trade and increased pressures to open South Korea's markets to U.S. exports can only exacerbate this trend.

Thus Presidents Carter's plans to end U.S. troop withdrawals from Korea and visit Park dovetail with two currents in U.S. foreign policy: to stabilize relations with client states ("allies") and avert a trade war by keeping markets open. Once again, the desires of the Korean people for the reunification of their country are being ignored to satisfy the demands of major powers. And once again, the excuse is the "communist threat." Will it take another war to learn that a Korean people actually exists?

yours

Assails PLO

In response to the opinion piece of April 25, written by Falasteen Horrah, I would like to refute several points he made concerning the Palestinian situation. Horrah began by expressing his belief that the Palestinian problem is the root cause of the Arab-Israeli conflict. The truth is that the Palestinian question is the result of the conflict, not the source. The basic cause is the refusal of the Arab states to acknowledge Israel's right to exist as an independent Jewish state. There would never have been a Palestinian question if the Arab governments had been willing to live in peace with Israel.

Horrah further contends that the Palestinians are suffering under the Israeli "yoke". Israel's 470,000 Arab citizens have a far higher standard of living than most of their fellow Arabs living in the numerous other Arab nations. Israeli Arabs have equal voting rights — there are five Arab members of Israeli Parliament. Twice as many Arab children attend school in Israel, percentage-wise, than in the Arab nations.

Let us also remember the hundreds of thousands of Arab Jews who were forced to flee their homes, or even killed when the Arabs attacked the Israeli state in 1948. If the Palestinians have a right to return to claim their property, which they voluntarily fled from under orders from the Arab governments, then the Arab

Jews, who were forced to flee, have the same right to reclaim their property in Arab countries.

Finally, Horrah claims the Palestinian Liberation Organization, the PLO, is the representative of the Palestinian people. The PLO was never elected, it was set up as a political tool of the Arabs in 1964. It is a criminal, terrorist organization which deliberately kills and maims men, women and children.

Its avowed purpose is clear. As PLO chairman Yassir Arafat said in the Washington Post: "The goal of our struggle is the end of Israel, and there can be no compromise". Obviously, these madmen who claim to speak for the Palestinians are not the people to negotiate a settlement with, because they will never compromise.

Unless the real leaders of the Palestinians are contacted, a solution will not be found. But this will require the end of the PLO's recognition as a sovereign representative of the Palestinians. And when the murderers are no longer involved in blocking an effort for peace, then perhaps a real peace can be achieved.

Barak Tanzer
freshman, undeclared

Election aids

For the elections of Fall 1979,



would the Emerald please do the following?

- 1) Don't bury the article regarding filing for office in the inside of the paper.
- 2) Have the ASUO reporter get a schedule of election deadlines, so that students who want to file for office are aware when that last day is.
- 3) Have good, detailed articles regarding the offices and the responsibilities thereof.
- 4) Print the candidates list as soon as possible after the filing deadline closes, perhaps in the next day's edition.
- 5) Publish the ballot measures early in the election

race, so that there can be some discussion permitted via Letters to the Editor, outside editorials, and posters.

As a student and a member of the ASUO, I would appreciate such coverage.

Barb Selby
EMUB vice-chairer
senior, general science

'Three cheers'

Contrary to popular opinion, I was delighted to hear that Atiyeh would be the speaker at this year's graduation ceremony. This will be my first graduation from anything since sixth grade and my parents and

elderly grandmother are coming all the way from New Jersey to witness this event. I certainly wouldn't want them to sit through another long, dull ceremony.

The booing and jeering that will surely follow Atiyeh through his speech should make this a most memorable occasion. I know my parents will be proud when they hear their son's voice booing out above the rest. I must commend this university for its continued effort at recognizing and responding to student's needs and interests. Three cheers for Atiyeh!

Larry Wakeman
senior, physics