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# Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

## The Second Republic of Korea

BY JOHN M. BARR

**F**IVE MONTHS after the successful student insurrection, the Second Republic of Korea was striving, though still under the lingering shadows of the Syngman Rhee regime, to re-establish, on a lasting basis, free political institutions and a healthy, honest economy, both of which had vanished in the twelve years of Rhee autocracy.

"Freedom's Frontier," as South Korea had been termed during even the greatest excesses of the Rhee government, had ceased to deserve that title by 1956 when, in the national elections of that year, President Rhee's percentage of the total vote slipped to 56. Nearly 1,800,000 votes were cast for the Democratic Party's candidate, Patrick Henry Shinicky (even though he had died ten days before the election) and 1,500,000 for Bong am Cho, the Progressive Party leader who three years later was executed by the ruling Liberal Party for alleged collaboration with the Communists. Though made conscious by these results of widespread public protest, Rhee and the Liberals nevertheless failed to effect the changes that would satisfy public opinion; instead they removed the last semblance of democratic processes and instituted a near police state; the militant and bullying National Police and the green-shirted Anti-Communist League toughs were selected to force Rhee's policies on an unwilling electorate. The opposition press was all but silenced, and those Democratic and Progressive elements which spoke out were rewarded with political and economic reprisals.

This was a disappointing state of affairs, not only for the Korean public, but for the United Nations forces who were stationed in Korea and who recalled the heavy casualties they had suffered during the bitter

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three-year Korean Conflict, presumably to preserve democratic institutions as well as the independence of the Republic of Korea. Yet it was not until February 1960 that this disappointment and the simmering public resentment found open expression.

On February 1, President Rhee made the announcement which, although intended to ensure his election to a fourth consecutive term, ultimately sparked the events that led to his overthrow. He advanced the customary May election date to March 15, an obvious political move to take advantage of the absence in the United States (for a surgical operation) of his only opponent, Dr. Pyong-ok Chough, who was thereby deprived of the opportunity to make an energetic and prolonged campaign. The excuse given for this maneuver was that the early election would not interfere with the rice-planting season. A fortnight later Dr. Chough died, and Rhee was now unopposed. Pleas by the opposition party to postpone the election and permit the selection of a new candidate were ignored by the Rhee government and, ironically, the proponents of those pleas were accused of having "purely political motives."

Feeling assured of re-election himself, Rhee turned his attention to the election of his chosen successor, the

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unpopular Ki-poong Lee, Liberal Party henchman and speaker of the House of Representatives. Since 1956 (under the peculiarities of South Korea's election law) Rhee had been encumbered with a vice-president of the opposition Democrats, Dr. John Myun Chang, who in that last honest election had defeated Lee by 200,000 ballots. In view of Rhee's advanced age—he was officially said to be 85 in March 1960—the otherwise ceremonial position of vice-president assumed critical importance. Rhee was determined to make sure, by the many means available to him, that Chang would not be re-elected this year.

Much of his maneuvering was apparent during the pre-election period: hoodlums beat up journalists attempting to give an honest presentation of the campaign; registration papers of opposition candidates were "lost" and they were unable to go on the ballot; in the countryside voters were gathered in groups of nine, were "taught" how to vote, and on election day voted in groups of three (with a leader in the middle to check their ballots before they were dropped in the box). Much of this maneuvering has been exposed since the election and the successful insurrection: millions of bogus ballots were printed; ballot boxes were stuffed with ballots previously marked for Liberal Party candidates; millions of *hwan* (much of it from U.S. counterpart funds) were diverted to bribe high army and business officials to ensure the election of Rhee and Lee. When the results came in, there were, astonishingly, no recorded "posthumous" votes for the late Dr. Chough; it was claimed that Rhee won 92 percent of the vote, and the remainder was termed "invalid." For the vice-presidency Lee won over Chang by a more than suspicious 6,500,000-vote margin.

Such opposition press as had survived twelve years of Rhee's rule spoke out mildly against the election tactics, mostly in editorials expressing vaguely optimistic hopes for a future change for the better. Foreign press comments—almost unanimously critical of Rhee—were published by the most outspoken English language daily, *Korea Times*, and those comments undoubtedly impressed that section of the public able to read English—particularly the students. Yet for a month after the election, discouraged Koreans shrugged shoulders, felt unable to plan any dynamic protest against Rhee, if only because the Liberal Party and its supporters in every quarter of the commercial and political life of the nation were all too able to invoke sanctions—and in a nation with 1,400,000 unemployed, a job is a precious thing. Thus, for one month after the election the atmosphere was one of resignation and depression.

But in mid-April, when the university and high school students returned from the Spring holidays, discussions of grievances burst into spontaneous demonstrations

which reached their peak on April 19 (now known as "Bloody Tuesday") when the hated National Police fired on the demonstrators, killing 125 and wounding nearly 1,000. President Rhee imposed martial law and a dawn-to-dusk curfew, but the passivity, indeed sympathy, displayed towards the students by the army diluted the effectiveness of both measures.

A week later university professors joined the students in a protest march on the presidential palace, demanding the retirement of vice-president-elect Lee and the resignation of Rhee himself. Even the U.S. Department of State, which for years had militarily, economically, and morally supported all but the most **drastic excesses** of the Rhee regime, suddenly reversed its official position; Secretary of State Herter delivered a warning to Rhee, expressing sympathy with the grievances of the demonstrators. Rhee attempted to sidestep the inevitable, promised to disassociate himself from the Liberal Party and to act as a non-political Head of State. His promises did not satisfy the aroused demonstrators, however, and violence continued. On April 26 Rhee retired, turning over the government to Chung Huh, his foreign minister but generally acknowledged to be non-political.

During the difficult transitional period between Rhee's departure and this summer's election (in July), Huh made considerable progress towards re-establishing political freedoms in South Korea. Corruption and election frauds of the Liberal Party, of the National Police, and of powerful commercial interests were disclosed. Huh invited a broad public debate on the important constitutional change which, when finally approved, resulted in the replacement of the presidential system, under which Rhee had seized undue powers, with a premier and cabinet system somewhat on British lines. Long-suppressed opposition newspapers were encouraged to resume publication. Guarded, but considerably more cordial overtures were made to Japan to encourage a resumption of full-scale trade and diplomatic relations, which had ceased in the atmosphere of post-war ill will—a natural result of thirty-five years of Japanese occupation.

But the caretaker government encountered problems which have yet to be thoroughly resolved. Inevitably the Huh administration found itself involved in personal vendettas and political reprisals, to such a degree that real progress on vital issues became difficult and sometimes impossible. Even the students, who had shown admirable restraint and concern for public order after their successful revolt, began again to demonstrate, specifically against Huh's action in having permitted Rhee's flight to Hawaii, generally against Huh's failure to dissolve the House of Representatives (in which the majority was still composed of the discredited Liberal Party) and lack of positive advance towards achieving

the aims of the uprising. Top army officers, including the Chief of Staff (Lt. Gen. Yo-chan Song), resigned; the army was found to have played an unsavory part in the rigged March election; and army morale sagged dangerously at a time when North Korean Communists, and their sympathizers south of the 38th Parallel, were making every attempt to capitalize on the state of chaos and political vacuum.

Added to these difficulties, Huh had to contend with the inevitable (and to some degree healthy) birth and re-birth of a dozen or more political parties, some opportunistic or irresponsible in nature, others sincere in their wish to establish a new political climate, all desirous of elbowing their way to power. Observers of the scene were reminded of the circumstances (at once comic and hazardous) of 1946 when, freed from Japanese domination, 134 political parties of national stature sprouted in South Korea, an impossible and unstable situation which, in part, certainly contributed to the growth of the Rhee autocracy.

By March 1960 the Republic of Korea had become in principle a two-party, but in practice a one-party, state. After the uprising the caretaker government naturally hesitated, as party after party arose, to push through the amendment to establish a premier-cabinet system and call for a new election. Among the dozens of parties which sought power during the period of the caretaker government, the national elections this summer, and which are still active in South Korea, the more prominent are as follows:

The Democratic Party, the only opposition group during the last years of the Rhee era, emerged dominant from the revolt. The Democrats were hampered during the election and are still hampered today by a factional split between the "moderate" wing, formerly led by Dr. Chough, and the more "radical" wing of former vice-president Chang. Both wings are essentially conservative in nature, and in the area of foreign relations advocate much the same line as that pursued by Rhee, with the exception of a more moderate attitude towards Japan. On domestic policy, the Democrats have called for an end to corruption, a re-establishment of personal freedoms, and punishment of those responsible for the election frauds. The party's economic program is cautious and has been threatened by long-suppressed non-conservative forces.

The Progressives, split into several warring factions, agree only in calling for a planned economy along socialist lines. The Popular Socialist Party demands a bipartisan approach to foreign relations, while preserving a basically pro-Western line. The party has been partially successful in absorbing remnants of the original and outlawed Progressive Party, the Democratic Reformist Party, and other minor left-wing parties which

became extinct during the Rhee period. A second group has adopted the name of "progressive-conservatives" and finds the Popular Socialists too radical; a rather eccentric organization, loosely called "The League," it includes a Confucianist leader (Chang-suk Kim), an alleged anarchist (Wha-am Chung), and the former leader of the defunct Working People's Party (Kung-sang Chang). A third progressive group, The Young Guardians of the Republic Party, has conducted an energetic attack on the Democrats' announced program for "a balanced mixture of free and planned economies," urging more emphasis on free enterprise.

On the right is the Korea Independence Party, highly nationalistic in nature; the Chosun Democratic Party, a refugee organization similar to the extreme-rightist groups in Western Germany; and the Neutral Korea Party, which demands a radical departure from previous national and international policies and the neutralization of South Korea and disbandment of the Army.

Discredited but not quite politically dead, members of Rhee's long dominant Liberal Party, most of whose representatives resigned in June, have either chosen to function as independents or banded together under the name of Republican Party, strongly opposed to the progressive elements but, because of their exposed position, cautious.

The Communists, who have not been permitted a formal foothold in the Second Republic, have intensified their propaganda, particularly in the wake of army resignations, flooding the Demilitarized Zone with encouragement to the most restless factions of the army.

Today, in a period of turbulent transition, the Second Republic of Korea is attempting to accomplish the aims of the April insurrection and re-join the family of truly democratic nations. Provided that the new government is able to establish, under its untried premier-cabinet system, sufficient stability to accomplish its objectives, one can reasonably expect:

(1) An improvement in Korean-Japanese relations; a modus vivendi, if not actual settlement, on the explosive issue of repatriation of Koreans from Japan to North Korea; agreement on the controversial Rhee Fishery Line (which has resulted in the frequent seizure of Japanese fishing boats and their crews); and resumed trade between the two countries, absolutely essential to a healthy South Korean economy.

(2) At least a decrease in the corruption that was almost a way of life under the Rhee regime; closer control by the United States Operations Mission in South Korea over the use of U.S. aid counterpart funds (to the value of about \$2.7 billion to date) of which many unaccounted millions vanished in political bribes.

(3) A total removal of the armed forces from political



life, to the end that they should become an effective anti-Communist fighting force.

(4) An end to threats of dramatic military operations, especially the long-heralded March to the North to reunify the Korean peninsula by force, so often threatened by President Rhee.

(5) A smaller but more efficiently organized army (maintenance of the present force of 600,000 men now takes 40 percent of the national budget, a burden that South Korea cannot economically bear.)

(6) Permanent establishment of an Upper House, provided for in the Constitution but hitherto blocked by Rhee and the Liberals because of the fact that, had it been established, its governing officer would have been the Democrat, Dr. John Chang.

(7) A reduction of police powers to avoid the violence and "goon squad" intimidations of the now-discredited National Police.

(8) Most vital of all, an atmosphere of greater political freedom, guaranteed civil liberties, and an end to the excessively militant anti-communism which in the past resulted in such drastic measures as the Security Law, which was used as a tool against not only Communists but any who disagreed with Liberal Party policy.

The elections, held on July 29, were not as orderly as had been hoped. There were instances of intimidation of Liberal Party candidates and campaigners and

in eleven districts ballot boxes were burnt. Overzealous anti-Rhee elements seem to have been responsible for this in their efforts to prevent a resurgence of the discredited Liberal Party. As it was, the Democratic Party secured 172 seats out of 233 in the Lower House and thirty-six went to Independent candidates. The remainder was shared between the Liberals, the Popular Socialists, the Korean Socialists and several splinter groups.

Their overwhelming victory did nothing to bring together the two wings of the Democratic Party. President Posun Yun named Kim Do Yun of his own "old" or "moderate" faction as Premier but the nomination was rejected in the Lower House by 112 votes to 111. A simple majority of 114 votes was required. The President then nominated Dr. Chang of the "new" or "radical" faction. His nomination was accepted but only on the votes of about twenty-five of the Independents. Dr. Chang's cabinet must rely on this support to carry through its policy of economic development, Army re-trenchment and improvement of Japanese relations. How stable the new Government will prove remains to be seen. The electorate of South Korea has been thoroughly awakened to the dangers of autocracy and if the progress in the development of free institutions which has taken place during the past six months can be made permanent, the Republic will once more deserve to be called "Freedom's Frontier."

## South Korea's Balance of Payments Problems

BY MARSHALL D. WATTLES\*

NO ASPECT OF KOREA'S economic growth presents a challenge greater than that posed by the trade imbalance and no issue has received so much attention with so little tangible results. Yet if the Republic of Korea is to develop into a viable economy, its foreign trade must be placed on a self-supporting basis and its currency set at an exchange rate compatible with long-run equilibrium. The various aid programs carried out

since the Korean war have made it possible for a large trade deficit to be financed without placing a severe strain on the foreign exchange reserves (in fact, the reserves have shown a tendency to increase in recent years). The trade deficit during the post-war years has averaged \$294 million; aid has averaged \$270 million annually over the same period.

The outlook would be brighter if during the past five years a significant improvement had been made in the trade balance or if there had been major changes giving promise of placing the external economy on a sustaining basis. Of course the trade deficit has been closely related to the aid program, and if aid had not been forthcoming the deficit would have been less or perhaps non-existent. However, as foreign economic aid will not continue indefinitely, it is imperative that the planners of Korea's future suggest ways of adjusting

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