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KOREA's POSITION

ON

THE USITC'S RECOMMENDATION ON STEEL IMPORTS

AUGUST 1984

MINISTRY OF TRADE AND INDUSTRY

REPUBLIC OF KOREA

Introduction

The Republic of Korea is deeply concerned about the U.S. International Trade Commission's recent recommendation to the President to impose restrictions on imports of certain steel products into the United States. As one of the few suppliers of "fairly traded" steel products, Korea fears that the burden of any import restrictions may fall disproportionately on efficient producers in developing countries such as Korea, while less efficient suppliers may be rewarded with a guaranteed share of the U.S. market.

In view of Korea's position as the most efficient steel producing country in the world and an acknowledged "fair trader" in steel, such a result could have serious adverse consequences for U.S.-Korea trade as well as for the future of the world trading system.

Imports from Korea are not the Cause of the U.S. Industry's Problems

The U.S. steel industry's problems are not caused by imports, so import restriction is not the solution. This conclusion was reached by U.S. International Trade Commissioners Paula Stern and Susan Liebeler.

In reaching this conclusion, they argued that import restrictions would not remedy the problems of the industry and, that such restrictions could, indeed, ultimately hurt the industry by further delaying needed modernization and rationalization.

The fundamental causes of the industry's problems -- old and inefficient plant, technological gaps, and a high, uncompetitive cost structure -- have been analyzed exhaustively by the USITC. Import protections will surely not address these underlying causes. In fact, the President and Chief Executive Officer of Nucor Corp., one of the most efficient producers of steel in the United States and in the world commented recently, "If we provide the steel companies with trade protection, it'll delay modernization. We won't need to modernize if we have that protection."

Quotas on imported steel would inevitably lead to higher steel prices in the United States. According to the U.S. Congressional Budget Office, the cost of a 15 percent quota to U.S. consumers could be as high as $7.7 billion. Higher costs forced upon end-users of steel in the United States would hurt their competitiveness, thus increasing the likelihood that they, too, would seek protection against imports. Once this process has begun to gather momentum, where will it stop?

Moreover, Korean steel exports to the United States have been directed primarily toward the West Coast region, which is geographically distant from the major centers of U.S. steel production in the East and Midwest. This regional distribution pattern has tended to reduce the market impact of Korean steel imports on the U.S. steel industry to negligible proportions, while at the same time substantially contributing to employment and production levels of steel consumers in the West Coast region.

<u>Import Quotas Would Discriminate Against Korea</u>

Korea would be discriminated against if the ITC recommendation were to be accepted by the U.S. government for two major reasons: First, Korea is both a highly efficient producer of steel and a "fair trader" in steel; and, second, Korea is a new entrant to the U.S. steel import market.

According to a recent <u>Iron Age</u> survey, POSCO is the most efficient producer of steel in the world when measured in terms of tons produced per employee. This view is confirmed by Dennies J. Carney, Chairman of Wheeling-Pittsburgh Steel Corp., who stated that "There isn't any producer that can compete head to head with Pohang."

Imports of various steel products from Korea have been the subject of numerous investigations under the antidumping and countervailing duty laws and other legal procedures by both the U.S. Department of Commerce and the U.S. Trade Representative's Office. The unanimous conclusion of these investigations has been that the Korean steel industry is free of significant subsidization and that it prices its products fairly in the U.S. market. As a result, even where anti-dumping and countervailing duty restrictions have been imposed on imports from Korea, they have been commercially insignificant and have had little impact on Korea's ability to export steel products to the United States. (See Table 1)

TABLE 1

SUMMARY OF SIGNIFICANT TRADE ACTIONS 1/ AFFECTING KOREAN STEEL PRODUCTS

Product	Year	Action	Dumping or Subsidy Allegation	Results
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	1981	AD	30%	Affirmative, weighted average margin, 3.8%
	1982	CVD		Negative, no subsidy.
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	1983	AD	64%	Affirmative by Commerce of 5%
Hot rolled Sheet and Galvanized Sheet	1982	CVD	30-40%	Affirmative subsidy 1.36-1.88%
Cold-Rolled Sheet	1982	CVD	30-40%	Negative, no injury

1/ Antidumping (AD) actions address allegations that a producer sells a steel product in the U.S. market at unfairly low prices. Countervailng duty (CVD) cases allege the producer as unfairly subsidized. Section 3Cl involves allegations of "unfair trade".

The findings in cases involving Korean steel products stand in stark contrast to the high levels of dumping and subsidization found by the Department of Commerce in cases involving other suppliers. As a result, many other countries have had their access to the United States market severely restricted.

Given Korea's unblemished record of fair steel trading, the imposition of blanket quotas, as proposed by the USITC, would subject Korean steel producers to inequitable and discriminatory treatment.

Despite Korea's demonstrated record of fair trade, however, Korean exports are again threatened by countervailing duty allegations brought by the U.S. Steel Corp. These allegations attempt to reverse and overturn the judgment of the Commerce Department in the thorough and comprehensive 1982 investigations that confirmed the de minimis level of Korean subsidization in the steel sector. The allegations raised by U.S. Steel are virtually identical to those which were made and rejected by the Commerce Department in 1982. It is clear that these cases have been filed solely as a means of trying to pressure Korea into restraining its steel exports outside established legal mechanisms of the safeguarding clause.

In the recent ITC steel ruling, the majority of the ITC Commissioners recommended that quotas be imposed on imports of carbon steel plates, sheets and strips, structural shapes and wire based upon import levels in the period 1979-1981. If quotas are implemented on this basis, they would be unnecessarily restrictive and would seriously discriminate against developing suppliers such as Korea in favor of developed suppliers, which are less efficient.

Quota allocations based on historical market shares are inherently unfair to developing countries, which are recent entrants into the market. Because of this fundamental inequity, Article XXXVII of GATT commits developed countries such as the United States to consider the special needs of developing countries when imposing import restrictions. Article XIII of GATT specifically provides that if quantitative limitations are imposed, those quantities should be distributed on the basis of the market shares the parties would have attained in the absence of restrictions.

Yet because it is a relatively new entrant to the U.S. market, any quota allocated on the basis of imports during the period 1979-1981 would discriminate against Korea in favor of less efficient suppliers from developed countries. During the 1979-1981 period, U.S. imports of steel were dominated by developed countries, with the EC, Japan and Canada accounting for 80% of total imports. By 1983, the import share of these countries had declined to 63%. (See Table 2)

Table 2. U.S. Imports of Steel Products from Selected Suppliers as a Percentage of Total U.S. Imports of Steel Products 1979-1981, 1983

	1979-81	1983
EC	30	24
Japan	35	25
Canada	15	14
Subtotal	80	63
Korea	6	10

Source: USITC

The imposition of quotas based on such historical shares would ignore the recent growth of imports from efficient developing suppliers and benefit developed suppliers whose historical market shares are declining. Such discrimination conflicts with GATT and is thus unjustified.

The use of the historical base period 1979-81 also rewards suppliers to the United States who achieved their market shares through unfair trade practices at the expense of suppliers, such as Korea, which have traded fairly. Since the advent of the Trigger Price Mechanism in 1977, the focus of U.S. trade policy in steel has been to encourage fair trade and to restrict imports that were unfairly traded.

In 1982, the prospect of high countervailing duties and antidumping duties forced the EC to agree to limit its exports of steel products to the United States in exchange for the withdrawal of the pending cases. As a result, EC suppliers were virtually guaranteed access to the American market, regardless of their level of subsidization or dumping, based on their historical share during the period, roughly, of 1979-1981.

In terms of the ratio of steel imports to total consumption, imports of all steel products from the EC in 1983 were almost equivalent to their share in the period 1979-1981. (See Table 3)

Table 3. U.S. Imports of All Steel Products from Selected Suppliers as a Percentage of Apparent Domestic U.S. Consumption 1979-1981, 1983

	1979-1981	1983
EC	5	4.9
Japan	6	5.1
Canada	2.5	2.9
Subtotal	13.5	12.9
Korea	1.1	2.2

Source: USITC

Since the U.S.-EC Arrangement, a number of other suppliers have also "voluntarily" limited their exports of steel to the United States in exchange for the withdrawal of anti-dumping and countervailing duty petitions. These agreements, which now appear to guarantee various suppliers access to the U. S. market, were the direct result of the fact that those suppliers were found to be subsidizing and pricing unfairly.

If import restrictions are imposed based on import levels and market shares before 1983, it would reward these less efficient subsidized suppliers and punish efficient developing suppliers like Korea which have traded fairly. Such a result would not only violate GATT but would also call into question the U.S. commitment to free trade and fair trade.

Restrictions on Imports of Steel Products from Korea Threaten Korean Efforts at Trade Liberalization and U.S.-Korea Trade Relations

The distorted image of Korea as primarily an exporting nation is due largely to the attention focused on its rapid rates of export growth in recent years. Yet Korea's position as a net importer is seldom mentioned. In fact, Korea's overall merchandise trade is consistently in deficit, and Korea annually incurs a deficit in services as well. (See Table 4)

In addition, Korea must earn sufficient foreign exchange in order to service its foreign debt, which amounted to around $40 billion at the end of 1983. Last year, debt service payments were $5.8 billion, or 8.1% of Korea's GNP, and the United States was a major creditor of Korea. This financial pressure is compounded by the ongoing need for large defense expenditures, which account for a disproportionate share of Korea's GNP (6%). Unlike many other developing countries, Korea has managed to continue to service its foreign debt; but, this ability may be called into question if protectionism reduces Korea's access to foreign markets.

Even though Korea still has not solved the twin problems of a chronic trade deficit and a high level of international debt, it has embarked on a major program of trade liberalization. Its goals are more ambitious than those of any other country at a similar level of economic development.

Table 4. Korea's Trade Position, 1979-1983
(Millions of U.S. Dollars)

	1979	1981	1983
Current Balance	-4,151	-4,646	-1,607
Trade Balance 1/	-4,396	-3,628	-1,700
Exports	14,704	20,671	23,204
Imports	19,100	24,299	24,904
Services Balance	-195	-1,518	-499
Transfers (net)	439	501	592

1/ Exports and imports are f.o.b.
Source: Bank of Korea

A sweeping liberalization program was begun in 1978 to reduce barriers to trade. The objective during the 1980s is to bring Korea into line with advanced industrial countries. To reach this goal, the government is firmly committed to reducing the number of import categories subject to restrictions. The proportion of import categories subject to restriction has fallen from 47 percent in 1977 to 15 percent in 1984, will decline further to 8 percent in 1986, and to less than 5 percent in 1988. By the end of the decade, Korea's level of import protection will be generally comparable to that of most developed countries. Moreover, the average tariff rate will also be reduced from 22% to 17 percent by 1988.

Korea's trade liberalization, as evidenced by its import program, is strongly oriented toward imports of particular interest to the United States.

Domestically, however, there has been much resistance to the liberal trade reforms. Such resistance is largely due to the fact that Korea has been carrying out these reforms in the face of rising protectionism, particularly in the industrially advanced countries. Rising protectionism abroad has made it very difficult for the government to persuade domestic opinions to accept import liberalization at home. A typical popular reaction to the government effort is, "Why bother to open the economy when everyone else is closing theirs?" This sentiment could gain irresistible force if there is an increase in U.S. protectionism particularly with reference to steel.

The United States historically has benefited in trade with Korea, and the United States stands to be a major beneficiary of import liberalization in Korea. Over the past decade, for example, U.S. and Korean merchandise trade has generally been in balance, as shown in Table 5. In 1983, the total volume of U.S.-Korean trade was $13.1 billion.

Table 5. U.S. Merchandise Trade With Korea, 1970-1983
(Millions of U.S. Dollars)

	Merchandise Exports	Merchandise Imports	Merchandise Balance
1970	643	370	273
1978	3,160	3,818	(658)
1979	4,190	4,102	88
1980	4,685	4,147	538
1981	5,116	5,141	(25)
1982	5,529	5,637	(108)
1983	5,925	7,148	(1,223)

Source: U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, FT 990.

Korea's $1.2 billion trade surplus with the United States in 1983 was due largely to the strong economic recovery in the United States and the impact of the high value of the U.S. dollar. Although this surplus is extremely small compared with Japan's surplus of $22 billion. Korea nevertheless is very concerned that this trade surplus will generate additional protectionist pressures in the United States. To dramatize that concern and help redress the balance of trade, a group of high-level Korean businessmen and government officials visited the United States in early 1984 with the express purpose of expanding Korean purchases of U.S. goods. This highly successful effort produced additional U.S. exports of $3.3 billion to Korea.

U.S. exporters have enjoyed a steady expansion in trade with Korea in product areas that are a major long-term importance to the United States. The most rapid growth has been that of machinery and transportation equipment, with 1983 shipments to Korea of $2 billion, equal to more than one-third of total U.S. exports to Korea. Another potential high-growth U.S. export item is coal, of which Korea imported some $126 million worth in 1983.

U.S. agricultural interests also have benefited substantially from increased sales to Korea. Such U.S. exports to Korea in 1983 amounted to more than $1 billion. Korea purchased 98 percent of its corn imports from the United States in 1983, along with 82 percent of its raw cotton imports and almost 100 percent of its wheat and soybean imports (See Table 6). Many of these agricultural purchases are made from the United States, specifically in order to maintain the historical U.S.-Korean trade balance. These efforts to increase purchases from the United States are meeting increasing domestic resistance as a result of recent protectionist developments in America. Pressure is increasing to diversify purchases of agricultural products such as wheat, soybeans and cotton to other competitive suppliers.

Table 6. Korean Imports of Agricultural and Fishery Products U.S. and World, in 1983
(Millions of U.S. Dollars)

Product	Total Korean Imports (A)	Imports from the U.S. (B)	Ratio B/A (%)
Rice	55	53	96.4
Wheat	334	330	98.8
Corn	595	578	97.1
Soybeans	184	184	100.0
Dairy Cattle	20	8	40.0
Beef Cattle	39	20	51.3
Meat	145	4	2.8
Others	818	152	18.6
Total	2,190	1,329	60.7

Source: Ministry of Agriculture and Fisheries

In short, restrictions on imports of steel from Korea would threaten not only Korea's import liberalization program, but also Korea's efforts to expand trade with the United States.

Conclusion

Korea historically has had a unique relationship with the United States. In the particular case of steel, Korea has proven itself to be the world's most efficient producer, and in contrast to some other suppliers, Korea has traded fairly in the U.S. market. Quotas would tend to punish fair-traders and reward those whose trade has been restrained as a result of trading unfairly. This would be most likely if quotas were administered on the basis of so-called historical shares. Should this be the outcome, Korea would be forced to seek compensation with Article XIX of GATT.

Both the United and States and Korea have a continuing interest in expanded bilateral trade. For these reasons, Korea hopes the U.S. government will reject the recommendation of the USITC.

6269 Korea

MEMORANDUM

NATIONAL SECURITY COUNCIL

August 20, 1984

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: GASTON J. SIGUR Gaston

SUBJECT: Letter from Korean Ambassador re Steel Import Restrictions

Ambassador Lew has written you (Tab II) regarding the recent steel import restrictions recommended by the International Trade Commission.

I have drafted a response for your signature, which is at Tab I.

McMinn, Robinson, Fortier concur.

RECOMMENDATION:

That you sign the letter to Ambassador Lew at Tab I.

Approve________ Disapprove________

Attachments:
Tab I McFarlane ltr to Lew
Tab II Lew ltr to McFarlane

THE WHITE HOUSE

WASHINGTON

Dear Mr. Ambassador:

Thank you for your letter of August 13, enclosing an Aide Memoire and a position paper prepared by the Korean Government, expressing its views on the steel import restrictions recommended by the International Trade Commission. I will read them both with care.

Dr. Gaston Sigur, whom you know well, met with Po Hang Iron and Steel Company, Ltd. officials last week and assured them that their concerns, and the concerns of your government, will be accorded the most serious consideration.

With best wishes,

Sincerely,

His Excellency
Byong Hion Lew
Ambassador of Korea
Washington, D.C.

6269

84 AUG 17 P3: 16

THE AMBASSADOR OF KOREA
WASHINGTON, D.C.

August 13, 1984

The Honorable
Robert C. McFarlane
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

As a major trading partner of the United States, it is with reluctance the Korean government must express its concern over the recent steel import restrictions recommended by the International Trade Commission to the President of the United States of America.

In response to the ITC's recommendation, the Korean government has prepared an Aide Memoire and a position paper in order that we may express our views on the matter of steel import restrictions. Enclosed you will find both a copy of this Memoire and position paper.

Please feel free to contact me in the event you have any questions or concerns in regard to this matter.

With my best regards,

Sincerely,

B H Lew

Byong Hion Lew

Enclosures

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In reaching this conclusion, they argued that import restrictions would not remedy the problems of the industry and, that such restrictions could, indeed, ultimately hurt the industry by further delaying needed modernization and rationalization.

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Korea's trade liberalization, as evidenced by its import program, is strongly oriented toward imports of particular interest to the United States.

Domestically, however, there has been much resistance to the liberal trade reforms. Such resistance is largely due to the fact that Korea has been carrying out these reforms in the face of rising protectionism, particularly in the industrially advanced countries. Rising protectionism abroad has made it very difficult for the government to persuade domestic opinions to accept import liberalization at home. A typical popular reaction to the government effort is, "Why bother to open the economy when everyone else is closing theirs?" This sentiment could gain irresistible force if there is an increase in U.S. protectionism particularly with reference to steel.

The United States historically has benefited in trade with Korea, and the United States stands to be a major beneficiary of import liberalization in Korea. Over the past decade, for example, U.S. and Korean merchandise trade has generally been in balance, as shown in Table 5. In 1983, the total volume of U.S.-Korean trade was $13.1 billion.

Table 5. U.S. Merchandise Trade With Korea, 1970-1983
(Millions of U.S. Dollars)

	Merchandise Exports	Merchandise Imports	Merchandise Balance
1970	643	370	273
1978	3,160	3,818	(658)
1979	4,190	4,102	88
1980	4,685	4,147	538
1981	5,116	5,141	(25)
1982	5,529	5,637	(108)
1983	5,925	7,148	(1,223)

Source: U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, FT 990.

Korea's $1.2 billion trade surplus with the United States in 1983 was due largely to the strong economic recovery in the United States and the impact of the high value of the U.S. dollar. Although this surplus is extremely small compared with Japan's surplus of $22 billion. Korea nevertheless is very concerned that this trade surplus will generate additional protectionist pressures in the United States. To dramatize that concern and help redress the balance of trade, a group of high-level Korean businessmen and government officials visited the United States in early 1984 with the express purpose of expanding Korean purchases of U.S. goods. This highly successful effort produced additional U.S. exports of $3.3 billion to Korea.

U.S. exporters have enjoyed a steady expansion in trade with Korea in product areas that are a major long-term importance to the United States. The most rapid growth has been that of machinery and transportation equipment, with 1983 shipments to Korea of $2 billion, equal to more than one-third of total U.S. exports to Korea. Another potential high-growth U.S. export item is coal, of which Korea imported some $126 million worth in 1983.

U.S. agricultural interests also have benefited substantially from increased sales to Korea. Such U.S. exports to Korea in 1983 amounted to more than $1 billion. Korea purchased 98 percent of its corn imports from the United States in 1983, along with 82 percent of its raw cotton imports and almost 100 percent of its wheat and soybean imports (See Table 6). Many of these agricultural purchases are made from the United States, specifically in order to maintain the historical U.S.-Korean trade balance. These efforts to increase purchases from the United States are meeting increasing domestic resistance as a result of recent protectionist developments in America. Pressure is increasing to diversify purchases of agricultural products such as wheat, soybeans and cotton to other competitive suppliers.

Table 6. Korean Imports of Agricultural and Fishery Products U.S. and World, in 1983
(Millions of U.S. Dollars)

Product	Total Korean Imports (A)	Imports from the U.S. (B)	Ratio B/A (%)
Rice	55	53	96.4
Wheat	334	330	98.8
Corn	595	578	97.1
Soybeans	184	184	100.0
Dairy Cattle	20	8	40.0
Beef Cattle	39	20	51.3
Meat	145	4	2.8
Others	818	152	18.6
Total	2,190	1,329	60.7

Source: Ministry of Agriculture and Fisheries

In short, restrictions on imports of steel from Korea would threaten not only Korea's import liberalization program, but also Korea's efforts to expand trade with the United States.

Conclusion

Korea historically has had a unique relationship with the United States. In the particular case of steel, Korea has proven itself to be the world's most efficient producer, and in contrast to some other suppliers, Korea has traded fairly in the U.S. market. Quotas would tend to punish fair-traders and reward those whose trade has been restrained as a result of trading unfairly. This would be most likely if quotas were administered on the basis of so-called historical shares. Should this be the outcome, Korea would be forced to seek compensation with Article XIX of GATT.

Both the United States and Korea have a continuing interest in expanded bilateral trade. For these reasons, Korea hopes the U.S. government will reject the recommendation of the USITC.

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

KAM 84-179

AIDE-MEMOIRE

As an exporting country of carbon steel products to the United States, the Government of the Republic of Korea is obliged to express its profound disappointment and deep concern over the recent USITC recommendation to the President of the United States on steel import remedy.

The Korean Government believes that import restrictions on various steel products are unwarranted under Section 201 of the U.S. Trade Act. The difficulties experienced by the U.S. steel industry are not caused by imports and certainly not by imports of steel from Korea. Current levels of imports of steel from Korea reflect demand as well as Korea's position as the most efficient producer of steel in the world today.

USITC's recommendation, if implemented by the United States, would be an abandonment by the United States of its long-term commitment to free trade that was reaffirmed at the London Summit Meeting of June, 1984.. Such a change in U.S. trade policy would have a serious consequence for the stability of the global trading system, adversely affecting not only Korea but all other U.S. trading partners.

Quotas based on import levels during the period 1979-1981, as recommended by the USITC would seriously discriminate against developing countries such as Korea and in favor of developed suppliers such as the European Communities, Japan and Canada. Allocations based upon such historical shares are inherently unfair to developing countries such as Korea which are recent entrants into the market. Such allocations also conflict with Article XXXVII of the GATT, which commits developed countries such as the United States to consider the special needs of developing countries when imposing import restrictions, and Article XIII, which provides that the distribution of trade under any quota should approximate the distribution to be expected in the absence of any quantitative restrictions.

Korea has traded fairly in steel as recognized by numerous exhaustive investigations by both the Department of Commerce and USTR. Despite Korea's demonstrated ability to trade fairly, Korean exports are threatened again by countervailing duty allegations brought by U.S. steel which attempt to reverse and overturn the judgement of the Department of Commerce in 1982 that privately held Korean steel producers receive de minimus subsidies and that POSCO receives only minimal subsidies. The allegations raised by U.S. steel are virtually identical to those which were made and rejected by the Department of Commerce in 1982. As a result, it is clear that these cases have been filed solely as a means of trying to pressure Korea into restraining its steel exports outside of the established legal mechanisms.

In addition to trading fairly in the steel sector, the Republic of Korea has made great efforts to liberalize trade which has included efforts to purchase more American products. These efforts have recently been subject to serious internal pressure within Korea as a result of bilateral trade difficulties between the United States and Korea. Restrictions imposed on imports of steel products from Korea would threaten the process of import liberalization in Korea. In this connection, it should be also noted that Korea is an important buyer of steel and related products from the U.S.. Among other things any restriction on Korean exports of steel to the U.S. would weaken Korea's ability to continue to buy these and other products from the U.S..

In view of all the considerations noted above, the Korean Government requests that the U.S. Government reject the ITC recommendation and uphold the principle of free trade for its own interest as well as for those of its allies. In case the U.S. Government resorts, by one way or another, to any remedial measures, the Korean Government would reserve the right to invoke the provisions of Article XIX of the GATT.

Washington, D.C.
July 27, 1984

6358

Korea

MEMORANDUM

NATIONAL SECURITY COUNCIL

August 23, 1984

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: GASTON J. SIGUR Gaston

SUBJECT: Request From Korean Ambassador to Meet With You

The Korean Ambassador called me on Tuesday, April 21, just before leaving for Dallas to attend the Republican Convention. He told me that he had been instructed by his government to seek an appointment with you, shortly after Labor Day, to discuss the steel matter. You will recall the letter he wrote to you with attachments, and your response (log #6269).

In view of the importance of this issue to Korea and to U.S.-Korean relations, Doug McMinn and I believe it is important that you agree to see Ambassador Lew for about ten minutes on September 4, 5 or 6. Both Doug and I would participate in the meeting, which could be in the Situation Room, so that you could leave after ten minutes have passed. If the Ambassador has more to say, Doug and I can remain to talk further with him. I believe you are up-to-date on this issue from Doug.

If you agree with the meeting with Ambassador Lew, we will make arrangements through Wilma and prepare talking points for you prior to the session.

RECOMMENDATION:

That you agree to a meeting with Korean Ambassador Lew, per his request, shortly after Labor Day.

Approve________ Disapprove________

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

KAM 84-179

AIDE-MEMOIRE

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Washington, D.C.
July 27, 1984

EMBASSY OF THE REPUBLIC OF KOREA WASHINGTON D.C.