

Korean 'Miracle' Moves Ahead As IMF Financiers Lash Out

by Kathy Wolfe

"The new millennium is beginning with a miracle on the Korean peninsula," South Korean President Kim Dae-jung told world leaders at the UN Millennium Summit on Sept. 6, calling upon all nations to support the efforts of North and South Korea for reconciliation and economic reconstruction since their June 12-14 Inter-Korea Summit in Pyongyang. "Warm sunshine has begun to melt down the wall of ice that has stood between the South and North during the past 55 years of Cold War division," Kim said, noting especially the "miraculous" reunion on Aug. 15 of 200 Korean families in Seoul and Pyongyang.

Kim stressed that he and North Korean National Defense Commission Chairman Kim Jong-il had "resolved to work together so that there shall never be another war on the Korean peninsula," which could only be accomplished by "promoting economic and cultural cooperation between the two sides. . . . However, unification must be achieved peacefully, no matter how long it takes," he stressed. This "will greatly contribute to peace in Northeast Asia and the world" (see text, below).

Hours earlier, late on Sept. 4, persons identifying themselves as "United States air security agents" from the Federal Aviation Administration (FAA), attempted to impose strip searches on North Korean President Kim Yong-nam and his 15-person delegation at Frankfurt International Airport in Germany, as they were en route to the New York UN summit. The Pyongyang officials protested that they had been issued special visas by the United States, and personal invitations to a reception in New York by President Bill Clinton, and demanded the officials check with Washington.

Claiming to have done so, the "U.S. air security agents" returned, more abusive than before, as North Korean Vice Foreign Affairs Minister Choe Su-bon told a Frankfurt press conference. They said that "anyone from North Korea and seven other countries labelled 'rogue states' are unconditionally subject to the above strict inspection," despite the fact that individuals such as Fidel Ca from these nations are routinely exempt. When President Kim Yong-nam refused to strip, the U.S. agents summarily cancelled the North Koreans' flights, cancelling the delegation's entire trip. The North Korean President was to have met with Seoul's Kim Dae-jung, President Clinton, Russian President Vladimir Putin, Japanese

Prime Minister Yoshiro Mori, and to have addressed the UN (see Mr. Choe's statement below).

Global Bankruptcy, Global Crisis

After three months of remarkable North Korean openings to the West, this constitutes an obvious attempt to disrupt the Korean peace process, an affront similar to the May 7, 1999 U.S. bombing of China's Embassy in Belgrade. "The possibility of war is great" from provocations such as this, one Asian expert told *EIR*. The disclaimer by White House spokesman Joe Lockhart on Sept. 5, that no U.S. officials were involved, just the private air carrier, American Airlines, on which the North Koreans were booked, only embarrassed President Clinton the more.

One U.S. intelligence community expert told *EIR* that Federal Bureau of Investigation agents often pose as FAA officials abroad, and that such FBI personnel "would be directly connected with the Pentagon's Office of the Assistant Secretary of Defense for Asian Affairs. The Pentagon has behaved very badly toward North Korea since the June 12-14 Pyongyang summit," he said. They have "no interest in the end of the Cold War in Asia."

The real story, however, is even worse than that. What is afoot here, as in the sinking of Russia's submarine, the *Kursk*, and in numerous such recent incidents, is nothing local, but a pattern of *global* strategic military confrontations. These stem from a single reality: The International Monetary Fund-based world financial system, led by the financial institutions of Wall Street and London which run the IMF, is bankrupt. Just as New York's Long Term Capital Management (LTCM) hedge fund collapsed with \$50 billion in bad derivatives in 1998, a dozen such Anglo-American financial houses are now in a race with the Wall Street stock market bubble, and the U.S. dollar, as to which will collapse first.

Consequently, Wall Street and the City of London are hysterical, and wish to assert control of world affairs with some "lovely little wars." They are also lashing out at anyone potentially creating alternatives to the bankrupt IMF system. Wall Street, through its assets in the U.S. Treasury, the U.S. Department of Justice (which controls the FBI and parts of the FAA), and a lunatic faction in the U.S. military, is working

with counterparts in London to provoke a series of events, provocations of other nations, otherwise inexplicable to sane persons.

No IMF in North Korea

Something else which upset the IMF crowd appeared in a headline on Aug. 16 in the new Seoul newspaper *Tomorrow Daily*: “DJ: Don’t Involve IMF in North Korea.” (South Korean President Kim Dae-jung is also called “KDJ” or “DJ.”) The article is about *EIR* and Lyndon LaRouche; Wall Street worries that Seoul and Pyongyang, as relations develop, may follow LaRouche’s advice. Despite Kim Dae-jung’s frequent public praise of the IMF, most Korean, Japanese, and Asian officials believe the IMF has been completely discredited by the economic crisis since 1997. They may draw the line at the DMZ and say: “IMF Keep Out.”

Tomorrow Daily notes that LaRouche and *EIR* have been warning against the IMF especially since the reunification of Germany. Under the subhead “IMF Dangerous for North-South Korean Unification,” it says: “The IMF has a long history of creating these problems, according to *EIR*. After the 1980s fall of the Berlin Wall, the IMF, the U.S., and the British rejected LaRouche’s proposals to rebuild” the industrial infrastructure of Germany and East Europe. “The IMF told eastern Europe they would have to accept tough IMF conditionalities in exchange for all loans. These IMF policies have now caused the collapse of industrial production in Russia, for example, to 50% of levels under communism, with disastrous consequences such as unemployment, population decline, and a drug plague.

“Thus clearly the IMF should be kept out of North Korea and the Korean unification process. *EIR* is proposing to President Kim that he commission a South Korean think-tank study of the concrete results of IMF programs in eastern Europe, to document the case and use it to keep the IMF away from North Korea.”

New System, New Cooperation

The Frankfurt incident will also be taken as an insult to Korea’s allies in East Asia, who are aware of the IMF system’s pending crash. In fact, the Korean peace moves require a new monetary system to finance reconstruction of the North. Korea, Japan, China, and the Association of Southeast Asian nations, known as “ASEAN Plus 3,” are trying to create an alternative Asian Monetary Fund (AMF) to protect their economies from the next financial blowout. They began with the Chiang Mai Initiative in Thailand on May 6 (see *EIR*, May 19, 26, and June 2, 2000). The Korean peace process also helps advance this AMF drive, by bringing many nations in the area, often at each others’ throats, into a cooperative venture. The Frankfurt attack on Korea should help convince Asian leaders that the Wall Street-City of London crowd are unfit to run a pachinko parlor, much less the monetary system.

The Frankfurt incident also contrasts with new cooperation in Korea itself. In the Aug. 29 *Washington Post*, South

Korean President Kim announced a surprise agreement with North Korean leader Kim Jong-il to retain U.S. troops in Korea, because KDJ “wants to prevent any new Cold War in Korea at all costs,” a Seoul official told *EIR* on Sept 1. “The world security environment has taken a turn for the worse and President Kim is responding to this,” he said. In the interview, KDJ said that he had told the North’s Kim, “The American forces must stay even after unification for stability in North-east Asia. The peninsula is surrounded by big countries, and if the American military were to withdraw, that would create a huge vacuum that would draw these big countries into a fight over hegemony.” Kim Jong-il said his view was “very similar,” adding, “Yes, we are surrounded by big powers—Russia, China, and Japan, and so therefore it is desirable that the American troops continue to stay.”

KDJ’s revelation shows how serious the North and South are about having their own way with unification. “This is a charm offensive to make the U.S. support our unification efforts,” another Seoul diplomat said. “Do you really think we expect military problems from China, Russia, or Japan? Yet, by heaping praise on the U.S. troops as our protector, we put the U.S. in the position where it’s very difficult for them to obstruct our unification.”

Seoul is also acting to strengthen Kim Jong-il’s position within North Korea, where he is facing opposition to rapprochement. “Many military leaders in Pyongyang insist on North Korea’s long-held position that the U.S. troops must leave before anything can be discussed, a demand which ruined every previous South-North meeting. This demand was suddenly dropped at the June 12-14 Inter-Korean Presidents’ summit,” one Seoul diplomat said on Sept. 1. “Kim Jong-il discussed why, with Kim Dae-jung, and now KDJ is making it public. So KJI looks like the most reasonable of North Korean leaders.”

North Korea’s Kim also has to overcome hard-line opposition to economic modernization. He offered on Sept. 1 to dispatch a 15-person team, featuring economists, to South Korea to explore the different economic system there, South Korean Unification Minister Park Jae-kyu said. “It would be helpful to economic cooperation, if they look around the South’s various industrial facilities and economic system.”

North Korean President Kim Yong-nam, KJI’s second in command, who refused the U.S. strip search in Frankfurt, is also one of the main architects of Pyongyang’s peace policy. He is the leader who arranged the historic June 12-14 Inter-Korean Summit, Asia scholar Chalmers Johnson told *EIR*. “He went to Beijing in early 1999, opened negotiations with the head of South Korean National Security, and worked out with the Chinese the formulation that South Korea is now also China’s ally and so Pyongyang can start opening up,” Johnson said. The U.S. provocation clearly could strain his hand with Pyongyang hard-liners, who will claim that opening up to the West just opens North Korea to such indignities. Only a Wall Street banker, not an American official with the U.S. national interest at heart, would want to see that happen.

President Kim Dae-jung at UN: 'Miracle on Korean Peninsula'

The following are excerpts of a speech by Republic of Korea (South Korea) President Kim Dae-jung, delivered to the UN Millennium Summit in New York on Sept. 6:

The new millennium is beginning with a miracle on the Korean peninsula. Warm sunshine has begun to melt down the wall of ice that has stood between the South and North during the past 55 years of Cold War division. You must have seen some of the televised scenes of the South-North Korean Summit in June, as well as of the separated families reuniting on Aug. 15 for the first time in all those years of national division. They were miraculous, and they were brought about not only through the efforts of South and North Korea, the principal parties, but also through the steadfast support and encouragement of the United Nations and the leaders of the world. I thank you wholeheartedly.

Furthermore, I am greatly encouraged by and deeply grateful for the decision by the co-chairs of our historic gathering to issue a statement in support of the South-North Joint Declaration that the Inter-Korean Summit produced.

Upon my inauguration two-and-a-half years ago, I embarked upon my sunshine policy in pursuit of inter-Korean peace, reconciliation, and cooperation. Since then, the policy has won the support of the United Nations and all countries of the world.

In the Summit discussions, I and my North Korean counterpart resolved to work together so that there shall never be another war on the Korean peninsula. We agreed that unification neither by force nor by absorption is acceptable, as both would only lead to war. We agreed that while the aspiration toward unification through self-determination will continue to guide us, our efforts for now must focus on bringing lasting peace to the Korean peninsula and promoting economic and socio-cultural exchanges and cooperation between the two sides. And the efforts are already under way in many areas.

Unification is the ultimate goal of the Korean people. However, unification must be achieved peacefully, no matter how long it takes. Unification must be a success for both sides. This was the agreement of the South-North Korean Summit. Through exchanges of summit visits and continued ministerial talks, we will do all that we can to expand inter-Korean exchanges and cooperation and to make peace to last on the Korean peninsula. Such advances on the Korean peninsula will greatly contribute to peace in Northeast Asia and the world.

As long as we have the United Nations leading the global support for our efforts on behalf of peace with the active backing of all the leaders here, the miracle of the new millennium unfolding on the Korean peninsula will become a great achievement for history. In the most earnest terms, I ask for your abiding attention and support.

Frankfurt Airport Provocation Condemned

The following statement, on the attempted strip search of the North Korean delegation at the Frankfurt Airport in Germany, was issued in Frankfurt by North Korean Vice Foreign Affairs Minister Choe Su-bon on Sept. 5. It was provided by the Korean Central News Agency via Korea News Service in Tokyo. The text has been slightly edited.

The President of the SPA presidium of the D.P.R.K. [North Korea] and his party which had been in transit in Frankfurt airport to attend the UN Millennium Summit were compelled to return home after cancelling their plan to participate in it due to the unreasonable obstructions on the part of the U.S. side.

At the time the President and his entourage were about to board the already booked American Airlines "AA 176" after going through all transit formalities as per the publicly recognized regulation in Frankfurt Airport on Sept. 4, those who style themselves U.S. Air Security Agents showed up there and treated them like criminals. They opened the luggage and hand luggage of all the delegation members and pressured them to undress and take off their shoes. They went the length of searching even such private regions of their bodies that baffles description.

They attempted to do such a rude thing against the President, too.

We lodged a strong protest with them against this after flatly rejecting such inspection on the spot, and demanded that they immediately report this to Washington. The American Air Security Agents reappeared after their brief disappearance and said what they did was instructed by their superior. And they provocatively charged that anyone from North Korea and seven other countries labelled "rogue states" are unconditionally subject to the above said strict inspection, otherwise no one is allowed to board the plane.

They cancelled our seats in the plane without any prior agreement with us. This rude provocation of the United States to the President of the SPA presidium, who represents the D.P.R.K., a dignified UN member, is a grave infringement upon the sovereignty of an independent state, an intolerable abuse and insult to human rights, and a blatant challenge to the exercise of rights by the member countries according to the UN Charter and the United Nations and the summit organized by it.