

IMF Headquarters in Washington on the Indonesia crisis. He and others laid out their “theory” of why “weak” Indonesian banks had to be closed. He blamed the crisis on the government’s development policies, whereby “the authorities channeled funding to particular sectors of the economy as part of their economic development plans.” The government’s reduction of poverty over 30 years, for which it had been given UN awards, Singh denounced as “distortions.”

As Indonesia’s parliament prepared to choose a President in the Fall of 1999, Singh intervened to withhold the scheduled IMF loans, over a scandal involving funds from a private bank, Bank Bali. Singh told Indonesia that, even though it was a domestic matter, the IMF “could not just put this aside and move on with the program without fully resolving the issue.”

An audit was ordered by the government, and was carried out by the PriceWaterhouse accounting firm. Government reservations about the validity of several aspects of the final report were scoffed at by Singh (this was long before the revelations concerning the common fraudulent practices of the world’s leading accounting firms), who demanded that the entire report be made available to the press before any IMF funds would be released. The press proceeded to serve as judge and jury against the government, using the PriceWaterhouse report as gospel truth.

Then, in September 1999, IMF cut off all lending—citing a new reason, the East Timor violence—until a new government was installed. This came about in October 1999, with the election of President Wahid by the Parliament. Wahid made some halting efforts to lighten the oppression of the population, over one-third of whom had been thrown into poverty by the financial crisis. Anoop Singh soon intervened to put an end to any practices by Wahid that fell “outside the theory.” Deficit spending, intoned Singh to the Consultative Group for Indonesia on April 23, 2001, “cannot be justified,” since it would “weaken market confidence.” He also crushed Wahid’s plan to borrow funds for development through issuing bonds secured by Indonesia’s vast oil reserves. Singh said this would “jeopardize the seniority of multilateral and official lenders” (i.e., the IMF).

During the years of Singh’s control, Indonesia paid foreign debt service of \$54 billion, not with dollars, but with rupiah which had been subjected to a three-fold devaluation by the speculative assault.

Singh denied a long-expected IMF loan in April 1999, just as a faction in the Parliament was moving to censure President Wahid. Singh visited again in July of that year, and again refused to release the promised funds. This time, the Parliament impeached Wahid. Even the IMF-friendly International Crisis Group acknowledged that the IMF actions had contributed to Wahid’s fall, writing that “the IMF is aware of these views, and knows it is also suspected of helping to bring down Presidents Suharto and Habibie by cutting off loans at key moments.”

Who’s Blocking Out The Sunshine in Korea?

by Kathy Wolfe

Touring Europe last December, South Korean President Kim Dae-jung painted a broad vision urging “the construction of the ‘Iron Silk Road,’ linking Korea with Europe by land,” making Korea the gateway to the Pacific. “When the Trans-Korean railway is linked with the Trans-China or the Trans-Siberian railways, a train leaving London could reach Seoul and Pusan via Paris, Eastern Europe, Central Asia and Siberia or China,” said Kim, “if we link only 14 kilometers of rail” between South and North Korea.

This February, Kim brought President George Bush to Dorasan Station, the gleaming ultra-modern rail terminus which Seoul has built right at the Demilitarized Zone. “President Kim has shown me a road he built: a road for peace,” said Bush. “That road has the potential to bring people on both sides of this divided land together.”

But today, Kim’s government is in disarray, with his Millennium Democratic Party (MDP) defeated in local polling on June 13, and his three sons facing jail or disgrace in a bribery scandal. Just at this time, North Korea is imploding with a refugee crisis as its starving people flee into China, threatening Beijing with international confrontation. Seoul’s opposition Grand National Party (GNP) appears set to win the December Presidential race, and GNP extremists want to rip up Kim’s “Sunshine Policy” for rapprochement with the North. “Get ready to put Korea high on the ‘panic button’ list . . . with Kashmir and the Mideast,” the *Los Angeles Times* wrote.

What caused this virtual coup, and who benefits? The grand vision for the Eurasian Land-Bridge from Paris to Pusan, is what is under attack. The Silk Road program, which Korea, China, Japan, and European nations could create, would produce economic development on the Eurasian continent to rival anything ever seen. Powerful foreign interests will go to great lengths to stop it.

“For 50 years, a utopian faction within the U.S. military, with the financiers of Wall Street and London, has been using Korea,” not for any domestic Korean purposes, but “as the launching point for global destabilization,” *EIR* Founding Editor Lyndon LaRouche noted on June 19. When a war crisis looms in Korea, it is an attempt to shift the global geopolitical balance of power.

Outside Operations

This foreign-run operation against the Korean government began with a transparently manufactured scandal en-



Newly built, still waiting: the Dorasan train station built right at the DMZ by South Korea in 2001, waiting to connect South Korea's rails all the way across Eurasia. It is not yet linked to the North. Severe political crisis has instead been instigated in both Koreas.

trapping the family of President Kim. Prosecutors arrested Kim's youngest son Kim Hong-gul in Seoul on May 18, for taking funds illegally from jailed lobbyist Choi Kyu-sun, in return for exercising influence in business deals. Prosecutors are also about to arrest Kim's second son, Kim Hong-up, on similar charges involving Choi, while leaders of the ruling MDP are calling for the resignation from the National Assembly of Kim's eldest son, Rep. Kim Hong-il.

Korean media ruled "guilty," though it is unclear if any laws have been broken. The shadowy Mr. Choi was the man who personally introduced Anglo-American speculator and drug-legalization booster George Soros to President Kim, when the latter took office at the dangerous height of the "Asian Crisis" in 1997. The promise: Soros would help Korea out of the very financial mess, which Soros and his hedge funds had created by speculative dumping of Asian currencies! What else has Soros instigated Choi to do, and why should anyone believe him?

"Every President of Korea since 1945 has been either assassinated, thrown in jail, or nearly so, upon leaving office," a U.S. Korea hand told *EIR*. "So, everyone in Korea also knows in advance that all family members of a President will be attacked for financial corruption from any and all angles. That's why Kim Dae-jung sent his youngest son to graduate school in Los Angeles and told him to stay out of the business world." Some say, "Koreans are just hard on their leaders." But the reality is that no Korean leader is permitted to develop an independent power base, nor is any government permitted to develop enough independence to take the country's future into Korean hands. If this can be done to Kim Dae-jung, the Nelson Mandela of Asia, the Nobel Peace Prize laureate

above reproach, then every patriot in Seoul is trembling.

Since it was known in advance that Kim's sons would be lured and then attacked, the question remains: Why should they deal with the likes of Choi—unless they were deliberately set up, lured with the promise by some very powerful people such as Soros, or another foreign agency?

South and North Implode

The collapse of President Kim's ruling party, which only weeks ago was overwhelmingly favored to win the Presidential race, is being laid solely to these scandals—even though the same scandals occur for known reasons in the last year of all Korean Presidents, who may serve only one five-year term. The opposition GNP swept 11 out of 16 major posts decided on June 13—mayors of seven major cities and nine state governors. The GNP got 52% of votes nationwide, and the ruling MDP only

29%. By June 17, President Kim's designated successor, MDP candidate Roh Moo-hyun, had fallen from a runaway lead in the polls, to the preference of fewer than 27% of voters—while GNP opposition leader Lee Hoi-Chang surged ahead to 42%. Roh offered to resign as the candidate, despite having won a grueling round of Spring national primaries, and may yet have to do so.

While Lee Hoi-Chang has sharply criticized the Sunshine Policy, his confidants say that if elected, he would have to continue it. But his GNP party subsists on the endorsements of American Enterprise Institute, Heritage Foundation, and other neo-conservative Washington circles. GNP spokesmen constantly hammer against rapprochement with the North. On June 15, GNP spokesman Nam Kyung-phil demanded the Kim government make a "basic re-evaluation of its Sunshine Policy of engaging North Korea."

Well does the *Los Angeles Times* warn, that a Presidential election coup by the GNP could cause a war, perhaps nuclear, on the Korean Peninsula. Such an upset is not explained by a Korean huckster's making a few bribes.

Simultaneously, North Korea has a refugee crisis as its starving people flee into China, a situation which threatens to involve Beijing in international confrontations. This is not an "East German" type of spontaneous citizens' movement. Again, powerful foreign operations are in play. The same circles of Britain's Baroness Caroline Cox's Christian Solidarity International (CSI) movement which have been trying to bring down governments from Khartoum to Beijing for years, are cynically mobilizing these refugees as cannon fodder in ongoing destabilizations of the entire Asian region.

A long list of non-governmental organizations (NGOs)

close to the CSI organization, backed by Baroness Cox's close collaborators among U.S. Republican Congressmen, such as Chris Cox (Calif.) and Mark Kirk (Ill.), have organized for a flood of North Korean refugees to head for China—just when the New Silk Road is under frontal attack in Seoul.

"There are now over 300,000 North Korean refugees in northeast China, and this could become like the same kind of flood of refugees out of East Germany which brought down the Berlin Wall," an aide to the Republican House Policy Committee told reporters on June 5. "The North Korean boat people are prepared for boarding," said former UN aid worker Dr. Norbert Vollertsen, a German doctor who worked inside North Korea. Other groups reportedly stirring up the area are Médecins Sans Frontières (MSF), the UN World Food Program, U.S.-based groups such as "Helping Hands/Korea and Ton-a-Month Club," and a host of Korean-American and South Korean church groups.

Since the beginning of this year, 50-60 North Koreans have jumped the walls into the Japanese, South Korean, Canadian, and other embassies in Beijing. China has tried to turn a blind eye, but is stuck in the middle, as it has treaties with Pyongyang. In June, the NGOs started bringing in TV cameras and playing the footage all over Asia, causing anti-Chinese outbursts in the South Korean and Japanese parliaments and media. In the United States, ABC News' "Nightline" went to Beijing for a three-part special on June 5-12, which demanded that Americans get stirred up as well. ABC News has started a national e-mail campaign on the need to "free North Koreans" and send boatloads to the United States, Canada, and Britain.

"If this is such a spontaneous uprising, then why have the NGOs brought in all those TV cameras and high-profile U.S. Congressmen?" one Asia expert asked sarcastically. "And, don't they know that they could be starting a war in Korea, which would get all those people whom they say they want to help, killed?" Former House International Relations Chairman Ben Gilman (D-N.Y.), another of Baroness Cox's confidants, told recent hearings on the refugee crisis, that Harry Truman's decision to go to war against North Korea was right, and implied that such a war is justified again now.

Utopian Military Factor

The implications for China could be grave. On June 13, Chinese police and South Korean diplomats came to blows at the Korean Consulate in Beijing; the Chinese dragged off one North Korean who tried to enter. China then notified all foreign legations in the capital to turn over to Chinese police, all North Koreans who enter embassies in Beijing. This has led to insults traded between the Chinese and South Korean Foreign Ministers, and to attacks by the Congress and U.S. State Department spokesman Richard Boucher.

Lyndon LaRouche warns that the "utopian" faction epitomized by Zbigniew Brzezinski and Samuel Huntington, will start wars to prevent the rise of a great economic power

across Eurasia. Since the Korean War, says LaRouche, "there has been a utopian movement within the United States, to overturn the Lincoln republican traditions of the United States. . . . The firing of MacArthur was one of the first steps toward a new theory of warfare, the insanity of 'perpetual war.' Instead of resolving the crisis in Korea, the utopians protracted the Korean War which, in effect, still continues today—as a stepping-stone toward a strategic confrontation with China." This was contrary to all prior American military doctrine of quickly "winning the peace" via economic development, as successfully demonstrated by McArthur in Japan after 1945.

"This has little to do with domestic Korean situation," LaRouche concluded, "look at the global big picture." Koreans have to look up from their parochial fixation on Korea by itself and realize this is a foreign-run, region-wide destabilization by foreign powers that oppose the Silk Road policy.

Korean leaders have been reluctant to do anything but apologize for President Kim's sons, and have even stopped talking about the Silk Road almost entirely. Most are afraid to speak out, lest they themselves face scandal and jail cells. But this is a crisis where only the strongest promotion of the only viable policy, the Silk Road, coupled with the loudest exposure of those who are attacking it for ulterior motives, can prevent a war.

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