

S. Korea's gamble to neutralize North

by Lydia Cherry

Following a successful trip to Japan and consultations with that government on reunification of the Korean peninsula, South Korean President Noh Tae Woo moved his "Northern Policy" a major step June 4, with his San Francisco meeting with Soviet President Mikhail Gorbachov. Speaking to the Korean people on June 8, President Noh conveyed his optimism that the meeting with Gorbachov would bring about further motion toward Korean reunification. "Now that the Soviet Union is moving toward realistic relations with us, the North has no choice but to change its heart," he said. President Noh is of the belief that neither North Korea, nor even the current Chinese police state, will be able to resist the revolutionary changes in the world that began in Eastern Europe.

In October 1988, President Noh enunciated his "Northern Policy"—offering North Korea the full benefits of South Korea's economic strength and a full development program, if the North would open up and begin negotiations toward reunification. The South's paved roads, Noh pointed out, become dirt roads as soon as the border into the Democratic People's Republic of Korea is crossed.

Though much of the Korean media coverage was almost ebullient, reaction among some South Koreans, including business executives in Seoul who have been trying to collect \$30 million in overdue trade bills from Moscow, was mixed as it became clear that, for whatever deal made, Seoul would be forced to "pick up the tab." The June 7 *Korea Times* noted that Gorbachov had absented himself from the news conference after the San Francisco talks and issued statements that made no reference to South Korea. Gorbachov, the *Times* insisted, "was not faithful to the protocol worthy of a historic summit." Gorbachov, the paper added, kept Noh waiting for an hour and then treated him "as if he was a private economic patron and not the head of state who had flown thousands of miles to confer on crucial matters of mutual concern." Han Sung Joo, a Korea University professor of political science, told the *New York Times*: "They knew what we wanted and that we want it so badly, that they are going to get the last ounce of what we have to offer," before actually establishing diplomatic relations.

In the talks, South Korea communicated that it was willing to grant the Soviet Union \$5 billion in loans and carry out economic cooperation with the latter after establishing

diplomatic relations with the communist giant that supplies 80% of the heavy military hardware of the North Korean forces on the other side of the DMZ.

Though the export-dependent South Korean economy desperately needs more export markets—particularly in light of the U.S. effort to shut down America as a major export market for the Koreans—Korea seems to have few illusions about the Soviet economy. President Noh acknowledged June 6 that it would be difficult for Korean businesses to seek economic cooperation with Soviet firms because of their many structural differences and because "the Soviet economy is seriously ill. Before the private sectors begin to seek economic cooperation, the two governments have to work out the systematic support such as agreements on investment guarantees," Noh said. In order to expedite Korean exports to the Soviet Union, the government will expand the export insurance fund from \$42.25 million to \$140.84 million. The government will give incentives to companies exporting ships and plants to the Soviet Union, including funds for exports on a deferred payment basis.

U.S. brokers the deal

The United States was intimately involved in brokering the Gorbachov-Noh meet, in spite of U.S. State Department assertions that "we're just providing the turf," and a report by the Korean news service YONHAP that President Noh had directed his cabinet on April 7 to talk to Soviet officials about a meeting with Gorbachov after hearing that a U.S.-Soviet summit would be held in late May. According to the June 6 *Los Angeles Times*, not since World War II has the United States tried so hard to encourage top-level contact between the Soviet Union and an American ally in Asia. The *Times's* speculation that the "U.S. was willing to do this because the Noh-Gorbachov meeting would enhance the stature of its South Korean ally," however, is not likely—in that U.S. policy seems to be to destroy every ally it has. The answer is more likely found in the U.S. desire to have the competitive "Tiger" share the burden of holding up the Soviet economy while the United States remains "on the inside" of a Korea settlement.

All indications are that Moscow made no attempt to discuss the San Francisco meeting with the North Koreans beforehand. In 1961, the Pyongyang government had signed identical treaties of friendship, cooperation, and mutual assistance with Moscow and Beijing which bar one party from aligning with the other's opponents. The pacts, which allowed heavy aid to Pyongyang from rival communist giants, also obligate the signatories to consult with each other on major international issues. "The summit has in effect wrecked the treaty," said Pyong Chin-il, editor of the Tokyo newsletter *Korea Report*.

Though it has not been positively substantiated by North Korea—one of the most closed-off countries in the world—it has been rumored for several weeks that Moscow has cut off its

crude oil supply to North Korea. A South Korean TV station reported on June 9 that the Soviet Union, which provides about 40% of Pyongyang's crude oil, had stopped supplies just before the Noh-Gorbachov meeting. Unquestionably, North Korea is one more communist economic disaster which Moscow is seeking to unload, while at the same time scoring significant glasnost propaganda points for its next foray—Asia.

South worried about leverage

President Noh, speaking in Washington after meeting with President Bush on June 7, attempted, as he has in the past, to control the activities of the various players. Noh cautioned against a "hasty U.S. move to improve its relations with North Korea, noting that such a move should be taken place in accordance with due change in Pyongyang's attitude and the security situation on the Korean peninsula," according to presidential spokesman Yi Su-chong. Bush was advised by Noh, according to YONHAP, to ensure that North Korea sign the nuclear safeguard accord of the International Atomic Energy Agency and renounce terrorism and communitization of the Korean peninsula by force, *before* Washington seeks to improve ties with Pyongyang. The South Korean newspaper *Hanguk Ilbo* on June 7, however, quoted Spence Richardson, chief of the Korea desk in the U.S. State Department, that the United States was ready to open telephone lines with North Korea, admit North Korean emigrants wishing to settle in the U.S., allow North Korean citizens to visit the U.S. on the basis of invitations, and to promote mutual exchange of scholars and students.

George Bush reportedly promised Noh that there will be no change in the U.S. commitment to the security of the peninsula, but this is a pledge which South Koreans seem to have little faith in. YONHAP reported on March 28 that Washington, despite its repeated pledges to the contrary, unilaterally decided in January to close three air bases in South Korea and make a partial troop reduction. It seems that after Seoul was finally informed of the unilateral decision, to save face, a statement was concocted and simultaneously issued by both sides, to smooth over the U.S. action.

South Korea's wariness of the U.S. agreeing to a settlement for the peninsula without Seoul's input is deep-seated, as was made clear by an editorial in the Seoul daily *Choson Ilbo* last October. "We are concerned about the possibility that the United States, being less familiar with the North Korean authorities' way of thinking and way of behaving than we are, could fall victim to the fraud of the 'Kim-Il-Sungists,' " said the Oct. 8 editorial. "Even when the negotiations were under way for an Armistice Agreement, we objected to being a signatory to it, because we knew very well that it would provide the communists with an opportunity to reorganize and strengthen themselves. As a result, the United States signed it alone. Of course, we believe that the United States would not repeat the same mistake."

Canada drowns at Meech Lake

by EIR's Canada Staff

"To have 11 first ministers, sitting around a room, making suggestions and cobbling expressions of words for the constitution . . . it's just incredible that any country should build a constitution that way. It boggles the mind." Clyde Wells, premier of the Province of Newfoundland, openly stated what many observers, inside and outside Canada, know to be true.

Canada's media have now proclaimed the solving of a constitutional crisis that could, in fact, still dismember the country whose land mass is the second-largest in the world. Prime Minister Brian Mulroney, whose popularity ratings plummeted to 15% earlier in the year as a result of disenchantment with his Thatcherite economic austerity policies, stated, "While I do not want to underestimate the divergences, what is in dispute is modest when compared with what is really at stake. What is at stake is Canada."

In fact, the six-day pow-wow held by Canada's leaders June 4-10 did not "sew up" an accord: Both Manitoba and Newfoundland Provinces could still reject it. However, for the time being, financial panic in the Canadian markets has abated. During May, the Canadian government spent \$900 million to prop up the Canadian dollar, which had plummeted in value because of persistent rumors of the imminent dissolution of Canada. This prompted Canadian Finance Minister Michael Wilson, in a speech made to the Montreal-based branch of the International Fiscal Association, to complain that the uncertainties surrounding the Meech Lake Constitutional Accord, were affecting financial markets and shaking investor confidence in the country.

Gorbachov needs Reichmann

The timing of the crisis was highly impolitic. On May 27, Soviet leader Mikhail Gorbachov met Canada's Albert Reichmann, head of the Olympia and York enterprise and of the Canadian-Soviet business council, prior to Gorbachov's trip to Canada and the United States at the end of May. Radio Moscow featured Reichmann on its "New Market" show. Preserving the aura of political and economic stability is essential for Canada to reliably play its role in Anglo-American "perestroika."

So, that meant that everyone had to head back to the