

'New Silk Road' Party Wins Korean Presidency

by Kathy Wolfe

Millennium Democratic Party (MDP) candidate Roh Moo-hyun was elected President of South Korea Dec. 19, in a narrow but decisive 49 to 46% vote, against opposition Grand National Party (GNP) chief Lee Hoi-chang, a victory for the New Silk Road and Eurasian Land-Bridge. Roh won by calling for dialogue with North Korea, and opposing calls from Lee for economic sanctions over Pyongyang's nuclear program. "I am the only candidate who can resolve the nuclear issue through dialogue. The survival of 70 million Koreans is at stake," Roh said on Dec. 15.

Roh also, as President Kim Dae-jung has done, criticized demands for sanctions and other confrontations with the North, from the minority "Utopian" faction in Washington, while making it clear that mindless anti-Americanism will not do. "I don't have any anti-American sentiment, but I won't kowtow, either," he told a rally Dec. 17.

The election shows that South Koreans, traditionally pro-American, have nonetheless rejected recent interference in Korean affairs by kooks such as Defense Policy Board (DPB) chairman Richard Perle, and by Defense Secretary Donald Rumsfeld. This included the seizure of a North Korean ship on Dec. 11, an attempt to split Roh's campaign in half, and a public warning by Perle to South Korea, on Election Day, to prepare for war.

EIR Founding Editor Lyndon LaRouche, candidate for U.S. President in 2004, in a Dec. 15 statement distributed in Korea, exposed the "destabilization of the South Korean election campaign." He said that "attempts by . . . 'Chicken-hawks' such as Richard Perle to trigger a war-like crisis in the Korea Peninsula, must be stepped on, hard," by cool heads in Washington (see box).

North-South Highway Opens Christmas Day

Meanwhile on Dec. 18, Seoul Unification Ministry officials just back from talks in North Korea, told the press that the west coast Kyongui Line (Seoul-Pyongyang-Shinuiju) of the Trans-Korean Railway will be complete by the end of December, or the end of January at latest if technical problems arise. The four-lane highway along the Kyongui Line across the DMZ, he added, will open Christmas Day. Heavy equipment, construction materials, and South Korean officials will travel the road overland for the first time since 1950 into North Korea, for a ground-breaking ceremony of the new

joint North-South Kaesung Industrial Complex, scheduled for Dec. 28-30.

This development of the New Silk Road in Korea, which is pivotal to the entire Tokyo/Pusan-to-Paris Eurasian Land-Bridge, could have been endangered if the opposition had been elected and cut off economic relations with the North. Pyongyang's failure to respond to President Kim's Sunshine Policy, until a sudden agreement to open the DMZ in September, put opposition leader Lee Hoi-chang far ahead in the polls most of this year.

But in the last weeks, the South Korean public grew so outraged over attacks on Korea's national sovereignty, that such attacks from Washington only "blew back" into the Utopians' faces. Over 300,000 people joined candlelight vigils across the South on Dec. 14, protesting the recent U.S. court acquittal of soldiers who killed two Korean girls in an armored vehicle accident. The U.S. President's Jan. 29, 2002 "axis of evil" speech was seen as an insult to the entire Korean nation. "The issue is not anti-Americanism," a vigil leader told CBS News. "We all have great respect for America! The issue is respect for the Korean people and the sovereignty of Korea. We're not the 51st state."

A Dec. 16 *Korea Times* column by Dr. Kim Sang-woo, chief spokesman for President-elect Roh's campaign, warned, as did LaRouche, against Utopian threats to North Korea, which are not the policy of President Bush, and which "will certainly not serve the national interest of South Korea." Dr. Kim, a former diplomat, called instead for the economic development of Asia based on the Trans-Korean Railway and the New Silk Road. Excerpts from his column, "Challenges Ahead for Korean Foreign Policy," accompanies this article. "Use of military power" to halt North Korea's nuclear weap-



South Korean President Elect Roh Moo-hyun is committed to the same policy of linking the two Koreas through infrastructure, and linking the Peninsula to the Eurasian Land-Bridges, as President Kim Dae-jung has been. His election was also a demand for full Korean sovereignty.

ons program, such as “a U.S. preemptive strike, . . . will certainly not serve the interest of South Korea” Ambassador Kim warned, and would “create a serious impingement upon the sovereignty of the nation.” Instead of war, South Korea needs “reinforced emphasis on regional cooperation in East Asia,” led by the New Silk Road. “[T]he future of East Asia belongs together. . . . The ongoing construction of the Trans-Korean Railways and their connection to the Trans-Siberian Railways will hopefully have a trigger-effect for further connections to the Chinese mainland and Trans-Asian Railways encompassing ASEAN countries.”

Utopian Interference

The Korean Presidential election was close, because the South Korean population is deeply split. Voters over 50, who remember the Korean War and are grateful to the United States, are frightened by media hype about the war threat. Younger voters, who are more ignorant of this history, disbelieve the threat and want to get on to building a united Korea. South Korea fundamentally is a very pro-American place for good reasons, as the two countries share mutual respect for the absolute sovereignty of a republic under natural law.

The increasingly heavy-handed interference into the election, however, became too much for Koreans to take. First,

there was the U.S. declaration of an oil embargo against the North on Nov. 14; then the seizure of a North Korean merchant ship on Dec. 11. These provoked North Korea to announce on Dec. 14 plans to reopen its plutonium reactor, just as President Kim had warned on Nov. 18 (see *EIR*, Dec. 6).

“Nobody wants the United States to intervene in our politics,” one Seoul professor told the *Korea Times*. “Since the United States intercepted a North Korean cargo ship carrying Scud missiles, many politicians and local media suspect that the incident is part of an American maneuver to influence the Presidential poll.”

There were even last-minute stunts on Election Day. Roh’s key campaign partner Chung Mong-joon, popular head of the soccer association and heir to the Hyundai Group, suddenly pulled out of Roh’s campaign and denounced him, seven hours before polls opened. Chung claimed that Roh had told a rally, that he would support Pyongyang in a conflict with the United States. As Election Day began, opposition spokesmen announced: “Now, we will win the election!” The *Washington Post* forecast that the Chung split would hand Lee Hoi-chang a victory. Yet Roh, who was “baffled” by Chung’s move, had merely said: “South Korea should be able to mediate a possible quarrel between North Korea and the United States” if it got out of hand, the transcript shows. Chung locked himself in his home and refused to see Roh,

Korea and World Peace

This statement was issued on Dec. 15 by Lyndon H. LaRouche, Jr.’s Presidential pre-candidate political committee, LaRouche in 2004.)

I am thankful for the U.S. Government’s official apology to Spain, over the attempt by some U.S. rogues to involve Spain in an attempted destabilization of the ongoing Korea election campaigning. The restoration of rail transport within Korea which will allow us to connect Pusan to western Europe, is an essential part of the effort to rescue the United States’ partner, Europe, from the effects of a currently accelerating general economic collapse around most of the planet. The currently continuing attempts of U.S. official “Chicken-hawks,” such as Richard Perle and his accomplices, to trigger a war-like crisis in the Korea Peninsula, must be stepped on, hard.

A group of Eurasian nations, including the Strategic Triangle of Russia, China, and India, is emerging as the pivot of an increasing density of far-reaching, long-term economic development projects within Asia. This includes

Korea, Japan, and Southeast Asia. The foundation of this ongoing economic strategy includes large-scale infrastructure projects which will serve as a critical margin of long-term stimulants to the entire region. Among the effects will be a long-term growth of large margins of exports of relevant technology from Europe, and similar opportunities for U.S. trans-Pacific trade.

Those benefits depend in significant degree upon strategically crucial cooperation among Japan, Korea, and China. Japan urgently needs the opportunity to return to the industrial-goods-export orientation of the period prior to Zbigniew Brzezinski’s U.S. wrecking of Japan’s oil-for-technology relations with Mexico, for example. Japan’s prospect for participation in cooperation among Russia, China, and Korea, is therefore a critical factor in Japan’s early future. A revival of the pre-1997 industrial capabilities of Korea, and the development of the rail connection from Pusan to Europe, is therefore a critical frontier of the defense of the U.S. economy itself.

Therefore, any meddling madmen who are seeking to disrupt the Korea rail connection, or target North Korea for U.S. Chicken-hawks’ attempts to use it as a nuclear alternative for warfare on Iraq, must be considered a threat, not only to our friends in Eurasia; but, also, a menace to the imperilled economic security of the U.S.A. itself.

leading to speculation that Chung may have been coerced into the whole provocation by a third party.

Richard Perle himself gave an incendiary interview, which appeared in the morning of Dec. 19 in the hard-line *Chosun Ilbo*, saying that “the option of using military tactics should not be ruled out” with North Korea. Perle said, that those who thought “resolution through diplomatic means” meant something other than 100% resolution were wrong, and that “the danger to be brought upon us by North Korea’s nuclear development is so great that it will result in a quarantine of unprecedented comprehensiveness.” He specified that South Korea needs to adopt certain “counter-battery artillery techniques,” as war could be imminent, and threatened that more North Korean ships may soon be stopped at sea. But the voters weren’t buying.

New IMF Economic Threat

The new government faces the need to demand sovereignty for Korea’s economy, too. On top of the nuclear crisis, President-elect Roh now faces a blow-up of the economy. Just as Wall Street is touting the International Monetary Fund “economic miracle” in Korea, it is falling apart. The IMF’s “success” was based on the inflow of hot foreign money, which has tripled the value of the Korean stock market since 1998. But now, the hot money is leaving just as quickly, exposing the miracle as consumer fraud.

Roh, a labor lawyer, is said to have a leftist leaning for further IMF “reforms.” President Kim’s weak point has been his ideological bias against the *chaebol* industrial combines; he allowed the IMF to shut down whole chunks of South Korea’s industrial base. In November, the government sold the advanced \$5 billion Hanbo Steel complex for scrap, at a dime on the dollar. Roh is said to share that bias. If so, this is the time to get rid of it. As Ambassador Kim Sang-woo points out, you can’t eat cyber-space or fiber optic cable. Asia, and both Koreas in particular, require a “full-set” heavy industrial infrastructure and a full range of industrial output to grow and develop.

The LG Economic Research Institute said Dec. 19 that South Korea’s economy will face a crisis in the second quarter of 2003, as exports to the collapsing U.S. economy dry up. They forecast “the aggravation of insolvent household economies, due to an increase in the burden to repay interest and loans.” Based on the hot-money stock bubble, the Korean government and banks issued a large consumer debt. On advice from the IMF, Korean banks and companies began handing out credit cards almost on every corner, even house to house. Total household debt has been rising at a 34% annual rate, to almost \$400 billion. As stocks drop, the consumer bubble is popping. The Bank of Korea (central bank) issued a report Oct. 8, entitled “Household Debt Feared to Spur Mass Bankruptcies,” which states: “Households are increasingly exposed to credit risks by taking out more loans from financial institutions, causing worries over a possible massive number of household bankruptcies.”

Challenges Ahead for Korean Foreign Policy

by Dr. Kim Sang-woo

The article excerpted here first appeared in the Korea Times on Dec. 16. Dr. Kim is Professor of International Relations at Kyung Hee University; former Ambassador for International and Strategic Affairs, the Republic of Korea; and was spokesman for the Foreign Media Office for President-elect Roh Moo-hyun of the Millennium Democratic Party.

The challenges we face in the field of foreign policy can be described in the three categories of peace, prosperity and maturity. Obviously, the most pressing need is peace, as we keep being baffled by the recurring theme of North Korea’s nuclear development and the possibility of U.S. preemptive strikes. Unification is no doubt our ultimate goal; yet peaceful coexistence on the Korean peninsula must be secured first so the pace and cost of unification may stay within a manageable range.

Theoretically, there are three options available to resolve the issue of North Korea’s nuclear program. The first is the use of military power. In 1994, the crisis passed before its escalation into war. The U.S. government then made the estimation that in case of a U.S. preemptive strike and subsequent retaliation by North Korea, South Korean casualties, both military and civilian, would amount to 1.5 million and U.S. troops 50,000 at least. With the entirety of South Korea and a substantial part of Japan being in striking range of North Korean missiles, this is one option that should definitely be avoided.

The second option is economic sanctions. This again may well provoke North Korea to go down the path of military conflict by choosing to defy the sanctions and deviate from the so-called Agreed Framework. The end result will be same as the first. However, if well controlled, economic sanctions can indeed suffocate the North Korean regime, and eventually induce its collapse, without affairs being escalated to war. Yet in this case, chaos will mount with millions of refugees pouring down to the South and an astronomical amount of money will be needed just to begin to address the situation. The South will never be in a position to handle its impact alone. Not only will outside assistance become essential, but Koreans also may even have to relinquish our right to manage the fate of the northern half of the peninsula to other powers and international organizations.

That is why we believe the remaining option of engaging with the North with the aim of inducing the regime to make changes in the right direction is the only sensible way. To do this job properly, it is of extreme importance to furnish

Pyongyang with the straightforward message: we simply want you to change, not perish; therefore steps toward reform and openness will be duly rewarded with further assistance, but irresponsible actions will be met with penalties. This is a very delicate task requiring strategic astuteness. In sending out such signals to Pyongyang successfully, it is crucial that all the relevant powers cooperate, especially Seoul and Washington.

Despite President Bush's repeated claim that the United States will not attack North Korea and intends to resolve the situation in a peaceful manner, I am afraid I must point out that Washington increasingly appears to be pushing for a regime change in North Korea by attempting to accelerate the collapse of the Kim Jong-il regime. This may serve the U.S. interest as a quick and efficient solution to remove the source of clear and present danger but as stated earlier, it will certainly not serve the national interest of South Korea.

Not only will the untimely collapse of Kim's regime in the North bring havoc to the South Korean economy, but it may also create a serious impingement upon the sovereignty of the nation. With these exigencies in mind the U.S. administration must come to coordinate with Korea's new President-elect as soon as possible. Otherwise, North Korea will keep pursuing political brinksmanship with its nuclear program without knowing the way out and neither Seoul's engagement policy nor Washington's hard-line sanctions will fully achieve their objective. As for the opposition party in Seoul and its supporters, who tend to reverberate the hard-line U.S. rhetoric, I beseech them to come to their senses and think hard about what the national interest of Korea is.

The second category of the foreign policy objective for Korea, in my view, is about prosperity through reinforced emphasis on regional cooperation within East Asia. I believe the future of East Asia belongs together. We must go beyond the conventional notion of regional economic cooperation centered on a free trade area and common currency. With the advent of new technologies, we now have the means to connect each country within the region to high-powered networks. Namely, common infrastructure of the Internet and transportation can indeed substantiate the true meaning of regional unity.

With Korea's leading edge in broadband technology, we can help the whole region of East Asia get connected to cyberspace, ranging from Kamchatka to Mumbai, from Irkutsk down to Bandung and from Pyongyang to Lhasa. This must coincide with the building of transportation infrastructure in physical space. The ongoing construction of the Trans-Korean Railways and their connection to the Trans-Siberian Railways will hopefully have a trigger-effect for further connections to the Chinese mainland and Trans-Asian Railways encompassing ASEAN countries. This combined network in cyber and physical space will not only bring about immense business opportunities and the thriving of physical industries even in remote corners but also tremendously enhance the level of technology for the region. . . .