

First, he confirmed that the agreement is directed against Europe and Japan, saying NAFTA would give the participants “the needed leverage” to compete with them. Secondly, he acknowledged indirectly that a fundamental purpose of NAFTA is to bail out the collapsing Wall Street banks. “Face the fact of life,” he said. “All three countries are moderately broke. And we’ve got to export to be able to service the enormous debts all three countries have.”

Another admission that startled attendees was from Mexican Ambassador-at-large Miguel Alemán, who told them that Mexico will face inflation and recession from NAFTA, as well as problems handling the population boom at the border. The lack of infrastructure—which will not improve under the terms of NAFTA, and was not addressed by Alemán—is already a serious problem, especially in border cities such as Ciudad Juárez, Chihuahua, across from El Paso, Texas. Health officials on both sides of the border have identified Juárez as the most likely transmission point for the spread of cholera into the United States.

### LaRouche versus the free traders

This occurred as the *EIR* tour got under way, to announce the release in Spanish of the *EIR* Special Report exposing NAFTA, entitled “Auschwitz below the Border.”

From the wide-open responses to the presentations of the *EIR* correspondents during their tour, it is obvious that the efforts of the governments to sell NAFTA have been ineffective thus far. In press conferences and in private meetings with elected public officials, we found significant opposition to NAFTA.

Reynosa, in the heart of the productive agricultural sector of the state of Tamaulipas, is a city of almost 700,000 people, across the border from McAllen. The *EIR* press conference there was attended by two radio reporters and two newspapers. It lasted almost two hours, as reporters fired questions, asking for details about the real intentions behind the treaty, what does the United States hope to gain, do they want Mexico’s oil, is there opposition to NAFTA in the U.S.?

There was great enthusiasm for U.S. presidential pre-candidate Lyndon LaRouche’s proposal for an Ibero-American Common Market as the alternative to NAFTA. The reporter for *La Frontera* has written a full-page article, and his paper is interested in serializing *EIR*’s report, “Auschwitz below the Border.”

This has caused a scandal, as representatives from the Mexican Chamber of Commerce asked the paper not to cover the opposition to NAFTA, saying there is already great suspicion against the treaty!

There was a similar response in Matamoros, where a representative of the Mexican Labor Confederation (CTM) attended the press conference. Both he and another reporter confided that the support which the Mexican government takes for granted is very weak. “What we lack, is an alternative,” he said.

## Korean economic deals ‘an internal matter’

by Lydia Cherry

A prime objective of South Korea President Noh Tae Woo’s upcoming meetings with George Bush July 2, will be to seek U.S. recognition that certain economic deals between North and South Korea—as was the case with Germany prior to reunification—are “internal trade” and not subject to outside interference. Earlier this year, the two Koreas worked out a barter deal whereby the North would obtain much needed rice in exchange for coal, but the deal has been delayed because the U.S., especially the Department of Agriculture, was unhappy with it. At the same time, it has become clear that the North is battling stark food shortages. The South Korean daily *Tong-a Ilbo* claimed May 21: “It has been revealed that the U.S. administration raised objections to the rice barter between the North and South through diplomatic channels.”

Noh Tae Woo’s “Northern Policy,” first put forth in a speech to the U.N. General Assembly in October 1988, precisely echoed U.S. statesman Lyndon LaRouche’s “Food for Peace” proposal toward the Soviet Union. In the U.N. speech, Noh had announced: “We must transform the North-South Korean relationship, so that we can reconnect every roadway, whether a major highway or a little path, linking the two sides which remain disconnected now. Then we could be enabled to go on to develop our common land, by combining our human, technological, and financial resources.” The paved roads of South Korea abruptly turn into rubble dirt roads as soon as the border is crossed.

Later, Korean leaders monitored carefully the fall of the Berlin Wall, and sent numerous delegations to Europe to study German reunification. The government, however, is aware that the North Korean economy is in much worse shape than was East Germany’s. At a strategy meeting in Seoul June 17 that was presided over by President Noh, it was concluded that the South must greatly boost economic cooperation with the North now to fill the economic gap prior to reunification. Although this is not a new idea (it was part of Noh’s initial framing of his now two-year-old “Northern Policy”), there is now much more of a chance for it to be implemented.

At the same time that the North Korean economy continues to go downhill, the two sides are talking and taking part in joint sports events. And, in recent weeks, North Korea has made two “turn-arounds.” First, it said it will seek United Nations membership separately from South Korea—a point South Korea had insisted would be preferable because it

would give the two sides a chance to cooperate in an international organization. The second turn-around, as evaluated by the South, is its agreement to sign the nuclear safeguards accord of the International Atomic Energy Agency and open its nuclear facilities to inspection. Admittedly, this second point is still unclear because of the rhetoric between the U.S. and North Korea on who does and does not have nuclear weapons and whose nuclear facilities should be opened for inspection. But, nevertheless, Noh Tae Woo has told his ministers to prepare for unification, even though he says the final form may not be achieved before the end of the decade.

Noh Tae Woo's governing Democratic Liberal Party was greatly strengthened June 21 when it won an overwhelming victory in local elections. The Kim Dae Jung New Democratic Party, which largely supports the politics of "violence-in-the-streets," was beaten back significantly, winning only 165 of 880 seats. This has given Noh a clear mandate to pursue his primary goal: reunification.

South Korean press reports make clear that the government is studying replacing the current Armistice Agreement with a peace treaty and disbanding the U.S. Command, following North and South Korea entering the United Nations at the same time, which is expected to take place this fall. Replacing the Armistice Agreement was the subject of a speech delivered at the Korea Regional Policy Institute by Foreign Minister Yi Sang-ok on June 14. He is quoted: "Close consultations between South and North Korea are necessary before making any decisions on the status of the U.N. Command and conclusion of a peace treaty with North Korea." The *Korea Herald* notes that concluding a peace treaty is "an especially complicated question which necessarily involves the status of not only the U.N. Command but also U.S. troops in Korea in general."

The U.S. is not known to favor Korean reunification, and unidentified "foreign bankers," according to AFP, "are telling South Korea that reunification would stunt South Korea's growth for years, if not decades, and put on hold its dream of shifting its labor-intensive economy into high technology." The Noh government, however, seems to be ignoring the "advice" as it moves in both directions at the same time. Noh envisages rapidly turning Korea into a developed country; he has announced, for instance, that it is a "historical mission imposed on all of us" that Korea catch up with the Group of Seven advanced countries in science and technology by the year 2000. His answer seems to be to engage in every effort possible to improve North Korea's economy now.

### **Link-up of railways proposed**

One idea proposed June 21 was for the Koreans to immediately link up their railroads "to upgrade transportation of exports to the Soviet Union and Europe," as was laid out by South Korean Unification Minister Cho Ho-chung. Seoul is also encouraging private companies, in particular Korea's huge conglomerates, to take risks in trade with the North. A special fund

is available should a company "lose its shirt" in the process. A Lucky Goldstar executive recently noted that the government had no qualms about a deal it was involved in, which allowed for the North to receive badly needed hard currency. Officials, he said, were encouraging much more trade.

However, just from the economic standpoint, helping North Korea with its economic difficulties is not that easy. The North has been competing with "the U.S. colony" in the South for 46 years. North Korea received a donation of "rice of love" collected by Christian groups in the South some time ago. After this was made public, North Korean officials announced that the rice in question "shall be returned at once." Recently, *Nodong Sinmun*, the newspaper of North Korea's ruling Worker's Party, described the South Korean economy as a "catastrophe," noting that "it is a tragedy of our nation to see an ailing colonial dependent economy in half of the country."

### **Food shortages the turning point**

There have been clear signs that the North Korean food shortage has reached such a critical stage that the North Koreans are being more open about their plight, however. According to the South Korean publication *Wolgan Choson* in March 1991, the food crisis is reflected in recent slogans such as "Rice is Communism," and "From the Rice Bin Comes the Public Confidence," to urge increased production of rice and other foodstuffs. Lately, however, the expression, "Of all the tasks facing us in our socialist economic construction, most urgent is to resolve the question of food," is becoming the most commonplace.

The Institute of the Socialist Economy, under the U.S.S.R. Academy of Sciences, in its assessment toward the end of 1990, said, "North Korea imported 1 million tons of food in 1989; however, due to the 1990 crop failure, it will have to import 2.2 to 2.5 million tons in the future." According to the Institute, "It is seriously feared that a famine will occur this spring and North Korea is likely to ask international organizations for food aid. For internal reasons, however, the Soviet Union is unable to extend food assistance."

Both South Korea and Thailand report that the North has made overtures to buy rice. South Korean press report that as early as mid-January, North Korea proposed to buy 100,000 tons of rice, suggesting that payment be made in North Korean products, such as pollack. Also in January, North Korean Premier Yon Hyong-muk informed the Thai premier of North Korean plans to import 1 million tons of rice and 500,000 tons of feed-purpose tapioca (a kind of potato) from Thailand within the next 2-3 years. It is not known if any of these deals have materialized. Problems from the U.S. side derailed, or at least postponed, the counter-trade agreement by the South's Cheonji Trade Co. to swap rice for coal from the North's Kumgangsan International Corp. Once the deal became a matter of public debate, North Korea, predictably, backed out.