



North Korea: A Grim Warning for the West

The New York Times — the newspaper whose reporter Walter Duranty won a Pulitzer Prize in 1932 while deliberately covering up Joseph Stalin's starvation of the Ukrainian people — has apparently changed its tune on the subject of communism in the decades since.

On June 9 it ran a story by Sharon
LaFraniere on the horrific conditions in
communist North Korea and correctly
attributed the miserable state of affairs to
the regime of Kim Jong-il and his late father,
Kim il-Sung, who founded the communist
state in the wake of World War II. The story
is important not just because it provides
firsthand accounts of the devastation
wrought by communism but also because it
serves as a warning for where the West may
be heading if it continues its headlong
plunge into socialism.



LaFraniere and another reporter interviewed eight North Koreans who had recently left the country — "a prison escapee, illegal traders, people in temporary exile to find work in China, the traveling wife of an official in the ruling Workers' Party," as she describes them — only half of whom intended to return. The resulting report paints "a haunting portrait of desperation," in LaFraniere's words. It is indeed heartrending, especially when Westerners' experiences are proof positive that life doesn't have to be (to borrow from Thomas Hobbes) "solitary, poor, nasty, brutish, and short."

"When the Korean Peninsula was divided in 1945, South Korea was poorer than its neighbor," writes LaFraniere. "Now its average worker earns 15 times as much as an average North Korean, according to cost-of-living-adjusted data." There's a reason for that: South Korea is far from a Jeffersonian republic, but its economy has been markedly freer than the North's, the result being that the South grew economically while the North stagnated.

With that stagnation came all the horrors associated with grinding poverty and repression: rising infant and maternal mortality rates (up 30 percent or more between 1993 and 2008), falling life expectancy (down three years in that same period), hunger (one in three children under age five are malnourished, and more than a quarter of North Koreans need food aid, according to the United Nations World Food Program), and fear. One government official's wife told her sister, one of the interviewees, "People follow [Kim Jong-il] because of fear, not because of love."

In an effort to make sure its terrified subjects don't find out how much better off their relatives to the South are, let alone much of the rest of the human race, the government attempts to keep them isolated from the outside world. LaFraniere reports: "There is no Internet. Television and radio receivers are soldered to government channels. Even the party official's wife lacks a telephone and mourns her lack



Written by Michael Tennant on June 11, 2010



of contact with the outside world. Her first question to a foreigner was 'Am I pretty?'" One of those interviewed "said a 35-year-old neighbor spent six months in a labor camp last year after he was caught watching *Twin Dragons*, a farcical Hong Kong action film starring Jackie Chan."

LaFraniere says the biggest problems in North Korea stem from "a foundering state-run economy" and a recent "currency devaluation." (Paul Krugman, are you reading your own newspaper?) She writes that "state enterprises have been withering for 30 years, and North Koreans do all they can to escape work in them." In fact, some are so desperate to find productive, paying work that they bribe their superiors to sign them in every day and then let them go work elsewhere, leading one 62-year-old female trader to ask, "How would the companies survive if they didn't get money from the workers?"

As is the case with any government, dire economic conditions cannot be permitted to interfere with projects that glorify the state. Thus, says LaFraniere, the "state has resurfaced Chongjin's only paved road and built a hospital and a university for the 2012 centennial of the birth of Kim Il-sung." Similarly, in the United States, despite our less-than-stellar economy, the federal government is spending \$92 million on lavish renovations of an Internal Revenue Service building in Andover, Maryland — renovations that the architect told the Boston Herald are "visionary" and will make the building "relevant 50 years from now" (let's hope not).

Just as Americans have to pony up out of their paychecks every week to keep Uncle Sam's narcissistic projects up and running, so in North Korea, "each family was required to deliver 17 bags of pebbles every month to its local party committee" for the Kim Il-sung centennial project, reports LaFraniere. "The construction worker enlisted his elderly parents to scour creek beds and fields for rocks that the family smashed by hand into grape-size stones."

"The markets are the sole source of income for many North Koreans, but they flout the government's credo of economic socialism," writes LaFraniere. "In one 2007 Central Committee communiqué," she says, "Kim Jong-il complained that the markets had become 'a birthplace of all sorts of nonsocialist practices.'" Since the government hates being shown up by the free market, it "periodically tries to rein in the markets, regulating prices, hours, types of goods sold, the sellers' age and sex and even whether they haul their wares on bicycles or their backs," according to LaFraniere. Name any regulation on that list that couldn't have emanated from Washington, D.C.

Having failed to regulate away the markets, the government took the next logical step: devaluing the currency. What better way to foil those dastardly capitalists than to destroy the wealth they have created? Thus, last November the regime announced that it was introducing a new won to replace the old one at a rate of 1 to 100 — and that each family could only exchange 100,000 old won. At the time, Choe Sang-Hun reported in the *Times*, 100,000 old won were officially worth \$609 but traded on the black (i.e., free) market for their real value of \$35. The policy meant that no matter how much an industrious North Korean had managed to save by serving his fellow man in the free market, at most he would end up with 1,000 new won, trading at the old 100,000 won value of \$35. The construction worker saw his family's life savings of \$1,560 reduced to \$30, reports LaFraniere: "'Ai!' he exclaimed, cursing between sobs. 'How we worked to save that money! Thinking about it makes me go crazy.'" How many Americans must feel the same way as the Federal Reserve inflates away the value of *their* savings?

The currency devaluation, says LaFraniere, "was for some the worst disaster since a famine that killed hundreds of thousands in the mid-1990s." Hardest hit, perhaps, were women, who had "been especially active in the private markets," reported Choe, and had been reported "protesting against the



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government's renewal of antimarket measures while food shortages ... persisted." (Feminists, take note: The free market liberates women; the government enslaves them.) The devaluation benefited the government, however, stamping out the competition and forcing people back on the state's food rationing system, which, said Choe, it had been trying to do since 2005.

Of course, while all this was going on, the politically connected did well for themselves and continued to spout the party line. LaFraniere writes, "One woman from Hamhung, North Korea's second-largest city, said the local bank director allowed her relatives to exchange three million won, 30 times the official limit." She continues:

The party official's wife, hair softly curled, a knock-off designer purse by her side, boasted about her six-room house with two color televisions and a garden. In the next breath, she praised devaluation as well-deserved punishment of those who had cheated the state, even though she acknowledged that it led to chaos and noted that a top finance official was executed for mismanaging the policy.

"A lot of bad people had gotten rich doing illegal trading with China, while the good people at the state companies didn't have enough money," she said. "So the haves gave to the have-nots."

Choi Soo-young, described by Choe as "an expert on the North Korean economy at the government-financed Korea Institute for National Unification in Seoul," concurred, telling Choe that "from the government's perspective [the devaluation] could have the effect of reducing a growing income gap among citizens."

All this sounds like nothing so much as Western elites' complaints about the "income gap" in their countries and the need for the "haves" to give "to the have-nots." Just as in North Korea, their solution is not to liberate both the haves and the have-nots so that, as President John F. Kennedy once said, a rising tide lifts all boats, but to knock the haves down to the level of the have-nots so that all are equally poor — all, that is, except the elites, who deserve better. The North Korean party official's wife, already far wealthier than the people living under her husband's thumb, worked as a waitress to earn money while visiting relatives in northern China, precisely the activity for which she condemned "bad people." Multimillionaire Al Gore lives in a mansion with a gigantic "carbon footprint" (and just bought another one) and flies private jets all over the world to lecture everyone else on the need to become poorer in order to prevent nonexistent global warming.

The situation in North Korea is disastrous, and it is not going to improve as long as the communist regime holds up. There are signs that its grip on power is becoming more tenuous by the day: The construction worker said that people in the market "will say the government is a thief — even in broad daylight," according to LaFraniere.

Likewise, the situation in the West is headed down the same path as North Korea, albeit more slowly, and it is not going to improve as long as Western governments pursue the same policies as the Kim Jong-il regime: heavy regulation of markets, currency devaluation, and double standards for state employees and average people. Many Westerners already recognize the government is a thief and say so openly; but too many others still prefer to be on the state's rations than out in the productive sector, fearing its strictures, namely "If you don't trade, you die," as LaFraniere quotes a former North Korean teacher who is now an outlaw for doing honest work in the markets.

The way of the fearful state-clingers leads to economic stagnation and penury, as North Korea demonstrates. Let's pray that the ranks of those who see the government for what it is grow fast







enough to wrest the steering wheel from those who love Big Brother and to direct our nations once more down the path of liberty and prosperity.

Photo of Kim Jong-il: AP Images





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