

Inter-Korean Summit: 'Open the Roads, Re-Link the Rails!'

by Kathy Wolfe

South Korean President Kim Dae-jung and North Korean National Defense Commission Chairman Kim Jong-il on June 13-14 pledged to promote Korea-wide reconciliation and economic reconstruction, at the first meeting between North and South Korean heads of state in Pyongyang, North Korea. "Let's open up the roads that have been blocked for half a century. Let's unite and re-link the broken railways. Let's open new sea lanes, communication and air routes," Kim Dae-jung told the Northern leadership in a June 13 dinner speech. "When that happens, all Koreans will be able to travel freely between the two sides and work toward reconciliation, cooperation, and eventual reunification. . . . It is my desire that, through this visit, the 70 million Koreans will be liberated from the fear of war."

Such an infrastructure-based renaissance, the obvious move to any Korean patriot, also parallels the concept of "The Eurasian Land-Bridge: The 'New Silk Road' — Locomotive for Worldwide Economic Development," *EIR's* 290-page 1997 *Special Report* on Eurasian infrastructure needs for the 21st century, which has been widely circulated in Korea. In "Summit Prompts Projects in N. Korea," the June 13 *Korea Times* reported that "the South Korean government is seeking to construct a comprehensive high-speed railway system to connect major cities across the Korean peninsula." The article details a complete peninsula- and Northeast Asian-wide grid, including "a massive line linking Pusan [at the southern tip of the peninsula] and Shinuiju [on the North Korean-Chinese border] via Seoul and Pyongyang. . . . The Seoul government is ambitiously seeking to set up a railroad network that will be connected to major lines in China and Russia." At a June 14 summit dinner, the two Koreas signed an accord pledging "to reconnect the railway and severed roads and open sea and air routes" (see text below).

This bold plan requires a new *global* monetary system to become reality. Happily, the Inter-Korean Summit comes in

the broader context of the Chiang Mai Initiative for East Asian monetary cooperation and currency defense, launched by Korea, Japan, China, and members of the Association of Southeast Asian Nations (ASEAN) nations in Chiang Mai, Thailand on May 6-8 (see *EIR*, May 19, 26, and June 2). Asian leaders hope that the Chiang Mai currency fund will evolve into a well-funded Asian Monetary Fund, able to provide billions in long-term development credits for heavy industrial projects.

'Asia Has Stood Up'

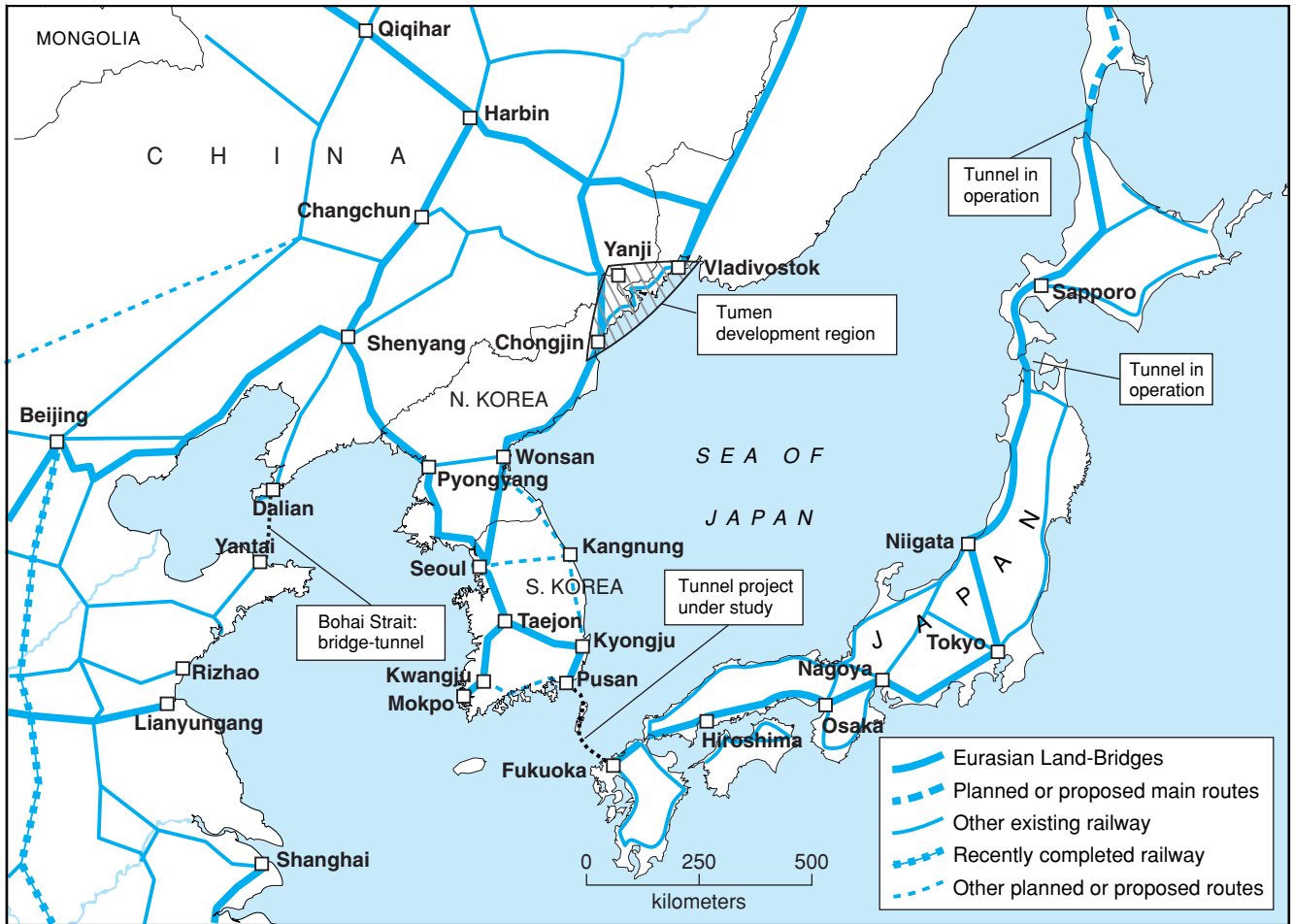
"This could be a good time for Asia to stand up," as one South Korean Finance Ministry official told *EIR* on June 14, underlining that a new level of cooperation between the two Koreas, and second, with China and Japan, was at the heart of the developments. "It's an historic opportunity. Kim Dae-jung could become the father of his country." The reality is that Korea's economy, like the economies of Indonesia, Thailand, and even Japan and China, devastated by the global financial crisis which broke out in Asia in 1997, cannot be rebuilt under today's world financial system, he said. Today's system, dominated by International Monetary Fund (IMF) shock therapy and unstable hot-money gyrations, threatens another crisis at any time, making long-term investments in rail lines and basic industry impossible.

"Under the current system, we can't even support our own people, many of whom are unemployed," the Seoul financial official said. "If we try to feed another 25 million North Koreans, it will only raise our taxes to the point of national bankruptcy, as happened in Germany," after the 1990 reunification. Under the current system, he said, most credit would go to pay already-existing bad debts, and investment would be only short-term, to suit hot money and its quick profits.

This was precisely what was done to East Germany and Russia, which were forced to pay old communist debts with

FIGURE 1

Pan-Korean High-Speed Rail Projects Proposed by EIR, 1996



Many of these lines are now being discussed in Seoul as a result of the Inter-Korean Summit.

high-interest, hot-money loans, and by selling most of their industry and infrastructure for scrap. Today, they are industrial garbage heaps with mass unemployment.

“Instead, we need to maximize our 20- to 30-year long-term investment in capital goods” such as high-speed rail, electric power, and other industrial technologies, the Seoul official said, as *EIR* has proposed in the Eurasian Land-Bridge approach. “You are right, we should build [high-speed] bullet trains from Pusan to Pyongyang. But to do this, we would need a new monetary system to reorganize the debts, get rid of the short-term debts, control speculation, and maximize long-term capital investment.”

In fact, South Korean President Kim Dae-jung urged creation of a “new international financial architecture,” in a May 15 videotaped speech to a Washington conference. “I believe that we must firmly establish a new international financial architecture as soon as possible,” Kim stated. “In the interna-

tional financial markets, where more than \$1 trillion are being transacted every day, the efforts of any single nation are not enough to help maintain financial stability. This was proven by the crises in Asia, South America, and Russia.”

Kim also repeated recent key warnings by Japanese Finance Minister Kiichi Miyazawa that the Wall Street bubble is a threat to the rest of the world. “Recently, moreover, we have witnessed a prominent phenomenon: world stock markets, including those in Asia, often act in concert with the New York Stock Exchange.”

“I insist that a hedge fund and short-term capital-monitoring channel must be set up,” Kim stated.

‘I’ve Missed You!’

The events of June 13-14, largely blacked out in the American media, had much the same emotional effect in Asia as the fall of the Berlin Wall in 1989—further reason to make

sure that Korea does not end up in Germany's sad state. After the first direct flight from Seoul to Pyongyang since 1945, Kim Dae-jung landed in Pyongyang and received a surprise, personal reception by Kim Jong-il, who walked out on the tarmac to the steps of the plane to shake hands. "Nice to meet you; I've missed you" (literally, "I've longed to see you"), South Korea's Kim said, as crowds filling the airport chanted both their names.

"It was not just once or twice that I plunged into deep despair thinking I would never step on the soil of the North in my lifetime. But now, I have attained my lifelong wish," Kim Dae-jung said at the ceremony. "The 70 million Korean people in the South and North are also ardently hoping to attain their wish as soon as possible. Compatriots in the North, we are one people. We share the same fate. Let us hold hands firmly. I love you all."

The scene stunned millions of South Koreans glued to TV screens in crowded public plazas and at home for the first live broadcast ever from Pyongyang.

In a second surprise, the two then entered Kim Jong-il's limousine, and drove together to the Baekhwawon State Guest House. More than 600,000 North Koreans were estimated lining the route, waving paper flowers and calling for national unification.

Earlier in the morning of June 13, thousands of South Koreans had lined Seoul streets and waved the national flag as the motorcade carrying President Kim Dae-jung had left for the airport. The streets were so crowded that Kim had to stop twice to shake hands as tearful elderly people gave him dog-eared black and white photographs of their relatives in North Korea, not seen since the 1945 division.

There are 1.23 million first-generation South Koreans over age 60 who are separated from families in the North. Counting their children, the number totals 7.67 million.

Kim Jong-il stressed his interest in expediting the reunion of separated families, which would be a total shift in North Korean policy. "I watched South Korean television programs deep into the night, including MBC and Seoul Broadcasting System," he told the Southern leader after his arrival. "They said that all South Koreans welcomed the summit and, especially, separated family members and North Korean defectors are waiting for good news with the expectations to hear from their relatives."

The North Korean Chairman's popularity in South Korea skyrocketed. "The airport greeting was one of the most touching scenes I have ever seen in my life. I am proud that our President stands in Pyongyang," one 73-year-old Seoul man with family in the North said after Kim landed. "I don't know how to express my deep emotion. Many who had to leave their North Korean hometowns during the Korean conflict were in tears, watching the leaders of the two Koreas shake hands at the airport," said another Seoul resident, whose hometown is Chungkangjin, in the far north of North Korea.

North Korean Chairman Kim Jong-il joked that "President Kim's visit liberated me from a hermit life." The North-

ern Kim, long demonized in Southern media, has been suddenly humanized in what Seoul dailies are calling "Kim Jong-il shock." The happy and respectful manner in which he greeted President Kim Dae-jung and the invitation to ride in his personal car, had some in Seoul expressing remorse for their previous hatred. "It was truly impressive. His unexpectedly respectful manner of receiving President Kim at the airport was far from my image of him as a rude and ruthless man," one Seoul resident born in the North said. Seoul commentators noted that the Northern Kim may look up to the Southern Kim as a father figure, since he is the same age as North Korean leader Kim Il-sung who died in 1994.

'By the Koreans, for the Koreans'

The historic summit was engineered "by the Koreans, for the Koreans, as Mr. Lincoln would say," a South Korean Ministry of Foreign Affairs official told *EIR* on June 14. "The best thing about this is that now, Korea has stood up, and we don't need any third parties telling us how to work with our brother Koreans," he added, an allusion to the saying, "China has stood up," after the end of the 19th-century foreign occupation of China.

"Now, we don't have to eavesdrop any more on U.S. intelligence agencies to find out what is going on in the North," said the official, who, like many career foreign service professionals, had previously had a long, deep hostility to Pyongyang. "I have changed my feeling about the North; we are much more comfortable working with them now. We have our own connections in Pyongyang. I have my own direct contacts with my counterparts in the North Korean Foreign Ministry."

"We have to develop our future ourselves," South Korean President Kim Dae-jung said at one dinner in Pyongyang. "I was deeply moved by the remark reportedly made by Chairman Kim Jong-il when he visited China recently, that the Korean problem should be resolved by the Koreans. . . . If we do not take the initiative on our own, we will not be able to get cooperation from neighboring countries or the international community. We need to have a burning love as compatriots, but at the same time, we have to be practical and try to settle things one by one, taking the easier issues first. To survive the fierce international competition, the North and South must become united as one and join forces. I would like to quote a proverb that says, 'United strength and mind wins over heaven.' When all the Korean people [unite] forces, there is nothing we can not achieve."

The Seoul official laughed at a report in *AsiaWeek* on May 25 that Kim Dae-jung has ignored Secretary of State Madeleine Albright and her demands for the South to upbraid the North over its missile and nuclear weapons programs. "Despite the U.S. demands, as far as I know, President Kim is not bringing up anything divisive like that at the summit," he said. In advance of the summit, Kim Dae-jung had sent South Korean Foreign Minister Lee Jung-binn to Beijing to brief China, and Vice Foreign Minister Ban Ki-moon to

North-South Korean Accord Easing Five Decades of Tension

Signed in Pyongyang, North Korea on June 14, the core provisions are as follows:

To avoid armed aggression and to ensure the lowering of tension and establishment of peace.

To realize multifaceted exchanges and cooperation to promote the interests and prosperity of the entire Korean people.

To recognize and respect each other's political systems and not to interfere in each other's internal affairs, not to slander or defame each other and to refrain from acts of sabotage or insurrection.

To transform the present state of armistice into firm state of peace between the two sides and to abide by the

present Military Armistice Agreement until a state of peace is realized.

To establish and operate a South-North liaison office at the truce village of Panmunjom, as well as a South-North political committee.

To establish a South-North Military Commission to implement and guarantee non-aggression.

To install and operate a telephone link between the military authorities of each side to prevent the outbreak and escalation of accidental armed clashes.

To establish a South-North subcommittee within the framework of the South-North high-level negotiations.

To engage in economic exchanges and cooperation.

To implement freedom of inter-Korean travel and contact among the Korean people — permitting free correspondence, movement between the two sides, meetings and visits between dispersed family members and other relatives.

To reconnect the railway and severed roads and open sea and air routes and to guarantee confidentiality of inter-Korean mail and telecommunications.

Washington. Albright was so furious about being made to play second fiddle to China, that she refused to meet with Ban.

AsiaWeek reported that there is “a growing distance between South Korea and the U.S.,” and an “accelerating rapprochement” between Seoul and Beijing.

While refusing to comment on China relations, the South Korean official indicated that “no longer would Seoul jump and run” at every photograph produced by the U.S. Pentagon purporting to show North Korean military preparations to invade the South.

He also pointed out that while Kim Dae-jung was accompanied by 130 Korean officials and businessmen and 50 South Korean journalists, North Korea has excluded Western and all non-Korean reporters from the trip. Foreign media are following the events from the official South Korean press center at a hotel in Seoul, where wall-to-ceiling television screens are broadcasting live footage from Pyongyang.

‘Let Us Meet in Seoul’

At the summit's conclusion on June 14, the two Korean leaders signed a landmark four-point accord, aimed at paving the way for full-fledged dialogue between officials of the two countries (see box). The four points are to promote inter-Korean reconciliation and unification, ease tension and promote peace on the Korean peninsula, help reunite separated family members, and broaden exchanges in economic, social, cultural, and other fields.

“The sun is rising at last for national reunification, reconciliation, and peace,” South Korean President Kim Dae-jung told a televised state banquet in Pyongyang the evening of

June 14. “The talks were successful. I express my thanks to Chairman Kim Jong-il for helping to reach the accord.”

He then invited the North Korean leader and his entire delegation to visit Seoul. “Chairman Kim, Leaders of the North: Let us meet in Seoul!” he concluded.

The four-point accord is a mixture of two previous accords the Koreans signed—the 1972 South-North Joint Communiqué highlighting the unification of the divided country under the principle of self-rule, peace, and grand national unity, and the 1991 “Basic Accord,” featuring inter-Korean reconciliation, cooperation, exchanges, and nonaggression.

Defending Asia's Existence

The Korean peninsula is one of the most dangerous places on earth, and anything, including assassinations, nuclear terrorism, and even war, could derail these plans without notice, courtesy of the long arm of intelligence networks employed by certain Western financial circles. In 1994, North Korean founder Kim Il-sung died suddenly of a heart attack, which collapsed the original Inter-Korean summit planned for that year, and led the region to the brink of war.

Yet, while Asian leaders must proceed with care, the Pyongyang and Chiang Mai developments have to be taken as one. Together, these moves indicate that regional intellectuals have made some fundamental decisions “to defend their own economic and financial existence” from the dangers of the current global financial order, *EIR* founder Lyndon LaRouche commented June 14. “People in Japan, China, and Korea have recognized what bankrupt condition the IMF system is in,” he said, and to what degree of aggressivity

Western financiers who wish to maintain the current system will go.

However, the more the Anglo-Americans threaten and shout, the more it is apparent in Asia just how weak they are, LaRouche added, with the massively over-inflated Wall Street stock bubble being one major Achilles' heel. Chinese, Japanese, and Korean leaders are showing a courage not seen previously; while they avoid open revolt, nevertheless, a real revolt is on. Nullifying the "rogue state" concept, which relies on a caricature of North Korea as a crucial prop, humanizing the North Korean leadership, by contrast, will be a key part of this move for Asian independence. Russia is supporting this initiative, by President Vladimir Putin's scheduled trip to North Korea, as China supported it by hosting North Korean leader Kim Jong-il the week before the summit and hosting inter-Korean pre-summit talks all this year. The stage is being set for advancing the entire Eurasian Land-Bridge.

Documentation

South Korean Media Report Progress on Infrastructure

***Korea Times*, "Summit Prompts SOC [Infrastructure] Projects in N. Korea," Seoul, June 13 (excerpts):**

"Prodded by the inter-Korean summit, South and North Korea are moving to expand the social overhead capital (SOC) facilities like railways and roads linking both Koreas. As the relevant projects are essential to back the envisaged brisk exchange of people and cargo, President Kim Dae-jung and his North Korean counterpart Kim Jong-il allocated a portion of their tête-à-tête meeting to discuss how to make progress on the matter.

"Further opening of air and sea routes are expected soon as it will be possible through institutional revision. The two Koreas are poised to press projects for the construction of railways and roads in preparation for full-fledged inter-Korean economic and personnel exchanges. For example, the Kyonggeui Line linking Seoul and Shinuiju, the 12 km-long Munsan and Changdan route in the South and the 8 km-long Changdan and Bongdong line in the North will be reestablished at the initial stage. Concerning the Kyongwon Line linking Seoul and Wonsan, the 16.2 km-long route connecting Shintanjin and the Demilitarized Zone (DMZ) will also be rebuilt. In the North, the route will be extended from the DMZ to Pyongyang. In the case of the Mt. Kumgang Line linking Seoul and the mountain, the 24.5 km stretch between Cholwon and the DMZ and the 50.8 km-long DMZ-Kisong route will be built.

"The South Korean government has already completed construction of the four-lane road extending to the joint security area as a preliminary step to recover the No. 1 national road stretching to Kaesong City via the border village of Panmunjom. The southern part of the No. 3 national road extending to Pyongyang has already been paved. Projects have steadily been pushed ahead to revamp the No. 5 and No. 7 roads. Other projects for ground routes connecting southern provinces like Yanggu and Shincholwon to northern areas like Jangjin and Keundong have also begun to gain momentum chiefly thanks to the summit talk.

"The South Korean government is seeking to construct a comprehensive high-speed railway system to connect major cities across the Korean peninsula. One program features a massive line linking Pusan and Shinuiju via Seoul and Pyongyang while another is designed to connect Mokpo, Chollanamdo and Rajin via Seoul and Wonsan. Based on the railway program, the Seoul government is ambitiously seeking to set up a railroad network that will be connected to major lines in China and Russia.

"The Ministry of Maritime Affairs and Fisheries (MOMAF) is stepping up efforts to develop ports in the North in preparation for expanded inter-Korean economic exchanges. With Hyundai poised to build a massive industrial complex along the western coastal area, the ministry is planning to construct ports in the relevant areas. 'While pushing for the port construction program, we will consider using the North's existing facilities and manpower,' said a MOMAF official."

***Chosun Ilbo News*, "\$65 Billion Needed for Infrastructure in N. Korea Next 10 Years," Seoul, June 14:**

"With the inter-Korean summit likely to achieve good results, the focus now is on social overhead capital (SOC) projects in North Korea. By 1998 standards, North Korea's SOC infrastructure is estimated to be equal to those of the South in 1975, and to bring them up to 1990 in the next 10 years will require some 73 trillion won (\$65.5 billion) in investment. The Construction Economy Research Institute of Korea (CERIK) laid out these figures in a report last month, saying the biggest problem in the construction industry's inroad into the North is funding and every means to solve the problem should be tapped.

"Power generation capacity would have to be doubled, highways expanded by 5% and railroads 7%. In the next five years, the South would have to build three large industrial complexes encompassing some 75 square kilometers, along with support facilities ranging from power generation to harbors. Kim Tae-hwang, a researcher with CERIK, said all kinds of financial sources should be tapped to secure funds for these projects, including project financing. Joint ventures with foreign capital would be one way. He called for an orderly launch of SOC projects in the North beginning with power generation, harbor and industrial complexes, with highway, railroad, and airport linkages to follow."