
Korea

The 'Iron Silk Road' Could Open Next Year

by Mary Burdman

While Asian nations are preparing for the coming financial crash, in North Korea and South Korea, and increasingly in China, construction of the Eurasian Land-Bridge is on the agenda. On Aug. 14, South Korean President Kim Dae-jung announced at a reception for the first group of 100 South Koreans on their way to Pyongyang, the North Korean capital, the next day, to meet their family members in the North, that the government in Seoul had already agreed with the North Korean government to hold the ground-breaking ceremony for the Seoul-Shinuiju, North-South rail line on Chuseok, the Korean lunar year "Thanksgiving holiday," which falls on Sept. 12 this year.

President Kim's statement confirms, that both South and North Korea are moving at an increasingly faster pace to build the Korean section of the Eurasian Land-Bridge (see "Inter-Korean Summit: 'Open the Roads, Re-Link the Rails!,'" *EIR*, June 23, 2000).

President Kim Dae-jung was quoted by Korean press, saying that once the Seoul-Shinuiju line is connected—a matter of constructing 20 kilometers of track through the Demilitarized Zone (DMZ)—and then also the Seoul-Wonsan line, Korea's railways will connect to China, Mongolia, and as far as Europe. The system will become a second Trans-Siberian Silk Road, Kim said. In the long term, goods could be transported from Pusan and Mokpo, two ports on the southern tip of the Korean peninsula, to London and Paris, by land.

Kim also said that, eventually, an undersea tunnel would be built between Korea and Japan. North Korea is also calling for the construction of a North-South highway.

Koreans must not again wage a "fratricidal" war, but rather, should turn their efforts to economic development, making it possible for both Koreas to "greatly prosper," Kim said.

The North-South rail line could be already functioning by Autumn 2001, Hwang Ha-soo, of the Exchange and Cooperation Bureau of South Korea's Unification Ministry, announced on Aug. 3. "We hope to get to work right away, and we can complete the work in a year," he said. The two sides are already working on clearing land mines in the DMZ, to enable construction to begin.

Inter-Korean trade, though low, is already rising, and the

railroad would completely open up trade on the peninsula. Trade, worth \$330 million last year, has risen to \$202.8 million so far in the first half of 2000, an increase of 22.9% from the same period in 1999, the Unification Ministry reported. North Korean exports to the South, which are mostly agricultural, fishery, and forestry goods, rose more than 40% in this period; the South exports mostly appliances and other consumer goods to the North. Trade is now carried out via ship along the west coast, a slow and costly process.

Another important step toward economic cooperation, was agreement reached by South Korea's largest industrial group, the Hyundai Group, with North Korea on Aug. 10, to build a large industrial park at Kaesong, just north of the DMZ. The agreement will also allow South Koreans to visit Kaesong, which was the historic capital of Korea during the 10th to 14th Centuries.

Hyundai official Chung Mong Hun met with North Korean leader Kim Jong-il during a three-day trip to the North. Kim Jong-il had wanted Hyundai to build on the Yalu River, on the border with China, but the firm wanted to be close to South Korean energy sources and markets, and the port of Inchon. Hyundai is to build a complex which can house about 1,000 factories, and employ more than 200,000 workers. Kaesong is already a rail center in North Korea. A group of Hyundai engineers is staying on the site to begin work.

Hyundai, under enormous pressure since the global financial crisis which began in Asia in 1997, is facing serious financial problems. Creditors demanding a restructuring plan want to force all members of the Chung family, which founded Hyundai decades ago, out of its management. However, the Chung family has led a series of initiatives toward North Korea, beginning several years ago, including taking gifts of cattle across the DMZ. It is likely, that the Kim Dae-jung government supported the agreements to roll over Hyundai's debts reached in early August.

In addition to the family reunions on Aug. 15, Korea's Liberation Day, other "tension-reducing" measures are being taken. A direct military telephone line is to be installed between the two capitals, and meetings of the defense ministers are to occur as part of the future Inter-Korean ministerial talks. During Aug. 5-12, the heads of leading South Korean news organizations visited Pyongyang at the invitation of Kim Jong-il, and media of both sides agreed to cooperate, rather than attack each other.

China, where the Eurasian Land-Bridge had been put "on the back burner" for several years, is focussing again on rail connections to Central and Southeast Asia. China will focus on rail construction to its western regions for the coming decades, announced the Beijing *People's Daily* the week of Aug. 7. International rail links are also to be built, from China's Xinjiang province in the west to Kyrgyzstan and Uzbekistan, and from Yunnan province in the southwest to Southeast Asia. China, Myanmar, and Laos have concluded preliminary negotiations on the rail lines.