

Koreas' Rail Agreements Mean Global Strategic Breakthrough

by Kathy Wolfe

The two Koreas agreed on Aug. 29 to begin actual reconstruction, on Sept. 18, of the major lines of the severed Trans-Korean railways along the East and West Coasts of the peninsula—part of an extensive and surprising new North-South cooperation package. The day after the agreement, Japanese Prime Minister Junichiro Koizumi announced that he would visit Pyongyang on Sept. 17 for the first-ever summit of Japanese and North Korean leaders. Further Inter-Korean Economic Talks on Sept. 13-15 may discuss military ground rules, so that construction can begin in the Demilitarized Zone (DMZ) between the two Koreas, the South Korean government announced. Even the U.S. Army-led UN Command (UNC) in the DMZ, on Sept. 3, offered extraordinary cooperation to Pyongyang for the purpose.

These breakthroughs are not a local Korean affair, but are rather “part of a global monetary and strategic shift,” Asian officials say. The major powers of Asia, Japan, China, and Russia, are disgusted with the Bush Administration policy-vacuum facing a world financial crash, they implied, with added threats of war with Iraq and a new oil shock. Some of the worst utopians in the Bush menagerie have recently threatened to attack North Korea as well. The Asian powers are moving to stabilize Korea economically and to stop the spread of war into East Asia.

“The current role of the dollar is finished,” one Japanese Ministry of Finance official said. “Wall Street is also probably finished. When the U.S. home mortgage market collapses, it will be the last straw.” He agreed with *EIR* Founding Editor Lyndon LaRouche’s insistence “that there is need to discuss a new global monetary system,” indicating that East Asian nations are shoring up their joint currency reserve arrangements to brace the region for the shock.

War with Iraq “is no way to bail out the dollar,” said the official. “We must do everything possible to prevent such a war.” A Japanese foreign policy official pointed to U.S. Defense Secretary Donald Rumsfeld’s July 30 press conference advocating “regime change” in North Korea, and Undersecretary of State John Bolton’s insistence, in Seoul on Aug. 28, that North Korea is part of an “axis of evil.” Bolton also threatened that “North Korea’s survival is in doubt.” “At least, we must stop war from spreading into the Asian region,” said the Japanese.

LaRouche's Eurasian Land-Bridge

In the surprise conclusion to the second round of Inter-Korean Economic Talks in Seoul on Aug. 29, South Korean Vice Finance Minister Yoon Jin-shik and North Korean National Planning Commission First Deputy Chairman Park Chang-ryon announced an eight-point agreement on three major joint economic projects. These included the North-South rail link-ups; construction of an advanced industrial complex in Kaesong, North Korea; and critical anti-flood measures in the DMZ, where recent typhoons have again shown the urgent need for large-scale inter-Korean water projects.

"This agreement is no accident," a source close to the Seoul government said. "What Mr. LaRouche and *EIR* did by promoting the Eurasian Land-Bridge idea, with *EIR*'s Eurasian Land-Bridge Report [of 1997] and other actions, was historic. You may not realize the full historical significance of what you did."

Highlights of the Aug. 29 agreement as provided by the South Korean government include:

- Construction begins Sept. 18 on the Northern end of the West Coast ("Kyongui") rail line, running Seoul-Pyongyang-Shinuiju-Beijing; South Korea has already built its part of the line, ending in the magnificent new Dorasan Station at the DMZ. It was decided to finish the Seoul-Shinuiju line "by the end of this year," and roads along the West Coast line "by next Spring." Work is also to begin on an East Coast highway to allow Southern tourists road access to the famous Mt. Kumgang resort by the end of October, when more North-South family reunions are scheduled there. Work is to also start on the East Coast ("Donghae") rail line connecting South and North Korea and running toward Vladivostok in Russia, to be completed "within a year." The South also pledged equipment and materials to the North to help clear mines and build rail lines, including rail ties, steel, and basic materials.

- Working-level military talks are to be held before Sept. 18, to prepare for cross-border rail links. Talks already scheduled for Sept. 13-15 at Mt. Kumgang may include this function.

- Construction of an industrial park in the North Korean border city of Kaesong is to begin "this year." The South promised to set up facilities for the park, and the North, to pass legislation related to the industrial zone. They agreed to hold a working-level meeting in Kaesong in October to discuss how to build the complex.

- A joint survey of the DMZ's Imjin River is to be done in November, to establish joint flood control.

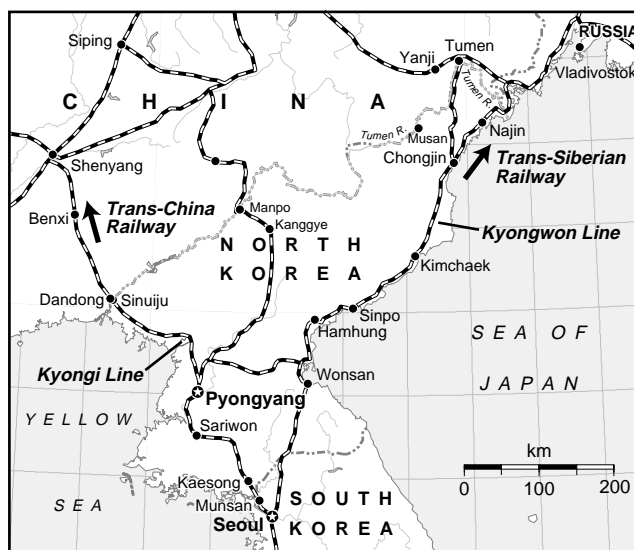
- Four previous accords on investment guarantees and prevention of double-taxation are to be implemented.

- Seoul will deliver 400,000 tons of rice and 100,000 tons of fertilizer to Pyongyang soon.

- Pyongyang will dispatch an economic delegation to tour industrial complexes in the South starting on Oct. 26.

FIGURE 1

North-South Korea Rail Connections



Russia, Japan, and China have all moved to help break the log-jam in getting the Trans-Korea railroads connected along the East and West Coasts. They complete a Eurasia-wide rail connection from the Pacific to the Atlantic, "the world's longest railroad." The development also lowers the threat of war.

- A third round of Economic Talks is scheduled for Pyongyang on Nov. 6-9.

Pyongyang Shift

These developments followed the Siberian summit on Aug. 20-24, of North Korean Chairman Kim Jong-il and President Vladimir Putin, who stressed the need for the rail connection of the Koreas with Europe via Russia, according to the official RIA news agency. Russian Rail Ministry officials said that joining the Trans-Siberian Railroad with the Trans-Korean Railway would enhance advantages, creating the world's longest railroad—14,000 kilometers—on which annual capacity could reach 500,000 containers and bring in \$1 billion in transit fees each year. Moscow estimates needed modernization in Siberia and North Korea at \$3 billion, and has offered to repay the Soviet Union's \$1.7 billion debt to South Korea by joint investments in the rail project.

"Unlike recent North-South agreements which fell through, this one carries extraordinary historical weight," a Korean journalist told *EIR*. "Kim Jong-il and his circle have finally made their decision to take the economic benefit of completing the Inter-Korean rail lines—under very strong pressure from Moscow, Beijing, and Tokyo." The journalist confirmed much of what the Japanese officials had said about the strategic regional alliance developing among Japan, China, Russia, and the two Koreas. Japanese Prime Minister



The new Dorasan station at the southern border of the DMZ, ready to connect the eastern line up the Korean Peninsula.



Asian stabilization moves were given greater urgency after U.S. State Department "chicken hawk" John Bolton went to Seoul on Aug. 28 to repeat the "axis of evil" charge and call for regime change in North Korea.

Koizumi's trip to North Korea "was coordinated with Russia and China, who also gave North Korea very strong commitments for big money to rebuild the lines and their economy," the Korean said. "For that reason I expect something concrete to happen within the next few months"

Asian media report that Chairman Kim Jong-il is planning to attend the Pusan Asian games on Sept. 29, where North Korea is scheduled to send a delegation of 665 people. There, or elsewhere in the South, he would finally return the summit gesture of South Korean President Kim Dae-jung in June 2000, say the reports, which the Seoul government will not confirm. North and South have also agreed to march into the Pusan games as a single delegation under the single "Korean Peninsula" blue flag showing a unified Korea, as they did in the Sydney Olympics. On Aug. 31, North Korea's Red Cross agreed to a South Korean request to create a permanent meeting place for families who have been separated since the Korean War.

Japan at Crossroads

"We meet to seek the possibility of resuming talks to normalize diplomatic ties. I want to seek breakthroughs to settle a number of unresolved issues through 'honest' talks," Prime Minister Koizumi said on Aug. 30, announcing his trip to Pyongyang. A Tokyo Foreign Ministry official reported that "Koizumi's trip represents the realization by Tokyo elites that the entire global system is exploding," and that in mid-August, former Prime Ministers Kiichi Miyazawa and Yasuhiro Nakasone had demanded that Koizumi tell U.S. President George Bush to "exercise self-control" and refrain from war with Iraq. Japan has been sending high officials to Pyongyang for months in a related peace drive, he said.

Japan's industrial and financial might are the key to building the Trans-Korean Railway and the entire Eurasian Land-Bridge, a Korean source told *EIR*. "There are already plans to connect Japan to the Land-Bridge, by building the Pusan to Fukuoka Bridge-Tunnel," he said. "It may appear we Koreans

resent Japan too much for this to happen, but it will be like the Channel Tunnel between France and England: There will be nothing but public opposition, and then behind the scenes they will come to consensus and *voilà*, you have a tunnel." North Korea stands to receive over \$10 billion in reparations from Japan, if relations are normalized; and with Tokyo sitting on more than \$450 billion in soon-to-be-worthless dollar reserves, they may as well invest in durable goods.

Japan wants a "package deal, a comprehensive approach," said one Tokyo negotiator. North Korea wants reparations and trade agreements. Tokyo seeks return of 11 Japanese allegedly kidnapped by the North, and both Tokyo and Washington want nuclear site inspections and an end to North Korea's missile sales. If everything is agreed to at once, the package may just fly, he said.

The question, as always, is: How ready are Japan and South Korea to act independently, to ensure their own survival? While Koizumi said he had called President Bush in advance, Tokyo media report that Koizumi dropped word of his Pyongyang junket on Deputy Secretary of State Richard Armitage upon his arrival in Tokyo on Aug. 27, only three days before the announcement, torpedoing Armitage's trip.

Equally fascinating is the possibility that sane forces inside the career U.S. military may be intervening on behalf of peace in Korea as well, as they have done against war with Iraq. The *Korea Times* reports that on Sept. 3, the UN Command in Korea delivered to North Korea a draft agreement, on military cooperation to start work on the rail lines inside the mine-strewn DMZ, according to a UNC press release. It details UNC steps to transfer control of its half of the DMZ to the South Korean military so as not to alarm Pyongyang, and proposes to open specific areas for the trans-border rail and road crossings. "In a two-hour meeting, Col. Martin Glasser, UNC Military Armistice Commission Secretary, presented his North Korean counterpart, Col. Kwak Yong-hun, with a draft Agreement that would facilitate connection of rail and road lines," the UNC said.