

## Putin in Seoul: Huge Step Toward Peace and Development

by Michael Billington

Nov. 15—Russian President Vladimir Putin and South Korean President Park Geun-hye signed a truly historic set of agreements for close cooperation on a wide range of development projects on Nov. 13 in Seoul. Several of the proposed projects directly involve North Korea, although nothing was said about North Korea’s approval. The conclusion drawn by sources within South Korea is that Putin had pre-arranged some level of support from Pyongyang, which will only be worked out over time.

The agreements include measures to revive earlier plans for rail and pipeline construction through North Korea, and a plan for several South Korean corporations to invest in a Russian-North Korean consortium which is building a rail and port facility in North Korea. Putin and Park also agreed that South Korea will expand its participation in the development of the Russian Far East, involving rail, energy and facilities for space exploration.

This strategic agreement, linking the Republic of Korea and Russia, is a crucial step toward coordination of efforts by all the nations of East Asia for the mutual development of

the region, and for resolving the long-standing crisis on the Korean Peninsula—the last remaining vestige of the Cold War, and a favorite target for imperial interests to stir up “divide and conquer” conflicts in Asia.

It also contributes to the strategic vision of Lyndon LaRouche for the development of the Pacific Basin as the “New Frontier” for global peace and develop-



Presidential Press and Information Office

*Russian President Putin and South Korean President Park signed an historic set of agreements Nov. 13, also involving North Korea, in what is being seen as a crucial step toward mutual development of the region.*

ment—which the U.S. can and must join, for its own survival, and for the betterment of mankind.

### Joint Eurasian Development

President Park described the set of agreements coming out of her meeting with President Putin: “We, the two leaders, agreed to combine South Korea’s policy of strengthening Eurasian cooperation and Russia’s policy of highly regarding the Asia-Pacific region to realize our mutual potential at the maximum level, and move relations between the two countries forward. . . . South Korea and Russia will join hands to build a new Eurasian era for the future,” she said.

The summit produced 17 cooperation agreements, most having to do with joint economic development, and many of them implying some level of North Korean involvement. According to the South Korean news agency Yonhap, a memorandum of understanding (MOU) on South Korean participation in the Russian-led Rajin-Sonbong (called Rason) development project in North Korea was the most tangible outcome from the summit. It calls for POSCO (South Korea’s steel giant), Hyundai Merchant Marine Co., and Korea Railroad Corp. to participate in the Rason development project.

The Korean consortium plans to buy a stake in RasonKonTrans, the Russian-North Korean joint venture carrying out the rail and port renovation project, including the now-concluded reconstruction of the rail link from Rason to Khasan in Russia, and on to Vladivostok. A final decision on the planned purchase will be made after a due diligence study in the first half of next year, officials said. The state company Russian Railways has a 70% stake in the joint venture, with North Korea holding the remaining 30%. News reports have said that the South Korean consortium plans to buy about half the Russian stake.

The project fits into Park’s “Eurasian initiative,” which calls for binding Eurasian nations closely together by linking roads and railways to realize what she called the “Silk Road Express” running from South Korea to Europe via North Korea, China, and Russia.

Once the project to modernize the port of Rason is completed, the rail-connected port can be used as a hub for sending cargo by rail from East Asia to as far away as Europe. South Korean firms will be able to ship ex-

FIGURE 1  
North Korea, with Rason in the Far Northeast



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ports first to Rason, and transport them elsewhere via Russian Railways.

The long-discussed project to link the railways of South Korea with Russia’s Trans-Siberian Railway, via North Korea, and through to Europe, is also back on the table—the two sides signed an MOU on rail cooperation and agreed to study the project as a long-term venture. The rail project has been talked about for many years, but little headway has been made due to security tensions between North and South Korea. It is hoped that Russia’s current expanding influence in the world, when coupled with support from China, will provide the means to solve the Korean crisis through the “Peace through Development” approach.

The two leaders also signed an MOU to enhance cooperation in shipbuilding. Officials said the deal laid the groundwork for South Korea to win orders to build at least 13 liquefied natural gas tankers for Russia, on the condition of technology transfer to modernize Russia’s own shipbuilding industry.

To that end, three Russian firms, Rosneft, Gazprombank, and Sovcomflot, formed a consortium with the South Korean shipbuilding company Daewoo to establish an engineering and shipbuilding cluster in the southern part of Primorskiy Krai in the Russian Far

East. The deal includes the construction of a new shipyard, Zvezda, to be opened in 2016, with a Russian-Korean engineering center for shipbuilding and marine equipment for offshore projects.

Other projects in which the two sides agreed to cooperate as long-term ventures, included building a natural gas pipeline linking Russia and South Korea via the North, and developing Arctic shipping routes to reduce shipping distances and time between Asia and Europe.

One of the most promising agreements was for South Korea to participate in the Vostochny Cosmodrome space complex, a potential mainstay of Russia's Far East development. Its first launches are now expected in 2018, after serious delays in the project. In the past, the U.S. refused to help South Korea develop a rocket launch capability, with the excuse that such a program would create a competition for missiles with the North. So, the South Koreans turned to the Russians for help, and together they fielded the Korea Space Launch Vehicle, KSLV-1, with Russian industry providing the first rocket stage.

Unfortunately, neither of the first two test flights, in

2009 and 2010, was successful, and each side blamed the other for the failures. This acrimony finally abated with the successful test of a KSLV-1 last January, and now, South Korea will participate with Russia in its Far East Cosmodrome.

### North Korea's Crucial Role

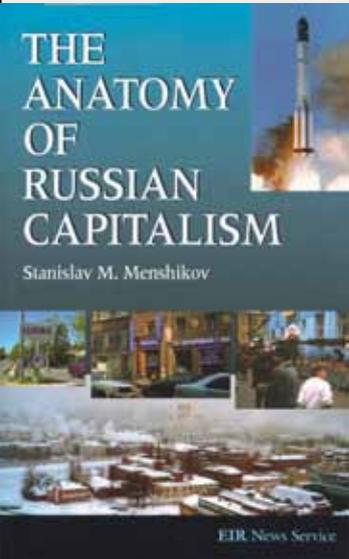
Although nothing official has been said about North Korea's agreement to these projects, a North Korean Foreign Ministry representative was in China on the day of Putin's visit, praising China's role in developing the Rason area, which has been carried out in parallel with the Russian projects in the area. China has constructed a highway from their relatively landlocked northeast to Rason, providing an outlet to the sea, and has constructed ports, industrial zones, farming, and other projects in the region.

"The DPRK [North Korea] government is taking positive measures to speed up economic development by promoting economic cooperation with other countries and attracting investment," the North Korean official said.

Also on the agenda between Presidents Putin and Park was the effort to revive the Six-Party Talks, involving the U.S., China, Russia, Japan, and North and South Korea, to resolve the issue of North Korea's nuclear weapons programs. The initial success in resolving the problem during the Clinton Administration, which led to the South building a nuclear power plant in the North in exchange for ending the production of nuclear weapons-capable fuel, was sabotaged by the Bush-Cheney regime, which led in turn, to the North producing a bomb.

In an interview on Korean Broadcasting System TV before his visit, Putin said, in regard to the Six-Party Talks: "We have a good and trusting relationship with the Republic of [South] Korea, but traditionally, we have maintained good contacts with the Democratic People's Republic of [North] Korea. I think that this is a kind of advantage that Russia has, and that, without any doubt, we intend to, and we will take steps to get things moving." He then emphasized that such a solution of the Korea problem would be based on mutually beneficial development programs.

Nothing short of building trust based on such large-scale development projects of benefit to all sides can restore peace to the Korean Peninsula, and end the imperial capacity to use the issue to provoke division, and even war, in Asia.



*This English translation of the work of Russia's authoritative economist, Stanislav Menshikov presents a critical analysis of the complex economic processes in Russia following the collapse of the Soviet Union.*

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