PIREconomics

All Asia endorses Clinton's Korea pact

by Kathy Wolfe

China, South Korea, and Japan early this month moved rapidly to expand technology trade and investment in Northeast Asia in a ringing endorsement of U.S. President Bill Clinton's Oct. 21 treaty on the nuclear reconstruction of North Korea. Chinese Prime Minister Li Peng, during a five-day trip to Seoul on Nov. 1-5, signed agreements on construction of South Korean nuclear power plants in China, two joint air transport accords, and a \$3 billion electronics investment contract.

As U.S. Secretary of State Warren Christopher arrived in Seoul on Nov. 8 to brief South Korean leaders, it was announced that President Clinton's Korea Energy Development Organization (KEDO), the six-nation consortium to rebuild North Korea with nuclear power, will hold its first meeting in Beijing on Nov. 16. Speaking in Seoul, Han Seung-soo, South Korea's ambassador to Washington, told South Korea's parliamentary foreign affairs committee that KEDO will set up a secretariat in Beijing, to allay fears in paranoia-ridden Pyongyang and to smooth negotiations. U.S. officials traveling with Christopher said that it is premature to talk about a site, but stressed that successful efforts are being made to involve China in the peaceful development of Korea.

South Korean President Kim Young-sam meanwhile announced on Nov. 7 that Seoul, for the first time since the Korean War, will lift its ban on business contacts with North Korea and endorse establishment of trade ties by Pyongyang with the rest of Asia. By timing this breakthrough for Christopher's arrival, Seoul sources said, Kim is giving full credit to President Clinton for the coming reunification of Korea.

It was also announced that China has applied for a \$15 billion loan from Japan, part of the proceeds of which may be used to send Chinese nuclear technicians to North Korea. Japanese Prime Minister Tomiichi Murayama is planning to

visit China in December and the United States in January, Tokyo's *Yomiuri News* reported on Nov. 8.

The major threat to an agreement which has made a few billion Asians happy, is a handful of "neo-conservative" British-style liberals lead by U.S. senators Robert Dole (R-Kan.), Jesse Helms (R-N.C.), and John McCain (R-Ariz.), who have absurdly criticized the President for "appeasing" North Korea. If they are foolish enough to use the control they won over the U.S. Congress in the Nov. 8 elections to destroy the Korea accord, it will not be the first time they have proven to be British pawns, and fostered precisely the kind of United Nations-run supranational "new world order" that some of these politicians have sometimes pretended to oppose.

Nuclear power for China

Meanwhile, North Korea expert Selig Harrison of Washington's Carnegie Endowment, in a *New York Times* commentary on Oct. 21, called for the administration to also lift the U.S. ban on nuclear exports to China, as part of an Asiawide move for peaceful nuclear power. "The administration has achieved a diplomatic triumph," he wrote, "and deserves full support."

Rather than relying mainly on South Korea to build all the new power plants in the North, however, he noted, "a more stable way to fulfill the commitment" for the nuclear development of North Korea "would be to build the consortium around China, with South Korea and Japan in secondary financing roles. Beijing could be induced to put up the biggest share of the money if Washington agreed to lift its ban on sale of U.S. nuclear reactors to China for China's own energy program.

"It would be politically indefensible for the U.S. to provide such reactors to North Korea, while denying them to China," he noted correctly. "Congress killed a China-U.S.

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nuclear cooperation agreement in 1985 to punish Beijing for selling missile technology to Pakistan. But since then, China has signed the Nuclear Non-Proliferation Treaty. . . .

"The U.S. could also lead the consortium more effectively if it assumed a share of the \$4 billion financial burden. President Clinton should ask Congress to remove legislation restrictions from the cold war that block aid, trade, and investment in the North."

Titled "Beware the Hawks in Seoul," Harrison's piece was marred by several attacks on America's valued allies in South Korea, but Seoul sources said that many Korean patriots understand him. "The problem is that the friends of George Bush in Seoul are too critical of Clinton and the accords," said a diplomat.

The idea is actually to make the present South Koreancentered accords work—by pressuring the Seoul right wing not to ruin it, one diplomat said. "If we can rein in those who refuse to deal with Pyongyang no matter what, such as the rich emigrées from North Korea, then the moderates like President Kim and Foreign Minister Han Sung-joo will be in a stronger position. The decision to let South Korean business into the North indicates Kim's hand is stronger already.

"The big issue is whether the North will really accept large numbers of South Korean technicians coming in to work with them over a long period of time, and let their people go to Seoul for training. If trust can be built up, this could happen, and Seoul will be glad to pay for the reactors. But the South Korean hawks could destroy it by sowing mistrust."

If Korean rivalries are too strong, "then China can play a bigger role as a fallback option," he said. "China could become a principal party. Some reactors could be built in China, the North Koreans could go there to train." Perhaps the Japanese loans could pay for this, he said: "In any case, the U.S. should be prepared to make cooperation worthwhile for China by relaxing the ban on export of nuclear technolgy to China. That would be a strong incentive to China to save the accords."

Northeast Asia security zone

As part of the Clinton Korea settlement, it will be necessary for the two Koreas, the United States, and China to finally sign peace treaties ending the 1953 Korean War, and discussions on the idea of a new security pact for the area began to take shape during Chinese Prime Minister Li Peng's visit to Seoul. The South Korean cabinet met on Nov. 6 to discuss the possible replacement of the Korean War armistice with a peace treaty, Korean TV reported. China's Li Peng told the South Koreans that China recently withdrew its personnel from the Korean demilitarized zone (DMZ) because Beijing would like to replace the existing "armistice" with a true "multilateral security arrangement."

South Korean Foreign Minister Han Sung-joo met Seoul's ambassadors to Japan, the United States, China, and Russia after the cabinet meeting and agreed that a new policy toward North Korea is needed. They "discussed the launch of a Northeast Asian security forum to support and guarantee" a new comprehensive treaty, the Korea Broadcasting System said on Nov. 6.

Meanwhile in Beijing, South Korean Ambassador Hwang Byung-tai told South Korea's Yonhap news agency that officials from Korea Electric Power Corp. and Korea Atomic Energy Research Institute would visit Beijing to sign an investment contract to build nuclear plants in China on Nov. 23. "The construction of [South] Korean-model lightwater reactors in China will put pressure on North Korea," Hwang said, to go ahead with the Clinton agreement and allow the South to construct nuclear reactors in North Korea.

South Korean business is enthusiastic about President Kim Young-sam's announcement freeing investment into the North. "Starting with the areas where we can contribute to improving the life of North Korean residents and to setting up a national commonwealth, the government will allow local companies to establish offices in North Korea along with small-scale pilot projects for economic cooperation," Kim said on Seoul TV on Nov.7.

Seoul officials said about 40 South Korean companies would invest in North Korea as soon as possible. "The pace of South-North economic ties will accelerate," said Kim Sang-nyun, spokesman at the Hyundai Group. "Top Hyundai officials have already met North Korean officials in Beijing," he said.

Neo-con sabotage unwelcome

Christopher, en route to Seoul, praised President Kim's decision to lift the ban on business contacts. "This is a very significant step forward," he said. "It indicates that President Kim recognizes how this agreement makes it possible to make other progress with North Korea of a very significant kind." Christopher told the press in Seoul on Nov. 9 that after the U.S. elections he had called Senate Majority Leader Robert Dole and other Republicans in Washington and had been assured of support for Clinton's Korea policy. Worldwide pressure, however, will have to be put on the GOP neocons to ensure they refrain from partisan sabotage.

"The accord with North Korea shows it is always possible to get an agreement when you give enough away," the two-faced Dole said in a statement denouncing the Clinton agreement on Oct. 19. Senator McCain on Oct. 28 accused the President of "appeasement" and demanded that North Korea immediately turn its entire government over to the nuclear police of the United Nations, not a very subtle attempt to provoke a breakdown in negotiations.

"In fact, the U.S. should produce some money to show that it supports us," one Seoul official told EIR. "Congress should not be hostile to peace in Korea." "The big problem is that Bob Dole is in a position to make things very difficult if he wishes," said a diplomat. "The main thing now is to ensure the [Clinton] Korea policy has the support of the American public."