

Tumen River Project: Development For Peace in Northeast Asia

by Michael Billington

July 24—An historic event which could have a huge effect on the question of war or peace in Asia, and the world, took place on July 18 in the far northeastern corner of North Korea, at the port city of Rajin (part of the Rason development zone), south of the mouth of the Tumen River which divides Russia from North Korea. Not surprisingly, virtually no coverage of the historic event appeared in the West.

Leaders of Russia, North Korea, and, notably, South Korea, attended a ceremony officially opening a state-of-the-art port facility, built by Russia, and connecting to the recently completed rail line from Rajin to Russia.

The President of Russian Railways, Vladimir Yakunin, a close ally of President Vladimir Putin, told the ceremony that the opening would be beneficial not only for North Korea and the regional nations, but for the whole world. China is also building a port at Rajin, and recently completed a road from the tri-border region between Russia, China, and North Korea.

Most importantly, South Korea deployed a powerful business delegation to the event, representing the country's state-run railroad operator KORAIL, its largest steelmaker POSCO, and the second-largest shipping company, Hyundai Merchant Marine Co. This visit came only days after Chinese President Xi Jinping's historic visit to South Korea, and in the midst of massive pressure from Washington for Seoul to join Obama's anti-China and anti-Russia campaigns. Instead, Seoul has acted in its own national interest, joining the Eurasian collaboration to solve the Korean issue through development, not confrontation, in a manner that addresses the common interests of all the nations—including emphatically those of North Korea.

History of the Tumen River Project

In 1991, the UN Development Program declared its support for a collaborative effort among China, Russia, Mongolia, North Korea, and South Korea to develop the region surrounding the Tumen River, which forms the border between China and North Korea, first flowing northeast, then between Russia and North Korea

flowing southwest, before draining into the Sea of Japan. Japan has also been involved tangentially. Despite several false starts, the project has begun to take off in the last 2-3 years, although North Korea has not been officially part of the project since the 1990s.

Besides the dramatic economic benefits for every country in the region, this concept is also the crucial, core development project required to end the last remaining legacy of the Cold War in Asia: the so-called North Korea problem. Lyndon LaRouche has emphasized for many years that the solution to every crisis created by imperial divide-and-conquer policies, is located in the common development interests of the parties involved, and, ultimately, in the common interests of mankind.

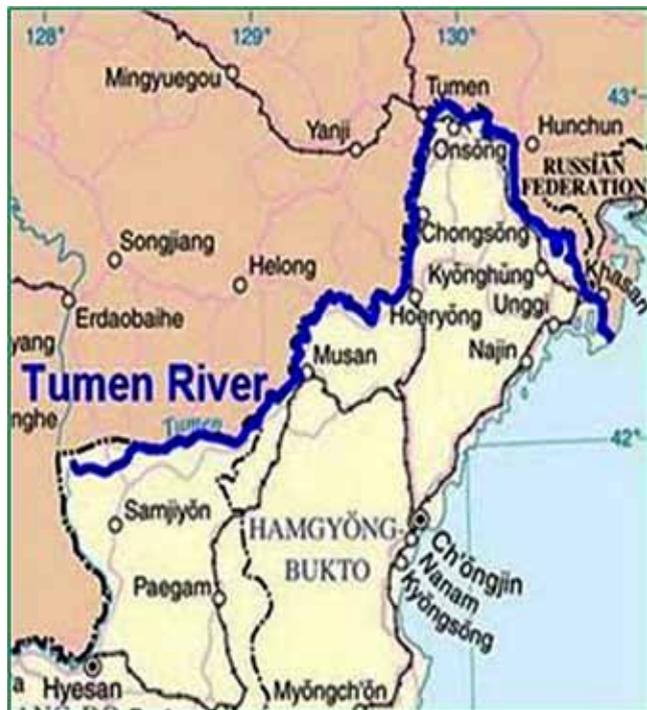
The Tumen River development project is situated within the broader interest of developing the entirety of East Asia, and especially the difficult (but resource-rich) areas of the Russian Far East, and in the even broader interest of the Pacific Basin as a whole. The project defines a basis for long-term cooperation among nations and uplifting the lives and livelihoods of the populations of the region.

Over the past year, Russia's President Vladimir Putin, China's President Xi Jinping, and South Korea's President Park Geun-hye have held several bilateral meetings, with a major subject being the development of the Russian Far East, and the completion of the Eurasian Land-Bridge to its original goal—from South Korea's Pusan to Rotterdam, the Netherlands. The gaping hole in that extensive development corridor is the necessary passage through North Korea.

North Korea dropped out of the original Tumen development group in 1993, as a confrontation with the U.S. nearly led to war. Under President Clinton, the war was avoided through an agreement called the General Framework, with North Korea giving up those aspects of its nuclear power development that could have been used for a weapons program, in exchange for food and energy support, and a U.S./South Korea project to build a non-weaponizable nuclear power plant for the North. This process lasted through the end of the 1990s, only to

FIGURE 1

The Tumen River: Boundary of Russia, China, and North Korea



UNESCAP

be scrapped when George Bush and Dick Cheney came to power in 2001. Bush and Cheney chose confrontation over cooperation, leading to North Korea building a nuclear weapon.

The Greater Tumen Initiative (GTI, as it is now called) wisely chose to proceed with planning on the basis that the North Korean problem would eventually be resolved. The February 2013 report, *Integrated Transport Infrastructure & Cross-border Facilitation Study for the Trans-GTR [Greater Tumen Region] Transport Corridors*, states: “The Democratic People’s Republic of Korea (DPRK, North Korea) is no longer a member of GTI... Therefore corridors 5 and 6 [road and rail corridors along the west and east borders of North Korea, connecting South Korea with China and Russia—see **Figure 1**] originating from

the Republic of Korea (ROK, South Korea) cannot reach the rest of GTI countries (except by air and sea). This poses a serious limitation to the study. However, it was decided to consider in an optimistic scenario further liberalization and opening up of DPRK with re-establishment of connections with ROK and proper functioning of the Korean Peninsula corridors.”

In fact, the success of President Putin’s plans for the development of the Far East of Russia and the Arctic region—including the construction of a tunnel under the Bering Strait to Alaska—depends to a great extent on the successful resolution to the Korean issue. South Korea, like Japan, has technological and construction capabilities which are essential for the development of the vast and difficult terrain of the Russian Far East and the Arctic. South Korea’s participation in the Russian Far East would be greatly enhanced through rail and energy connections through North Korea. Also, North Korea itself has a highly skilled workforce which will be invaluable for such projects, while further integrating North Korea, through development of mutually beneficial projects, into the East Asian community of nations.

The Projects

The GTI region (**Figure 2**) encompasses: the Chinese provinces of Liaoning, Jilin, and Heilongjiang, as well as the eastern portion of Inner Mongolia; North and South Korea; Russia’s Primorsky Territory, the Far Eastern Federal District, and Khabarovsk Territory, as well as the Amursky Oblast, the Jewish Autonomous Oblast, and the

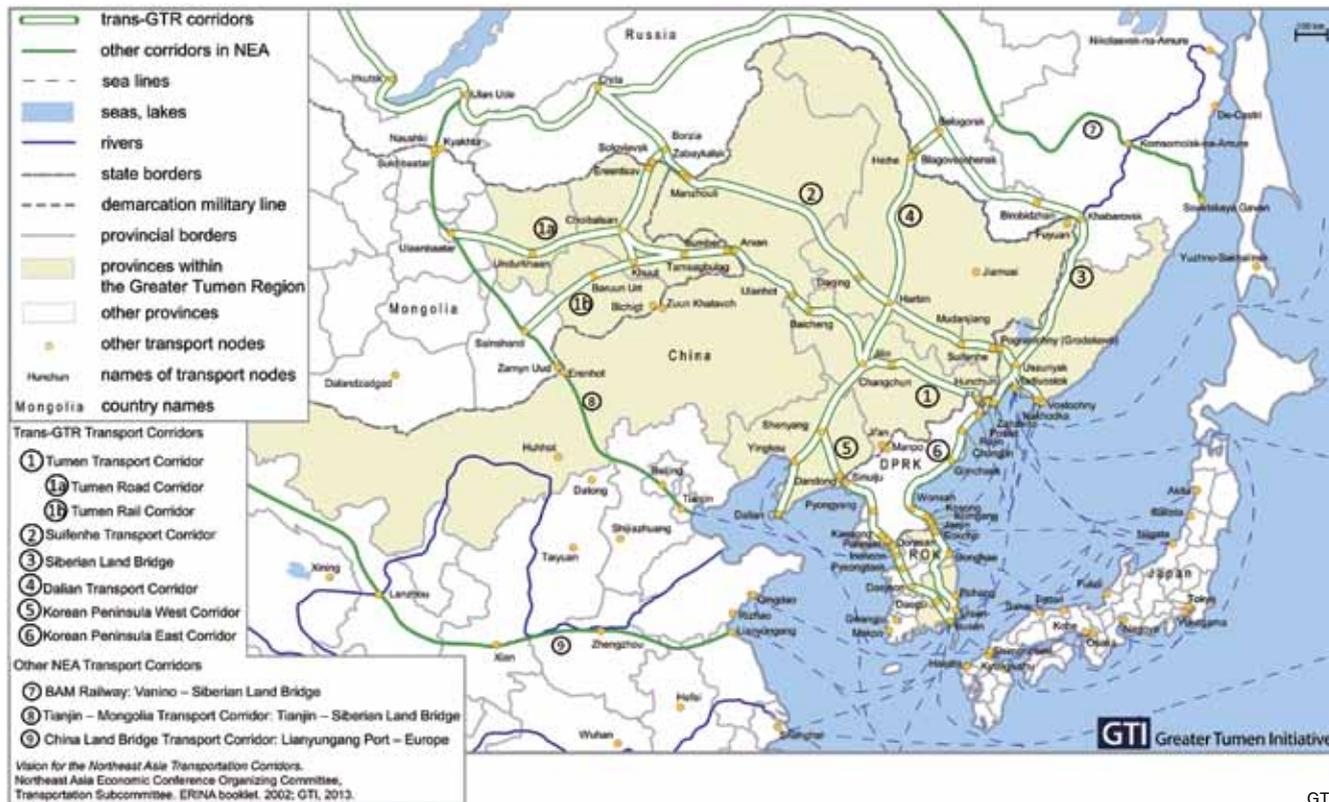
FIGURE 2

The Greater Tuman Region



GTI

FIGURE 3
Trans-Greater Tumen Region Transport Corridors



Zabaykalsky Territory; Mongolia; and to a certain extent Japan. The Yanbian Korean Autonomous Prefecture of China is a crucial link between Korea and Jilin Province.

The two primary east-west corridors of the GTI, labeled Corridors 1 and 2 on **Figure 3** (the Tumen Transport Corridor and the Suifenhe Transport Corridor) connect the coastal zones with the interior and with the Trans-Siberian Railway at Chita. Northeast China was in the past the industrial heartland of China and, despite the rapid growth in the south, remains the core region for heavy industry. It is cut off from the Sea of Japan by the Primorsky Territory of Russia, which runs down the coast to the Korean border, and by North Korea, forcing much of the industrial inputs and outputs from the industry and agriculture of China's Northeast to be transported far to the south, to the port at Dalian in Liaoning Province, to reach the sea.

Although in need of upgrading, Corridor 2, the road and rail connections from Harbin to Vladivostok and the nearby ports of Vostochny and Nakhodka, and in the other direction, to Manzhouli in Inner Mongolia and across to Russia, accounts for 60% of China's trade with Russia. Corridor 1, from Zarubino on the coast to Hunc-

hun, Changchun, and on to Mongolia and Russia, has both road and rail on the Chinese side, but in Mongolia it is gravel road. The problems in bringing Mongolian coal and other resources into China, Russia, and to the ports are one of the primary bottlenecks of the GTI.

While these two corridors can be greatly improved, it is the challenge of connecting of these corridors, as well as that of the Trans-Siberian Railway at Vladivostok, to the corridors through North Korea and through to South Korea, which remain the most critical bottlenecks both to development and to peace in the region.

Politically, the key regional players required for solving the North Korean quagmire—China, Russia, and South Korea—are fully dedicated and engaged in efforts to locate a peaceful settlement within a process of large-scale, inter-regional development projects. President Xi met privately with President Putin five times last year—his first year in office—and again at the Sochi Olympics this year. Their agenda in these meetings always includes cooperation in the urgent development of Central Asia, the Arctic, the Russian Far East, and in that context, the Korean Peninsula.

Putin also travelled to Seoul last November, where

he and President Park signed an historic set of agreements, including several development projects which will necessarily engage North Korea. While the issue of North Korea's cooperation in these projects was not discussed publicly, it is certainly the case that Putin had coordinated the projects with Pyongyang ahead of time.

In June, Russia's Minister for Development of the Russian Far East, Alexander Galushka, announced at the sixth annual Russian-Korean meeting on trade, economic, educational, and scientific cooperation in Vladivostok: "We have agreed to launch trilateral projects among Russia, DPRK, and South Korea with a focus on the railroad project. It's important to extend the Trans-Siberian Railroad to the Korean peninsula. It will serve to stabilize and improve the situation on the Korean peninsula as a whole."

President Park, at her summit with President Putin in November 2013, described the agreements they had reached: "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."

The summit produced 17 agreements, most having to do with joint economic development, and many of them implying some level of North Korean involvement, the most important being a memorandum of understanding on South Korean participation in the North Korean Rajin-Sonbong (called Rason) development project. The plan calls for POSCO, Hyundai Merchant Marine, and Korea Railroad to participate in the Rason project—the first such South Korean industrial investment proposal in North Korea, other than the joint industrial park at Kaesong on the North-South border. The Korean consortium plans to buy a stake in RasonKonTrans, the Russian-North Korean joint venture carrying out the rail and port renovation project. The state-owned company Russian Railways has a 70% stake in the joint venture, with North Korea holding the remaining 30%, while the South Korean consortium plans to buy about half of 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." The President early this year declared that a "Korean Bonanza" awaits the region and the world if reunification between North and South Korea can be achieved peacefully. Unification will

allow the Korean economy to take a fresh leap forward and inject great vitality and energy, she said.

Now that 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 exports first to Rason, and transport them elsewhere via Russian Railways—at least until the railroad is extended into South Korea.

The long-discussed project to link the railways of South Korea with Russia's Trans-Siberian Railway, via North Korea, and through to Europe, from Pusan to Rotterdam, is also back on the table—Russia and South Korea signed a Memorandum of Understanding on rail cooperation and agreed to study the project as a long-term venture. Together with the construction of the Bering Strait Tunnel, the completion of the Korean Peninsular rail project would make possible a train ride from Pusan to New York City, as well as expanded trade between Korea and western North America.

Other projects in which South Korea and Russia 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.

Financing: The NDB and the AIIB

Two reasons that the Tumen River Initiative has moved along so slowly are the lack of the necessary financial resources, and the lack of development generally in the region. Regional development would in itself increase the viability of the transportation and energy development aspects of the project. The decision in July by the BRICS nations (Brazil, Russia, India, China, South Africa) to create a New Development Bank (NDB), and China's proposed Asian Infrastructure Investment Bank (AIIB), provide a dramatic impetus to the entire project, potentially providing project financing without the austerity conditionalities and political demands that are usually attached to funding from the IMF, World Bank, and Asian Development Bank.

South Korea has proposed that the AIIB be headquartered in Seoul, despite pressure from Washington to prevent that country from participating at all. They specifically point to the fact that if the division of Korea is ever to be overcome, it will require huge investments to assure peace through development—the only peace which is sustainable. The Tumen River Initiative can be a centerpiece of that peace.