

they sell to Medicare by 10%, 25%, or 50% (and Medicare could give a subsidy on top of that). The elderly are projected to spend \$1.8 trillion on drugs over the next decade, and the drug companies don't want to lose 10-50% of their mark-up on that bonanza. The drug companies stand to make tens of hundreds of billions in extra dollars because of the way the legislation was written.

- *Health Savings Accounts (HSAs)*. Under this plan, an individual or family can set up a tax-free HSA. The individual or family will decide how much of the HSA account they will spend for hospital and doctor care for themselves. Gingrich states that the individuals or family will be "cost-conscious"; that is, they will ration their own health-care expenditures, in order to have some money left over, which they can accumulate, and "pass on in an estate." This appeals to the Baby Boomer, who will police his family's medical expenses, in order to build up some holdings. This move to privatize Medicare, is included in the current Medicare bill.

There is an additional gimmick here. Wealthy families, which are banned from owning Individual Retirement Accounts (because those with incomes above \$80,000 aren't allowed to invest in them), can put large sums of money into Health Savings Accounts (HSAs), invest them in stocks and bonds, have the accounts grow, and not be taxed. In a word, this is a tax shelter.

- *HMOs*. Already, 12-13% of all Medicare is administered through genocidal health maintenance organizations. The new bill has provisions to set up test districts in four cities, starting in 2010, in which Medicare would have to compete with HMOs, thus lowering the level and quality of care. Along with the HSAs, this is a move to eviscerate and privatize Medicare.

- *Budget-cutting*. The bill states that if more than 45% of the total Medicare funding were to come from the General Revenue budget, then, within a specified time-frame, this would invoke Presidential action to "redress the situation." In most situations, the President would order the slashing of Medicare.

In his Aug. 12 speech to the AEI conference, Gingrich added a touch which shows the direction in which he is going. He stated that about 5% of the Medicare enrollees, in the last years of life, consume "50% of the [Medicare system's] expenses." To cut the expense of these 5% of Medicare patients, Gingrich recommended using laptop computers to reduce by 20% these patients' medication use, forcibly enrolling such patients in exemplary programs such as "Evercare," where the patients are more likely to "write a living will than the norm." Living wills specify that under certain conditions, patients will not be resuscitated, and frequently the plugs are pulled on life-sustaining machines.

The combined measures of the so-called Medicare Reform Bill are intended to increase the death rate. Gingrich's added measure is meant to ensure that the culture of insurance company cost-accounting will govern this nation.

Trans-Asian Trains Run, Koreans Join Rail in April

by Kathy Wolfe

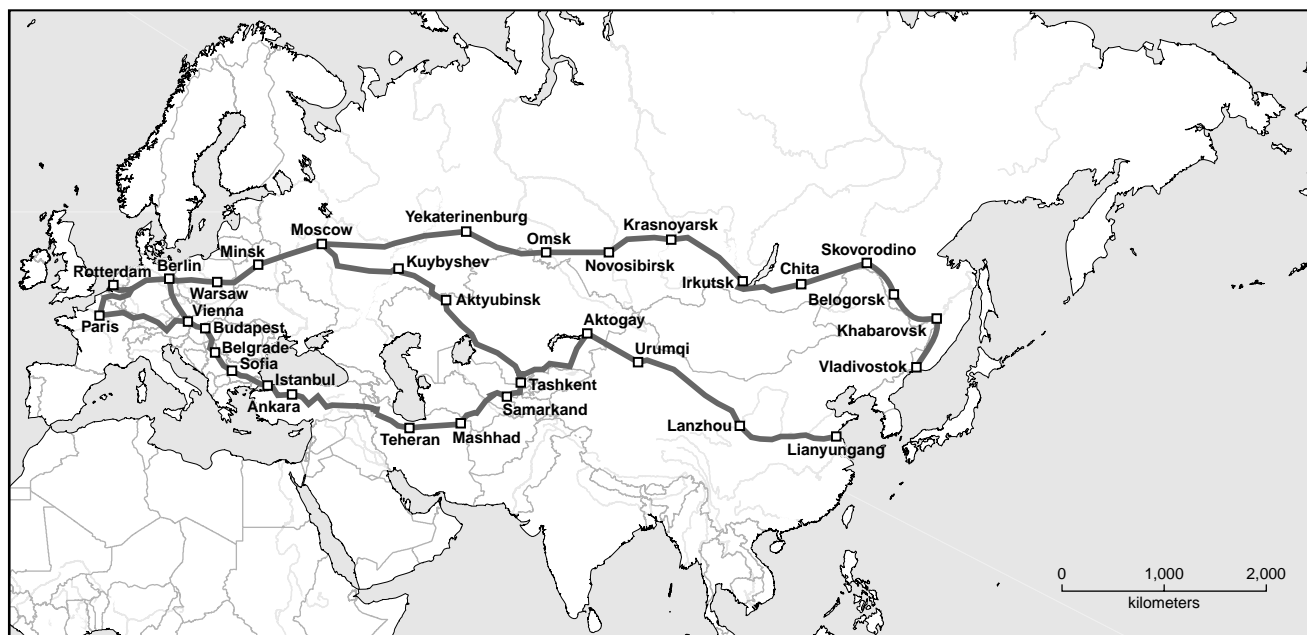
The two Koreas agreed to begin the final phase of construction on the Trans-Korean Railway (TKR) in early April 2004, at a four-day working meeting ending on Dec. 5 in Sokcho on South Korea's east coast. Under a six-point accord, North Korea agreed to the blueprints previously submitted by South Korean engineers, so that the two sides were able to finalize designs for the critical electronic signals, communications and power systems, to allow trains to run on the TKR in 2004. Officials of South and North jointly inspected the progress on construction of rail lines and highway beds on both sides of the Demilitarized Zone (DMZ) on the east coast Donghae Line.

"By agreeing on the timetable for construction, we secured the conditions to push ahead with the project to re-link Inter-Korean railways and adjacent roads in a stable manner," the Seoul Unification Ministry said. An agreement on how to operate trains across the border is due to be signed in January.

Thus, the TKR, also called the Iron Silk Road, is becoming a physical reality—despite all the threats by Washington neo-conservatives, and the furor over North Korean nuclear weapons. "Everything is moving along slowly and steadily," Kim Kyoung-Jung, Director of the Trans-Korean Transportation Division of the Ministry of Construction and Transportation (MOCT), told *EIR* in Seoul on Nov. 7. "The acceptance of the signals and communications blueprints will be a most important step. It means we can go into high gear to actually renovate all the rail lines in North Korea with modern electronics, which is the last step toward the real goal of beginning train service."

It was also announced on Dec. 5 that South Korean engineers will begin to visit the northern segments of both the western Kyongui Line and the east coast Donghae Lines next month, to provide on-site training for technical and construction equipment provided by Seoul. "When the world sees the engineers of North and South working together, shoulder to shoulder, then people will realize that Korea can become a more normal place," Kim said. *EIR* spoke as well as with large companies in both Seoul and Tokyo, whose engineers are already in North Korea, working on the railway. "We won't stop on the ground, for diplomatic monkey business in the air," one construction-related official joked. "We believe a breakthrough is coming in North Korea's relations with all of its neighboring countries."

Eurasia: Currently Existing Main Routes of the Eurasian Land-Bridge (Simplified)



These are the essential Eurasian Land-Bridge corridors over which test container-freight trains are now being run from the Pacific to Europe's Atlantic Coast, over six routes. Routes IV and V are now planned to include crossing the Korean Peninsula from Pusan in the South—all the way to Rotterdam.

Six Eurasian Rail Lines

EIR has also learned that a series of demonstration runs of container block-trains along the full length of the Eurasian Land-Bridge have already begun, to show the commercial feasibility of six new "Trans-Asian Railway Corridors" by shipping large blocks of freight containers from Pacific ports in Korea, China, and Russia, to Moscow, Berlin, Helsinki, and other Western cities.

These demonstrations were planned at an Oct. 6-8 multinational meeting of the UN Economic and Social Commission for Asia and Pacific (UNESCAP) in Ulaanbaatar, Mongolia, organized and financed by the South Korean government and a group of large private sector South Korean and Japanese freight companies. The meeting was attended by 23 participants from the railway organizations of China, Kazakstan, Mongolia, the Republic of Korea, and the Russian Federation, and private sector representatives from Korea, China, Russia, and Japan. Byamba Jigjid, Minister of Infrastructure of Mongolia, in opening the meeting, highlighted the importance of transcontinental transport in bringing social and economic development to the countries along the corridor, stressing that the Mongolian Railway was still the main mode of transport in the country, accounting for 90% and 50% of all movements of goods and people, respectively.

The "test trains" have gone into implementation, with the first container train running from Tianjin, China via Ulaanbaatar and Russia, to Poland on Nov. 8.

According to a Memorandum of Understanding (MOU) signed by the governments along the routes, and obtained by EIR, "The Meeting noted the importance of demonstrating the progress made to date through the actual organization of demonstration runs of container-block trains on important segments of the routes in the Trans-Asian Railway Northern Corridor. In this regard, the following schedules for demonstration runs was agreed:

- "Route I: From the port of Vostochny [near Vladivostok in Russia] to Europe through the railways of Russian Federation, Belarus and Poland, to Berlin—May 2004;
- "Route II: from the port of Lianyungang (China) to Europe through the railways of China, to Almaty, Kazakstan, Russian Federation, Belarus, and Poland—March 2004;
- "Route III: from the port of Tianjin [north of Lianyungang in China] to Europe through the railways of China, to Ulaanbaatar, Mongolia, Russian Federation, Belarus, and Poland—November 8, 2003;
- "Route VI: Brest, Belarus to Ulaanbaatar, Mongolia—June 15, 2004."

Trans-Korean Railway Endorsed

Most remarkable in the MOU were Routes IV and V, which have not yet been assigned a date, but which constitute the first formal international endorsement by a global body (UNESCAP), of the Koreans' plan for the Trans-Korean Railroad and its full connection to Europe. Route IV is planned to

be the first full journey across the Trans-Korean Railway to bridge the Pacific to the Atlantic over land—from Pusan at the southern tip of Korea, to Helsinki, Finland. It would cross the entire Korean Peninsula from Pusan, through South Korea, across the DMZ and across North Korea, then across the entire Eurasian Land-Bridge to Europe.

Route IV, the Memorandum says, is to run “from the port of Busan (Republic of Korea) to Europe,” through a set of alternate “variant” routes. The two major variants are the western Kyongui Line into China, and the east coast Donghae line into Russia. “Variant IV-1” would run a test train “from Busan to Seoul to Pyongyang, Sinuiju, and then from the border of North Korea to Dandong, China, then into Mongolia, the Russian Federation, Belarus, and Poland.”

“Variant IV-2” would run a test train through Russia: “from Busan via railways of the Republic of Korea, and Democratic People’s Republic of Korea, across the North Korean border to Tumangang in Russia, and through Russia to Belarus and Poland.”

Route V, also fascinating, is a fallback option in case the full TKR connection across South and North Korea were to be delayed. It would basically bypass South Korea and the DMZ, and instead commence a test train at North Korea’s port of Rajin near the Russian border, running “over railways of the Democratic People’s Republic of Korea, and railways of the Russian Federation, to Belarus and Poland.”

“The Meeting noted UN ESCAP’s willingness to further facilitate the demonstration runs along the Korean Peninsula after the reconnection of the railways between the two Koreas, subject to the agreement and cooperation of the railway of the Democratic People’s Republic of Korea,” the MOU notes. “Noting the progress made toward the reconnection of the railways of the Korean Peninsula and the need for signatory countries of the MOU to make suitable preparations for operation of all routes of the Trans-Asian Railway Northern Corridor, the meeting welcomed the offer of the Russian Federation to organize a demonstration run originating in Rajin, subject to the agreement and cooperation of the Railway of the Democratic Peoples’ Republic of Korea and the availability of containerized cargo.”

Kim Hak-Su, a South Korean national who is now Executive Secretary of UNESCAP, in his statement to the meeting, stressed that “the continuing surge in the volume of goods being exchanged between countries of the region, as well as with neighboring regions, and the often long distances linking the main points of origin and destination, require a greater utilization of rail transport.” He highlighted the role of rail transport in connecting the economies of landlocked countries, such as host Mongolia and Central Asian nations, to the world’s markets. He noted that “governments are now increasingly coordinating their efforts to link national trunk lines together to create international corridors.”

Kim also highlighted “the regained popularity of the Trans-Siberian Land-Bridge” (which had fallen out of use due to the International Monetary Fund’s destruction of Russia’s



Promise of the future: the newly re-connected Trans-Korean Railway recedes off into the mountains of North Korea, as seen from the Military Demarcation Line at the center of the DMZ on June 14, 2003.

economy some years ago) “as an efficient container land-bridge between Asia and Europe.” He stressed “the high level of cooperation between other countries to develop similar ventures on other Asia-Europe routes.”

Kim also recognized the progress achieved by the Democratic People’s Republic of Korea and the Republic of Korea in reconnecting their rail systems on June 14 this year (see *EIR*, June 27). He stressed that “the completion of work will eventually mark the removal of the only missing link in the Northern Corridor of the Trans-Asian Land-Bridge.”

South and North also opened a second military hotline on Dec. 5, this time to assure DMZ security during the work on the east coast. The first hotline was opened last September for work on the TKR’s western Kyongui Line, which connects Seoul to Pyongyang. South Korean engineers reported holding a successful a two-minute test conversation over the new east coast hotline with their North Korean counterparts. The hotline also opens a direct local east coast channel to discuss equipment and materials needed for the reconnection project, and for and overland trips to the North’s Mount Kumgang by South Korean families.

Two North Korean negotiators, who took part in the inter-Korean meeting Dec. 2-5, returned home using an overland route across the DMZ—just like a “normal commute,” the Korean press reports.