

## PRESIDENT KIM DAE-JUNG'S LIBERATION DAY SPEECH

*The following is the official speech given by President Kim Dae-jung on August 15, 1998, to commemorate the 50th anniversary of the Republic of Korea and the 53rd anniversary of Korea's liberation.*

Today is a historic moment as we mark the 50th Anniversary of the Republic of Korea as well as the 53rd Anniversary of our national liberation. I would like to take this opportunity to greet you with deeply felt love and respect. I would also like to send warm regards to our compatriots in North Korea and overseas.

While we are celebrating this meaningful day, I ask you to join me in renewed resolution and determination to reestablish the direction for the nation and restore national discipline. I urge you to participate in a second nation-building for another leap forward.

The 50-year history of the Republic of Korea has been a turbulent blend of glory and dishonor. We have overcome trials and tribulations brought on by the division of the country and a civil war, as well as decades of military dictatorship. Despite these obstacles, we have built up the world's 11th largest economy. That is not all, we inaugurated the "Government of the People" through a peaceful transition of power from the ruling to an opposition party for the first time in the history of the Republic. All democratic peoples around the world have highly praised this feat.

However, the Government of the People had no time to celebrate its inauguration with the people. Upon becoming President-elect, I had to assume the heavy responsibility of overcoming the greatest national crisis since the Korean War.

Real reform has just begun. The past six months have been too short a period to resolve systematic problems and distorted practices that have accumulated over time. The path we follow is an arduous road full of trials. However, I am confident that for our courageous people, it will also bring opportunities and rewards.

Today, as we mark the 50th anniversary of the founding of the Republic of Korea Government, I am pleased to explain to you the underlying philosophy and guiding principles to which the Government of the People will adhere in rebuilding the nation. I will also address our vision for the future and the goals that my administration hopes to reach through comprehensive reform.

Since I was elected President last December, I have made all-out efforts, without a moment of respite, to overcome the national crisis. Thanks to your encouragement and cooperation, we have brought the foreign exchange crisis under control for now. In tandem with a considerable increase in foreign currency reserves, exchange rate has stabilized and interest rates have fallen.

Inflation, too, has been checked at a modest level. Also, the current account surplus has increased greatly, and the climate for foreign investment has been significantly improved.

The Tripartite Committee, involving labor, management and government has been effective in building a durable consensus between labor and management. Intensive restructuring efforts are being made in the financial, corporate, labor and public sectors. Moreover, our economic diplomacy has far surpassed initial expectations as evidenced by the success of ASEM and U.S. visits. I deeply appreciate your encouragement and support in making all these successes.

However, we have a long and rugged path toward the resolution of the national crisis and a full realization of democracy and a market economy. Legacies of the past continue to block our efforts. Those who grabbed power in the past had collusive links with businesses, controlled financing and indulged in corruption and injustice. As a result, all segments of society suffered while interna-

tional competitiveness deteriorated. In this respect, the foreign exchange crisis was definitely a man-made disaster. We must determine its cause and learn a lesson for the future.

We must accelerate restructuring in all areas, including the political system, the economy and society, to cut waste and streamline, eliminate bubbles and raise efficiency. No doubt, it will be a difficult trial to endure for a nation accustomed to high economic growth. Unfortunately, however, there is no way for us to avoid the current pain. There is only one way, and that is for the people and the government to unite, face reality and overcome the current difficulties so that we can emerge from the dark tunnel as soon as possible.

We can no longer survive international competition with today's economic system characterized by high cost and low efficiency. If we are to raise national productivity and strengthen our competitive edge, structural reform is indispensable. Through our second nation-building efforts, we must establish a genuine market economy whose development was suppressed by the previous governments.

At the same time, we must expand our human capital. Our future depends on the creativity and intellectual ability of each individual citizen. In this regard, our nation's fate will rely on how successfully we raise talented people who can lead revolutions in education, information, technology, venture business and culture.

The Government of the People proposes the following six major tasks for the second nation-building.

First, we must establish two-way political communication between the people and the government by achieving a great transformation from authoritarian rule to participatory democracy.

We will exercise the harmful effects of excessively centralized power and increase the authority and responsibility of local governments in all areas including administration, finance, education and public security. We will also introduce a system of local police forces.

More than anything else, the Government is

firmly committed to eradicate the corruption and injustice that have discouraged people's desire to participate in national administration and policy making.

In particular, in order for the people to take part in policy making willingly, we must alleviate regional antagonism that could ruin the nation. To that end, my administration will maintain a high level of fairness in personnel management and regional development. As President, I respect and care about the people of all our regions. While I am the president of 45 million people, I care for all 70 million people on the peninsula. I firmly pledge that regional discrimination will no longer be tolerated.

Furthermore, we will introduce a German-type proportional representation system in order for all political parties and those from all parts of the country to equally partake in national administration. The current high-cost, low-efficiency parliamentary system must also be significantly reformed. As I have already pledged, we will institute a public hearings process to review personnel management. I will also introduce a system of referendums on major local issues in each local government. I believe the nation's press must also make efforts to reform itself.

The 21st century will be an age of participatory politics. The opportunity for all people to take part in all areas of national administration must be guaranteed to the greatest extent. This is the basic political objective of the second nation-building.

Second, we will do our utmost in undertaking structural reform to enhance the market mechanism in the economy by eliminating government controls.

We will resolutely reduce unnecessary government regulations and carry out structural adjustments quickly and effectively in four major sectors' corporate, financial, labor and public sectors. From now on, we will create an environment in which businessmen are well respected and supported if they make profits through efficient management and win in international competition.

In addition, we will actively promote exports

and foreign investment. To this end, we will boldly expand export financing and enact, within this year, the Foreign Investment Promotion Act.

For the second nation-building, we will focus on establishing a knowledge-based economy where the information and leading edge technology play central role. We will foster small and venture businesses with high growth potential to constitute strategic industries. We will also drastically change the agricultural policy to upgrade the current distribution system so that farmers and fishermen receive fair prices for their products.

I emphasize once again that the economic goal of the second nation-building is to facilitate the market mechanism and discipline by eliminating the old practices of the Government-controlled economy.

Third, we must establish a new value system based on universalism and globalism, shedding the self-righteous nationalism and other anachronistic ideas.

The WTO system that has already been in operation is bound to eliminate economic national borders in a matter of years. We have to compete and cooperate with other countries in order to survive and prosper together with them. It is regrettable, however, that many people in other countries still perceive Korea as less accessible. This is not the way it should be. We have to project a friendly partnership in the international community. A friendly partnership is an essential asset in promoting exports and tourism business as well as inducing foreign capital. In this regard, I will make a sincere effort to prepare for the coming global age by promoting international exchanges and human resource development.

Opening our heart to the world and being integrated in the global community is the route we Koreans have to take under the banner of the second nation-building.

Fourth, we have to reinvent our economic system to build a knowledge- and information-based economy, shifting away from the current one based on industrial strengths.

The Government will drastically improve stan-

dards in science and the information technology which will decide the fate of the nation in the years to come. Given the firm belief that education is the foundation of future success, my Administration is going to phase out the current inefficient education practices in favor of a creative learning system.

My philosophy on whole-person education is based on a trilogy of wisdom, virtues and physical health. It is my intention to develop a new college admissions system that is free of years of preparatory cramming—a major financial burden on parents. We will reject academic cronyism. We will take dramatic measures to improve the professional standards of school teachers. We have to make schools a nurturing environment for children if we ever want to motivate them to cultivate their dreams and aspirations for the future. Now, the Presidential Commission for New Education has recently been created to do just that. The Commission will establish a new comprehensive program and actively push educational reform.

In conjunction with the new education drive, the government will endeavor to promote culture-related industries that are going to play a central role in the 21st century. The ideal of the second nation-building is to build a country with a strong knowledge base supported by creative and diversified education and rich cultural environment.

Fifth, we are now at a historic crossroads where we have to create a constructive labor-management relationship conducive to the new age of harmony and cooperation. It is imperative that we put an end to the confrontation and animosity between two major sectors in society.

A relationship of trust based on fair sharing of the burdens is the foundation of the second nation-building. It is my intention to strengthen the employee-stockholder and social security systems which will serve as a testing ground for the fair distribution of national wealth.

Labor and management must negotiate a lasting settlement based on reconciliation and coop-

eration, reflecting other countries' experiences in recent years. We have to remember that we cannot survive without a workable arrangement in this age of global competition. The Tripartite Committee was created with the specific aim of achieving peaceful labor-management relations. Labor and management must compromise by nurturing mutual trust based on fairness, and making concessions at the negotiating table. I earnestly hope that the parties concerned will agree to put aside labor disputes at least until the end of 1999.

I would like to remind all of you that the Government is injecting 10 trillion won (US\$7.5 billion) into the unemployment fund. Next year's fund is expected to be even larger. From now on, all regular employees will be entitled to unemployment benefits without exception. The Government will provide daily workers with public project jobs or living expense subsidies.

Let me take this opportunity to explain the Government's unemployment policy. I assure you that all unemployed will be guaranteed the minimum requirements of food, clothes, medical care and school tuition. Protecting the lives of those citizens who are jobless will be my priority.

I believe this kind of Government effort will support the creation of an enlightened labor-management relationship for our new era.

Sixth, I intend to promote a new relationship of exchanges and cooperation between the South and the North based on a firm national security posture, overcoming the 50-year confrontation on the Korean Peninsula.

In the spirit of the second nation-building, "the Government of the People" will remove the wall of distrust between the two Koreas to promote exchanges and cooperation in accordance with the principles of separating politics and economics. Exchanges will, of course, include cultural and religious events.

At this point, it is only proper to remind you of the three basic principles of the Government's North Korea policy: First, we will not tolerate armed provocations of any kind; second, we do

not intend to absorb North Korea; and third, we will actively promote exchanges and cooperation between South and North Korea. By consistently maintaining these basic principles, we will be able to minimize the threat of war on the Peninsula and begin laying the foundation for peaceful reunification.

I would like to say a few words to the authorities of North Korea. If Koreans are to survive on the Peninsula in the cold realities of today's international politics, both Koreas should open a new chapter of reconciliation, exchanges and cooperation. Let us initiate a good relationship for mutual prosperity and coexistence within the framework of the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and North that came into force in 1992.

In the spirit of the Basic Agreement, "the Government of the People" is willing to support the stability and development of North Korea. We will support and encourage the Kungangsan development project and agricultural and other types of economic cooperation. At this point, I should mention that both Koreas have to take steps to achieve reunions of separated families under the spirit of humanitarianism and compatriots. We have to relieve the anguish of those who have been waiting for so long to be reunited with family members.

Currently, South and North Korea have numerous issues to discuss with each other. We need to activate the joint commissions in different areas that have already been established in accordance with the Basic Agreement. Even before doing so, however, I would like to propose that the two sides establish a standing dialogue mechanism at the ministerial or vice ministerial-level, which will serve as a useful channel for inter-Korean dialogue. If North Korea agrees, I am ready to dispatch my envoy to P'yongyang to discuss these matters.

Let us all take the reigns of our glorious destiny. Then we will be able to pass it on to our children and grandchildren with pride. 