

PRESIDENT KIM DAE-JUNG'S ADDRESS ON KOREA'S LIBERATION DAY

Following is the excerpts from the speech by President Kim Dae-jung on the 54th anniversary of national liberation. The title of the speech is "To Open a New Millennium of Hope and Prosperity."

My fellow Koreans,

We must aspire to achieve the kind of economic prosperity in which success is shared rather than guarded.

Our concerted efforts during the past year and a half with bold restructuring in four key areas of financial, corporate and the public sectors and the labor market have resulted in an economic turnaround that has stunned the world. This has been the fruit of the conjoined efforts of the government and the people. However, the success is only half accomplished. Reforms must continue with unwavering determination and drive.

Continued emphasis will be placed on chaebol reforms. Without restructuring the corporate giants, the chaebol, the most problematic element in our economy, economic reforms cannot be completed. The times have changed. The concentration of economic power in the chaebol is no longer accepted by the market. What matters now is not quantity but quality. To survive and thrive in a future world of unlimited competition, individual firms must be able to compete on their own against the world's best, rather than as part of a corporate grouping.

The five key steps in corporate restructuring - enhanced transparency in corporate governance, elimination of cross-loan guarantees, improved financial structures, concentration on core businesses, and tougher legal responsibility for management - must be completed by the end of this year. Furthermore, steps will be taken to prevent chaebol influence in the financial sector through their subsidiary financial companies. Corporate restructuring can succeed only when the financial sector is free from the influence of industrial capital. Circulating loans and improper insider trading will be curbed, and irregular means of inheritance will be thoroughly blocked.

Regarding the corporate entities that are the focus of recent concerns inside and outside the country, I will remain firm, and the process will be transparent in their restructuring programs.

A leap to become a first-class economy in the 21st century requires the growth of knowledge-based industries.

The ability to use information to maximum effect with computers and the Internet has already become a survival skill. Korea must attain the world's highest standard in this regard.

The age of information and knowledge will thrive on the strength of small and medium-sized companies, venture firms, and cultural and tourism enterprises. Furthermore, in the traditional industries of agriculture, textiles, electronics, and automobiles, the added value must be enhanced through efficient use of knowledge and information.

For the past year and a half, I have had to concentrated my energy on overcoming the financial crisis. During the remainder of my term, I will do my very best to lay the foundation for a first-rate

economy which can achieve sound and sustained growth.

The per capita income, which dropped to U\$6,800 last year, will be brought back up to the U\$10,000 level next year, and further to the U\$12,000 level by the year 2002.

By next year, unemployment will be brought down to under one million. By 2002, two million jobs will be created, and full employment will be achieved.

With a sustained surplus in the balance of international payments, we will be able to leave behind the decades of external debts and become one of the few net creditor countries of the world.

My fellow countrymen,

I shall take charge to make this a clean country, a society of justice, where hard-working, honest people are duly rewarded and the underdogs are assured of fair opportunities.

And as I have already stated, I will do my utmost to root out corruption.

I will strive to realize economic and social justice through equitable taxation. The essence of tax reform is the global income tax. I will promote its early implementation. The tax codes will be changed to deter the unjust handing down of wealth using irregular practices that get around the laws on inheritance and donation. Illicit income and tax evasion will be met with stern calls for accounting. The tax burden on salaried workers will be reduced, and the income sources of those in the high income class will be brought out into the open.

The great majority of the people will join the middle class. To nurture the middle class and enhance the living standards of the masses, I will actively seek to implement constructive social welfare policies built around the principle of human development.

A law has been passed by the National Assembly to guarantee a basic standard of living for all. Now, all citizens, including those getting by with less than the minimum level of income, will be provided institutional guarantees of education, medical care, and other basic requirements of a decent living.

To all citizens with the ability and willingness to work, opportunities will be provided for vocational training and life-long education, as well as assistance in finding jobs befitting their abilities. Greater attention and support will be extended to the elderly, the sick, households headed by minors, and other vulnerable members of society. The laws and institutional arrangements will be simplified to facilitate the rehabilitation and employment of the physically challenged.

The medical insurance, employment insurance, national pension, and industrial accident insurance systems will be beefed up so as to build a comprehensive system of social security under which all citizens can enjoy stable, secure lives.

To become a first-rate country in the knowledge-based era of the 21st century, we must implement thorough reforms in the education. Education is the foundation of all national strength.

From early childhood to higher education, no one should be deprived of the opportunity to learn because of a lack of money. Child-care subsidies to working families will also be expanded. The college entrance system will be changed so as to free applicants from excessive competition and introduce a whole variety of entrance procedures based on the principle of no entrance examination. VIP