
Kra Canal Conference Speeches

Regional cooperation in Asia: context for building the Kra Canal

At a conference sponsored by EIR, the Fusion Energy Foundation, and the Thai Communications Ministry, held in Bangkok Oct. 31 and Nov. 1, two hundred people from throughout the region gathered to discuss the political-strategic significance and technical feasibility of a project to build a canal through the Isthmus of Kra in Thailand. Last week we reported some of the deliberations of the conference; we continue here with additional presentations by regional leaders. First, excerpts from the speech, "Regional Cooperation in Industrialization," by K.L. Dalal, former Indian ambassador to Thailand.

. . . The nations in a hurry to make economic progress—especially the developing countries—have experimented with the concept of regional groupings as a step toward universal cooperative effort. If there was no commonality of interests among all the nation-states that constituted the world organization [U.N.], like-minded countries having a common geopolitical heritage should work to realize the objectives of economic growth and development in a framework of shared traditions and socio-cultural values. Progress toward regional integration and cooperation has been far from easy, and yet formations of regional organizations today cover the entire world community—the market-economy developed countries, socialist countries, and the developing countries. The solitary and major exception is China. . . .

The pull toward greater regional cooperation is inexorable. The overpowering struggle between the U.S.A. and the U.S.S.R. in all fields of political, social, and economic activities is forcing all other countries to coordinate and combine their resources and skills to withstand competition from the superpowers. . . .

They [Asian nations] must foster existing common institutions, and initiate new moves toward cooperative endeavours in trade, investment, and industries and infrastructural development.

In any scheme of regional economic cooperation, linkages between finance and trade, between trade and industry, and between industry and agriculture should be recognized. The experience of regional cooperation of the last two decades, both in developing countries and in developed, has been that industrial growth is at the center of broad-based economic growth. It is the engine that triggers growth in transportation and communications. Increased trade flows are the consequence and not the cause of increased industrial growth

and cooperation on a regional basis.

If industry provides the dynamo for overall economic growth, technology is in turn the dynamo for industrial growth. . . . The European Economic Community had to pool its resources in science and technology to make it possible to manufacture the Airbus aircraft, to launch satellites for remote sensing and communication, and to develop nuclear power. The mind-boggling advances in high-technology industries are making it difficult for countries to go it alone, howsoever resource rich they are.

Our experience in India of industrial growth points to the crucial and often decisive role of international cooperation—including at the regional or sub-regional levels—in science and technology. There can be science without technology, but there cannot be technology without science. The Japanese experience confirms this.

Second, technologies are intrinsically inter-related and technology is a multi-disciplinary effort. Third, technological development should be coupled with social needs and demands, to be an effective tool for industrial cooperation. . . . Doors to advanced technologies, especially in the fields of energy, bio-technology, and remote sensing through satellites should not be closed to the developing nations.

What are the implications of these broad approaches for Asian economic cooperation? Is the Asian continent only a geographical concept? It is, no doubt, a region of superlatives. It covers one-third of the land area, and has two-thirds of the population of the world. Its diversities, history, and geopolitical problems are baffling, and pose challenges not present in other regions. West Asia and the rest of Asia are its two broad regions—represented by the Economic Commission for West Asia (ECWA) and the Economic and Social Commission for Asia and Pacific (ESCAP). These two broad regions of Asia have been further sub-divided into the GCC (Gulf Cooperation Council), SARC (South Asia Regional Cooperation), ASEAN (Association of South East Asian Countries), and ASPAC (Association of South Pacific countries). In spite of the complexities, Asian economic cooperation has made notable forward moves in the last three decades through the formation of the Asian Development Bank, Mekong River Project, the Asian Highway, the Asian Clearing Union, and the Indus Waters Treaty.

West Asia is part of Asia. With their immense oil resources and large infrastructural development experience, the main oil producers of West Asia, Saudi Arabia, Kuwait,

and the U.A.E. [United Arab Emirates] can, and will, play an important role in future Asian cooperative arrangements. Once the war is ended, Iraq and Iran would also join in the cooperative effort. The resources of the oil-exporting countries of West Asia are not only assisting other Arab countries but several non-Arab countries in Asia. It should not be beyond the statesmanship of Asian leaders to harness the resources of the West Asian countries for the existing and future common regional arrangements for the common good. Despite their oil resources and high incomes, these countries belong to the developing world. They can provide large-scale investment funds, in loans and equity, for the development of major energy, industrial, and infrastructural projects in other Asian countries provided liquidity, profitability, and security of funds are guaranteed.

Japan, China, and India will play an active role in the new regional and sub-regional arrangements that may be fashioned in Asia. In technical and scientific manpower and in industrial technology, India has now acquired diversified and rich experience. Chinese trade with the rest of Asia is expanding rapidly, and in the oil sector, heavy industry, and space technology is well placed.

Japan's industrial output is one-half of the United States, and one-sixth of the total of all industrial countries. In the field of high-technology industries, Japan has achieved an unmatched position and has emerged as a global industrial power and growth center.

Singapore and Hong Kong have mature financial and capital markets, and with South Korea, are success stories in export-led industrial growth. Four of the five ASEAN countries—Thailand, Malaysia, Indonesia, and the Philippines—have rich forest, agricultural, and mineral resources, e.g., rice, timber, vegetable oil, rubber, tin, tea, nickel, coal, iron ore, and mineral oil.

In objective terms, conditions are conducive to successful regional economic cooperation in Asia. In the next 15-20 years, there are bright prospects for integration of the Pacific Basin region with mainland Asia. Already, trade is growing in that direction. Australia, Canada, and the United States are likely to show greater awareness and interest in Asian economic development and enter into cooperative arrangements. Asian economic cooperation and the proposed construction of the Kra Canal must be viewed and promoted within this emerging vista.

Excerpts of the statement by Dr. H. Roeslan Abdulgani, "The Indonesian National Ideology, Pancasila, as the Spiritual Agent for Economic Development," delivered at the conference on the Kra Canal in Bangkok, Nov. 1, 1984.

1) Economic development needs stability. However, economic development is also change, mostly dynamic change. Although change is not synonymous with instability, never-

theless change could be accompanied by instability. Within certain limits, instability, therefore, should be welcomed and tolerated in any economic development, provided that it will not pose a threat to the development itself. Stability, which is needed for economic development, covers not only the political and social field, but also the ideological realm.

2) This will not confine itself to the ideological field, as has been experienced in Indonesia.

3) Since our national independence almost 40 years ago, we have badly needed political stability to enable us to embark upon economic development. However, two extreme political ideologies were sources of instability: namely a) the Communist ideology, and b) the "Darul-Islam" ideology, a fanatical and orthodox wing of the Islam movement in Indonesia, aiming at the establishment of an Islamic State through force and terror. We might call this a "fundamentalist." Since both ideologies were opposed to our national state ideology the Pancasila, and since both movements were involved in armed and terrorist uprisings and coup d'états, both movements were banned.

4) However, a deeper analysis of both movements shows that there were deeper underlying causes, namely: a) causes of economic poverty ("empty stomachs"), b) causes of mental despair ("empty hearts"), c) causes of intellectual backwardness ("empty brain") and d) causes of political frustration ("aimless and fanatical behaviour").

In our effort to strengthen our national ideology, these causes should not be. In fact, our national ideology dictates that we should direct economic development to the eradication of those causes. In other words, economic development should create conditions conducive for reducing poverty, despair, backwardness, and frustration. Potentials for dissatisfaction and dissension should be minimized. On the other hand, ideological education should create conditions conducive for inspiring people's participation in economic development.

5) The *Pancasila* is our five-fold political and philosophical foundation of our state. It functions as the basis and guiding star of our national freedom, emancipation, and development.

It encompasses the belief in One Supreme God; the belief in a just and civilized humanity; the belief in the unity of Indonesia; the belief in democracy and in social justice.

It is the embodiment of our national identity, rooted in our age-old culture and civilization. It serves as the source of our national morality and ethical standards.

Pancasila is not a religion. While the majority of our people are Muslims, we are not an Islamic state. Nor is it a Buddhist or Hindu state. It is a *Pancasila* state, where the belief in the Almighty God is proclaimed as the cornerstone of our national life, and where freedom of religion is guaranteed.

6) In relation to the outside world, our *Pancasila* Constitution of 1945 stipulates that we should participate in estab-

lishing a new world order, based on freedom, eternal peace and social justice. For us, freedom and peace are interdependent. Therefore colonialism in all its manifestation is an evil which should be brought to an end.

For us, peace is not only absence of war. But it is a constant active effort for cooperation, development and progress. In this respect, our *Pancasila* constitution dictates an active, independent foreign policy. And vis-à-vis power-politics of the big powers, we follow a non-aligned course. This is not a passive, colourless foreign policy, but an active one, as has been reflected during the Bandung Conference in 1955 and the first Non-Aligned Conference in Belgrade in 1961.

7) In the field of domestic affairs, we had to develop our *Pancasila* in a comprehensive way, such as in the field of democracy, economic development, education, labor-relation, etc.

Our *Pancasila* democracy is not only concentrating its efforts on political stability, but also on economic development for achieving prosperity. The two ideas political stability and economic development are, in fact, twin facets of the same thing. And, in turn, these two are inextricably interwoven with social policies and objectives. National development involves all factors. In an economic development program, there should be a social policy. This is necessary, because an economic development program influences social policy and vice versa. There should be a clear pattern of economic, social and political objectives. . . .

The implementation of all these policies is not easy. As a developing country of the Third World, we belong to the South facing the gap with the industrial North. We face also the problem of demographic explosion. Consequently we are still losing the Malthusian race, despite our economic achievements. . . .

10) At present, the government is starting to organize upgrading courses for the civil servant in the bureaucracy and for the diverse functional and political groups of the society. These courses are not only listening to lectures, but also encourage open discussion on the course of implementation of the *Pancasila* in the field of political and socio-economic development, in order to get better alternatives.

For several bureaucrats and technocrats, it is not always pleasant listening to all those discussions.

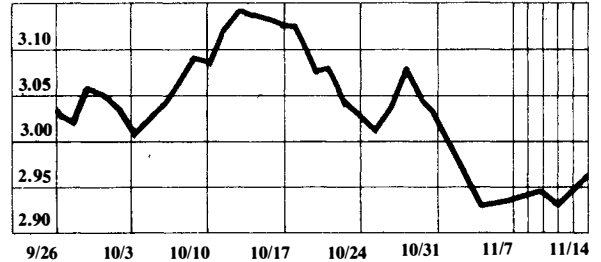
Nevertheless, it is generally felt that the society should also participate in the overall development. And that the people should have social control to what the bureaucracy is doing. Afterall, the *Pancasila* ideology is a populist ideology.

11) Today our society is still changing. There are irresistible forces. Forces of demands and desires; forces of awakened knowledge, and forces of rising expectations. These forces are not only irresistible, they are irreversible as well, even should anyone wish to reserve them. We hope with our *Pancasila* ideology, that we can channel those forces along constructive ways.

Currency Rates

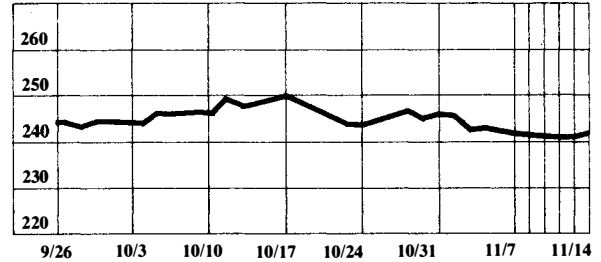
The dollar in deutschemarks

New York late afternoon fixing



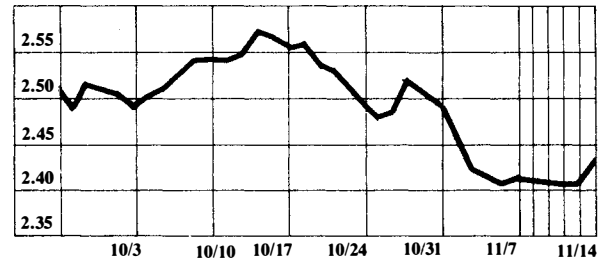
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

