

ASEAN-Plus-3 Proceeds With Great Projects

by Michael O. Billington

The historic developments at the Association of Southeast Asian Nations plus China, Japan, and South Korea (ASEAN-Plus-3) meeting in Singapore on Nov. 24-25, establishing a level of economic collaboration and political unity unprecedented in the history of East Asia, has created the conditions for the realization of a number of massive regional infrastructure development projects, which have been on the drawing boards, or in a state of retarded development, for many years—in some cases, going back to the early years of the 20th Century. The numerous discussions concerning financial and political arrangements, to protect the economies of the region from the next round of financial crisis, and to generate real growth in the region, all centered upon the recognition by at least most of the heads-of-state attending the conference, that only extensive development of the regional infrastructure will permit the required level of economic and social progress

in the region as a whole.

The three major Great Projects that dominated the discussions were: the Mekong River Development Plan; the Asian Railroad and its connection to the Eurasian Land-Bridge; and the development of the western, interior regions of China, centered upon the Three Gorges Dam and the water diversion projects the dam will make possible. A brief review of the history of these projects over the past century will demonstrate the historic paradigm shift involved in the decisions made over the past week.

The Legacy of Sun Yat-sen

To a significant extent, *all* of the major projects under discussion were proposed by the founding father of the Chinese Republic, Dr. Sun Yat-sen. In 1919, seven years after the overthrow of the last Imperial Dynasty in China, Dr. Sun released a study called *The International Development of China*, which included his proposal for a dam across the Yangtze River at the Three Gorges, extensive rail and road development across the region (see **Figure 1**), and water, energy, and other projects. Two important aspects of Dr. Sun's profound insight into the strategic realities of the modern world are striking still today. First, he thought of China's development in light of the development of the United States under Abraham Lincoln and the American System school, of which Dr. Sun was an ardent adherent. The use of rail and

water transport were to be seen as development corridors, opening up the unsettled regions by providing the infrastructure needed for the growth of agriculture and city building. Further, he believed, like American System economist Henry Carey, that the world could, and must, be circumscribed by iron rails, and that the development of China must take place as a crucial part of that international development project. So, also, today, have the leaders of the ASEAN-Plus-3 proclaimed that the development of Asia, the home of the majority of the world's population, can serve to spur progress internationally, as did the development of the United States in the 19th Century.

The second point raised by Dr. Sun was that the development of China must be taken up by all the developed nations of the world, not simply for al-

FIGURE 1
Railway System for China's Interior as Proposed by Dr. Sun Yat-Sen

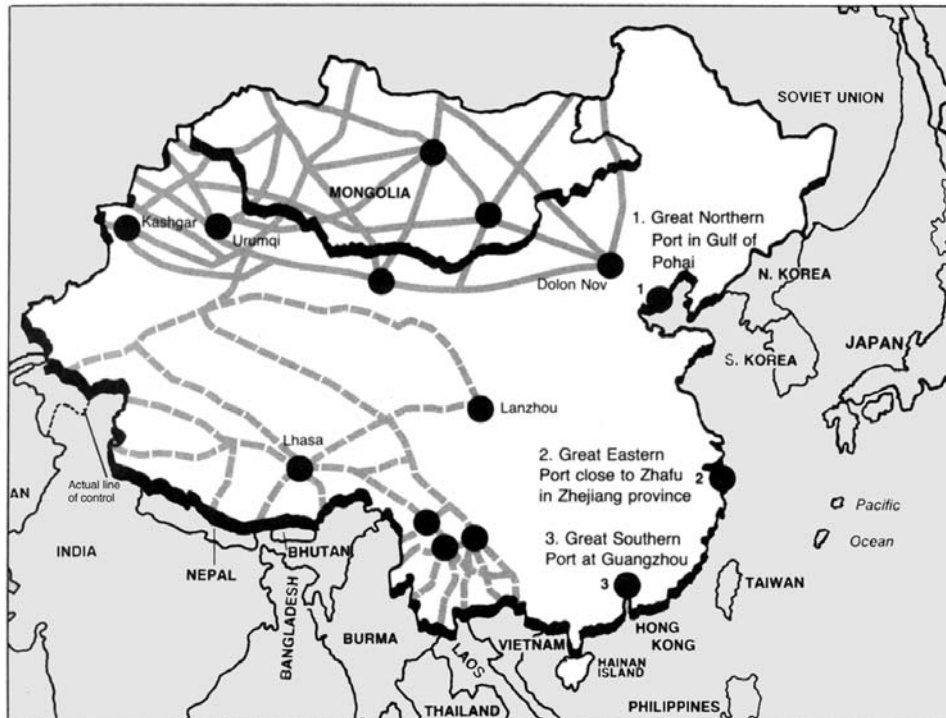
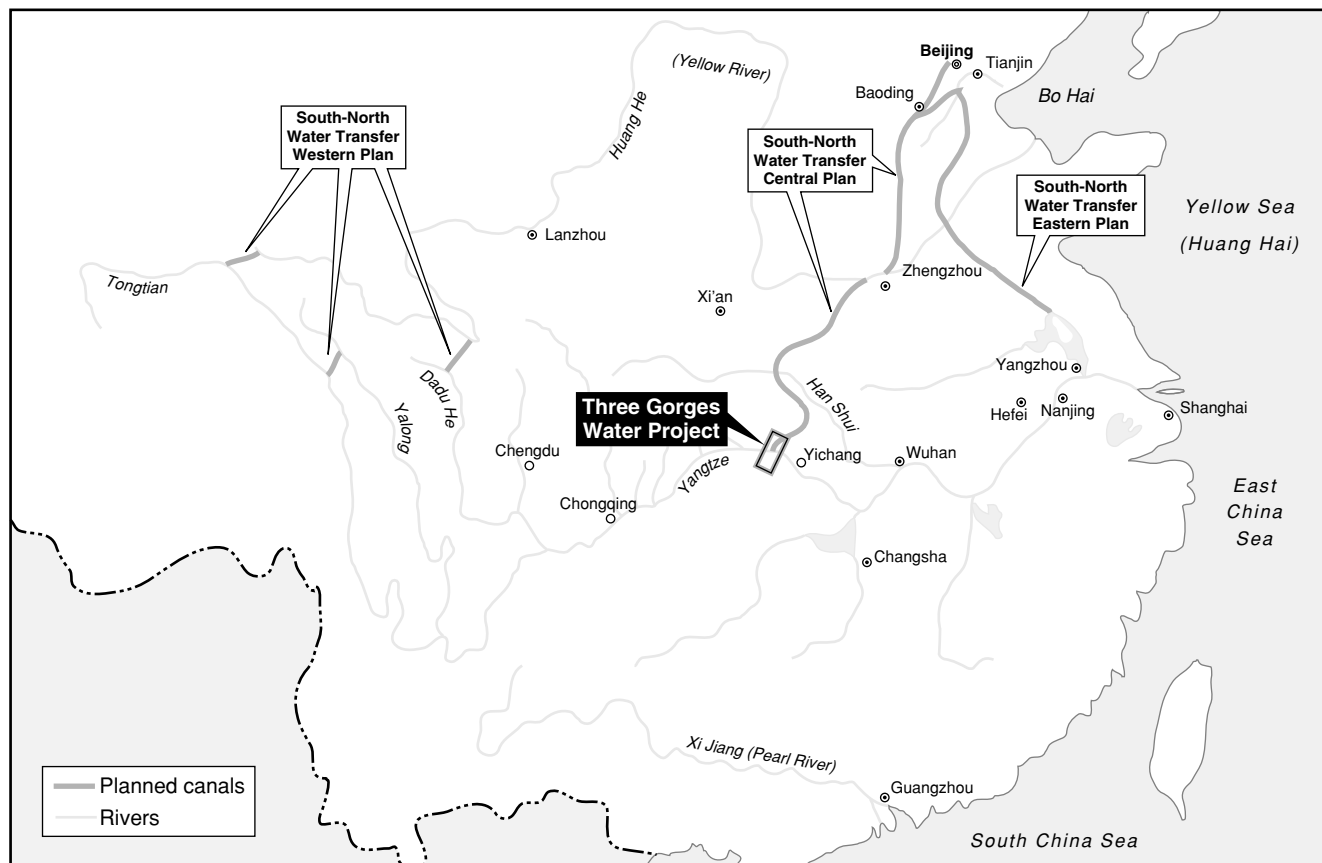


FIGURE 2

Planned Water Diversion Projects in China



truistic purposes, *but because only such a joint undertaking to bring Asia out of colonialism and into the modern world could prevent the outbreak of another world war, perhaps, he warned, far more devastating than the Great War which had just passed.* Today, there are some differences, but the fundamental point remains valid. Today, the Asian leaders have learned, through the crisis of the late 1990s, that the Western nations and their international financial institutions have refused to defend, let alone develop, the economies of East Asia. Instead, especially in light of the now onrushing collapse of the dollar-based Western financial system, they have come to believe that they must develop their own markets and their own financial mechanisms within Asia itself, but always with the view of facilitating international trade, and contributing to a new global financial and economic structure. Indeed, the Eminent Persons Group of the ASEAN nations, in a report released immediately preceding the conference, said: “ASEAN should take an active lead in building a regional financial architecture in East Asia, which can be a positive building block towards a new global financial architecture.”

As reported in the preceding article, the South Korean

leadership also pointed out that the Korean construction firms and machine-tool sectors, invaluable resources to the human race, are now being threatened with liquidation by dictates coming from the International Monetary Fund (IMF), but could be rejuvenated through participation in the huge development projects now being planned in western China and in the Mekong River region. Such a view is just as valid for the productive economies of the rest of the world, if those in the West would simply recognize it as such.

The FDR Tradition

In fact, that was the view of U.S. President Franklin D. Roosevelt, who recognized during World War II that the future peace depended upon the ending of colonialism once and for all, and a mutual commitment of sovereign nations to the development of the formerly colonized countries with American System technology. Representatives of the Tennessee Valley Authority (TVA), which had transformed vast, poverty-stricken areas within the United States into thriving industrial and agricultural regions, visited China and developed proposals for the Three Gorges Dam and other Great Projects in Asia. The death of Roosevelt, and the return of the

FIGURE 3

Railways in Southeast Asia Connecting to the Eurasian Land-Bridge



ASEAN's Asia rail project connecting Jakarta with Kunming will tie all of Southeast Asia to the Eurasian Land-Bridge.

European colonial powers to Asia, prevented his dream from becoming reality.

The British-orchestrated Cold War, which ultimately drew the United States into fighting Europe's colonial wars for them, further undermined America's historic mission. The FDR tradition remained alive in the hearts of many Americans, however, and under President John Kennedy there was a significant potential for a revival of the nation-building ap-

proach to foreign policy. Even after Kennedy's assassination, President Lyndon Johnson, whose entire career was based on his emulation of FDR, had dreams of using the methods of the TVA to develop the Third World.

Johnson, however was a truly tragic figure. Just days after he ordered the full-scale bombing and troop deployments into Vietnam in 1965, he proposed that the methods of Roosevelt's TVA, which he had earlier championed, as a Congressman,

Trans-Asian Railroad

The completion of the Asian Railroad (see **Figure 3**) has been a leading concern of the ASEAN nations throughout the past decade. The plan calls for creating rail connections from the Indonesian capital, Jakarta, to Kunming, the capital of Yunnan Province in southern China. Kunming, in turn, is already connected to the Eurasian Land-Bridge to the north, connecting the Pacific to the Atlantic.

The existing rail lines from Singapore to Chiang Mai in northern Thailand are being upgraded, while new links are under construction from Chiang Mai north to the Laotian border, and from Kunming south to the Laotian border. Only days after the ASEAN-Plus-3 summit, China announced that Beijing will finance the missing link through Laos, a 247 kilometer stretch which Laos is totally unable

to finance on its own.

Before the 1997-98 destruction of the Asian economies by the hedge funds and the International Monetary Fund, there were serious discussions concerning the construction of bridges to span the Straits of Melaka between Malaysia and the Indonesian island of Sumatra, and between Sumatra and the island of Java. Although those plans are now on hold, these are precisely the kinds of invaluable projects that can again be placed on the drawing boards.

Other rail projects under discussion to complete the three branches of the Eurasian Land-Bridge are: the reconnection of North and South Korea, linking South Korea by rail to the Land-Bridge; the Thailand-Cambodia and Cambodia-Vietnam links, connecting Ho Chi Minh City with Bangkok; a line from Chiang Mai to Pyu in Myanmar; and a line between Myitkyina in northern Myanmar and Dibrugarh in northeast India, completing the southern branch of the Land-Bridge.

for his own state of Texas and the Southwest of the United States, be applied to Southeast Asia, reviving the Mekong River Project as the basis for peace. The plan was to be called the Johnson Plan, on the model of the Marshall Plan for post-war Europe, and called for a \$1 billion U.S. investment. Johnson's good intentions, in this as in other aspects of his Administration, were negated by the fact that he never understood what had been done to him by the Anglophile Eastern Establishment in his Cabinet, who had drawn him into the war. Unlike President Kennedy, who had wanted to stop communist insurgency but would not allow the United States to fight a colonial war in Asia, Johnson was blinded, by Cold War rhetoric, to the necessity of national sovereignty as a precondition for the economic development of a nation-state.

Thus, his proposal took the form of: You surrender, and here's what we'll do for you. There were no negotiations offered for the Vietcong insurgents in South Vietnam, nor any offer to halt the massive bombing. The proposal was dead on arrival—as had been intended by Johnson's advisers. The ensuing war spread destruction over all of Indochina, dividing the Asian nations for another 30 years, and leaving a deep stain on America's legacy in history.

Unity and Development

In 1983, the Founding Editor of *EIR*, Lyndon LaRouche, issued a proposal for "A Fifty-Year Development Policy for the Indian-Pacific Oceans Basin," in which he emphasized that the basis for overcoming the divisive legacy of colonialism, and the ethnic, racial, and religious hatreds enhanced by colonialism and poverty, must be the collaboration among nation-states on building infrastructure through the Great Projects approach. The proposal included all the major proj-

ects now under discussion, and more, with an emphasis on the creation of new cities centered around nuclear energy facilities—the nuplex concept. These proposals were studied around the region, but efforts toward their realization were generally stymied by the continuing distrust, intervention by Western-funded, anti-growth non-governmental organizations, and the refusal of international institutions to provide the necessary financing.

By 1994, China had decided that they could not wait for Western approval or Western financing, and began construction of the mighty Three Gorges Dam, using almost entirely their own resources and funding. Still under discussion is the plan to divert some of the water made available by the dam to the arid regions in the north (see **Figure 2**, and the accompanying box), for which China has invited the nations of the ASEAN-Plus-3 to participate.

In 1992, the Greater Mekong Subregional Project was created in conjunction with the Asian Development Bank (ADB). The \$40 billion project was moving ahead slowly, when the 1997 Asian financial crisis put everything on hold. Even before the crisis, however, the ADB had released an updated review of the project that was actually a step backwards. Dams and nuclear power were ruled out, while half the financing had to come from private sources—a guarantee that they would never get off the ground.

Addressing this question of public versus private financing at the ASEAN-Plus-3 summit, Malaysian Prime Minister Dr. Mahathir bin Mohamad said, in regard to the Trans-Asian Railway project: "Let's be frank about it. This is an infrastructure project; a public utility, and in the past we did not even think of any returns on such investment. Where financing is concerned, countries like Cambodia are eligible for conces-

sionary loans or aid. If this happens, then the cost can be brought down and the thing can be made feasible.” Such talk of government-financed Great Projects is anathema to the free-trade/globalization gurus of the IMF, but it is increasingly clear that Dr. Mahathir’s view is now shared by at least most of the leaders of the ASEAN-Plus-3.

In fact, there is a great irony involved in the historic developments of late November in Asia. The Great Infrastructure Projects which serve as the backbone of the new Asian unity are all linked historically to the role of the United States, from the time of Dr. Sun Yat-sen’s American System policies, to the TVA approach in regard to the development of the great rivers of Asia. And yet, it is precisely because the United States has proven itself unable, or unwilling, to promote such policies today, following instead the anti-American mantra of free trade and globalization, that the Asian nations have considered it necessary to take matters in their own hands—especially in light of the unravelling of the global financial system. Further, it is only because the United States is now literally immobilized by the electoral crisis, that the nations of Asia can act without the normal expectation that U.S. Secretary of State Madeleine Albright (or someone else from Foggy Bottom) will start waving her broomstick at them, demanding that they cease and desist or face sanctions or other dire consequences. Instead, it is the Asian nations which are promoting the concepts found in the U.S. Constitution, that it is the purpose of government to foster the general welfare of the population.

Other Directions

Although the ASEAN-Plus-3 turned down a request from India to join the emerging institutional structure, India will certainly play a crucial role in the unfolding development policies in the region. On Nov. 10, just days before the ASEAN-Plus-3 summit, the nations of the Ganges and the Mekong met in Laos, signing the “Vientiane Declaration,” designed to boost cooperation between the two regions. The Declaration was signed by India, Laos, Thailand, Cambodia, Vietnam, and Myanmar, while China has requested that it be included in future discussions. The highlight of the initiative is the plan for a trans-Asian highway to connect India with Southeast Asia. As can be seen in **Figure 3**, the “southern tier” of the Eurasian Land-Bridge, connecting Asia to Europe by rail through Southeast and South Asia, depends upon completing the missing link through Myanmar.

Relations between India and Myanmar have recently improved dramatically—to the consternation of the Western anti-Myanmar lobby. Myanmar’s delegate to the meeting in Laos, Saw Lwin, stated that the Yangon government is “prepared to pave the way in our position as the strategic gateway to India.” The two nations will soon inaugurate a 160 kilometer road, built by India, connecting the two nations. Further road and rail developments are expected.

Another crucial direction for the ASEAN-Plus-3 nations

was indicated in a speech by Dr. Mahathir entitled “Agenda for a New Asia,” presented in Hong Kong on Oct. 28 to the Asian Society. He referred to Central Asia as an area whose development had to be of crucial concern for all the nations of Asia. Dr. Mahathir pointed to the landlocked nature of this vast region dividing Europe from Asia. “Camels were once regarded as the ships of the desert,” he said, in reference to the historic Silk Road. “Obviously, they are no longer adequate to carry the rich raw materials of Central Asia and the goods that Central Asia needs. The ships of the desert in these days of mass consumption are the railways. What Central Asia needs is a vast network of railways of super-sizes and -length. Two-mile-long trains running on ultrawide gauge would reduce the cost of transporting raw materials and goods across the vast expanse of Central Asia. Just as tankers are built to transport ever increasing quantities of oil across huge oceans, there is no reason why the railways cannot be improved in the same way.”

If the West refuses to reach out to develop Asia, then Asia will reach out to develop itself, and, in the process, provide the West with an opportunity to recover from the current crisis, brought upon itself through its own folly.

The Mekong Cascade

by Marcia Merry Baker

Figure 4 shows the proposed “Mekong Cascade” system of mainstream dams and reservoirs, as of 1990. These illustrations are reproduced from an *EIR Feature* on the area, “Mekong Development Plan: It Is Time To Awaken the ‘Sleeping Giant’ ” (March 29, 1991).

The Mekong Cascade is the core part of developing the Mekong River Basin, and details were worked out decades ago. However, the major projects have been held up not only by warfare, but principally by opposition from international financial institutions and powers opposed to development. The latest Asian Development Bank proposals for the region conspicuously *omit any map of dams*, and barely make mention of any of the obvious large-scale projects. Although there are serious concerns about dam construction, and the earlier plan is subject to review and improvement, the severity of the deadly floods throughout the region during the recent rainy season should make it clear that the failure to build the dams needed to turn the destructive power of the river to productive use is itself an act of destruction.

River Basin Development Projects: The Mekong Cascade is an integrated system of dams and reservoirs that would regulate the lower 2,000 kilometers of mainstream flow of the greater Mekong system, providing power, flood