

Thailand's Kra Canal project wins a regional mandate

by Sophie Tanapura

If the Kra Canal is possible, then we should "dedicate it to the world."

*Samak Sundaravej
Thailand Minister of Communications*

These words sum up the two-day conference on "The Industrialization of Thailand and the Kra Canal"

Thailand, Oct. 31 and Nov. 1. The conference, co-sponsored by the *Executive Intelligence Review (EIR)*, the Fusion Energy Foundation (FEF), and the Thai Communications Ministry, brought together businessmen, engineers, government officials, and representatives of regional governments to hash out the feasibility of building a canal through the Kra Isthmus of Thailand.

The canal, as conceptualized in the LaRouche 50-year program for the development of the Pacific Basin and also by the Mitsubishi Research Institute, would be the nexus point for an industrial and trade center in the heart of Southeast Asia. The LaRouche plan focuses on five major infrastructural projects, of which construction of a two-lane, sea-level Kra Canal is the most immediately achievable.

Great infrastructural projects like the Kra Canal, the organizers of the conference contend, should be the content of any American initiative in Asia. Such an approach is diametrically opposite to that taken by Henry Kissinger, Zbigniew Brzezinski, and other decouplers whose "new turn" toward Asia is based on strategic decouplement from Western Europe and schemes to pry the Asian markets open for a resurgence of East India Company-style "free enterprise." A determination to construct the Kra Canal, on the other hand, could mark a turning point for the reversal of the current worldwide production collapse.

Emerging from the Bangkok conference last week was a

mandate for the project from the ASEAN countries as well as from Japan and India. More than 200 people attended, including diplomats from India, Indonesia, Malaysia, Singapore, Japan, and the Soviet Union. Top-level representatives from 10 leading Japanese corporations, including Marubeni, Fujitsu, Mitsubishi, Mitsui, and various Japanese banks, were present, along with representatives from some of the largest South Korean construction companies, including Hyundai. Some South Korean representatives flew in from Malaysia, Singapore, and Seoul to attend the event. The Thai government and the military and business community were well represented, including the ministries of foreign affairs, industry, communications, and the Prime Minister's office.

The conference issued a challenge to the Thai government to reach a decision, preferably sooner than later, on the Kra Canal project. Panel speakers from India, all of the ASEAN countries (except Singapore), and Japan, and the scientific and construction experts from the United States represented precisely the kind of task force needed to gather national and international resources behind the project.

The four panels covered all aspects of the project, including economic and financial feasibility, as well as a full and frank discussion of the advantages of nuclear construction technologies over conventional methods. For the first time, a detailed discussion of the national economic potentials that would be unleashed took place. The final, international panel focused regional support for a positive decision by the Thai government.

EIR/FEF researchers say the fastest, most efficient, and most cost-effective method of construction is by peaceful nuclear explosives, or PNEs. Moreover, the canal should be the centerpiece of a national development program that would



Panel speakers from India, Southeast Asian countries, Japan, and U.S. scientist and construction engineers represented precisely the kind of expertise needed to gather international resources and build the Kra Canal.

feature construction of nuclear-power and agro-industrial complexes, at both ends of the canal.

Mr. Samak Sundaravej, Minister of Communications of Thailand, set the tone in his keynote address of Oct. 31: "The question is can we do it, how and which way? . . . If we decide that we want to do it and it is possible, then we will have to decide on the route and the method of excavation. If we use TNT, it will take 10 years, but if we use atomic energy for peace [PNEs], it will shorten the excavation time by 5 years. Finally, we will have to deal with the social issues," the Thai minister continued.

Along with the financial feasibility study presented by FEF Director of Research Uwe Henke v. Parpart (see *EIR* Nov. 6, 1984, Vol. 11, No. 43), a financial plan was also put forward by Dr. Nontapunthawat, vice-president and chief economist of the Bangkok Bank. Milo Nordyke of Lawrence Livermore National Laboratory in the United States and Harry Ekizian of TAMS engineering firm, both from groups which were involved in the feasibility study for the canal that was conducted in 1973, presented the physical parameters for building the canal using both nuclear and conventional methods.

Minister Samak stressed that the panel speakers could play an important part in providing the detailed information necessary for the Thai government to take the first step in scheduling the project for a cabinet session. "The final impact will not only be beneficial for Thailand but also for the region as well as any other country that uses it. We should, therefore, dedicate it to the world."

K.L. Dalal, former Ambassador of India to Thailand echoed minister Samak, drawing on precedents in Thai history, such as the flourishing Sukhothai period that oversaw the development of irrigation projects. "If Hanuman [the King of the Monkeys] in the Ramakien epic could move mountains, why can't we, with today's modern technology,

do the same?" he remarked.

Within Thailand, the canal project has sparked the imaginations and aspirations of the country's leaders. Panelist Pongpol Adireksarn of the Chat Thai Party, the sole opposition party in the country, sees great opportunities for Thailand if the Kra Canal and the industrial zones were built. First, Thailand could become a consolidation point for maritime traffic in the region. Second, Thailand would emerge as one of the top exporters of canned food; Thailand already ranks seventh in the world in fishing. Finally: "We have to create jobs for our children and grandchildren . . . [to] develop the population in the provinces into a productive labor force.

"Thailand is luckier than many of her neighbors," Pongpol said. "We have no religious or ethnic problems, no national disasters. The obstacles to our progress are ourselves."

General Saiyud Kerdphol, former Supreme Commander of the Thai Armed forces, called on the government to give equal priority to development of the southern region as to the eastern seaboard project. The Kra Isthmus Development Project, he said, is the key to solving the security problems in southern Thailand, where Muslim guerrillas have been active. "Development and security must go hand in hand as a coordinated effort. We must recognize that economic, political and social development all contribute to security—but that, security, in itself, is not development."

Outside Thailand, strong support was voiced by both Dr. Roeslan Abdulgani, chairman of the Advisory Team to President Suharto of Indonesia on the State Ideology, Pancasila, and Dr. Zainuddin Bahari of the Malaysian Institute for Strategic and International Studies. From Japan, Dr. Norio Yamamoto of the Mitsubishi Research Institute, situated the canal proposal in the context of the Global Infrastructure Fund proposed by Mitsubishi's Masaki Nakajima in the late 1970s.

The Kra Canal's role in Asian development

"Development and Security," General Saiyud Kerdphol, Former Supreme Commander of the Royal Thai Armed Forces

. . . Our ultimate aim in development . . . should be that of providing individual security. But development, on the other hand, can only take place if a secure environment is provided. Therefore development and security must go hand in hand as a coordinated effort. We must recognize that economic, political and social development all contribute to security, but that security, in itself, is *not* development. Security is important as a factor to development because it permits development to take place. From my own experience, I can assure you that when the country is under the threat of armed insurgency—whether it be communist or non-communist inspired—it becomes exceedingly difficult to convince the authorities that they should attack the problems through a combined formula of development and security. The temptation is to use all available military power to overwhelm the insurgents without realizing that the insurgents, themselves, represent only the symptom of a number of complex economic, political and social problems. The armed insurgency is like the tip of the iceberg as seen from the ocean's surface. The largest and most dangerous part remains beneath the sea. But our experience shows that this lesson is not easily learned. Authorities develop an understanding of this concept only through their own personal experience. . . .

And now I would like to discuss southern Thailand, which is really the focus of my talk today. First of all, I think we must admit to ourselves that southern Thailand is indeed a serious national level problem which has been round for some time. There are four significant issues which we must address:

First is the remoteness of the region, and the many problems which result from the extended lines of communication with the central government.

Second are the social problems, the fact that the people of this region are both ethnically and religiously different than the majority of the Thai populations.

Third is the proximity and influence of neighboring Malaysia which shares the same ethnic origin and religion as the Southern Thai Moslems. The Malaysians, however, are able

to show higher income and standard of living. The Malaysian per capita income is the equivalent of US\$ 1,600, as opposed to US\$ 600 for the Southern Thais. The Malaysians can also boast of greater opportunity to participate in the democratic process of their government.

Finally, the Thai Government's programs in the South have lacked consistence—and this, in turn, has led to a lack of confidence in the central government.

These problems can be solved only if the government is willing to recognize the area as one of great urgency. . . . Permanent security in this area can be achieved only if the following priorities are recognized:

1. The National Economic and Social Development Plan must place the same kind of priority on the Southern Development Plan as it does the Eastern Seaboard Plan. Key to this is the appointment of officials who are fully dedicated to the success of this concept. Otherwise the plan will be nothing more than a piece of paper which reflects, once again, lack of confidence in the central government.

2. The Southern Development Plan must be treated as a major national plan which properly exploits the production of southern Thailand's principal resources, namely, tin, rubber, and palm oil. Trade in these commodities is now dominated by Malaysia; Thailand must step forward and become competitive in its own right. In this area of resource development, first priority must be given to the joint development of off-shore oil, as agreed to by Premier Kriengsak and Hussein in 1975. This is a key, a basic step, because it represents the energy resources which are necessary for the South's industrial development.

3. Next we must insure that there is a means of facilitating transport between the Indian Ocean and the South China Sea. We can achieve this by either digging the Kra Canal or by constructing the Land Bridge in this same area. The Kra Canal/Land Bridge Project is actually of primary interest to international traders who must move their commodities across Asia. It is predicted that in less than twenty years the Malacca Straits, the critical point in the Indian Ocean-South China Sea transit will be overwhelmed by ship traffic. Alternatives, therefore, must be sought now. But the only apparent choices are:

1) The increased use of the Sunda Straits, for many reasons not an attractive alternative, or

2) The construction in southern Thailand of either a canal or land bridge: a project referred to as the "Kra Isthmus Development Project,"—or

General interest seems to favor the KIP project. But even though this project would probably not materialize until 20 years from now, the decision must be made now. If Thailand procrastinates, the decision could be made too late. One should remember that major national projects such as the Dhumiphol Dam and the Chaopraya Dam were planned for over a half century before finally implemented. Without this early discussion, planning and decision making, we would not have those important projects today.

4. Singapore should be used as a good example upon which to pattern our own development. It has very successfully exploited its critical position astride trade routes, first in benefiting from shipping and now, more recently, from air traffic—even though its geography for this latter activity is less favorable than that of Thailand. Thailand should seize upon Singapore's success as a demonstration that we too can succeed, if we will just make up our minds to commit ourselves to early planning. So it is up to us. We cannot allow anyone to stop us. If we fail without trying, we have only ourselves to blame.

The same philosophy applied to our approach to the security problems in the South. Whether it is tackling the problems of banditing, the lack of confidence between the people and authorities or competing with Malaysia in the loyalty of our Southern Moslems, we must apply all our energies to solve these problems through both security and development. We must commence our long range development planning now. If we do this, we can attain the same kind of success that has been achieved in other parts of our country.

5. When the Kra Isthmus Development Project is discussed, invariably two objections are raised. The first is that Singapore will seek to obstruct the project, the other is that such a project would serve to weaken the security of southern Thailand. Let me address these two points very briefly. With regard to possible Singapore objections, I am certain that Singapore recognized full well that traffic in 20 years' time will have exceeded the capacity of the Malacca Straits. I am equally sure, that if properly approached, Singapore will be anxious to cooperate in this project in such a way as to benefit both of our countries.

As for the effects of the Kra Project on the security of the South, I can only see a very positive outcome. Once again, security is dependent upon the economic and social well-being of the local populace. The project will obviously offer advantages in both of those areas, and serve to elevate the standard of living to a level commensurate with that on the other side of the border. . . .

"The Kra Canal and ASEAN Development," by Dr. Zainuddin Bahari, Institute for Strategic and International Studies Kuala Lumpur, Malaysia

. . . A great deal of interest for varying reasons has been, and will continue to be generated by these Great Projects, for, by their very definition, they represent immense mobilization of ideas and resources. Their implementation has vast implications and ramifications on national, regional and international levels in sectors that include socio-economics, politics, security, and defense. . . .

Let us now look at the major benefits to be derived from the Kra Canal project especially within the context of ASEAN. Much has been written and discussed on the national and the economic impact of the project. I do not propose to list them

out here, but suffice for me within the time limit available to analyse some of the positive implications and contributions therein to ASEAN development.

By most standards, ASEAN represents a relatively stable region. This notwithstanding, there are intra-regional tensions, especially along the border areas, which, in the absence of the ASEAN spirit of cooperation, could well lead to conflict with dire effects for the region's stability. The region bordering the Thai-Malaysia border has long been a cause for periodic strains in relations between Thailand and Malaysia. The area which is generally less developed provides fertile grounds for irredentist and secessionist movements operating respectively in Southern Thailand and the northern parts of Peninsula Malaysia. A balanced development of the area, which would be an inevitable spin-off of the proposed construction of the Kra Canal, would serve to deny the irredentist their *raison d'être* while concurrently severely limiting the activities of the illegal communist movement in Malaysia. Proper planning and development would lead to prosperity, and prosperity and security go hand in hand.

The Kra Canal project would increase the mobility of the Royal Thai Navy as it would greatly shorten the Navy's East-West sea-route as well as require regular and increased naval patrols to insure speedy and uninterrupted passage of ships. This increased projection and presence of the Royal Navy would act as a major deterrent to arms smuggling and other illegal activities (along the border areas) which are prejudicial to the security of both Thailand and Malaysia.

The existence of the Canal would most certainly interrupt contact in the form of communications and courier network between the Communist Party of Thailand and its counterpart, the Malaysian Communist Party.

For both Thailand and Malaysia, and indeed most of the ASEAN countries, internal subversion by local insurgent movements represent one of the major threats to internal security. Suppression of these movements is a prime requisite for ASEAN development. The proposed Canal could lead to severe limitation of insurgent movements and would bring about a more stable ASEAN.

With the utility of the Malacca Straits already at saturation point, the Kra Canal project would be a positive move in easing the congestion in the principal sealane between the Indian Ocean and the South China Sea. Given the projected increase in the shipping volume and the amount that can be handled by the proposed Kra Canal, it is envisaged that traffic through the Malacca Straits would not suffer a decline, even more so when one considers the excellent facilities available in Singapore.

The establishment of major new industrial zones along the course of the proposed Canal, plus the developments of new transshipment ports would be a positive contribution to the development of ASEAN. One ventures to hope that the successful construction of the Canal would arouse sufficient interest in a regional cooperative effort to develop another Great Project, which is the Mekong River Basin. . . .