

term. But, the government constantly runs up against the financial and political constraints set by the International Monetary Fund and World Bank, in accordance with the U.S. and European governments. Any bilateral agreement on financing even small-scale projects of road construction or water management, depends on the country being certified by the IMF first. Admittedly, these governments and the United Nations every year give enough food aid, that large-scale starvation is avoided. They also agree to some useful, small infrastructure projects. But those large-scale infrastructure projects, like 15 or 20 dams at key river locations, a national railroad grid, or doubling and tripling of the paved road network, which are needed to elevate the physical economy to the level needed to break out of poverty, are not on the agenda of these institutions.

Instead, as in the case of all the other African countries, the fact that Ethiopia carries more than \$10 billion of foreign debt, is being used as blackmail to enforce the implementation of the IMF's long-discredited structural adjustment policy. This policy pushes the country further into poverty and social dislocation. Tight budget discipline, privatization, and retrenchment of the civil service, all demanded by the IMF, necessarily increase unemployment and poverty. Typical of the IMF/World Bank approach, is the demand on the Ethiopian government to introduce tuition fees at the University of Addis Ababa. This educational facility is the pride of the country and has more than 20,000 students enlisted because it is tuition-free. Looking at the consequences of these World Bank demands, professors only shake their heads and argue, that university fees would eliminate whole groups of students from the university.

Most government officials whom *EIR's* correspondents talked to, recognize these pressures as the unfortunate reality that currently defines a framework, under which Ethiopia has to try to survive. But in the meantime, a discussion is going on in government, political, and university circles, about the changes needed in the world economic and financial system to give Africa a chance to finally realize its potential for development. The president of the Ethiopian International Institute for Peace and Development, Dr. Kifle Abraham, was most outspoken about it, and argued that Ethiopia and Africa have been marginalized, being forced to live on aid, and that this cannot continue. He demanded changes in the world economy that would revive the principle of solidarity within the developing sector.

Over the last two years, governments in Washington, London, Paris, and Berlin should have learned a lesson from Ethiopia. This country was never a European colony. It thoroughly defeated an Italian invasion force at the battle of Adua in 1896, and it ended Italian occupation again in 1941. When it is attacked militarily, it will defend itself with determination. In the end, the same determination may be manifest, when it comes to the economic survival and development of the country.

## India Takes a Major Initiative Toward Southeast Asia

by Ramtanu Maitra

On Nov. 10, India and five Mekong River basin countries—Cambodia, Laos, Myanmar, Thailand, and Vietnam—announced the formation of a Mekong-Ganga Cooperation (MGC) group, in the Laotian capital city of Vientiane. The announcement culminated the visit of India's External Affairs Minister, Jaswant Singh, to the area. The initiative, directed by New Delhi and subsequently labelled as the "Vientiane Declaration," called for, in the first stage, promotion of tourism, culture, and education.

In subsequent stages, the Declaration committed the member-countries to develop transport networks—in particular the East-West Corridor and the Trans-Asian Highway—under the rubric of transport and communications.

The Declaration also spelled out promotion of air services and rail linkages between India and the member-countries, as well as greater cooperation in science, technology, and human resources development. A section was also devoted to strengthening "cooperation in the development of Information Technology infrastructure and networks."

China has officially welcomed the formation of the MGC, and the declaration has been received warmly inside India.

### Part of a Wider Program

New Delhi's initiative to launch the Mekong-Ganga Cooperation must be seen in the context of India's other recent initiatives designed to widen its foreign policy framework and to develop stronger economic relations with its neighbors.

In its west, India, in collaboration with the West Asian nations, is now engaged in developing physical infrastructure to tackle some of its energy-shortage problems. India is in the process of building at least a half-dozen large container terminals on its west coast, to bring in natural gas by container ships from Yemen, Qatar, and Oman. These projects have been given priority, and a number of multinational companies have been allowed to participate in these projects along with the Indian private- and public-sector companies.

Another major project, which involves piping into India natural gas from Iran through Pakistan, is hanging fire due to unresolved disputes that cloud India-Pakistan relations. On Nov. 28, New Delhi declared a month-long unilateral cease-fire in Kashmir in order to start a process to resolve the 53-year-old Kashmir conflict—the core issue of dispute. As of

FIGURE 1

### Railways in Southeast Asia Connecting to the Eurasian Land-Bridge



*India's ties to Myanmar and Southeast Asia, through east-west road and rail links, will connect the entire region to Europe via the southern route of the Eurasian Land-Bridge.*

now, Islamabad has responded positively, and there are indications that India and Pakistan will be able to work out the modalities to resolve the complex Kashmir dispute. Meanwhile, Tehran has made it clear that it wants its gas to flow to India overland through Pakistan. Tehran rightly points out that such a pipeline is feasible only if it is laid overland,

and would accrue economic and financial benefits to all three parties involved.

In its east, India is busy mending its frozen bilateral relations with its next-door neighbor, Myanmar. In September 1988, when the Myanmar military took over power from the Burmese Socialist Program Party, which had brought the

country to the verge of total chaos and economic devastation, India had opposed the military takeover. Since then, and only till recently, India had lent its voice, in conjunction with Western countries, to accusing the Myanmar military of human rights violations, in order to oppose Myanmar's junta and to support those who demanded removal of the military from power, to usher in a democratic form of government in Yangon.

Within a week following the Vientiane Declaration, Myanmar's number-two military leader, Gen. Maung Aye, was in India. New Delhi made it clear that it wants to resolve its outstanding problems with Yangon and, in essence, gave full recognition to the present military regime as the legitimate government of Myanmar. Beside laying down the red carpet for Gen. Maung Aye, New Delhi also announced that it is ready to formally demarcate its undemarcated border areas with Myanmar. A week later, India announced the opening of the Tamu-Kalemyo road, connecting India to Myanmar. India's Border Reserve Forces built this 160 kilometer stretch of highway which, after further expansion, will be eventually linked to the Trans-Asia Highway, connecting Singapore to both China and India. The Mekong-Ganga Cooperation transport system will also connect India to the east, providing access to the South China Sea and East Asia.

In early December, as a natural follow-up, New Delhi announced that External Affairs Minister Singh would be in Yangon in January to further consolidate the gains made in Indo-Myanmar relations in recent months.

It is evident, nonetheless, that such a foray by India in Southeast Asia will meet with some resistance. As a reminder, a crude bomb went off at the Vientiane airport at the time six ministers representing the MGC were deliberating in the Laotian capital.

## Historical Ties

Although India had been virtually a non-participant in Southeast Asian affairs during the Cold War, its historical ties to the area go back hundreds of years. By the Second Century A.D., an active commerce had developed between the ports of India and Southeast Asia. In the Buddhist Jataka tales (folklores) and other sources of the period, Southeast Asia was frequently mentioned as the "*subarnabhumi*," or the Land of Gold. It was Buddhism which, chiefly in its Mahayana (Greater Vehicle) form, was carried by courageous monks from India to the lands beyond the seas, and brought with it to Southeast Asia many elements of Indian culture.

The earliest Southeast Asian inscriptions in Sanskrit, and variations of Sanskrit, were found in Java (Indonesia), Borneo, Malaya, and Cambodia. These inscriptions date back to the Fifth Century. Chinese chroniclers, however, point out that a Brahmin from India, named Kaundinya, ruled Fu-nan, modern-day Cambodia, in the First Century A.D. Late Javanese tradition also tells of the coming of a prince from India, with many followers, to set up the first Javanese kingdom at

the end of the First Century A.D.

Indian influence appears chiefly to have come from India's southern peninsula during this period. Probably every coastal region of India, particularly along its east coast, had spread its cultural influence to Southeast Asia from the Ninth Century onwards, and there is evidence of the religious and cultural influence of Buddhism coming in from the Indian eastern provinces of Bengal and Bihar.

However, in all cases, according to historians, Indian influence in Southeast Asia was never sufficient to overwhelm local customs and religion, and it is evident that the influence was most powerful in Indonesia and Malaya.

According to Chinese records, an Indian kingdom existed in the southeastern part of what is now known as Vietnam as early as the Second Century. This kingdom is generally known as the "Champa," from the name of its capital city. Defying the Chinese, Annamites, and Khmers (Cambodians), it existed for centuries till it fell to the Annamites in the 15th Century.

Farther west, Fu-nan was under a Brahmin kingdom till the Seventh Century, when a vassal state, Kambuja (Cambodia), which gave its name to the entire region, conquered it. Then, in the Eighth Century, under the great King Jayavarman II (802-850), it regained its independence and became extremely prosperous over the next 300 years. During this period, Kambuja controlled much of Indochina, including Thailand and Laos. The most impressive monuments of the kingdom of Kambuja are those known as the Angkor Thom and Angkor Vat. Angkor Thom, which is a walled city, is a perfect square, with walls two miles long on each side, and holds in its center the fantastic temple known as Bayon. The temple of Angkor Vat, to the south of Angkor Thom, is even more impressive, and is said to be the largest religious building in the world.

Although the locals eventually overran these Hindu and Buddhist kingdoms, the conquerors adopted and assimilated the prevailing culture and tradition that existed then. As a result, intimate contact between India and the region remained. It was with the advent of the British, French, and Dutch colonial powers in the region, that the contacts were virtually snapped. Two world wars and the Cold War, in the 20th Century, deepened the separation between the inhabitants of the Indian subcontinent and Southeast Asia.

## Fresh Efforts

In the early 1990s, then-Indian Prime Minister P.V. Narasimha Rao called upon Indians to adopt a "look east" policy. However, the policy did not mature because Southeast Asia, labelled the "Asian Tigers" because of their burgeoning prosperity, aligned their economic and financial systems with the West. The Southeast Asian nations considered the Indian economy backward looking, and too dominated by its government. In addition, China, a communist country, was yet to emerge as a major economic power, and the Southeast Asian

nations found it less than necessary to look toward either India or China for their economic well-being.

The deep-rooted economic and financial problems that led to the 1997 financial crisis in Southeast Asia, the emergence of China as a major global economic power, and India's ability to fend off the 1997 financial crisis did not go wholly unnoticed in Southeast Asia. Moreover, the emergence of both China and India as large economic bases with strong military ingredients, also played a role in shifting the Southeast Asian nations' focus from the Western powers to the regional powers. In 1959, five nations of Southeast Asia (Indonesia, Malaysia, Thailand, the Philippines, and Singapore) had formed a security, economic, and strategic grouping, primarily to align itself with the Western powers and protect itself from China and Vietnam, the communist nations in the region.

For India, on the other hand, it is a case of late awakening. While China, beginning in the mid-1980s, started to build its westward linkages by laying railroads across the arid lands of western China, India remained contained both in the west, because of its hostile relations with Pakistan, and in the east, partially because of its rejection of Myanmar's military government and also because of its weak economic and political linkages with Southeast Asia. Weak Indian governments that came to power in New Delhi since 1989 were incapable of taking any bold initiative to change the existing situation.

### Strong Prospects for Integration


The Mekong-Ganga Cooperation, if carried out to its logical conclusion, will allow to develop a strong economic and strategic integration of Southeast Asia and Indochina with India. What is important about this integration, is that while India has manpower, both in numbers and quality, Southeast Asia has investible capital. A real development in the region, which will include the Mekong-Ganga River Valley and, in all likelihood, would encompass the Brahmaputra River Valley as well, will require both manpower and capital. This combination will produce what the region requires the most: a good transportation network and a strong agro-industrial base.

Building the southern corridor of the Eurasian Land-Bridge (**Figure 1**), which will link Southeast Asia to Europe through India, as suggested by the international Schiller Institute in the late 1990s, can only be possible when India and Southeast Asia, and India and Pakistan, build adequate transport and communications infrastructure. Such a development would bring about an integration of the region whereby the Asian countries, in the future, will not depend exclusively on the Western markets in order to enhance their economic growth. An over-dependence on the Western markets, particularly that of the United States, as exists now, has created a great deal of financial instability and uncertainty throughout Asia. It has made most of the Asian economies, the Southeast Asian nations in particular, highly vulnerable to the consumption habits of Western consumers.

In addition, both in the east of India (Myanmar, Laos, and parts of northern Thailand and southern China) and in its west (Afghanistan, the western edge of Pakistan, and parts of Central Asia—the Fergana Valley in particular), lie the great illegal poppy fields. These fields produce much of world's opiates, which generate annually almost a trillion U.S. dollars worth of illegal cash. A good portion of this money, beside getting recycled in various speculative markets, real estate deals, entertainment “industries,” and other investments, finds its way to support the innumerable armed militant groups that operate in the area.

A case in point is India's northeast. At least a dozen militant secessionist groups feed off the drug money generated in India's east. Small arms, and not-so-small arms, come in from Thailand, Cambodia, and Singapore, among other places, to sustain the militants, who are waging war against their national governments. It is the lack of economic activity, and because of an almost nonexistent infrastructure in these areas, that has allowed subversive activities to proliferate.

The long period of the Cold War had made the situation even worse, because some major powers were actively involved in using the militant groups to further their ideological interest in the region. The end of the Cold War has changed the geopolitical situation significantly, and New Delhi is indicating that the time is now ripe for integrating India with the rest of Asia.

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