

Renewed Prospects for Kra Canal— Project for Benefit of Whole World

Sept. 19—The last segment of the LaRouche PAC Sept. 18 webcast was devoted to the renewed prospect of developing a canal across the Isthmus of Kra in Thailand. See the full video [here](#).

Jason Ross: For a final topic today, we're going to talk about the discussions that have been taking place among Russia, South Korea, and China shaping up towards the creation of a North Asia Development Bank that would include the Koreas, Russia, China, and Japan. This comes in the context of the Eastern Economic Forum in Vladivostok, held directly after the Victory Day celebrations in China at the beginning of this month, where Russian President Putin and Korean President Park were very prominent guests of President Xi.

Lyndon LaRouche responded to the development around the possibility of this North Asian Development Bank by stressing the necessity for building the Kra Canal, a project whose recent planning goes back to the 1980s, to build a canal across the Isthmus of Kra in Thailand, relieving the overburdened Straits of Malacca, providing new transportation routes and development for the region, especially today, as seen in the context of the New Silk Road.

I'd like to ask Benjamin Deniston, who has some remarks on this topic, to tell us about the Kra Canal.

Instead of Wall Street's Idea of Money

Ben Deniston: Thanks, Jason. Just to open up, I think this is an excellent counterpoint to what we just discussed with the insanity of Wall Street, and the Wall

Street system: the Wall Street idea of money, this money system that is now blowing out, where there's this religious belief in the value of money *per se*, and this insanity around trying to defend this bubble, which is full of financial assets which don't have any value.

Now you contrast that with what China is doing in collaboration with Russia, the BRICS nations, their other allies, other nations they're working with around the world, in this completely new orientation, where they're creating institutions, new financial institutions: like the Asia Infrastructure Investment Bank; or the discussion of a prospective North Asian Development Bank.

So, new financial institutions, new financial structures, to deal with what some people might call money, but which I think Mr. LaRouche would define, more rigorously, as credit, as distinct from simply a monetary policy. Institutions to provide credit, specifically for projects like the Kra Canal.

Now, if we can get the first graphic up on the screen: **(Figure 1)**. We're particularly talking about a region in

FIGURE 1



Southeast Asia. Currently all shipping that goes from East Asia—from China, from South Korea, from Japan, from this entire region, which has a substantial amount of economic activity—any of the shipping from this region that goes to India, to the Mediterranean, up into Europe, goes through [the Straits of Malacca]—and the discussion on China’s work on the New Maritime Silk Road, which is the maritime aspect of their Silk Road project, covers this exact same territory as well.

The shipping goes through a very congested bottleneck, which you can see displayed here, the Malacca Straits. Here you have a very narrow canal, a very narrow region, which currently carries something on the order of one-fifth of the entire world’s trade. Not just for this region: If you take the entirety of world trade, something on the order of one-fifth goes through these narrow straits.

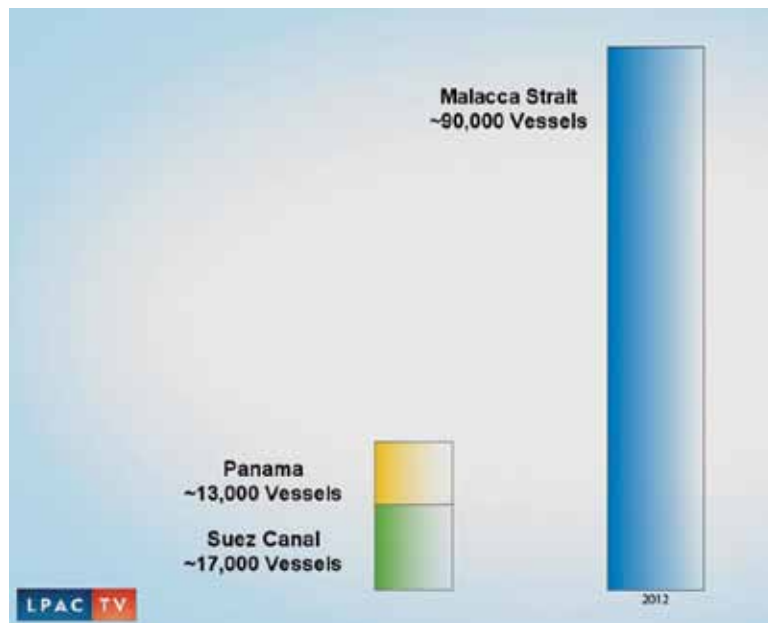
If you bring up the second graphic (**Figure 2**), you can get a sense of the scale of this. This was from a 2013 video production by the LaRouche PAC, which you can find linked to the video description here. It’s entitled [“The Kra Canal and the Development of Southeast Asia.”](#)

In this graphic from that video, you can see that through these Straits of Malacca, which we just saw in the previous map, in 2012, for a representative year, you had something like 90,000 ships traveling through those straits, which was around three times the combined number of ships that traveled through the Panama Canal and the Suez Canal.

So the Panama and Suez Canals combined, times three, is the number of ships passing through the Straits of Malacca. And at the time of our production of this video, it was estimated that the traffic through the Malacca Straits was going to be increasing by about 20% each year, putting it on a direction to rather soon reach a maximum capacity. You can only fit so many ships through this region. And it’s also relatively shallow, making it difficult for larger ships to even be able to get through this region at all.¹

1. For further details on the limitations of the Straits and the proposed dimensions of the Kra Canal, see [The New Silk Road Becomes the World Land-Bridge](#), a Special Report by EIR.

FIGURE 2



Malacca Bottleneck

It has been long known that this particular point in Southeast Asia, these Straits of Malacca, is a critical bottleneck for world trade, and world development. If you’re going from East Asia to India, you’ve got to pass through this region. If you’re going from East Asia into the Mediterranean, you have to pass through this region. If you want to go from East Asia into Europe, to the Atlantic on this route, you have to pass through this particular region.

This clearly becomes a major strategic choke point as well, vulnerable to sabotage through piracy, terrorism, or intention in a time of war.

There’s been a long-standing proposal to develop a new shipping route, a new canal through Thailand, through the Kra Isthmus, and you can see this on the third graphic (**Figure 3**) displayed here. Again, a screen shot from our video, which presents this entire project, and its history in greater detail. Now you can see the path running through this rather narrow isthmus, through Thailand, through the Kra Isthmus.

Here we have the proposal to make this canal, which would cut out the need to go through these Straits of Malacca. This would cut off something like 1,000 miles from the trip, from the South China Sea into the Indian Ocean—not a huge, but a modest reduction in the actual distance traveled. Not the biggest in the world, but something certainly significant.

FIGURE 3



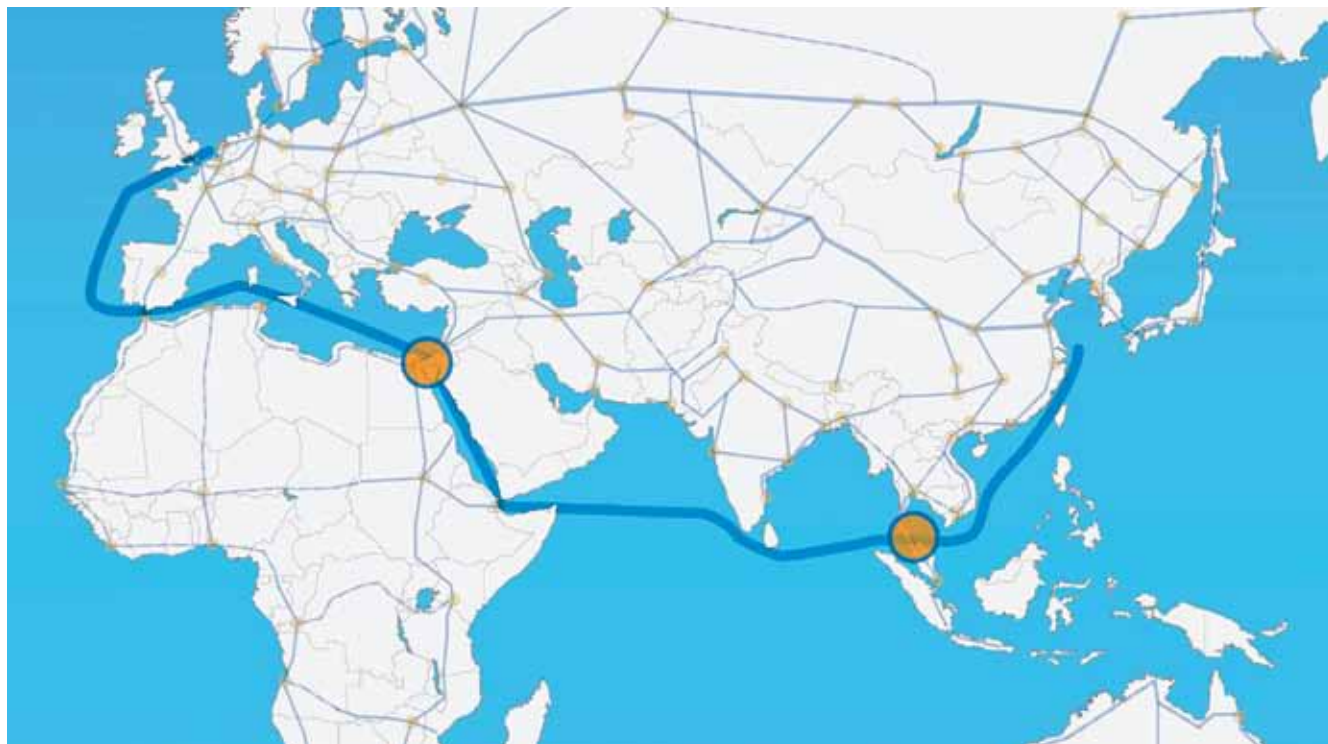
But probably more important than the distance, is that this would be a keystone project in just alleviating this bottleneck for this whole region, and being able to rapidly expand trade, and facilitate the continued expansion of trade through the Maritime Silk Road, from the developments in Asia, East Asia, in particular, again

over to India, and as you can see in the fourth graphic (Figure 4) here, if you pair this with the recent incredible developments with Egypt's development of the New Suez Canal, you have a completely new potential for economic linking between the Pacific Ocean, between China, Russia's eastern borders, South Korea, Japan, this entire region, through the Kra Canal to India, to the entire Indian Ocean, up through the New Suez Canal into the Mediterranean, into Southern Europe, and then into the Atlantic.

So we have a new picture of linking the entire Pacific and the Atlantic in a completely new way.

Again, I'd like to direct people to the feature video that we produced in 2013 on this subject, "The Kra Canal and the Development of Southeast Asia." You

FIGURE 4



can see this in graphic 5 (**Figure 5**), which is just an advertisement for the video.

This project has a long and important history, first conceived in the Seventeenth Century, with specific designs going back to the 1970s and earlier. In particular, we should note Mr. LaRouche's important role directly in the early 1980s, with his Fusion Energy Foundation, and his *Executive Intelligence Review* magazine sponsoring, in collaboration with the government of Thailand and collaborators from Japan, a [series of conferences](#) dedicated to the development of Southeast Asia, to the building of the Kra Canal, which Mr. LaRouche himself attended.

Economic Value Versus Money

So it's only appropriate, given the shifting world economic dynamic towards China, towards the BRICS, that now we're seeing it come back up and being put back on the table, as a prospective development project now.

I'd just like to conclude by emphasizing that I think this is an excellent case study in the type of shift in thinking that we need in the United States now. The difference between this insanity of Wall Street, where people are panicked about defending money that doesn't mean anything, money that has no actual existence in terms of any actual physical activity in the real economy, a completely worthless speculative bubble versus what we're seeing with things like the prospect for the Kra Canal, the construction of the Suez Canal.

We have new financial institutions being developed, such as the Asian Infrastructure Investment Bank, the North Asian Development Bank, the New Silk Road Development Bank, ready to create the credit to invest in these types of actual development projects. Projects that actually physically transform the physical economic potential of—as the case of the Kra Canal—not even of this entire region, but really of the whole world economy.

So, if you're going to reduce the time of trade through this region, if you're going to lower the physical costs, you're having a net physical impact on the entire world economy. You're lowering the physical

FIGURE 5



costs of the goods, and in effect, you're raising the physical value provided to the entire world economy by those goods, by investing in these types of projects which can facilitate this whole process more efficiently.

It's a useful case study in the use of actual credit, a real credit system, to invest in real physical development, which actually has a measurable, understandable increase in the productive powers of the world economy: a measurable increase in the physical wealth, the lowering of the physical costs, increasing the physical wealth of the productive process of the entire world economy.

I think this is one among many critical lessons for what the United States needs to start doing, and thinking about, in a post-Wall Street era. And this should remind us of what we used to do, what we did under Franklin Roosevelt, of the types of real physical investment policies which contribute to creating a higher order future for our country for the coming generations. And this is absolutely what we need today.

I think that Mr. LaRouche's remarks about emphasizing the Kra Canal are an incredibly important and exciting keystone development for this entire perspective. This project gives us, again, another resounding clear message of where the rest of the world is going in creating a new economy, a new economic stage, a new higher-order future for their societies. This is just another message for the United States to get away from the control of Wall Street, and get serious, and participate in this type of development, these types of projects.