

The Minister of Foreign Affairs, Malaysia, avails himself of this opportunity to renew to the President of the Asian Development Bank the assurance of his highest consideration.

KUALA LUMPUR, *December 21, 1967.*

FEBRUARY 8, 1968.

HIS EXCELLENCY THE MINISTER FOR FOREIGN AFFAIRS,
Kuala Lumpur, Malaysia.

DEAR MR. MINISTER: I acknowledge receipt of your Note EL/39/67 of 31 December 1967 sent to me as a result of the Conference of South East Asian officials on Transport and Communications held in Kuala Lumpur from 4 to 7 September 1967 and also your subsequent Note EL/6/68 of 4 January 1968 forwarding ten copies of the edited and printed version of the Report of the Conference.

Please permit me to offer you, and through you to the South East Asian officials who participated in the Conference, our compliments on the amount of work done both in preparation for, and during, the Conference. A team headed by Raja Azam of your Government, visited us in the Bank in July 1967; my colleagues and I, who had the pleasure of receiving them, were impressed by the sense of objectivity and constructive effort which underlay their approach to the preparation for the Conference. We also note with appreciation that the concept of multi-national effort towards a common objective has emerged as one of the basic perspectives of the Conference.

I have placed your Note of 31 December 1967, as well as the "Summary of Conclusions and Recommendations" and the "Joint Communique of the Conference," before the Board of Directors of this Bank. We have discussed the contents of your Note with appreciation of the initiative taken by the Governments that participated in the Conference and have given due regard to the various aspects discussed in the Conference and reflected in your Note. There has been the fullest realization among us of the importance of transport development on a coordinated basis through the subregion of South East Asia, both as an instrument of economic development and as an instrument of collective action towards the betterment of the region. Your Note, apart from the references it contains to feasibility studies of various projects mentioned at the Conference and to the organization of Special Funds for transport development, contains the specific request that this Bank should undertake a survey of transport development in the subregion of South East Asia.

On the subject of transport development in the subregion, the proposed survey will have to take into account various factors. These are already within your cogizance but it may be useful to briefly indicate them.

(a) Such a study would have to be based on specific terms of reference so as to clarify the work involved and to enable the recruitment of the best talent available both within and without this region; the terms of reference would also have to take into account the pattern of transport development as it is, the studies or surveys that may have been, or may yet be, set on foot in the member countries concerned and the future lines of economic growth in the sub-region as realistically assessed as possible.

(b) The survey, if it is to be of maximum use to the member countries involved, must be so conducted as to form an effective base on which the member countries may mobilize assistance (financial and/or technical, as the case may be) from sources of external economic assistance both international and national; for this purpose, suitable arrangements will have to be devised so as to get other agencies interested in, and appropriately associated with, the purposes and progress of the survey.

(c) There are areas in this subregion which have not responded to your invitation to participate in the Conference; yet some due account has to be taken of their economic and transport development, present and as projected, in working out an overall study; suitable means would have to be devised to obtain, even if not their participation, at least adequate data about them.

(d) We have to recognize that a survey of this type would almost be unprecedented; in regional transport surveys elsewhere, as for instance in Central and South America, there are factors like physical contiguity which would make an economic and transportation study definitely less difficult than in this subregion where not merely land communications but all others (inclusive of inland, coastal and ocean waterways) would have to be closely studied and integrated into an overall pattern.