

**Remarks by Mr. Anand Panyarachun
at The First Meeting of the Thai-U.S. Leadership Council
Bangkok, Thailand
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Mr. Chairman, Distinguished Participants, Ladies and Gentlemen

I am honoured to have this opportunity to address the first meeting of the Thai-U.S. Leadership Council. It is gratifying to see so many dear friends and make my acquaintance with distinguished experts and opinion leaders on the subject of Thai-U.S. relations.

The Thai-U.S. Leadership Council is meeting at a most opportune time. Thai-U.S. relations stand at an important juncture. The basis of our relations have evolved from security considerations into a complex tapestry in which trade and investment figure most prominently.

The trend in our bilateral relationship is by no means unique. Unprecedented successes in economic development have transformed Southeast Asia – and the Asia Pacific region in general – into one of the most dynamic regions in the world. Lured by exceptional opportunities and profit, trans-pacific trade and investment has grown spectacularly. In fact, your trade across the Pacific is now almost 40 percent larger than trade with Western Europe. It would not be an exaggeration to say that the Asia Pacific region will be the world's fastest growth center well into the 21st century.

Precisely because of this remarkable growth, I cannot help but be struck that U.S. policy towards Southeast Asia over the past five years is one of "benign neglect". In the rest of the world, momentous changes have compelled U.S. attention, including the break up the Soviet Union and Eastern Europe along with the crises in the Persian Gulf and Africa. Perhaps in its preoccupation with these important challenges the U.S. may have been too distracted to notice and take advantage of the fact that Southeast Asia has been growing quietly but rapidly towards prosperity and political stability. For whatever reason, it appears that Southeast Asia has been put on the backburner of U.S. foreign policy, and under servedly so.

The new Administration of President Clinton, elected on a platform of change, has articulated many new policy initiatives. President Clinton has emphasized his strong belief in democracy and human rights which will accordingly become an important component in the Administration's foreign policy. More recently, President Clinton presented his international economic policy, encapsulated in a five-point plan. He must be praised for emphasizing domestic economic reforms and priorities as a primary means for reviving U.S. economy and its competitiveness, and for arguing against a retreat into protectionism.

President Clinton made clear that trade is a priority element of American security. He called on trading partners not to expect something for nothing, and insisted that U.S. trade laws be strictly enforced.

These policy initiatives raise worrisome questions. President Clinton's pledge to support democracy is welcome, but there is a fine line between support and intrusion. Is the U.S. about to move on the path of self-appointed righteousness? It would appear that the U.S. will be less hesitant to impose its own standards and models in the area of democracy, human rights or the proper conduct of trade policy. There also seems to be a greater willingness on the part of the U.S. to dictate, coerce and take unilateral actions. I question the appropriateness and wisdom of policy based on these presumptions.

There is no doubt that trade and economic interests assume greater importance in the post-cold war era. Yet, the interests of nations and their relations cannot be defined by trade alone. Other dimensions of a relationship cannot be ignored. National interest is multi-dimensional and trade must surely be but one important part of the total package.

I have said earlier that Southeast Asia and the wider Asia Pacific region's dynamism and growth potential will make it more important to America economically. The continued presence of the United States in this region with greater emphasis placed on economic matters is welcomed and in keeping with global changes.

Yet, America should be careful. Its trade problems with this region – by its own admission – is partly caused by the U.S.'s economic shortcomings at home. If we wish to apportion blame, then clearly the U.S. cannot afford to cast the first stone.

Moreover, the region is undergoing an economic and political transformation for the better. We are making progress, and this should be allowed to occur at a pace that we in the region consider appropriate and feasible. I strongly question the wisdom and effectiveness of an U.S. policy that would try to dictate the pace of change from the outside. In the same manner, trade issues must be viewed as a part of the total relationship and in the context of broad mutual interests.

In fact, as the world grows more interdependent and the U.S. faces a relative decline in its economic standing, the appropriate policy would be partnership and consensus rather than dominance and unilateralism. Indeed, there is much that the U.S. can do with this part of the world in a way that would encourage current trends and promote common interests.

To do this, the U.S. must first re-focus its attention on the region and recognize it as an entity which has its own needs and constraints. Bearing this in mind, the U.S. may wish to define its overall interest and map out a strategy to strengthen its presence in Southeast Asia, a region that the U.S. readily admits to being behind other economic powers.

In particular, U.S. exports and investment in Thailand lag behind other countries. The U.S. government and business community must ask themselves several related questions. First, does the U.S. have a comprehensive plan of action to enhance her presence and competitiveness in Thailand and Southeast Asia? Second, does she have a clearly defined strategy to exploit growing commercial opportunities in Thailand and in Thailand's neighbouring countries". What about possibilities for working WITH Thailand in third markets?

Moreover, I am sure that an overture by the U.S. side would receive enthusiastic response from its Thai counterparts. It is time to put an end to the narrow and legalistic focus on issues that divide, and concentrate anew on those that bring our two countries closer together.

Deliberate "activism" in Thai-U.S. relations to promote mutual interests is timely, worthwhile and necessary. Surely a market that has been growing and will continue to grow at the rate of about 8 percent per year should not be ignored. Yet, apart from a call by USTR over a decade ago for an ASEAN-U.S. Free Trade Area which was overshadowed by the Uruguay Round, the U.S. has still to formulate her policy agenda – or a "vision" – for its economic relations with the region for the remaining years of this century and beyond. The time seems right for new styles, new approaches, new initiatives and plans of action.

Such activism need not be confined at the bilateral level. Many worthwhile initiatives can be undertaken with ASEAN countries now well on their way to the creation of a free trade area. Moreover, a forum, where new "activist" ideas can be explored, already exist. I am referring to the ASEAN-U.S. dialogue which will soon meet in Brunei Darussalam.

I have long been a supporter of the Asia Pacific Economic Cooperation or APEC, while in the private sector and in government. In line with the new "activist" approach and especially with the U.S. as the Chairman of APEC, the new U.S. Administration should find it beneficial to work urgently with other APEC member countries to further develop this potentially beneficial regional organization. After all, APEC comprise an area of immense potential, which already accounts for more than half of the world's GNP.

I have not dwelled on security issues, apart from saying that tensions have eased both globally and regionally. There is no doubt that conflict remains in the region. The United Nations is having difficulty implementing the Paris peace accords on Cambodia and durable peace in that unfortunate land still seems elusive. As one of the most extensive and costly United Nations operations, UNTAC's performance will have a far-reaching impact on the prospects of peace and development through cooperation in our region. In the emerging new world order, an expanded United Nations is expected to play an important role in the resolution of conflict. The United Nations and other countries, including the U.S., should therefore redouble their efforts to bring peace to Kampuchea, although agreement and trust among the Kampuchean factions are also fundamental.

The South China Sea is another pending issue for the region which will require delicate handling by the parties concerned. In view of this and other regional security concerns, there have been calls for the establishment of some sort of regional security framework. Further calls have also been made for the U.S. to maintain and reshape its presence in the region. I subscribe to these ideas and to the notion that active U.S. presence in broader terms will indeed be a stabilizing influence in the region. As Prime Minister of Thailand, I also suggested last year that APEC may well be a useful regional framework for the discussion of non-economic issues.

I would like to conclude by wishing the Thai-U.S. Leadership Council every success in its important endeavour to further improve and enhance Thai-U.S. relations. We live in exciting times of rapid political and technological changes. These changes have opened up a new era, where durable peace and economic prosperity lie within our grasps. I am hopeful that, with the help of the Leadership Council, Thailand and the U.S. will develop a broad-based partnership that will play an active and positive part in fulfilling the promise of peace and prosperity in the new world order.