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Security, Democracy and Trade:
Thai-U.S. Relations at the
Dawn of the Pacific Century
Address by
Mr. Anand Panyarachun
Prime Minister of Thailand
at the National Press Club
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Mr. President, Distinguished Members of the National Press Club, Ladies and Gentlemen.

I should first like to thank all of you for the warm reception. It is certainly a great pleasure and a special privilege for me to have the opportunity to speak before such an important audience whose perspectives, views and insights carry great weight and have a considerable bearing on the American public opinion.

Knowing your talents and skills as hard-nosed journalists, it was with some trepidation that I accepted the invitation to address this prestigious forum. Be that as it may, I felt that I should come to share with you my thoughts on developments in Thailand and in Southeast Asia in a time of transition and how I see the present state and future course of Thai-US relations as we approach the 21st Century.

In a recent speech before the Asia Society in New York, President Bush set out his vision of the "Pacific Century". I refer to President Bush's speech because at a time when there is a growing debate here in the United States about whether America should come home, his message to nations across the Pacific was

loud and clear. The message which he expounded was that America's future, and indeed American jobs, are inextricably tied with Asia and the Pacific and that the United States is committed to working with countries in the Pacific region in shaping a common future together.

I am reminded of the time that I served as Thailand's Ambassador to the United States in the early 1970's. It was a time when more and more Americans became disillusioned with the Vietnam War. There was a call for the United States to withdraw from Southeast Asia and for a reduction of her role in Asia.

Today, with the Asia-Pacific region becoming the economic centre of gravity of the world, there cannot be any doubt whatsoever that the United States' role in Asia and the Pacific is crucial not only to peace and stability of the region but also to the United States' own security and prosperity.

But if the much-heralded Pacific Century is to come about, it is incumbent upon the United States and nations of Asia and the Pacific to work together in partnership in building a peaceful, stable and prosperous Pacific community of nations. Towards this end. President Bush has said that he saw three central issues as shaping the United States' involvement with nations in the Asia-Pacific region. They are security, democracy and trade. And these are the very issues which I have chosen to touch upon this afternoon.

We in Thailand have no illusion about our capacity to assume an unlimited role or to determine events beyond our borders with complete certainty. But we believe that we can do our part in helping to advance the goals of security, democracy and trade as we look towards the dawning of a Pacific Century.

Speaking first of democracy, it is fair to say that Thailand's experience has been uneven. Some ten months ago, there was an abrupt change of government which interrupted our democratic process. Having said that, I can tell you that we in Thailand are moving towards restoring democratic institutions in a speedy manner and on a more secure footing. A new constitution has been promulgated and general elections are scheduled for March next year. And we are determined to stay the course.

But, of course, whether democracy will take firm roots will depend on whether the politicians and the people themselves have learned the hard lessons of the past. We must never take democracy for granted.

Democracy must not be an end in itself. It is not simply a matter of form. It is more than just having regular elections. It means the participation of the people in the political process. It means also having a government that is accountable to the people and transparent in the way it conducts the affairs of state. Democracy, in the pure sense of the word, means "a government of the people, by the people and for the people", to quote the immortal words of President Lincoln. And the fact of the matter is that there is no quick and automatic path to democracy.

Nor can a small nation like Thailand take our security for granted. I remember that at one time the dominant fear was that Thailand would be the next domino to fall. That prophecy had of course been proven wrong. Thailand did not suffer the fate of a falling domino because we hastened to put our own house in order and, at the same time, sought a common destiny with our non-communist neighbours in ASEAN.

In the post-Cold War era, the concept of a nation's security has been redefined in a broader and deeper sense. A nation's real security, I believe, must derive first and foremost from a nation's own inner strength.

To be sure, we must have adequate means to defend ourselves against the perceived threat. But in an era of lessening political tension and increasing economic interdependence, we must also adjust our military priorities to take into account the new situation.

But, more than ever, and as events in the Soviet Union and Eastern Europe have indicated, real security must be rooted in the promotion of economic progress and well-being of the people and in providing them with opportunities for a better and more meaningful life.

And, equally important, real security depends in large measure on having an honest, efficient and democratic government that is responsive to the will and the needs of the people and a government that strives continuously to remove the economic disparities, injustices and inequalities that exist in society.

I, therefore, believe that Thailand can contribute to wider peace and security of the Pacific community by building upon its own inner strength through the strengthening of our democratic institutions and through pursuing, with even greater vigour, the policies of free enterprise and free trade which will provide the pillars of political stability and economic prosperity for the greater well-being of the Thai people. At the same time, we also seek to build upon the inner strength of the region of Southeast Asia which is part and parcel of the Asia-Pacific region.

For Southeast Asia, the pillar of peace and stability has been the Association of Southeast Asian Nations. It is ASEAN's unity and cohesiveness which have enabled Thailand and the other member countries to withstand the challenge to their security. Had Thailand and the other ASEAN countries not stood together at closed ranks, Vietnam's invasion and occupation of Cambodia would have been accepted as a **fait accompli.** It is precisely because ASEAN has worked together in rallying the support of the international community for a comprehensive political settlement of the Cambodian problem that peace is now returning to Cambodia.

With the signing of the Cambodia peace agreement in Paris on October 23, 1991, we have turned a new page in the history of Southeast Asia. For over a decade, the conflict in Cambodia has divided nations of the region. The main

challenge which confronts us now is to work towards a new regional order that embraces all nations of Southeast Asia in peace, stability and prosperity.

Thailand, for her part, is actively engaged in the promotion of reconciliation and constructive cooperation with her immediate neighbours in Indochina. We are seeking to heal the wounds of war and conflict. We seek to create a peaceful environment and to help the three Indochina countries of Laos, Cambodia and Vietnam integrate themselves into the mainstream of regional cooperation. At the same time, we also hold out the hope that Myanmar will be able to reorient her policies and practices and become a part of this process.

It has become all the more evident that in this past-Cold War era, economics has replaced politics as the main issue on the agenda of nations. Nations are now both cooperating and competing in furthering their economic development and growth. With this trend, I therefore see economic cooperation, in both trade and investment, as the principal vehicle for building a web of interlocking ties among nations of Southeast Asia and thereby lasting peace and security in the region.

That is why Thailand has spearheaded an effort among the ASEAN countries to turn ASEAN into a Free Trade Area within a time-frame of 15 years from now. With the end of the Cambodia problem which many had seen as the glue holding ASEAN together, economic integration among ASEAN will provide a new rallying point for regional cooperation. It will enable ASEAN to effectively meet the challenge of growing economic competition in the world and give ASEAN a greater voice in working to promote a free and open international trading system. An economically strengthened ASEAN will also be in a better position to help promote the economic development and prosperity of the rest of Southeast Asia, and to give a necessary impetus to the realization of mutual security and prosperity in the broader Asia and the Pacific region.

To sum up, we are working to restore democracy at home and to promote a peaceful environment in Southeast Asia. And, through trade and economic cooperation, we seek to strengthen the foundations of peace, security and prosperity in Southeast Asia as well as in the broader Asia-Pacific region. In so doing, I believe we are indeed playing our role in working towards a peaceful, stable and prosperous community of Pacific nations.

I am further confident that working in partnership with the United States and other countries in the region, we will together meet the challenges of security, democracy and trade at the Dawn of the Pacific Century.

Ladies and Gentlemen.

Before concluding, let me say a few words about the relations between Thailand and the United States. Against the backdrop of the developments in Thailand and Southeast Asia, one finds the state of Thai-US relations to be healthy, despite the recent change of government in Thailand and its ramifications abroad. For its part, the present Thai Government is doing all it can to put the relations on an even more positive and meaningful basis, in keeping with recent international and regional developments. In this endeavour, we need reciprocal cooperation from the United States.

Thailand's efforts have encompassed new legislative milestones on narcotics, environment and copyrights, and will soon result in a more comprehensive law on patents. Meanwhile, enforcement of our copyrights law and prosecution of violators will proceed in an effective manner.

Furthermore, an overhaul of the tax system and liberalization of the financial regulations are designed to maintain and further promote the interest of investors, including American companies, in the Thai economy.

In the remaining period before the elections, my Government intends to pursue vigorously further efforts to lighten the Thai-US agenda of contentious issues. That is why we need reciprocal cooperation from the US Administration and Congress.

Above all, with democratic elections due in March 1992, a new Thai Government can build on the secure foundations and rely on the much-needed reforms already put into place by the present Government, for the benefit of Thailand and of Thai-US relations for years to come.

Business and Environment: Time for Action Keynote address by Mr. Anand Panyarachun Prime Minister of Thailand at the International Conference on Merging Business and the Environment Bangkok, 23 January 1992

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen,

It is my great pleasure to welcome such a distinguished audience which represents a unique combination of business leaders and environmental experts, organized by such a world prominent newspaper as the International Herald Tribune and the Thailand Development Research Institute, which is a major policy research centre in Thailand.

I feel honoured that the organizers have chosen Bangkok as the venue for this very important conference. It is an appropriate choice for Bangkok illustrates both the great benefits that thriving business can bring to society as well as many of the environmental challenges and opportunities that the private sector faces during the 1990's.

The interaction between business and environment is one of the most important issues of this decade. The selection of this topic and choice of audience is very timely as it points to the emerging challenges confronting us in the decade of the 1990's as well as the nature of concerned parties needed to deal with the issue.

The decade of the 1990's is an era of unique historical significance in several respects.

First, on the political front, the world has witnessed the collapse of communism in Europe, something beyond the grasp of the wildest imagination.

Second, on the economic front, the growing economic regionalism in North America, Europe, and others signal another turning point in the international economic system.

On the third and the most recent front, is the emerging significance of environmental issues which cut across national boundaries and transcend most economic and social aspects of development.

This decade is likely to witness the most dramatic changes of global scale and this demands ingenuity as well as far-sightedness on the part of national and business leadership to steer nations and business entities through this turbulent era of changes and uncertainties.

When my cabinet came to office some 10 months ago, we were well aware of the increasing significance and priority of environmental development as well as the urgent need to place the issue in the right perspective. Environmental development to me does not necessarily require us to deal only with problems, but also to respond to opportunities.

The uniqueness of the environmental issue is that it requires cooperation from all. No one nation can tackle this issue successfully on its own. No single government can bring about efficient environmental management without the help and cooperation of the business community and the populace at large. Even within the business community itself, environmental efforts must transcend national boundaries in order to be effective as technology transfer is one of the main keys to success. The participation of the business audience with international experience in this room indicates a good sign for future concerted efforts to tackle this very important area determining the destiny of mankind.

In the past, most nations were concerned with growth and distribution. From the 1990's onward, the key concern is likely to shift towards sustainable development in which environmental protection plays a dominant role.

From the perspective of Thailand, we see environmental protection as a new rule of the game in the world economic arena. With increasing economic regionalism, tariff barriers to trade are gradually withdrawn, and the new non-tariff barriers to trade, particularly those related to the environment are on the increase. It is not only prudence, but also far-sightedness on the part of the business community to recognize this trend and to get themselves in the position where they can protect their enterprises from adverse international conditions and to seize the first opportunity available.

Environmental clean-up is not just a cost of doing business, but can become a very definite source of preparing for a new competitive stance in the emerging international trade regime where environmental concerns play a large role in determining trade flow as well as ensure long term development.

In Thailand, I have set up an instrument in the form of an Environment Fund to help support business enterprises to shift their production processes to meet the new environmental standards. This is one area where the public and private sectors can work together for mutual benefit.

On the other hand, we have accorded a high priority to improving quality of life of our populace by emphasizing a cleaner environment through the introduction of unleaded gasoline, which has proved to be popular, as well as tightening the vehicle inspection system among other efforts. Along this line, we also aim to tackle water pollution by installing sewerage and waste water treatment systems in major cities all over the country. Furthermore, for industrial waste, the government has initiated centralized treatment plants in the industrial cities in the suburbs of Bangkok. Hazardous waste treatment plants will be set up in the near future in provinces surrounding Bangkok to serve the growing needs of the rapidly expanding industrial sector.

All this together will require an enormous amount of investment since the waste water treatment system in Bangkok alone will cost about 30 billion Baht, or 1.2 billion US Dollars. Needless to say, all these efforts will generate a lot of opportunities for the business community both in Thailand and abroad. In order to ensure clean air in major cities, one needs catalytic converters in vehicles. To ensure clean water, all sorts of treatment and facilities will be required. All of the above have already been decided upon and a timeframe for implementation has already been established. Therefore, we can look forward to an improved quality of life with a better environment, and where the business sector will also have opportunity to expand operations and render services.

It would be a lop-sided view to state only the benefit side since opportunities should also entail responsibilities. To be able to reap gains from business activities, one must be prepared to meet the cost of cleaning up the environment. With better environmental conditions, we will be more assured of sustainable development, which ultimately will be beneficial to all parties concerned including those who shoulder the initial costs of environmental correction in the first place.

In this regard, the private sector is in a strong position to develop corporate social responsibility on a wide range of environment and development issues. Business and industry are equipped with the means, expertise and funds to tackle degradation and resource depletion. They also command a powerful position from which to develop international awareness of the precious nature of environmental protection. Business has a moral responsibility to engage in genuine participation with all sectors of society to overcome common environmental threats rather than focus purely on public relations, image building and periodic donations. The business sector also faces another challenge about how to avoid conflicts with activist groups and non-governmental organizations in the environmental field as they carry out their business operations. Failure to forge a harmonious working relationship between the business community and these latter groups could potentially hinder the private sector's capability to foster national economic and social development. To assist the business sector to cope with the responsibility, the government has established an environment fund providing soft loans to the business sector to help facilitate the cleaning up process in view that pollution is a form of social cost and society has to share the burden together.

The measures I have described are direct actions aimed at tackling immediate needs concerning environmental protection. For the longer term, we are on the verge of setting up a new system of environmental management. A draft National Environmental Act is currently being considered by the National Legislative Assembly and should become law in less than two months. Under this new law, the environmental management system will be elevated to the level at par with the economic development system of the country. The Board governing environmental management will be elevated to the sub-cabinet level chaired by the Prime Minister, with relevant ministers as members. Thus environmental management will have unity of command and have greater effectiveness. Particularly important is the restructuring of the environmental agencies to ensure that they will have the authority in the planning, management, and supervision concerning environmental protection. These agencies will not only be entrusted with the power to penalize violators, but they will also have "power of the purse" to encourage entrepreneurs and the people to help protect the environment. These new powers and functions of the environmental agencies are unprecedented in the Thai history of environmental management.

Under the passage of this new law, another major objective is to fundamentally change the role of the government from being primarily a regulator and controller of development activities to one of a supporter and facilitator of development. It also lays down the foundation for concerted efforts on the part of the government, the business community and the non-governmental organizations to deal with environmental issues.

At the same time, public awareness must be heightened as the population at large also have a major role to play in environmental protection.

Mr. Chairman, Ladies and Gentlemen,

As we confront environmental problems at home, we are aware that they are also part of the global environmental picture, such as world climate change and the loss of biodiversity. I believe that the threats to the environment require the concerted effort of all people. If we are to have any hope of achieving our goal of sustainable development we need to act together as a unified force in order to succeed. We in Thailand intend to play our part and live up to our responsibility.

Let me cite just some examples in this regard. The Thai government has decided to discourage the Thai private sector from carrying out logging activities in neighbouring countries to export to third countries. Within Thailand we have also taken a radical step to ban all logging activities to protect the remaining tropical rain forests, as well as embarked upon a massive reforestation programme. The new Wildlife Conservation Act has recently been promulgated which prohibits import, export and ownership of foreign species of endangered wild flora and fauna.

Furthermore, in realizing that a growing energy requirement could increase our contribution to world climate change, Thailand has integrated energy efficiency into its power system planning process. The scheme, based on a demand side management plan, will ensure more appropriate pricing of electricity and will provide financial incentives to encourage energy efficiency in commercial, industrial and residential sectors. Analysis indicates that the scheme has the capacity to reduce the expected growth in national generating capacity by as much as a quarter during the next decade and reduce the projected rise in carbon dioxide by nearly 20 percent.

All of these efforts should reflect the willingness of Thailand to contribute to the international effort to safeguard global biodiversity. We are ready to work with countries, firms, non-governmental organizations, and individuals to make the world a better place to live in. In order to address the range of global problems, Tháiland is ready to play a full and constructive role at the upcoming United Nations Conference on Environment and Development. We believe the meeting must be action-oriented and should set down specific plans with realistic time tables and adequate resources.

The challenge to the business community in the 1990's entails the adaptation of production processes to meet new standards, reduction of wastes, and avoidance of penalties. The private sector is in a strong position to work closely with the government to overcome common environmental threats, as well as to take a forward looking step in expanding business into areas concerning environment. I believe it is time for the private sector to change course and to adopt a more aggressive stance towards environmental issues aiming to bring about a cleaner environment which is fundamental to sustainable development. It is clear that our long-term growth is compatible with the needs of our environment.

While we are paying greater attention to environmental protection efforts, we should strive to ensure growth which serves as a driving force for social and economic well-being without destroying our physical resources and environment. Thailand's economic performance and growth in the 1980's places us in a strong position to act on the rhetoric of sustainable development in the 1990's. Few developing countries are in such a privileged position. I am pleased to tell you that efforts to deregulate and further liberalize the Thai economy have progressed well during this administration and those factors which could act as a brake on our economic growth, such as infrastructural bottlenecks, shortages of trained manpower in key sectors and early indications of over-heating of the economy, are being addressed. In order to safeguard long term prosperity, we have to restore the environmental health of the country.

I believe that actions speak louder than words and for this reason I would like to invite all the business leaders to work with us to overcome environmental threats and to achieve sustained prosperity. In Thailand, the business community is invited to take the leading role in promoting sustainable development with the support and partnership from the government. Furthermore,

I also look forward to more participation from the international business community in this endeavour. I hope that this unique gathering of business leaders and environmental experts is just the prelude to the concerted effort to solve the environmental threats facing the world.

I am confident that with your diverse backgrounds and experiences, the conclusions reached . y this conference will lead to a practical and imaginative framework to enable business enterprises and environmental preservation activities to coexist and prosper together.

I wish this conference every success and hope that during your next two days of deliberations you will come up with innovative ideas and new approaches in dealing with our common challenge of the 1990's.

Thank you.