Keynote Address by Mr. Anand Panyarachun Executive Chairman of Saha-Union Corp., Ltd. on "The United States and Asia; Changing Perceptions" Hilton Hotel, Bangkok July 11, 1985

Asia, in its historical past, was often perceived by the United States as a land of mystery and inscrutability, while the United States in turn was invariably perceived as a new world and a land of hope and opportunities. These historical perceptions still hold true to a certain extent, but new factors – political, security and economic, have come into play and have gradually and perceptibly altered the thinking on both sides of the Pacific.

The immediate post World War II period and the entire Fifties and Sixties were a straightforward scenario – the good guys versus the bad guys, good versus evil, democracy versus communism, allies against foes. In a way, it was a simplistic attitude and concept.

The United States was regarded as an omnipotent, omnipresent and omniscient power. Their stance in the Korean peninsular confirmed this impression. Those Asian countries that felt threatened by the aggressive communist forces gravitated towards the American orbit. Their natural fear, fueled by the American evangelical zeal and single-minded purpose, governed their policies and actions which appeared to be subservient to the leader of the Free World, so much so that the unequal partnership was seen as a patron-client relationship.

At the same time, the Asian communists, inspired by their own intense nationalism and ideology and fortified and supported by their allies and friends in the Third World, engaged in a war of attrition. They proved to be invincible on the battle-field and so adept in turning around the public opinion in the United States. Eventually, Asian allies of the United States were portrayed as corrupt and decadent military oligarchies who were more interested in preserving their privileged status rather than defending their homeland and national interests.

The seventies turned out to be the watershed period, beginning with the seating of the People's Republic of China in the United Nations in 1971. The United States' military withdrawal from Southeast Asia, culminating in the communist victory by default in South Vietnam and subsequent communist dominance in Laos and Kampuchea, the emergence of the revitalised ASEAN, the growing economic power and stability of the Asian newly-industrialized countries (NICs), the Vietnamese invasion of Kampuchea, China's moderating role and stabilizing factor in the maintenance of peace and security in the region, incipient formation of triangular strategic cooperation between China, Japan and the United States all contributed to the fundamental changes of the geopolitical picture of Pacific Asia.

China is no longer seen as an Asian bully. The United States retreats from its "world policeman" role. Japan is showing signs of readiness to assume its proper role as a responsible major Asian power, both in economic and political-security areas. NICs are fast catching up with Japan in their pursuit of economic goals. The Korean situation, in spite of occasional erratic and violent manifestations of North Korea, remains relatively calm – particularly in view of the apparent desire of China, Japan, the Soviet Union and the United States to maintain the present uneasy truce and even to work for the reduction of tension and eventual normalization. The successful outcome of the latest round of the Red-Cross talks between the two Koreans should, however, be balanced by the North Korean's recent pro-Soviet tilt.

The ASEAN political harmony and cohesion have also been important factors not only in regional politics but also in the international arena. The national and regional resiliency of the ASEAN nations, buttressed by their fast-growing economies and political maturity, help to strengthen their self-confidence in dealing with their adversaries. That Asia-Pacific is the fastest growing region in the world is generally recognized, and the world's attention is focussed on this area as a landmark for the Pacific Century.

The United States, stunned by its dismal failure in Vietnam, disparaged by its allies, disenchanted with Southeast Asia and facing its own internal trauma was, in the Seventies, turning its back on Asia. That was not for long. Common sense finally prevailed and the United States was determined to play a constructive and more realistic role in Asia. Learning from past lessons, the United States appears to tread more cautiously. Knowing its limitations, it is no longer acting like a bull charging into a China shop, upsetting everything. While it is prepared to counter the growing Soviet military presence in the area with its military might, the United States is also espousing a more balanced perception of its own and its allies' strategic interests and is more inclined to use diplomatic and economic tools to attain its objectives. The Vietnam syndrome is still there, but it is no longer one which exclusively dictates the United States' policy in this region.

The United States, having adjusted its role in Asia and being more conscious of the limitations of its power and resources, is now inclined to adopt a more realistic, balanced and multi-faceted policy. The Asian nations, in particular the ASEAN countries, have also broadened their perceptions of national security and well being. Their perspectives of the regional scene take on a longer-term character. Their close and cordial relations with the United States are no more focussed only on security issues. They indeed have expanded into the vital areas of trade, investment economics, and science and technology. The cooperative spirit, long cherished by both sides, is still the order of the day. But inevitably, frictions and disagreements do set in, especially in the trade and related fields. That is, however, not a discouraging sign, but a mere reflection of an increasingly multi-dimensional relationship. Indeed, the present intercourse is healthier and the relations become more mature and substantive. The dialogue has become relatively a two-sided affair.

At the same time, the United States, burdened by the huge trade and budget deficits, the over-valued dollar and Japan's closed economy, is starting to behave in a defensive and short-sighted manner. Its strong protectionist mood and a series of restrictive measures relating to some export products of developing countries in Asia severely undermine its traditional role and image as champion of free trade. Declarations by the President and statements by Cabinet members begin to sound unconvincing. The draft on Textile and Apparel Act 1985, or the so-called Jenkins Bill, sponsored by a substantial number of Senators and Congressmen and wisely opposed by the Administration, threatens to disrupt international trade in textiles and gravely endangers the economies of so many Asian nations.

Such actions, actual or contemplated, have added new sources of tension to American-Asian relations and partnership. Its use of power is put to question – whether it has displayed its preference for short-term gains over long-term interests. Whereas the United States was once seen, unfairly in my view, as a failure in its use of military power in Southeast Asia, let us hope that in its wisdom it will not be perceived once again as a failure in the indiscriminate use of its economic power. Whether such perception by Asians is fair or not is debatable but for practical purposes it is irrelevant for our present exercise.