

Government-Business Relations in Thailand*

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In the evolution of political systems few changes are more important than the shifting relationships between governing authorities and the business community. The emergence of trading and manufacturing sectors has stimulated gradual but usually profound transformations in political structure and norms everywhere. This process of change is irregular, and only occasionally is it so intense and visible that, without benefit of decades or centuries of historical perspective, one can venture an analysis of a transition in progress.

We think that Thailand is experiencing such a transition. Thai culture has not accorded much value to commercial activity; and the "foreign elements" who have dominated most businesses have been suspected, regulated, and sometimes intimidated by successive generations of Thai political elites.¹ But the business community also has been tolerated, for their value in a society at least partially committed to modernization is indisputable. In recent decades an uneasy partnership has developed between public authority and industry. Some such relationship is common to all systems with private economic sectors, although, at least among the nations of Southeast Asia, the interplay between the state-business relationship on the one hand and the demands of maintaining national independence throughout the nineteenth and twentieth centuries on the other has made Thai history in this regard somewhat unique.

Tradition and Contemporary Constraints on Economic Enterprise

A principal source of continuity in Thai political and social life has been the stability of monarchical traditions and power. The political intervention of the military since 1932 has added important elements to the system of governance, but it has by no means replaced completely the role of the king. In particular, relations between government and business have retained many of the features of the regal economy.

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The most important characteristic of the traditional monarch was his omnipotence. Believed by his subjects to be capable of manipulating, say, the weather, he was expected to behave arbitrarily and aggressively. Legends and impressions about tyrannical actions exaggerated the frequency and extent of such behavior. But there can be no doubt that the monarchy was not engaged in seeking popular support; it was supported, more than adequately, by the tenets of early Buddhism.

Kingship was regarded as an institution vital to orderly human life and to the promotion of religious virtues. Early Buddhist texts justified the concentration of power in the king as an appropriate remedy or counterpoint to the development of excessive material want in humans. The monarch was accorded five sources of power by such early texts as the *Tesakuna Jataka*: arms, wealth, ministers, high birth, and intellect. Although the exercise of kingly prerogatives was supposed to be restrained by moral considerations less forcefully set forth in these same texts, the ultimate test of good kingship was mobilization and maintenance of power.

After the fourteenth century, Hindu cosmological principles assumed increasing prominence in the government of Thailand. The effect of this influence was not so much transforming as elaborating. And, at the same time but even more gradually, the economy grew more complex and diverse. Agriculture remained the dominant economic sector by far, and the monarchy had to address itself to peasant labor (*corvée*), military service, and taxation of agricultural production. Proliferating commercial roles likewise attracted the attention of the government, however. It may be less insightful to say that regulation of commerce and industry provided opportunities for acquisition of additional taxes than to observe that the king's dignity absolutely required that he, through his agents, be in command of the kingdom's resources and wealth. Since the king was truly the *Phra Chao Phaendin* (Lord of the Land), the *Chao Chiwit* (Lord of Life), business enterprise was conducted at his sufferance.

The case might be stated more strongly, in terms of a government-business partnership. This would be misleading, however, for it would obscure the pronounced antipathy of the Thai elite for entrepreneurial activity of any sort. The princes and nobles in the service of the king did not hesitate to extend their *kin muang* ("eating the town") style of aggressive taxation to artisans, manufacturers, merchants, and traders. A pattern of patron-client relationships already characteristic of the agrarian sector was adapted with little difficulty to the business community. In fact, the successful regulation of and extraction of wealth from business interests probably was essential to the survival of the Thai kingdom in an era when occasional mobilization of massive labor pools and armies was no longer sufficient evidence of the mythical (and thus necessary) concentration of power.⁸

For reasons of traditional value orientations, however, direct participation in business organizations and roles—as working “partners”, for example—repulsed all but a small fraction of indigenous people. For centuries the need for commercial intermediaries between the officials of the court and the peasantry was filled instead by mercantile Chinese. Even in foreign trade, dominated by royal monopolies beginning in the seventeenth century and thus an area in which the king’s control was most direct, most functionaries, including accountants, warehousemen, maritime and customs officials, and royal agents, were Chinese.³ These persons were tied especially closely to the monarch; but the entire immigrant Chinese community, in the absence of any significant support from their homeland, was totally dependent upon the Thai court not only for business opportunities but also for whatever legitimacy and prestige the court might confer upon them.

The relationship was one of obvious mutual benefits, and if the kingdom did not flourish it survived, alone among the states of the region, as an independent nation. By most indicators its economic performance has been superior to the Southeast Asian norm. The vitality of the Chinese business community has been manifest. Moreover, assimilation of the Chinese population into Thai society and culture has progressed further than in any other state in Asia;⁴ the vast majority of the country’s overseas Chinese are Thai citizens. Nevertheless, the large Chinese presence in general (at least 10 percent of the population of Thailand are persons of Chinese descent) and Chinese domination of business in particular are sources of deep and persistent tension in Thai social and political life.

The fact that King Wachirawut, like all other Thai monarchs, financed his government partly with moneys obtained from taxing the Chinese, for example, did not prevent him from writing in 1914 a tract criticizing the Chinese and labeling them “The Jews of the East.”⁵ Although Chinese businessmen could be incorporated into the patron–client framework, the quality of their relationship with Thai officials, always colored by a traditional perception of the Chinese as sojourners, was adversely affected by a number of factors. Legislation restricting Chinese rights to citizenship was one early twentieth century response to accelerated immigration which included, for the first time, substantial numbers of Chinese women. Development of a more extensive network of purely Chinese social institutions and of Chinese nationalism reversed the trend assimilation, and official discrimination crept into the mainstream of Thai policy toward the overseas Chinese.

One component of this policy was the restriction of immigration, first, indirectly, through an annual alien resident tax, a measure later augmented by direct quotas which terminated mass immigration as of 1950. Chinese schools were regulated increasingly strictly, and many were eventually closed down. In the late 1930’s the government began to reserve certain professions and businesses, including

rice-milling, salt and tobacco production, hog butchering, liquid fuel distribution, mining, and some retail trade activities, to Thai citizens only. Chinese aliens were prohibited from buying land and, during World War II, from residing in areas which the government regarded as strategic. In 1939 the fifth Rattthaniyom (Cultural Mandate of the State) called on Thai citizens to eat only Thai food derived from Thai produce by Thai manufacturers, to wear cloth manufactured by Thai enterprises, and to assist one another in entering trade and industry.⁶

Such measures were based on nationality and thus did not, in principle, affect local-born Chinese. The latter were shocked by the trend toward more severe discrimination, however, and they rallied in support of the Chinese community. The tension was aggravated by the Thai perception of China as a potentially threatening source of political, economic, and military aggression, and during World War II, by the Chinese perception of Thailand as ally, however passive, of the marauding Japanese. The subsequent assumption of power in China by the Chinese Communist Party assured that international considerations would continue to influence Thai attitudes toward and treatment of persons of Chinese descent.

One common explanation for anti-Chinese sentiment is Thai resentment of the economic success of the Chinese. But, as the record of official discrimination suggests, the role of the Chinese in trade and industry is limited by their potential vulnerability. If this means that the position of the Chinese business community is precarious, that fact in turn has implications for the stability of Thailand's economy. Although no long-term resolution of this uncertainty is in sight, the Chinese and Thai elites have shaped a *modus vivendi* which creates a measure of shared interest between them. This arrangement, not uncommon in Southeast Asian states, involves various forms of partnerships allowing a division of corporate roles in which Thai politicians and military officers occupy directorships and other more or less titular roles and Chinese individuals perform the managerial and technical functions. In reality such firms are organized and operated by Chinese entrepreneurs, and the Thai officials whose participation is solicited become patrons who protect the business in exchange for economic benefits. Their association with a type of work which is disvalued by their own culture is offset by widespread recognition of the symbolic nature of their role plus the patriotic appeal of Thai-ification of the economy.

The official status or connections of most of the Thai partners in these arrangements provide the business community with a channel for influencing government policies. Until recently, it has been a highly personalistic and particularistic mode of influence, however, a process with little predictability. Merchants and manufacturers who do attain influence within this context are likely to seek mainly to maintain the system and to ally themselves to defend their own position

rather than to pursue equitable reform which would rationalize relations between business and government. Although ethnic antagonism has been a factor in shaping this system, the traditional stigma attached to non-agrarian economic activity also has contributed.

The other relevant historical influence has been the interrelationship between Thai national security and the import-export orientation of the private sector. The combination of diplomatic/military insecurity and extensive participation in international trade has provided a powerful incentive for government concern about if not control of business. Insofar as these are matters of foreign relations, the political approach adopted by Thai regimes of the past 10 or 15 years has emphasized regionalism; and this emphasis is stimulating fundamental changes in the relationship between government and large-scale private enterprise.

ASEAN and the Regularization of Political Participation by Business Leaders

When Thailand joined with Indonesia, Malaysia, the Philippines, and Singapore to establish in 1967 the Association of Southeast Asian Nations, there was little reason to expect that this organization would achieve any greater significance than the attempts at regionalism, particularly the Association of Southeast Asia (ASA), which had preceded it. The war in Indochina was creating massive destruction and uncertainty, and the aggressive involvement of powerful external forces, not only in Vietnam but throughout the region, threatened to divert any indigenous attempt to make political and economic processes more orderly and responsive. In addition, the region had experienced an abundance of inter-state rivalries which might re-ignite from time to time regardless of intrusion by outside powers. As for economic incentives for regional cooperation, any number of pessimistic observers noted that the separate economies of the Southeast Asian nations were more redundant than complementary and thus provided little basis for cooperation based on exchange.

Perhaps the most positive factor in sight at the time of the founding of ASEAN—in addition to a shared sense of desperation—was a recent history of regional diplomatic activism. ASA, formed in 1961 by Thailand, Malaysia, and the Philippines, encompassed only a fraction of the diplomatic and cultural interaction among Southeast Asian political elites. Not all of this activity, the most dramatic early instance of which probably was President Sukarno's hosting of the Bandung Conference in Indonesia in 1955, was necessarily productive. But it did set a tone and style favorable to regionalism; extensive consultation among Southeast Asian leaders became the norm. Even for many of those not included in the most elite segments of Southeast Asian political systems, such as journalists, students, accomplished artists and performers, etc., the potential for (if not the realization

of) visits to other nations in the region and participation in regional organizations and meetings encouraged awareness of the region and of possible intraregional activities. Although the motives, both national and individual, for participation in regional endeavors probably have involved a heavy dose of self-interest, any very strong and possibly disruptive urges of this sort surely have been blunted by a growing realization that regional cooperation is a gradual, long-term process. In fact, a striking feature of rhetoric and analysis relating to ASEAN has been the emphasis on patience and care in developing styles and formats which will serve the purpose of regionalism over a necessarily sustained period of time.

At the center of the effort to avoid raising hopes for dramatic breakthroughs in the near future and to build a more substantial and adaptable organization for the future has been the steady proliferation of ASEAN structure and ASEAN-related organizations. Of the several economic organizations, one, the ASEAN Chamber of Commerce and Industry, is particularly important in this study because it addresses so directly the matter of coordination and articulation between public and private sectors in the five member countries. In the case of Thailand, at least ASEAN-CCI, in combination with a strong commitment to ASEAN in Thai foreign policy, appears to have stimulated significant participation by business and manufacturing interests in national policy processes.

ASEAN-CCI was created in 1971 with the expressed objective of involving the private sectors in regional economic cooperation. Initially this structural appendage was more or less obscured by more primary components of ASEAN, such as annual meetings of foreign ministers, burgeoning permanent and ad hoc committees, a national secretariat to facilitate ASEAN relations within each nation, and, more recently, an ASEAN Central Secretariat located in Jakarta. Nevertheless, the ASEAN-CCI received clear and explicit support from the foreign ministers as early as 1969. Among the recommendations approved by the Third ASEAN Ministerial Meeting, held in that year in Malaysia, numbers 10 and 11 state, respectively:

That the views and cooperation of the private sector be sought by the government of each ASEAN member country in the formulation of policies and the deliberations on matters affecting their interests.

That the private sector be encouraged to greater participation in ASEAN countries' activities in the fields of commerce and industry.⁷

In the context of Thai policies and economics, this approach, to the extent that it might actually be realized, would represent a departure from the historical pattern of inconstant government regulation and intermittent intimidation of business. In this traditional pattern, as we have seen, traders and manufacturers,

most of whom were and are non-ethnic Thai, could attempt to influence government policy only separately, not in concert, and only through well-placed patrons upon whom they were highly dependent. Moreover, as we have noted, the good will and influence of these patrons were likely to be sporadic and limited. Now ASEAN was urging better communication between business and government, with an emphasis on recommendations and advice from the former to the latter. ASEAN-CCI was to be the regional organization which would facilitate and guide the formalization of private-to-public influence.

Initially, Thai commercial attaches in the countries hosting ASEAN-CCI meetings were asked to represent the Thai Chamber of Commerce at those meetings.⁸ Subsequently, when the Thai Chamber of Commerce and Industry directly participated in an ASEAN-CCI meeting in July, 1975, they found themselves far behind other national private sector delegations in terms of organization and coordination. The report prepared by a member of the Thai CCI who attended the ASEAN-CCI meeting in Kuala Lumpur in July, 1975, observed that; (a) the business communities in other member countries fully supported the ASEAN-CCI scheme and were well represented at the meeting. There were altogether 124 delegates from five ASEAN nations, 21 delegates from Indonesia, 22 delegates from the Philippines, 14 delegates from Singapore, 60 delegates from Malaysia, and only 7 delegates from Thailand. Of the Thai delegation, two were from the Thai Chamber of Commerce, one was from the Thai Jute Association, and four were from the Association of Thai Industries; (b) the other ASEAN nations had special agencies (national ASEAN-CCIs) which received active support from their governments and which were fully prepared for the meeting; (c) each member country had its own central organization, which represented that nation's business associations at the meetings of the ASEAN-CCI.⁹

Taking note of this late start on the part of the Thai-CCI the secretary of the Thai delegation issued a report urging all Thai business associations to create and unite under a central organization that would have the same function with regard to ASEAN as other national Chambers of Commerce and Industry. At the same time the report also urged all concerned governmental organizations to join in the national CCI's efforts, insisting that better coordination between the public sector and the private sector was needed in order to bring about concerted policies. Representatives of both private and public organizations then met to assess these recommendations, and in August, 1975, representatives from the Thai Chamber of Commerce, the Association of Thai Industries, the Ministry of Foreign Affairs, the Ministry of Industry, and the Board of Investment Promotion agreed to set up a Coordination Center for the ASEAN-CCI of Thailand.¹⁰

This Coordination Center represented a significant structural innovation for the organization of Thai private sector economic activities. Their experience in ASEAN meetings obviously had convinced Thai economic groups of the desirability of a centralized national organization of business associations. The Coordination Center, referred to hereafter as the Thai ASEAN-CCI, was created to perform several functions, including (1) coordination of commercially relevant activities of the Ministry of Foreign Affairs, the Thai-CCI, and other concerned organizations; (2) collection of information concerning ASEAN for both the public and private sectors, and provision of information and other assistance to Thai delegations or study groups or working groups of the ASEAN-CCI; (3) maintenance of contact with other national ASEAN-CCI organizations; (4) transmission of results of ASEAN-CCI meetings to the Office of the Director General, ASEAN - Thailand in the Ministry of Foreign Affairs; and (5) dissemination of news of ASEAN-CCI meetings.¹¹

The Thai Chamber of Commerce and the Association of Thai Industries jointly agreed to meet expenses incurred by the Thai ASEAN-CCI; and, in fact, the collaboration of these two economic groups was to be essential to all activities of the ASEAN-CCI. Working groups were set up to prepare documents and reports for the government and for the delegates attending the meetings of the ASEAN-CCI. Duties were assigned to the principal officers of each organization and their active members according to the expertise of individual business groups. For example, the Thai Chamber of Commerce was given the duty of preparing documents and information in the areas of trade liberalization and shipping transportation; the Association of Thai Industries was to do the same for industrial complementation; and the Association of Thai Bankers was assigned similar responsibilities for matters related to finance.¹² In addition, representatives of the two major business groups began to meet periodically, particularly prior to ASEAN-CCI meetings, to consult about matters related to ASEAN.

Evidence on the Changing Role of Business in the Policy Process

The visibility and vigor of the Thai ASEAN-CCI suggests that at least the structural conditions for extensive participation by the business community in certain areas of economic policy-making have been enhanced. Whether similarly significant changes in attitude and behavior have occurred, whether the new role of business amounts to more than the cooptation of that sector, and whether policies affected by business participation are of very deep or lasting importance are questions worthy of further attention as the structures, mainly the Thai ASEAN-CCI, evolve. In developing insights about the direction of trends in the Thai policy process, however, we can go beyond inferences based on the existence of new agencies, channels of communication, and so forth. A number of recent foreign economic policy decisions provide evidence bearing more directly on the representation of Thai commercial and industrial interests.

Case No. 1 ASEAN-Australia trade cooperation.

In spite of years of high expectations in regard to the potential of Australia as a trading partner for the Southeast Asian nations, it was recognized by the early 1970, that little of this potential was being realized. Moreover, from the Southeast Asian perspective it was particularly disappointing that ASEAN countries' trade with Australia showed a growing collective deficit, from \$ 182.2 million in 1971 to \$ 519.8 million in 1975. As a shared problem having similar implications for the five ASEAN members, this was considered an appropriate issue for mutual deliberation and, possibly, collective action. For this purpose the ASEAN Permanent Committee on Commerce and Industry (PCCI) convened a meeting in March, 1976, of the newly-created Committee on ASEAN-Australian Trade Cooperation.¹³

Thai government officials decided that the Thai position at this meeting should be articulated by representatives of the private sector. Whatever the reasoning and motivation behind this decision, it resulted in the designation of the Shippers' Committee of the Board of Trade of Thailand as the body responsible for Thailand's participation. As nearly as can be determined, the Shippers' Committee included, in addition to representatives of the Board of Trade, representatives from the Rice Exporters Association, Timber Exporters Association, Thai Rubber Traders Association, Thai Lac Association, and Thai Tapioca Trade Association.¹⁴

The Shippers' Committee developed a memorandum which addressed problems of trade with Australia and advanced proposals for increasing Thai and ASEAN exports to Australia. At a meeting in March, 1976, in Bangkok, this memorandum served as the basis for Thai contributions to the exchange of views among ASEAN representatives. Among the issues with which it dealt were Australia's exceptionally high tariff rates on labor-intensive light industrial goods; trends toward similarly protective policies for Australia's electronics, tire and rubber, footwear, yarn textile, and apparel industries; and health regulations, licensing, and outright prohibitions affecting Australian imports of such items as logs and wood products, foods and drinks, drugs, textiles, jewelry, sanitaryware, and electrical appliances. In addition, the memorandum cited high and increasing freight rates, inadequate shipping schedules, and rigid regulations. A wide range of measures which would ameliorate these and other problems was proposed.

The meeting established a working committee and directed it to consolidate the proceedings into a joint ASEAN memorandum. This document, which was completed and transmitted to Australian officials in November, 1976, incorporated many of the arguments made in the original Thai memorandum. Australian authorities subsequently notified the PCCI of ASEAN in July, 1977, that they would host an unofficial meeting between ASEAN and Australian representatives in Canberra in order to discuss topics raised by the joint ASEAN memorandum.¹⁵

In this instance the Thai government appears to have given private sector representatives a fairly free hand in pressing for improvements in trade relationships with Australia. Indeed, the government relied heavily upon the knowledge and experience which commercial and industrial agents were able to bring to these discussions; and by seizing the opportunity energetically and effectively the business groups involved attempted to influence directly the expansion of an important foreign market for Thai products.

Case No. 2 Federation of ASEAN Shippers' Councils

Although the Thai government has been promoting and expanding the Thai commercial fleet, Thailand's international trade remains largely dependent on foreign shipowners and operators.¹⁶ Shipping services are infrequent and irregular, and the high freight rates of the shipping conferences have caused great concern to both the government and the private sector. Since Thailand's international trade is almost totally dependent on trans-oceanic shipment, the concern extends to problems of economic development and growth in general. From the point of view of more particular business interests shipping is similarly worrisome because supply of products to foreign consumer markets must be kept competitive as well as uninterrupted.

The idea of a Thai Shippers' Council (TSC) emerged from the Second Conference of the Committee on Sea Transportation at Geneva in 1967, which advised attending governments to organize such shippers' councils. The Thai Ministry of Economic Affairs (later to become the Ministry of Commerce) proposed the creation of a Thai Shippers' Council to the Prime Minister who then ordered, in June, 1967, that the Ministries of Communication and Economic Affairs together with the Committee on Exports Promotion and the Port Authority of Thailand consider this matter. Subsequently it was recommended by these governmental agencies that a Thai Shippers' Council should be organized as an independent entity and should be under the management of the Board of Trade of Thailand with the cooperation of various trade associations. The government would assume a supportive role during the formation of this Council. This recommendation was approved by the Thai Cabinet in April, 1969, and the Thai Shippers' Council eventually was created in June, 1975.

As the shipping cartels continued to increase their freight rates, ASEAN members became more aggravated and organized for the purpose of more concerted action. In 1974 and 1975, in particular, conferences among ASEAN Shippers' Councils were held in Manila, Singapore, and Kuala Lumpur to consolidate and strengthen the ASEAN position of opposition to the rate hikes of the shipping conferences. The results, though not entirely satisfactory to all ASEAN members, were encouraging. For example, when the Far East Freight Conference (FEFC)

announced a 26 percent general increase in freight rates, the National Shippers' Councils of ASEAN agreed to oppose the move and succeeded in obtaining a reduction of that increase to 18 percent and in postponing the effective date from December 1, 1974, to January 1, 1975.

These conferences also produced a resolution to set up the Federation of ASEAN Shippers' Councils (FASC) which was established on October 5, 1975. Although the FASC is a non-governmental organization consisting of ASEAN national shippers' councils as regular members and similar councils of other Asian and Australasian countries as associate members, it received encouragement and support from ASEAN governments, especially in its action against the freight rate hike of the FEFC. For instance, realizing the adverse effects to the economy of ASEAN countries of the continuing increases in freight rates imposed by the Shipping Conferences, the Ninth ASEAN Ministerial Meeting urged the FASC to continue undertaking measures to combat such increases.¹⁷ At the ASEAN-CCI meeting of July, 1975, the leader of the Thai ASEAN-CCI denounced continuing increases in the rates of freight as obstacles to ASEAN economic growth. He characterized the actions taken by the FEFC as selfish and insensitive to the needs of the economies of developing countries in this region.

Eight months following the 18 percent increase mentioned earlier the FEFC, in a letter to the Chairman of the FASC, announced yet another 14 percent general increase of freight rates. The shock of this new round of increases prompted members of the FASC to meet with the FEFC representatives concerning the FEFC-proposed rate increase in September and October, 1975. All ASEAN National Shippers' Councils adopted a common stand against the proposed increase,¹⁸ and, in addition, the Thai Shippers' Council adopted a resolution supporting the FASC and its member councils in opposing any increase whatsoever in freight rates proposed by the FEFC. It argued that (1) since there is a general decline in the price of primary commodities, including natural rubber in particular, and (2) a serious decline in export and foreign exchange earnings of ASEAN member countries and countries in Asia as a whole, (3) plus the fact that the Straits/New York Conference and other Atlantic Conferences or lines had recently lowered their rates, the FEFC should instead reduce its freight rates to bring them in line with existing world economic realities.

As a result of this strong protest by the FASC, the FEFC agreed to revise its original proposal by postponing the rate increase for 45 days, from January 1 to February 16, 1976, deferring introduction of a terminal handling charge, and separating the Suez surcharge from the base rate, as requested by the FASC. However, because the FEFC insisted on retaining the level of the increase at 14 percent, the FASC reacted with continuing opposition. Its argument was based on the world economic recession that already had grave effects on ASEAN shippers

and on the national economies of ASEAN members. In addition, it claimed that data and information submitted by the FEFC to justify its rate increase were inadequate. The FASC then proposed to the FEFC that an independent accountant be appointed by the FASC to assess the system and methods used by the FEFC's independent accountant (T. McLintock & Company) in compiling the Conference's "Summary of Cost Increases," discuss with T. McLintock & Co. the Conference's data in the 'Summary of Cost Increases', and report to the FASC within two months after discussions began with T. McLintock & Co. It was argued that further discussion on the rate increase should be deferred until the second half of January, 1976, after receipt of the report of the FASC's independent accountant, and that the rate standstill period should be extended from 12 to 15 months, with notice of a general rate increase to be given six months ahead of the proposed effective date.¹⁹

As a consequence of these proposals the Conference agreed again to postpone the effective date to March 15, 1976. It also agreed to reduce the size of the increase from 14 percent to 13.5 percent, despite its claim that this figure was below the inflation-driven cost index. With respect to shipment of rubber the Conference reduced the rate increase from 14 percent to 12 percent with the effective date changed from March 15, 1976, to September 14, 1976. In addition, it also agreed to the request of the FASC to appoint an independent accounting firm acceptable to the Conference to meet with T. McLintock & Company, the Conference's accounting firm.

Meanwhile, longer range approaches to shipping problems have been coordinated by the FASC. Freight studies and research on shipping matters have been carried out by member councils, particularly on calculation of ocean freight costs. Bilateral shipping arrangements which could eventually lead to the formation of an ASEAN-based and ASEAN-controlled shipping conference were put in motion by some national shipping associations. ASEAN shipowners held their first meeting in November, 1975, and later an ASEAN Shipowners' Association was organized for close cooperation among ASEAN national shipping lines for the benefit of ASEAN shippers. The ASEAN governments also joined in buttressing the FASC's position by forming an ASEAN Port Authorities in September, 1975, to promote more efficient cargo handling and lower shippers' expenses in ASEAN ports, and by issuing a statement through the PCCI disagreeing with the FEFC's freight rate increase and supporting the FASC's opposition to such rate increases.²⁰

The cooperation among the FASC's members was impressive. Member councils shared information and provided guidance on shipping matters, particularly to those members whose countries were less experienced in dealing with international shipping. A case in point is the information furnished by the Philippines

Shippers' Council (PSC) to the Thai Shippers' Council (TSC). Information such as Presidential Decrees concerning Philippine shipping developments and mimeographed excerpts from *Fairplay International Shipping Weekly* and *World Shipping News* concerning Southeast Asian shipping and related developments was sent to the TSC for guidance in its efforts to get the Thai government to pass legislation that would be favorable to the interests of the TSC. The PSC specifically underscored the importance of (philippine) Presidential Decree Number 806, "Providing for Direct Incentives for the Development of Philippine Overseas Shipping," Section 2 (a), which states that Philippine flag vessels shall have shares at least equal to those of vessels of other countries in the carriage of international cargoes between the Philippines and any other country²¹ Consequently, the TSC and other business groups have been lobbying the Thai government to pass the draft legislation proposed by the TSC. This legislation, if passed, will set up a freight booking center which will reduce the future problems of freight rates and the lack of freighters by determining the freight rate for each type of product and by finding freighters for the cargo.²²

The problems posed by international shipping conferences, especially freight rate increases, have economic and political implications for both the private and public sectors in countries such as Thailand. The attempt to alleviate these problems has involved processes of institutional innovation and cooperation between the private and public sectors. First, creation of shippers' councils at the national level signaled recognition of the importance of shipping problems and also facilitated aggregation of private sector groups in order to deal directly with the source of the problem, the FEFC. Although the idea of creating a Thai Shippers' Council emerged at the government level in 1967, it was established only after external economic pressures, namely the rapid increases in freight rates during the mid-1970. The fact that the government delegated responsibility for the TSC to the private sector under the management of the Board of Trade of Thailand, comprised of various business organizations, suggests that the government was willing to accord a more influential role to the private sector. Second, the creation of national shippers' councils paved the way for the establishment of the FASC at the regional level. In addition, the ASEAN Port Authorities and the ASEAN Shipowner's Association were organized by the ASEAN governments and the private sectors, respectively, to protect and promote ASEAN shippers' interest.

In the area of shipping the development of organizations aimed at promoting the interests of Thai producers and traders thus has been relatively extensive. Once again, the institutional framework was encouraged by the Thai government mainly in response to trends and activities in other nations in the region. The pattern of increasing public-private interaction as concomitant with

the shift toward regionalism in economic and security strategy is the common element in these cases.

Case No. 3 ASEAN Industrial Complementation

The ASEAN industrial complementation scheme is based on the concept put forward by a United Nations Study Team in 1972 that larger combined markets for components and products would be advantageous to the establishment of industries which might not be successful if created for a local market. If one country has specialization or resources facilitating production of some part of a product while others may have skilled labor, expertise, existing facilities, or necessary materials to make other parts of that product, the product should, according to ASEAN industrial complementation, be made from components coming from two or more ASEAN countries. ASEAN industrial complementation thus would serve as a means to reduce or eliminate dependency on outside sources, compete with foreign producers of the same articles, develop and diversify various sectors of national industries vital to economic development and economic growth in the region. The rationale behind industrial complementation was officially accepted in April, 1973, by all ASEAN countries.²⁸

In October, 1973, the Fourth Meeting of the ASEAN Permanent Committee on Commerce and Industry (PCCI), held in Singapore, set up an ASEAN Working Group on Industrial Complementation (WGIC), and the Philippines hosted a planning and organizational meeting in August, 1974. Since this WGIC meeting was of direct interest to the Thai industrialists, the Thai government specifically invited the Association of Thai Industries to send its representatives to participate in the meeting as advisers to the Thai delegation. The Association of Thai Industries responded by sending General Pramarn Adireksarn, President of the Association, Mr. Thaworn Phornprapa, Vice President of the Association, and Dr. Pradisth Cheosakul, Technical Adviser to the Thai Asahi Caustic Soda Company, to participate in the meeting. The participation of Dr. Pradisth Cheosakul and General Pramarn Adireksarn was particularly significant. Dr. Pradisth is not only active in the Thai ASEAN-CCI as evidenced by his participation in various meetings of the ASEAN-CCI and the ASEAN-PCCI as well as in the preparation of many reports for both these units; he also is the technical adviser and the Executive Director of the Thai Asahi Caustic Soda Company which mines rock-salt and produces glass, caustic soda, hydrochloric acid, and chlorine in Thailand. General Pramarn is one of the major shareholders of both the Thai Asahi Caustic Soda Company and the Thai Glass Company, the sole glass distributor of the former.

The Thai proposal for a soda ash project, presented by government officials at the First WGIC Meeting, was a direct result of a report prepared for

them by Dr. Pradisth. The desire of the Association of Thai Industries, or more accurately of the Thai Asahi Caustic Soda Company, for expanding trade in the region and industrial development and investment is clearly expressed in the report of Dr. Padisth. The report projected the volume of domestic production and ASEAN consumption and export schedules as follows :

	1981	1982	1983	1984	1985
Soda Ash Production	216,000	324,000	432,000	432,000	432,000
Domestic Consumption	85,360	93,896	103,285	113,614	124,976
Exports	130,640	230,104	328,715	318,386	307,026
ASEAN Consumption	400,338	440,372	484,409	532,850	586,135

In addition, the report urged certain preferential trading arrangements : commitment by other ASEAN countries to purchase output of the ASEAN soda ash project, removal of tariffs on trade among ASEAN countries, protection against dumping by non-ASEAN producers, and granting of concessions to the joint product and by-products of rock salt and ammonium chloride which would be produced in large quantities if the project were chosen. In another report, again clearly reflecting the interest of the Thai Asahi Caustic Soda Company, Dr. Pradisth asserts that if the soda ash project were approved the company would be the largest producer of caustic soda, hydrochloric acid, and chlorine in Southeast Asia.²⁴ The soda ash project²⁵ subsequently was assigned to Thailand at the meeting of ASEAN Economic and Planning Ministers in 1976. Although it is too early to report on the success of the project, its conception and preparation provide the clearest evidence yet of the improving position of private enterprise vis-a-vis the Thai government.

Case No. 4 ASEAN Automotive Complementation

Another case, the ASEAN automotive complementation project, suggests that groups who foresee benefits from trade may now consider and seek appropriate government policy as a prerequisite to their participation in regional projects. Here again the government took the initiative by inviting private sector participation. In 1974, the Philippines Board of Investments had approved the proposal of Dana (Philippines), Inc., to manufacture automotive axles, conditioned on the manufacture of the housing in Thailand, the forged axle shaft and tubes in Malaysia, and the internal gears in the Philippines. The final assembly of the complete rear axle was to be carried out in each of the participating countries using the respective components produced in each country. In their attempt to initiate this ASEAN automotive complementation program, Dana, Inc., and the Philippine government invited the Thai government to participate. The Thai government then issued a letter to the President of the Association of Thai Industries requesting his opinion on this matter. The Association relayed the

message to two groups of its members who are concerned with automotive manufacture, namely owners of automotive assembly plants and automotive components manufacturers, for consideration and recommendation. The former group was optimistic and supported the idea in principle, but cautioned that the government should ensure that the Thai firms would not be placed at a disadvantage. However, since this ASEAN automotive complementation program was the first of its type, the assembly plant owners were willing to endorse the project in the expectation that any losses would be offset by future ASEAN automotive projects.

The components manufacturers presented a more elaborate view. The manufacture of automotive housings, they claimed, must depend on press forging and heat treatment machines and raw materials from foreign countries. Thailand has no plants that are prepared for such production, thus additional investment and technical know-how would be needed. However, the automotive components manufacturers advised that the necessary investment would not be forthcoming until the volume and type of production were known. Furthermore, the production of forged axle shafts and tubes uses similar facilities and techniques as production of housing; these three types of components thus should be manufactured from the same plant. This implies that if Thai companies were to produce automotive housing they should be allowed to produce forged axle shafts and tubes as well. In a less technical vein, components manufacturers also recommended that, to demonstrate Thailand's seriousness and capability to participate in this project, the government must take firm positions, participate more actively, and designate a group of responsible persons to represent Thailand in the pursuit of this matter. The automotive components manufacturers left little doubt that they saw themselves as the group most able to serve in the latter capacity.

The Association of Thai Industries subsequently forwarded the views of these two automotive groups and its own recommendations to the government. The Association was of the opinion that the proposed ASEAN automotive project had more merit than demerit and thus the government should support the project. The Ministry of Foreign Affairs then called for a meeting and consultation of concerned government agencies and the private sector. i.e., the Association of Thai Industries. At this meeting it was agreed that the ATI should prepare a report concerning the problems facing the automotive component industry. For this purpose The Association solicited the advice of automotive components manufacturers, and the manufacturers responded positively. Fourteen representatives from Thai Radiator Company, Ltd.; Dana Corporation; Thai Asahi Glass Company, Ltd.; Phol Thai Yont, Ltd.; Nippondenso Thailand Company, Ltd.; Sa-Nga Damrong Industry, NHK Spring (Thailand) Company, Ltd.; Thong Chai Panich, Ltd; and the Siam Motors Group met and developed a five-point proposal for the Association to present to the Thai government.

The resulting ATI report describes a multi-faceted problem facing automotive components manufacturers : (1) the uncertainty of government-imposed limits on the quantity of domestically produced automotive components; (2) lack of government restrictions on the design of cars assembled in Thailand resulting in low volume of demand for automotive component parts for each type of car; (3) excessive taxation on domestically produced component parts; (4) unrestrained competition among a large number of manufacturers; and (5) especially for those component firms lacking support from foreign investors or without affiliations with foreign conglomerates, difficulty in finding markets abroad. The automotive component manufacturers jointly urged the Thai government to act on these problems, particularly by providing tax relief, but also by limiting imports and otherwise regulating the industry.

The full extent of the government's response is not yet known. The automotive components manufacturers clearly were concerned about their business survival and utilized the ASEAN automotive complementation program as a means to advance their interests. The government's statement at the First Meeting of the ASEAN Sub-Working Group on Motor Vehicles in Manila in November, 1974, encouraged the manufacturers to move in the direction they did. It was announced then that the government policy toward the automotive industry would emphasize the use of domestically-assembled automobiles by gradually limiting the import of foreign-assembled automobiles. At the same time, the government would support a gradual shift from automotive assembly to automotive production.²⁶ Although this policy statement was made at the ASEAN meeting, its purpose was to please the Thai private sector, particularly the Association of Thai Industries. Depending upon how it is implemented, major benefits are likely to accrue to established Thai firms engaged in the automotive industry.

Case No. 5 ASEAN Preferential Trading Arrangements

Since the creation of ASEAN, many techniques and instruments which might be applied for closer economic cooperation among member have been explored and discussed. These include selective trade liberalization, industrial complementarity, package deals, transfer of technology, joint resource exploration, and joint investment ventures. Intra-regional trade in particular has grown increasingly attractive as industrialization and import substitution policies of ASEAN members have slowly saturated individual domestic markets. Cooperation in trade liberalization has long been advocated by many international institutions as a practical instrument for trade expansion, economic growth, and development. The success of the Economic Community in market expansion through progressive trade liberalization measures has provided further impetus to the interest in a regional approach. In addition, the idea of regional trade cooperation among the developing countries of Asia has been promoted by the Economic and Social Council for Asia

and the Pacific (ESCAP). But, all of these positive factors notwithstanding, negotiations have been difficult, and the concept of regional trade remains to be translated into reality.

ASEAN leaders have been increasingly attentive to the techniques recommended by the United Nations Study Team in 1972, namely, (1) selective trade liberalization, (2) industrial complementation, and (3) the package deal agreement.³⁷ They have decided that the item-by-item approach should be the negotiating technique for trade liberalization because both tariff and non-tariff barriers would be covered. The gradual steps being taken by ASEAN states, including Thailand, toward the establishment of a preferential trading arrangement thus involve, above all, the selection of products for inclusion. Our analysis of business groups' desire for mutual trade and economic development and their attempt to influence the government, therefore, will emphasize the role of such groups in identifying the products for ASEAN Preferential Trading Arrangements (PTA) and attempting to get their products listed and approved within such arrangements.

The more radical idea of an ASEAN free trade area was favored by the Philippines and Singapore in the mid-1970's, and debate on this alternative probably delayed decisive consideration of PTA and selection of products. When the latter finally did begin to occur, in fact, at the meeting of ASEAN Economic and Planning Ministers in Kuala Lumpur, March, 1976, it was done in such a way that those preferring across-the-board tariff reductions could view the outcome as a partial endorsement of their position. It was more clearly an item-by-item procedure, however, since the agreement applied to only 71 products on a list of 130 prepared by the ASEAN Working Group on Preferential Trading Arrangements.

Although Thai representatives had not sided either with the Philippines and Singapore on the one hand or with Indonesia (the principal opponent of across-the-board cuts) on the other, the Thai private sector generally was reassured by the results of the Kuala Lumpur meetings. Many of the leading Thai industries are oriented toward producing and marketing manufactured items previously available only as imports; these firms have counterparts in the other ASEAN nations with whom they would prefer not to have to compete. In the long run, according to one scenario not unknown to the Thai business community, such competition might result in a concentration of industrial growth in Singapore and, perhaps, the Philippines, countries with more established infrastructures and other advantages. This vision of the future is especially threatening to such manufacturers as the automotive components group discussed earlier, or producers of iron material, textiles, paper, plastics, and chemical products all of which are sectors claiming to be hurt by foreign dumping.

After the Bali Summit of February, 1976, and the March, 1976, meeting of economic and planning ministers, the pace toward trade liberalization appeared to accelerate. This was the result of a combination of political will displayed by the ASEAN Heads of State²⁸ and pressure from the private sectors of ASEAN member nations. In February, 1977, the Agreement on ASEAN Preferential Trading Arrangements was signed by ASEAN Foreign Ministers in Manila. On January 31, 1978, it was reported that some 250 additional products had been agreed upon by the ASEAN-CCI to be submitted to the Permanent Committee on Trade and Tourism (PCOTT) for approval;²⁹ and on June 14, 1978, some 755 new items reportedly were approved by ASEAN governments for preferential treatment, effective on September 1, 1978.³⁰ And as of August 30, 1981, 6581 items had been placed on a preferential tariff list.

In the process of identifying the products for ASEAN PTA, the Thai ASEAN-CCI has had a significant role. Companies wanting to have their products included in the national list express such desires to the Thai ASEAN-CCI, either through the Thai Chamber of Commerce or the Association of Thai Industries. The M. Thai Industrial Company, Ltd. and the Thai Gypsum Product Company, for example, sent letters to the Association of Thai Industries requesting that the PCCI should consider their products as part of the ASEAN Industrial Complementa-tion scheme as well as incorporate their products in the list of ASEAN PTA. Such requests subsequently are transmitted to the representatives of the Thai ASEAN-CCI who attend meetings of the ASEAN-CCI and to the PCCI for consideration. The resulting list, along with similar lists from other ASEAN states, is considered by the trade negotiation body which is composed of representatives of five ASEAN countries. After a new composite list of ASEAN products approved for PTA emerges from these national lists, the Thai ASEAN-CCI, as a coordination center for Thai trade associations, guides its members to take full advantage of ASEAN products contained in the new list. The Thai private sector thus not only participates by helping identify the products, but also by persuading its members to participate in ASEAN markets.

This active private sector role is in conformity with current understandings of the way PTA items are to be selected. Those understandings have developed in spite of some sentiment that the role of private industry and commerce should be more constrained and clearly subordinate to government initiatives and decisions. In large measure the debate on this issue has occurred within regional, not national, forums, and it has involved extensive consideration of organizational forms and relationships among ASEAN structures. Some of the latter, such as ASEAN-CCI, are non-governmental, while others, including the PCCI, are made up of government representatives. These two bodies, in fact, were the major participants in the argument about the private sector's role.

In August, 1972, for example, the PCCI had proposed amendments to the ASEAN-CCI's guidelines which would have narrowed the definition of "private sector" and limited the ASEAN-CCI's access to ASEAN's permanent committees and other agencies.⁹¹ From the point of view of private economic interests such a reduction in role was viewed as unacceptable, and not just for reasons of status or pride. They felt particularly strongly about being excluded from important steps in the process of determining PTA items and lists. The procedures for such determination finally adopted reflected the concerns of the private sectors in the five nations and gave considerable weight to national CCI's (the Thai ASEAN-CCI in the case of Thailand) in the overall process.

This interest and activism of various business groups and individuals led to the creation of structures with the potential to further facilitate the role of private sectors in expansion of intraregional trade. These structures, initially advocated by the ASEAN-CCI, are called commodity clubs; and the recent success of the ASEAN Automotive Federation, the commodity club concerned with auto parts and components, in developing production and trade goals, is further evidence of the growing effectiveness of private sector participation in economic policy making.

Conclusions

Implementation of Preferential Trading Arrangements clearly is a regional problem and process, and regionalism, more specifically ASEAN structures and dynamics, is only slightly less central in the other four cases presented above. Our findings therefore not only support the conclusion that the Thai business community is participating in the development of foreign economic policy, they also indicate that regional cooperation is a powerful stimulant to such private sector activity and influence. Since the four other ASEAN member states are similarly subject to the influences of regionalism, a parallel trend toward private sector activism may characterize policy processes in Indonesia, the Philippines, Malaysia, and Singapore. Cultural and structural variables in these nations differ in some respects from the Thai system as described earlier, however, and the effects of participation in ASEAN should not necessarily be expected to be identical.

No other ASEAN state has been subject to the continuing strain of maintaining independence, for example, in the way that Thailand has. Since the consolidation of communist control in Vietnam and the withdrawal of much of the United States' tangible support of and even interest in Thai national defense, the Thai elite have been especially sensitive to questions of domestic economic stability and intraregional harmony as they relate to national security. These concerns do not inevitably lead to more government-business consultation and interaction of

other sorts, but, given an increasingly complex economy, a recent history of close relations (however unequal the parties) between business and government actors, and an ideological preference for free enterprise, such an outcome is wholly reasonable.

It is not just or even mainly a matter of insecurity serving directly as an incentive for disparate and possibly antagonistic groups to collaborate. Our data show rather that the policy of strong commitment to ASEAN, which surely does derive from long-term security concerns, has resulted in the change in government-business relations. And the linkages among these causes and effects are not simply matters of logical consistency; ASEAN has become a remarkably complex organization, and many of its committees and agencies have had a direct impact on the way in which the Thai private sector approaches and is received by government. Discussions of trade relations with Australia, for example, were initiated and facilitated by the ASEAN Permanent Committee on Commerce and Industry. Eventually a regional working group of industry and commercial representatives was organized, and this further encouraged the Shippers' Committee of the Board of Trade of Thailand and its constituent trade organizations to participate in the discussions and negotiations pertaining to trade with Australia. Likewise, the formation of the Federation of ASEAN Shippers' Councils reinforced the Thai Shippers' Council in its efforts both to attain favorable policies from the Thai government and directly to influence rates and policies of sea freight carriers.

In the case of industrial complementation, the Working Group on Industrial Complementation set up by the PCCI in 1973 was the chief structural innovation which gave Thai industrialists an avenue for influencing both domestic and regional policy. The industrial complementation idea is ambitious and complex, however, and these qualities help account for the growing importance, in this area and in some others, of the ASEAN-CCI and its nationally-organized counterparts, all of which have the broader scope of interests and competencies necessary to coordinated policy-making. The Thai ASEAN-CCI has been particularly effective in bringing together the two interest associations representing business, the Association of Thai Industries and the Chamber of Commerce. This new degree of organizational unity has bolstered such groups as manufacturers of diverse automotive components in their attempts to join forces and formulate positions and strategies. As our account of the ASEAN Complementation Project demonstrated, these manufacturers have begun to act in concert in the political arena.

Finally, progress toward ASEAN Preferential Trading Agreements, at least where Thai participation is concerned, has entailed the same pattern of private sector mobilization and activism partially in response to proliferation of appropriate regional structures. In this case we have noted the additional complica-

tion presented by the ASEAN PCCI's attempts to control the Working Group on PTA and to limit the role of business and commercial representatives in PTA item selection. But these were attempts that the private sectors, mainly working through ASEAN-CCI and other councils, were able to resist. More than any of the other cases, then, this one shows that the ASEAN private sectors have not simply been handed a new role in policy-making; the PCCI, representing governmental agencies and interests, issued a rather stiff challenge in this instance.

As this last point suggests, if the Thai business community is acquiring a new voice in economic policy-making, it is more available in some places and times than in others. As with any apparent trend, this is a development which surely is reversible and which will not be very thoroughly understood until it has been more extensively scrutinized. It appears that for at least a decade the institutionalization of ASEAN has been the major determinant of the emerging participatory role of Thai business. We should note in passing, however, that some instances of private sector assertiveness and influence are less clearly attributable to regionalism. An agreement between sheet glass producers in the Philippines and Thailand to avoid duplicating specializations, for example, which provided an occasion for representatives of this industry to seek tariff liberalization and other favorable measures, was the result of essentially bilateral discussions. (Most of which were facilitated, however, by ASEAN-CCI meetings.) And most industry and business organizations associated with tourism have received plenty of encouragement from international groups with which they are affiliated to make claims which influence government policy.

A development most likely to cause or at least to signal deterioration in this new relationship between government and business would be a resurgence of anti-Chinese sentiment. There is no evidence that the role of Chinese-Thai in the Thai national economy has diminished, and the emergence of cooperation between government officials and private sector has not been accompanied by a collapse of pre-existing patron-client relationships, military men fronting as directors of Chinese-operated industries, and so forth. The system remains complex and, for the participants, fraught with insecurity. At present, however, elites in the five member nations seem to be convinced of ASEAN's value and dedicated to its success. As long as this is the case, if our interpretation of the sources of Thai government-business cooperation is correct, the trend toward closer, less antagonistic, relations between those two sectors should be relatively long-term and stable.

NOTES

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2. For a thorough treatment of this topic see S.J. Tambiah, *World Conqueror and World Renouncer* (London : Cambridge University Press, 1976).
3. G. William Skinner, *op. cit.*, p. 3.
4. G. William Skinner in "Chinese Assimilation and Thai Politics," *Southeast Asia : The Politics of National Integration*, pp. 383-398. Edited by John T. McAlister, Jr. (New York : Random House, 1973).
5. The essay appears in Kenneth P. Landon, *The Chinese in Thailand* (London : Oxford University Press, 1941), pp. 34-43, under the pen-name Asavabahu.
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8. Letter no. 794/1973, dated September 24, 1973, from the Thai Chamber of Commerce to the Director-General of the Department of Foreign Trade requested that the Commercial Attache in Jakarta be allowed to attend the ASEAN-CCI Meeting on behalf of the Thai Chamber of Commerce; also see Thai Chamber of Commerce, "Report on the Third Council Meeting of ASEAN-CCI," held in Kuala Lumpur, Malaysia, July 18-20, 1975, (Bangkok, July 25, 1975).
9. Phisit Tanchareon, "Report to the Head of the Thai Delegation concerning the Second Conference and the Third Council Meeting of ASEAN-CCI," Kuala Lumpur, Malaysia, July 18-20, 1975.
10. The Thai Chamber of Commerce and the Association of Thai Industries, "Establishment Project of Coordination Center for the Thai ASEAN-CCI," Bangkok, August 12, 1975, pp. 4-5.
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12. Association of Thai Industries, "The Annual Report of the Tenth Ordinary General Meeting of 1975," (Bangkok, 1976), pp. 7-8.
13. Report of the Meetings of the Committee on ASEAN-Australia Trade Cooperation, Bangkok, March 16-17, 1976.
14. Board of Trade Thailand, *Annual Report for 1974* (Bangkok : The Board of Trade of Thailand, 1975).
15. Summary Document on Background Relations between ASEAN and Australia, Japan, New Zealand, Canada, the United States and United Nations Office of the Project Development. Ministry of Foreign Affairs, Bangkok, Thailand.

16. As noted in the "Report on Thai Shippers' Council," Division of Technology, the Association of Thai Industries, Bangkok, February, 1976, capital investment has been wholly inadequate.
17. Joint Communique of the Ninth ASEAN Ministerial Meeting, Manila, June 24-26, 1976, in *ASEAN Documents*, Ministry of Foreign Affairs, Bangkok, Thailand.
18. Summary Report of the Federation of ASEAN Shippers' Councils, Manila, October 28, 1975.
19. *Ibid.*
20. *Ibid.*
21. Government of the Philippines, Presidential Decree No. 806 "Providing for Direct Incentives for the Development of Philippine Overseas Shipping," Section 2 (a), Manila, the Philippines.
22. *Siam Report* (Sayam Jodmaihei) 2, no. 31 (1977) : 856-857.
23. Joint Communique of the Sixth ASEAN Ministerial Meeting, Pattaya, Thailand, April 16-18, 1973.
24. Dr. Pradisth Cheosakul, "Report of the First Meeting of the ASEAN Working Group on Industrial Complementation," Manila, the Philippines, August 5-7, 1974.
25. Later this soda ash project is known as ASEAN Industrial Project.
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27. "Economic Cooperation for ASEAN," Report of the United Nations Study Team, 1972.
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