# Asian Studies Center



The Heritage Foundation • 214 Massachusetts Avenue, N.E. • Washington, D.C. 20002 • (202) 546-4400 • Telex: 440235



No. 75

March 8, 1988

# CRACKS APPEAR IN THE U.S.-THAI RELATIONSHIP

#### INTRODUCTION

It is overshadowed by such economic superstars as Japan, the Republic of China, South Korea, Singapore, and Hong Kong. Yet Thailand has been scoring quiet but consistent economic gains in recent years. Bangkok's low-cost skilled labor, annual 6 percent Gross Domestic Product growth rate in the past two years, and stable political environment put Thailand at the top of the World Bank's list of "lower-middle income, oil importing nations" and make it the leading candidate as the next Asian miracle. Far from being a simple rice-growing nation, Thailand produces a wide range of goods from textiles to gems, components and assembly plants for cars, and electronics. So great is the confidence in Thailand's future that when the Thai Fund, a mutual fund, was launched in New York on February 17, American investors drove up the price from \$12 to over \$17 per share within a few days.

Thailand also is an important United States ally and strategic front line state with over 1,500 miles of common border with communist Indochina. As a member of the U.S.-sponsored but now defunct Southeast Asian Treaty Organization, Thailand helped stem the spread of communism across mainland Southeast Asia. Bangkok granted the U.S. access to Thai air and naval bases and sent Thai units to fight in the Vietnam War. Today, Thailand

<sup>1</sup> Asiaweek, November 27, 1987, p. 65.

is one of America's most reliable friends within the Association of Southeast Asian Nations, popularly known as ASEAN, a non-communist organization comprising Brunei, Indonesia, Malaysia, the Philippines, and Singapore along with Thailand. More than the other members of ASEAN, Thailand's foreign policy objectives are similar to those of the U.S., including providing "first asylum" for refugees fleeing communist Indochina, support for U.S. military bases in the Philippines, strong opposition to the Vietnamese occupation of Cambodia, and resistance to a proposed Southeast Asian nuclear-free zone.

Boat People and Copyrights. While Thailand's economic gains and maturing democracy serve the interests of Bangkok and Washington, disturbing cracks are appearing in the U.S.-Thai relationship. A recent cause of tension is the issue of the Indochinese "boat people" seeking asylum in Thailand. The number of boat people has significantly increased in the past year and Bangkok is unwilling to allow all of these refugees on Thai soil. The problem is complicated by Washington's curious insensitivity to the needs of this latest wave of boat people. For one thing, Washington resists expanding the Orderly Departure Program, designed to process Vietnamese citizens seeking to emigrate from Vietnam. For another, Washington is balking at allowing into the U.S. even the number of Southeast Asian refugees allowed by law.

From the U.S. perspective, two additional problems that complicate U.S.-Thai relations are barriers to the sale of U.S. goods in the Thai domestic market and Thai violations of U.S. copyrights. Looming as problems are the threat of protectionist trade legislation in the U.S. and the substantial cuts in U.S. military assistance. In the midst of these tensions, recent political and economic overtures to Thailand by the Soviet Union and the People's Republic of China may develop at a long-term cost to U.S. influence.

Much to Lose. To reaffirm common interests with Bangkok, Washington must recognize the nearly irreplaceable strategic role played by Thailand. Washington must deal with Thailand more thoughtfully and considerately than it has in recent years. The U.S. must reaffirm its commitment to Thailand's continued prosperity and security as a front line state. At the same time, the U.S. must emphasize to the Thais that the U.S.-Thai relationship is a two-way street and that the Thais have much to lose if that relationship is weakened.

# In particular, the U.S. should:

- Use diplomatic and political means to urge the Thais to allow the current influx of Indochinese boat people to land safely on Thai soil.
- ♦ Help alleviate the refugee problem in Thailand by allowing into the U.S. this year the full quota of Southeast Asian refugees permitted by law.
- Increase bilateral support for the Cambodian democratic resistance.
- Assist the Royal Thai Armed Forces to modernize by restoring military aid to Bangkok to 1985 levels.

- Promote greater free trade by urging the Thais to decrease barriers to U.S. imports and ending the considerable U.S. rice subsidies that harm the Thai economy.
- Press Thailand to adopt adequate copyright protections.
- ♦ Increase high-level diplomatic exchanges, including a visit to Thailand by Ronald Reagan during his possible trip to Asia this year.

## A STRATEGIC BASTION AGAINST COMMUNISM

Following a brief occupation by Imperial Japanese forces, Thailand emerged from World War II as a strong U.S. ally. A U.S.-Thai agreement on Economic and Technical Cooperation was signed in September 1950, followed by a U.S. pledge for military assistance one month later. During the Korean War, Thailand dispatched several thousand troops who fought alongside the U.S. U.S.-Thai relations grew closer in 1954 when both joined Great Britain, France, Australia, New Zealand, the Philippines, and Pakistan in forming the American-sponsored Southeast Asian Treaty Organization (SEATO), an anti-communist alliance aimed at countering Soviet expansion in Southeast Asia.

As the U.S. increased its commitment to the Republic of Vietnam in the 1960s, Thailand's assistance became crucial. When the U.S. sought allies to fight in South Vietnam under the "More Flags" program, Thailand dispatched its Black Panther Division and support personnel. In neighboring Laos and Cambodia, where Congress curtailed direct U.S. involvement, Thailand offered air support, ground forces, and training facilities. Most important, Thailand provided the U.S. with access to port facilities, listening posts, and nearly a dozen major air bases, including those for B-52 bombers.

Wavering Domino. When the U.S. military retreated from Southeast Asia, the communist Pathet Lao seized power in Laos and the genocidal Khmer Rouge communists took control in Cambodia. The result: Thailand was a front line state.

For several years, it wavered precariously on the edge of becoming the next "domino" to fall to communist expansion. The primary threat came from the pro-Chinese Communist Party of Thailand (CPT), which peaked in 1978 at over 14,000 armed guerrillas fighting in 52 of Thailand's 72 provinces. Operating with U.S. military assistance but without direct U.S. participation, Thailand designed a counterinsurgency strategy that focused on strengthening and increasing rural development projects. By 1984, the Thai government had the CPT threat firmly in hand. Thailand's highly successful counterinsurgency campaign is now a model for other countries facing similar threats.

<sup>2</sup> Daniel Wit, Thailand: Another Vietnam? (New York: Charles Scribner's Sons, 1968), p. 9.

Thailand also has faced threats from outside its borders. Of greatest concern is the one million strong People's Army of Vietnam, which occupies Cambodia with 140,000 men and Laos with another 50,000. These forces come in direct conflict with the Thai army. Early last year, for example, 500 Vietnamese soldiers stationed in Cambodia invaded Thailand, reportedly killing several hundred Thai soldiers before being pushed back.<sup>3</sup>

Hostile Laos. Augmenting the Vietnamese forces bordering Thailand are the 55,000-strong Laotian People's Army and the 40,000-strong People's Republic of Kampuchea Armed Forces. The Laotian armed forces have become increasingly hostile toward Thailand, as seen in fighting in the closing weeks of 1987 when two Laotian battalions captured several strategic hills inside Thai territory. Laos also bases some of its Soviet-built MiG-21 fighters directly across the Thai border in Vientiane.

Other external threats to Thailand include elements of the Communist Party of Malaysia (CPM), opium warlords, and a new group of pro-Soviet communist insurgents. The CPM long has fomented disturbances along the Thai-Malaysian border, prompting in past years major military sweeps by the armed forces of both countries. The defection of 635 Malaysian guerrillas to Thai authorities in 1987, however, reduced the threat posed by the CPM.

Opium Warlords. Armed units funded by opium warlords, notably those of drug kingpin Khun Sa, threaten Thailand's northwestern provinces. These forces operate in the infamous Golden Triangle, the tri-border region between Laos, Burma, and Thailand where much of the world's heroin is grown. While concentrated along the borders, they have created disturbances deeper inside the country. Last November, for example, the families of U.S. diplomats were forced to evacuate the city of Chieng Mai following threats in the wake of a record heroin seizure by Thai police.

Also posing a threat is the Pak Mai, a pro-Soviet communist faction recently sponsored by Vietnam and Laos. The Pak Mai has operated in small numbers in Thailand's northeastern provinces; reportedly it has contact with the Communist Party of Burma.<sup>4</sup>

Thailand's most pressing problem may be the over 400,000 Indochinese refugees and "displaced persons," especially those in camps located along the Thai-Cambodian border. As does the U.S., Thailand takes a hard line against the Vietnamese occupation of Cambodia. Bangkok, for example, has taken the lead in the ASEAN decision to support the non-communist resistance factions of the Coalition Government of Democratic Kampuchea. Hanoi is angered, meanwhile, by Thailand's sheltering of the Cambodian resistance in addition to the 288,000 Cambodian "displaced persons" in camps along the Thai-Cambodian border. Many of these persons have been in the Thai camps for ten years.

<sup>3</sup> The Economist, December 26, 1987, p. 37.

<sup>4</sup> FBIS-East Asia, June 8, 1987, p. M2.

The number of refugees threatens to start soaring again with the recent new exodus from Indochina, presumably because of the continued poor living conditions inside Vietnam. Rather than accept this new wave of boat people, Thai forces in recent weeks have literally pushed back or rammed boatloads of Vietnamese refugees, killing some of them. Thailand also has declared that any new refugees will be considered "displaced persons" and not eligible for resettlement. Bangkok pleads that it has no alternative to the new harsh policy because other countries, particularly the U.S., are accepting dwindling numbers of refugees.

#### U.S. SUPPORT FOR THAI SECURITY

U.S.-Thai military cooperation has been important in countering the threats to Thai national security. Although cooperation reached a low point immediately following the fall of Saigon, when all U.S. bases in Thailand were closed, U.S. attention was again focused on Thailand after the Vietnamese invasion of neighboring Cambodia in late 1978. Last year, the U.S. and Thailand agreed to preposition a joint emergency munitions stockpile in sites northeast of Bangkok. Last year as well, U.S. and Thai forces participated in two military exercises, COBRA GOLD 87 and VALIENT USHER. During the August COBRA GOLD exercise, a combined U.S.-Thai force of 5,000 infantry, special forces, artillery, and air force elements operated in five northeastern Thai provinces. As are all such exercises, it was designed to test Thai military preparedness against foreign military threats. At least one other major combined exercise is planned for this year.

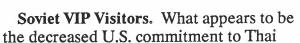
Friendship Prices from Beijing. The U.S. also provides military aid for Thailand's armed forces modernization. In 1985, for example, the U.S. gave \$102.32 million in aid, split among Foreign Military Sales credits, a Military Assistance Program, an International Military Education and Training Fund, and an Economic Support Fund to offset the cost of Thai refugee camps. In 1986, however, Congress began cutting aid to Thailand as part of a general decrease in military aid programs. This has delayed the modernization program and forced Thailand to consider a smaller purchase of U.S. F-16 fighters and drop a planned refurbishing of 200 U.S. tanks already in its inventory. U.S. military aid to Thailand now stands at \$48.5 million, half of the 1985 level.

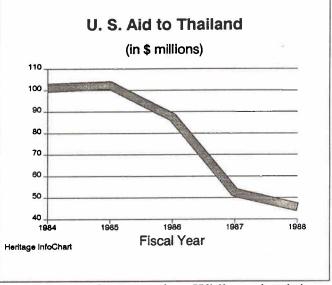
Perhaps a more significant effect of decreased U.S. aid has been a rise in Thai military purchases from cheaper sources, notably the People's Republic of China. Beijing offers a wide assortment of hardware at "friendship prices," usually one-tenth the "regular" price. Chinese items also are offered with a ten-year pay back period and the added incentive of paying half the price in Thai agricultural products. This allows the Thais to save money and conserve hard currency. Included in the Chinese military equipment purchased last year by Thailand were: 400 armored personnel carriers, 50 main battle tanks, and 27mm anti-aircraft guns. The Chinese also are offering the Thais satellites, artillery pieces, bridgelaying trucks, fighter aircraft, jet trainers, diesel submarines, and air-to-air missiles. It is

<sup>5</sup> FBIS-East Asia, March 24, 1987, p. J2.

believed that the Thais will continue to buy Chinese military hardware so long as the offers remain attractive.

With Bangkok's purchase of Chinese military equipment, Chinese-Thai relations have grown warmer. Commented Thai Foreign Minister Siddhi recently: "China has become very friendly to ASEAN and is an important factor in the region's power configuration." Should this relationship continue to deepen, it could be at the expense of U.S. influence.





security also is forcing Bangkok to reassess the Soviet role in the region. While maintaining that the Soviets are a threat as long as they remain entrenched in Cam Ranh Bay in Vietnam, the Thais have increased high-level diplomatic exchanges with the USSR. Last November, for example, Thai Armed Forces Commander-in-Chief Chaovalit Yongchaiyut visited Moscow, the first visit by a Thai military leader to the USSR. Soviet Ground forces Commander Y. Ivanovskiy returned the visit, coming to Bangkok in December. Significantly, Thai Prime Minister Prem Tinsulanond is expected to go to Moscow this May. Soviet diplomats have proposed that Prem sign several agreements while in Moscow, including bilateral understandings in the areas of science, fisheries, and maritime operations.

## **DEMOCRACY ON THE RISE**

As elsewhere in non-communist Southeast Asia, Thailand's political system is maturing into a democracy. Where there was once a revolving door of military governments, Thailand has enjoyed a peaceful series of successful democratic elections since 1979. Prime Minister Prem Tinsulanond first assumed office in 1980 and was reelected in 1986. Political violence, including military coup d'etats, has decreased dramatically.

<sup>6</sup> FBIS-East Asia, December 2, 1987, p. 56.

More information on Soviet-Thai relations are found in Kenneth J. Conboy, "After Vladivostok: Gorbachev's Asian Inroads," Heritage Foundation Asian Studies *Backgrounder* No. 73, January 25, 1988.

<sup>8</sup> FBIS-East Asia, December 7, 1987, p. 46.

Central to this stability is King Bhumibol Adulyadej. Having ascended to the throne in 1946, Bhumibol will become Thailand's longest reigning king this July 2. More than any other single person, he receives the loyalty and respect of the Thai people. His popularity and his support for the trend toward participatory democracy are key factors in Thailand's political stability.

Under King Bhumibol, Thailand's constitutional monarchy is headed by a military-dominated Parliament. The military appears to have accepted the idea that participatory politics is necessary for ensuring national security. A lively and influential opposition is active in Parliament, while the Thai press is free and critical.

Political Vacuum. Some political problems remain. Members of the opposition claim that the public has lost confidence in government institutions. These political institutions will be put to the test later this year. In October, General Chaovalit Yongchaiyut has promised to step down as armed forces commander-in-chief. Since he has no apparent successor, his departure may trigger instability if there is a prolonged reshuffling to replace him. Of greater significance is the possible abdication of King Bhumibol. He has hinted that he will step down from the throne in the near future. Some speculate that this will be around the time of his July 2 anniversary. Should King Bhumibol step down, he would be replaced by his son, Crown Prince Maha Vijiralongkorn. Although the Crown Prince has taken several important foreign trips in recent months, he does not yet command the same respect of the military and nation as his father. This could create a political vacuum at a time when Thailand lacks strong leadership.

#### THAILAND'S ECONOMIC MIRACLE

Even more impressive than Thailand's political development has been its economic growth. While other ASEAN members faltered during the 1985 regional recession caused by a sharp drop in commodity prices, Thailand continued to grow. For the past two years, Thailand has enjoyed an annual growth rate in Gross Domestic Product of 6 percent and relatively low inflation. Reasons for Thai economic success include the drop in world oil prices and the sharp decline in interest rates. Moreover, the decline of the dollar-linked Thai baht against the yen and West European currencies makes Thailand's exports more competitive. Thailand's inexpensive labor force, meanwhile, attracts sizable foreign investment.

Export Diversification. The key to Bangkok's successful strategy has been the diversification of its economy. Unlike Malaysia, Indonesia, and the Philippines, which concentrated on a few commodity exports, Thailand exports a fairly wide variety of goods. During his eight years in office, Prime Minister Prem has pushed policies to make the Thai economy more export oriented and to increase the importance of the private sector. The govern-

<sup>9</sup> The Economist, October 31, 1987, p. 21.

ment is setting up the Department of Export Promotion, and late last year finished construction on air shipping facilities at Bangkok's international airport, the largest such facilities in Southeast Asia. Thailand's private sector, already bigger and more dynamic than that of Indonesia, Malaysia, and the Philippines, has been allowed to become involved in state-run telecommunications and mass-transit systems. Private sector investment is expected to grow by over 8 percent under the government's Sixth Economic Plan (1987-1991). Thailand also has increased its manufacturing and service sectors, with special emphasis on the tourist trade.

Patiwat Socialism. While Thai manufacturing and service sectors have grown, the country remains an agricultural nation. Some 80 percent of the population makes a living off the land, primarily in rice cultivation. Government sources forecast that the agricultural sector will employ 33 percent of the population through 1991. The government also remains keenly aware that income disparities between booming Bangkok and the less developed countryside could foment unrest. This prompted a proposal to increase the strength of the agricultural sector, in part through coercive land reforms. Known as patiwat or "peaceful revolution," this proposal could unhinge business confidence, which has been built up slowly in recent years, by promoting vague socialist ideals that sound threatening to the private sector. <sup>10</sup>

Other problem areas in the economy include: government resistance to the privatization of attractive state-run enterprises, such as the national airlines and tobacco; <sup>11</sup> unwise investment in capital-intensive rather than labor-intensive projects, such as the overambitious Eastern Seaboard development project off the coast of Thailand; <sup>12</sup> and a vein of nationalism that creates barriers to bilateral trade and investment while satisfying interests well represented in parliament, as, for example, in the strong government opposition to allowing foreign tobacco products into the country. <sup>13</sup>

## U.S.-THAI TRADE FRICTION

The U.S. has been Thailand's largest market, absorbing up to 20 percent of Thailand's exports in recent years. <sup>14</sup> U.S. long-term investment represents a 30 percent share of total foreign investment in Thailand, equal to that of Japan. But major problems in U.S.-Thai

<sup>10</sup> The Far Eastern Economic Review, June 25, 1987, p. 74.

<sup>11</sup> The Economist, October 31, 1987, p. 10.

<sup>12</sup> *Ibid.*, p. 16.

<sup>13</sup> The Far Eastern Economic Review, June 25, 1987, p. 74.

<sup>14</sup> Asian Wall Street Journal, January 18, 1988, p. 11.

trade ties could reduce political and security cooperation between the two countries in the near future. These include:

The Rice Issue. Rice production is the single most important economic sector in Thailand, employing 35 million farmers, some two-thirds of the population. Thailand is the world's leading rice exporter. It is also an efficient producer: a U.S. Commerce Department study found that Thai government subsidies to rice amounted to less than one percent. By contrast, the U.S. gives about \$1 billion a year to subsidize 11,000 rice farmers. While keeping inefficient U.S. rice production price "competitive" by allowing U.S. rice farmers to sell their crops for less than it costs them to raise them, these subsidies also keep the world prices for rice artificially low. This decreases the income of Thailand's 35 million rice farmers.

The Copyright and Patent Issue. The U.S. government rightly has criticized Thailand for failing to punish patent and copyright violations. Imitation designer clothing, watches, cassette tapes, and medicines are some of the more common items found freely in Bangkok. Under pressure from Washington, the Thai Parliament considered strong copyright legislation in late 1987. Before its December recess, three different versions of a new copyright law were passed. Two of these, says Washington, provide inadequate protection for certain items, particularly computer software. The Thais will reconsider the legislation when the Parliament reconvenes in March. The U.S., however, has threatened to revoke Thai participation in the U.S. Generalized System of Preferences (GSP) in the same month if a final version of the new law is not passed. GSP allows Thailand to export certain products to the U.S. exempt from duties. Revoking GSP privileges will leave Bangkok little incentive for continuing to push for copyright legislation.

As U.S.-Thai trade relations have showed strain, China and the Soviet Union have offered themselves as attractive alternatives. Beijing has proposed that Thai investors enter joint ventures in aquaculture, while Moscow proposes joint ventures in the Soviet Far East. Of particular concern has been the recent activity in Bangkok of the Soviet-sponsored World Federation of Trade Unions (WFTU). A meeting of the WFTU was held in Thailand last October 1987, which resulted in several public proclamations supporting Soviet foreign policy planks in the region. The WFTU also has announced its intention to open a coordination office in Bangkok. As the WFTU has incorporated pro-Soviet positions on such international issues as the Cambodian problem into its platform, its potential for growth in Thailand could come at the expense of U.S. political leverage.

<sup>15</sup> FBIS-East Asia, January 13, 1988, p. 48.

<sup>16</sup> More information on Soviet economic initiatives in Thailand are found in Conboy, op. cit.

<sup>17</sup> The Far Eastern Economic Review, December 3, 1987, p. 21.

<sup>18</sup> FBIS-East Asia, January 21, 1988, p. 62.

#### THE FUTURE OF U.S.-THAI RELATIONS

Since the abrupt departure of the U.S. from Indochina more than a decade ago, the U.S. has had to battle the reputation that it is an unreliable ally. In the ensuing decade, Thailand has remained an ally in the region, and the U.S.-Thai relationship by and large has remained strong. Despite differences in trade and refugee matters, a strong friendship with Thailand is in U.S. interests. Yet the U.S. must insist that Thailand recognize that such a relationship requires reciprocity. In particular, the U.S. should:

- ♦ ◆ Urge Thailand to pursue a more humanitarian refugee policy. Vietnamese, Laotian, and Cambodian refugees fleeing their communist-dominated countries are now being turned back by Thailand. They face persecution or death if they return. In particular, during the past month, Thai authorities have pushed back several boats of Vietnamese refugees seeking asylum in Thailand. Bangkok correctly explains that, despite promises from the U.S., there has been a drop in the number of refugees accepted for relocation to third countries. The U.S. should press Thailand to give temporary sanctuary to Indochina's boat people. At the same time, the U.S. should press other countries to accept increasing numbers of refugees for resettlement. The U.S., too, must be willing to welcome more boat people and should increase its Economic Support Fund grants to Thailand to help pay for the costs of sheltering Indochinese refugees.
- ♦ ◆ Continue to press Thailand for adequate copyright and patent protection. The U.S. should emphasize to the Thais that inadequate copyright protection of U.S. products will increase the concerns of potential foreign investors and ultimately reduce foreign investment in Thailand. To ease passage of copyright protection legislation in the Thai Parliament, the U.S. should consider signing the Bern Convention on intellectual property rights. The U.S. refused to sign the Convention at the turn of the century to protect the infant U.S. printing industry. There are now few reasons for the U.S. not to sign. The U.S. also should not revoke Thai GSP privileges so long as the Thai government shows a sincere effort to push for passage of copyright protection laws.
- ♦ ♠ Encourage Thailand to reduce import barriers. Thailand has shown little interest in lowering barriers to U.S. imports; in some industries, such as cigarettes, inferior domestic brands have a monopoly of the market. The U.S. must make it clear to Thailand that a continuation of such policies invites U.S. retaliatory protectionism against Thai products. Import restrictions also hurt the Thai consumer. In the past, Thailand has shown interest in a bilateral U.S.-Thai Free Trade Area, using the recently negotiated U.S.-Canada FTA as a model. Washington should work with Bangkok to establish a more concrete timetable for discussing of such a concept.
- ♦ Assist Thai military modernization. Halving U.S. military aid to Thailand since 1985 has set back Thailand's planned military modernization. At the same time, it has forced Thailand to look toward other countries, especially mainland China, as less expensive alternatives. The U.S. should increase military aid to Thailand and allow the Thai military to complete its military modernization.

- ♦ End U.S. rice subsidies. The U.S. should stop spending close to \$1 billion to subsidize a mere 11,000 American rice producers. This increases the U.S. federal budget deficit and penalizes U.S. taxpayers. It undermines the entire world market for rice. This severely strains U.S.-Thai relations as Bangkok finds itself unable to explain the income lost to its 35 million rice farmers.
- ♦ Work with Thailand to improve support for Cambodia's non-communist resistance. Thailand has led ASEAN efforts to support the Cambodian non-communist resistance since 1982. These efforts, along with token U.S. contributions, have done little to improve seriously the capabilities of the democratic resistance. As Vietnam's self-imposed 1990 deadline for withdrawal from Cambodia approaches, it is in the interests of the U.S. and Thailand to bolster the numbers and capabilities of the resistance so that it can play an effective role in a future Cambodian government. Failure to do so would reduce incentives for the 200,000-strong Cambodian refugees now on Thai soil at the border to return to their own country.
- ♦ Schedule a visit by Ronald Reagan to Thailand this year. Reagan has visited Southeast Asia only once as President. In that 1986 trip, he did not stop in Thailand. A Presidential trip to Asia is being considered for late this year. If the trip is scheduled, Reagan should visit Thailand. In addition, the U.S. should send a number of high-level officials to Thailand to offset the recent highly publicized Soviet visits to the region. The U.S. of course should send a very high-level official, such as Secretary of State George Shultz, to the July 2 anniversary of King Bhumibol's reign. This event will be widely celebrated in Thailand, and the significance of an important U.S. visit at this time will not be lost on Bangkok.

\* \* \*

In the past four decades, substantial mutual benefits have been shared by the U.S. and Thailand. With recent Thai advances, political, economic, and strategic cooperation is even more promising for the future. With the growth of Soviet and Chinese influence in the region, it is more vital than ever for Washington to prevent misunderstandings and actively work to deepen the longstanding relations with Bangkok. Instead of appearing thoughtless and unreliable, the U.S. needs to project its concern and understanding of Thailand's strategic position as a front line state. And as with the prospering nations of Northeast Asia, the U.S. should now provide the deserved support to a Thailand graduating toward the ranks of Asia's economic success stories.

Kenneth J. Conboy Policy Analyst

All Heritage Foundation papers are now available electronically to subscribers of the "NEXIS" on-line data retrieval service. The Heritage Foundation's Reports (HFRPTS) can be found in the OMNI, CURRNT, NWLTRS, and GVT group files of the NEXIS library and in the GOVT and OMNI group files of the GOVNWS library.