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Laos at the Crossroads

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Nineteen-ninety was not an easy year for the Lao People's Democratic Republic (LPDR). The elaborate celebration on 2 December of the fifteenth anniversary of the regime with the usual pomp and parades could not hide the indecision and lack of direction that currently characterize the leadership of the Lao People's Revolutionary (i.e. Communist) Party (LPRP), nor could it convince the Lao people of the party's sole legitimate right to govern.

Events in Eastern Europe and the Soviet Union in 1989 and 1990 have severely shaken the confidence of the leaders of the LPDR. As communist parties lost their monopoly of power, and as communist leaders were called to account, imprisoned, and even executed, the leadership in Laos watched in disbelief. Only in China did the party reinforce its hold on power through the bloody repression of Tien An Men. Though that was not the sort of example the Lao felt inclined to follow, the party leadership had no intention of relinquishing power. In this determination, they were supported by the Vietnamese, though any additional encouragement the Lao leadership might have expected to receive was undermined by Vietnam's own economic and diplomatic weakness and by similar internal dissension and indecision in the Vietnam Communist Party (VCP).

Though change in the communist states of Southeast Asia has not been as dramatic over the past two years as in Eastern Europe, the influence of these latter events has been profound, and in the longer term, what is happening in Indochina may be just as significant. In this article, I shall try to indicate why I think this is so. I will focus on recent political and economic developments in Laos against the backdrop of changing interstate relations in the region.

Political Developments

Nineteen-ninety began bravely. It was, after all, a year when important decisions would have to be made on future directions. The Fifth Congress of the party was due to be held. The Third Five-Year Plan had to be worked out. The constitution was due, after fifteen years, to be promulgated. All these were to be held, planned, and decided upon before the fifteenth anniversary celebrations at the end of the year. But just as the headquarters of the party remained an incomplete shell behind the reviewing platforms overlooking the parade route, so too, the policy structure remained incomplete by the year's end—no Fifth Congress had been held, no Five-Year Plan prepared, no constitution promulgated. All have been put off to some unspecified future date, presumably in the first half of 1991, though no one will be surprised if delays continue after mid-year.

Early in 1990, a draft of the constitution was widely circulated, ostensibly for public discussion, explanation, and comment. A French translation was provided so that foreign embassies could be kept informed. From the first article, however, the draft ran into trouble. It seemed incongruous to young Lao intellectuals, not to mention foreign friends, that at a time when communist parties elsewhere were surrendering their monopolies of power, the

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new Lao constitution should begin by enshrining just such a monopoly for the LPRP. Debate and criticism, muted at first, became livelier and more overt in response to events in the Soviet Union and Eastern Europe. Other articles of the constitution were questioned. Lao students demonstrated in Paris, Prague, and Warsaw, calling for multiparty free elections. A group of younger, better educated party cadres who enjoyed close contact with non-party technocrats and intellectuals, many trained in universities in France and Canada, seized upon debate over the constitution as a means of criticizing the party and its aging leaders. In doing so, they had their eyes firmly fixed on the growing crisis of political succession.

Until the Fourth Party Congress in November 1986, the political bureau of the LPRP consisted of just seven men. The Fourth Congress enlarged the Politburo to eleven with two alternate members. All but one of the original seven are in their seventies, and some, including Secretary General Kaysone Phomvihan and President Souphanouvong, are in poor health. In fact, Souphanouvong has been president only in name for the last five years. His ceremonial functions are being performed by Acting President Phoumi Vongvichit, himself a not-too-robust octogenarian. It is widely believed that the Fifth Party Congress will see the retirement of at least some members of the old guard. The question is, who will take their place? On this there is no consensus.

The leadership succession in Laos could follow the pattern of the post-Brezhnev Soviet Union in which aging politicians like Andropov and Chernenko were raised to the secretary generalship of the party before eventually a younger generation, in the form of Mikhail Gorbachev, succeeded to power. If this is what happens in Laos, Kaysone could be elevated to the presidency in place of the ailing Souphanouvong, thus making way for his long-serving deputy, Nouhak Phoumsavanh, to become LPRP secretary general. But this would be at best a short-term solution. Although Nouhak, whose mother died recently at age 102, is apparently in good health, he is 75 years old. Also, it is not clear how much support he retains within the party. His present position as president of the Supreme People's Assembly cannot disguise the fact that he has lost much of the political influence he formerly exercised when he was in charge of economic policy.

The youngest of the original seven members of the Politburo (at 67), and the only one known to be eager for higher office, is the ambitious defense minister, Khamtay Siphandone. Khamtay, who is presently deputy chairman of the Council of Ministers, or Inner Cabinet, has let it be known that he would like to be chairman (prime minister), a position currently held by Kaysone. (The LPRP is remarkable for the extent to which power is concentrated in a few hands: a majority of members of the Politburo hold ministerial positions in the government in addition to their party posts.) Khamtay has backing from within the army, though the army itself is believed to be factionalized. Opposition comes from younger party cadres who see Khamtay as too conservative and inflexible to respond effectively to the current problems facing the country and who have no wish to see the military in Laos increase its political profile.

Of the other members of the Politburo elected by the Fourth Party Congress, two or perhaps three are contenders for the position of either secretary general of the party or prime minister, or both, should Kaysone relinquish the two positions. The most likely candidate for the secretary generalship was Saly Vongkhamsao, the late minister of economy, planning, and finance. Sisavath Keobounphanh is now a contender, despite reportedly losing some influence over the last year. Sisavath is a former army general and minister of the interior who has continuing strong links with the military and police. As secretary of the important Vientiane Municipal Party Committee, Sisavath has a strong power base in the capital. He has also cultivated warm relations with the Thai Army high command, and he has encouraged and facilitated Thai investment in the Vientiane area. This has brought him criticism from those suspicious of Thai intentions, from those fearful of mounting Thai economic and political influence, and from those shocked by the new corruption that is evident, especially in Vientiane.

The other two full members of the Politburo promoted at the Fourth Party Congress are known as hard-line conservatives. Saman Vignakhet is an army general who was appointed minister of education after Phoumi Vongvichit took over the duties of acting president. Maychantan Sengmany is chairman of the party and the Government Control Committee, the relatively toothless internal watchdog of the party. Of the two, Maychantan is probably not a serious contender for top positions in the party or government, if only because he is opposed by those more liberal elements within the party favoring the present Open Door policy of accepting economic assistance and investment from whatever source.

Saman has stronger claims for high office. He is a former head of the army's General Political Department and the former chairman of the party's Organization Committee, responsible for, among other things, promotions and demotions within the party. In these positions, Saman may well have accumulated some political IOUs which could prove helpful in a bid for power.

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Government income hardly covers expenditures, meaning that all development is dependent on foreign assistance.

deciding the agenda of the Fifth Party Congress, now more so than at any time in the previous history of the party. Despite the army's own profitable economic ventures, notably the exploitation of extensive timber concessions in Khammouane Province, many officers are reportedly uneasy about the pace and direction of economic change. Many would prefer to retain closer government supervision than presently exists, not only over private investment but also over provincial administrations. Most would agree, taking Thailand and Indonesia as examples, that the military should play a more prominent role in the political life of the country. However, it seems likely that internal divisions and personality differences will prevent the army (and the Interior Ministry) from speaking with a single, powerful voice.

Whatever the influence of the army, political power remains finely balanced, as two recent, significant developments indicate: an attempt to introduce controls on the movement of people and goods; and a perceived threat to the party's monopoly of power.

In April, authorities in Sayaboury Province introduced a number of stricter measures of control over the movement of goods and people. This was apparently in order to limit the smuggling of valuable timber to Thailand (Sayaboury is the only Lao province west of the Mekong, which means that logs can be hauled into Thailand without the expense of a river crossing). Also much of the Lao opium crop is believed to be transported via Sayaboury Province. Under the new regulations, people were required to obtain authorization to move from district to district within the province, and controls were placed on commercial transactions.

These controls were met with popular opposition, not least because they harked back to the hard policy in force from 1976 to 1979 when the party ruled with a heavy hand. They were welcomed by conservatives within the party, however, as necessary to curb the more flagrant cases of corruption by those, including party members, prepared to enter into illegal arrangements with Thai entrepreneurs. In particular, they met with the approval of powerful elements within the Interior Ministry and the Control Commission.

In August, an attempt was made, apparently at the initiative of Maychantan Sengmany and Interior Minister Asang Laoly, to introduce similar controls in Vientiane. These controls were met with strong opposition and were viewed as a retrograde step as far as basic freedoms were concerned by liberals within the party. In addition, they were viewed as an unwarranted and retrogressive limitation on necessary economic development by those whose interests lay in encouraging such development. The attempt failed, but not without serving warning that significant elements within the party were far from happy with what they saw as a reversal of party policy and socialist ideals.

The party was less divided, however, over its response to what was seen as a direct threat to its monopoly of power. Debate over the draft constitution had been particularly vigorous among a group of some forty to fifty intellectuals in Vientiane, loosely known as social democrats, who met informally to discuss political developments both in Laos and abroad. All were well aware of events taking place in Eastern Europe, and most believed that Laos, while retaining elements of socialism, should begin to move toward a multiparty democracy. The social democrats were especially critical of the first article of the draft constitution designating Laos as "a popular democratic state under the leadership of the Lao People's Revolutionary Party." Criticism expanded to take in the role and activities of important figures within the party and the way in which current policies were leading to corruption and increasing social and economic inequality.

One member of this group, a former vice minister in the State Planning Commission, Latsamy Khamphoui, wrote to the government, voicing his concerns in a letter which was privately circulated. Another, Thongsouk Saisangkhi, who had recently resigned as vice minister of Science and Technology, made a more grandiose gesture reminiscent of Boris Yeltsin by submitting his resignation from the party, accusing its leaders of erecting a "communist monarchy" ruled by the "dynasty of the Politburo." He called for the establishment of a "multiparty system in order to bring democracy, freedom, and prosperity to the people."

Such a deliberate rejection of and challenge to the party's monopoly of power could not be allowed to set a precedent which others in the party might applaud and which might well gain widespread popular support. Even so, the party was slow to act. Thoungsouk's letter of resignation was dated 26 August. On 8 October he was arrested, together with Latsamy and Pheng, an official in the Justice Ministry who had been particularly outspoken in his criticisms of the constitution. All three were incarcerated in Vientiane's Sam Khe Prison, where, as of December, they were being permitted to receive food from their families, but they were still being held incommunicado without legal representation.

These arrests followed similar purges in Vietnam and Cambodia designed to reinforce the dominance of their respective communist parties. The Vietnamese have made it clear that they consider the holding of any contested election like those in Eastern Europe which results in a ruling communist party being voted out of power to be tantamount to a counter-revolutionary coup d'etat. The

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leadership of the LPRP feels much the same way—they did not fight for thirty years to surrender to anyone!

The three arrests in Vientiane were enough to mute all criticism of the constitution and the party in the run-up to the Fifteenth Anniversary celebrations, but the arrests did nothing to address the serious difficulties which the government faces or the anomalies evident in its present policies. These problems arise as a result both of internal tensions and weakness and of changing configurations in the external balance of international relations in South-east Asia.

Relations With Minorities

Despite, or in large part because of, fifteen years of stable communist government after thirty years of civil war, Laos remains a desperately poor country with an annual per capita income of less than US$170. Wealth, however, remains unevenly distributed, and it is concentrated mainly in Vientiane and to a lesser extent in other provincial towns along the Mekong. In spite of all its proclaimed intentions and socialist ideology, the regime has managed to do very little in the way of raising the living standards of the vast majority of rural Lao peasants, let alone the mountain-dwelling ethnic minorities who were loyal supporters of the Pathet Lao revolutionary movement throughout the thirty-year struggle. Promises made at that time in the name of socialism and a more egalitarian political system now return to haunt the government.

To be fair, the difficulties in the way of meeting these promises are enormous. Government income hardly covers expenditure, meaning that all development is dependent on foreign assistance. This is running at a rate of between US$120 and US$150 million annually, an amount which cannot easily be increased because the country lacks both the technical and the managerial means to absorb more. Projects tend to be concentrated where they will have the most immediate economic effect, in the areas along the Mekong River that are populated by the politically dominant ethnic Lao, known as the Lao Loum (or Lao of the plains). Virtually non-existent communications in many regions make it all but impossible to mount projects of benefit to the Lao Theung (the Lao of the mountain slopes) with their primitive slash-and-burn agriculture. Some schools have been established, but teachers are seldom paid, there are no books, and standards are abysmally low. Some first-aid clinics have been set up, but again, nurses are not paid, there are no doctors, and medicines are virtually nonexistent.

Not surprisingly, the minorities feel cheated. Not only has the regime for which they fought done little or nothing for them, it has pursued a policy of forest protection—to preserve one of the country's most valuable resources which directly affects the welfare and way of life of the minorities. Timber is too valuable, the government believes, to burn for ash to fertilize mountain soils. But efforts to convince minorities to take up settled agriculture at lower elevations have met with resistance, especially in northern Laos, where the independent-minded Hmong (Lao Soung, or Lao of the mountaintops) see the policy as one designed to bring them under closer government supervision and control. For many, resistance has become a way of life.

The Hmong have presented the communist regime in Laos with its most intractable problem. For fifteen years, former supporters of General Vang Pao, who commanded the US-sponsored secret army in America's war against the Pathet Lao, have continued to resist all attempts to incorporate their mountain villages within the administrative structure of the Lao state. The Hmong remain an unassimilated minority; their resistance is nourished by links with refugees in Thailand and the United States and by their well-developed sense of separate identity. However, the Hmong themselves are deeply divided between those who sided with the Pathet Lao, and who are now in positions of authority, and those who chose to fight the Pathet Lao. Minister of the Interior Asang Laoly is Hmong, as are Nhiavu Lobliayao, chairman of the Minorities Commission, and the party secretaries of Luang Prabang and Oudomsay provinces. Between the two groups stands a chasm of distrust and recrimination. Some of the harsher measures taken against Hmong suspected of aiding the resistance in northern Laos, including abuses of human rights, have been perpetrated by Hmong on the government side.

Indirect contacts between the Hmong resistance and the government led nowhere after the government rejected any suggestion of partial autonomy for Hmong in the Phou Bia region, Vang Pao's former redoubt. In 1990, fighting flared again with casualties on both sides. The Hmong accused the government of attacking women and children and announced they would do likewise; a school child was subsequently shot at a location north of Muang Kassi. The Lao have asked the Thai to relocate the Ban Vinay refugee camp, in northern Thailand, close to the Sayaboury border, and to transfer the 30,000 Hmong there south to the Nakorn Phanon refugee camp. If the Thais are prepared to do this, the Hmong resistance in

The future prosperity of Laos will depend very largely on the prosperity of neighboring states.

northern Laos will suffer a severe reduction in support, and Hmong refugees will suffer from being transferred from the mountains, where they are at home, to the malarial plains. For both, the move could spell disaster.

The Hmong are a special case. They are a perpetual thorn in the government's side. Most other ethnic minorities joined the Pathet Lao in the hope of escaping their centuries-old domination by the ethnic Lao. But old attitudes are resurfacing. One can again hear the Lao Theung referred to by Lao officials in Vientiane as "kha," a derogatory term meaning "slave." As the Lao, especially in Vientiane, look after themselves, the disparities in wealth and living standards become more obvious; the resentment grows among the minorities—to the long-term detriment to national unity.

Provincial Independence

Party and government leaders in Vientiane are aware of mounting ethnic tensions, but there is little that can be done about it. The division of resources between districts is a provincial matter. The decision to close hundreds of schools over the past year, most of which were in remote mountain villages, was taken by provincial authorities. Resources are being diverted into profit-making ventures or into the pockets of provincial officials; as a result, teachers and health workers in some areas have not been paid for more than a year. It is usually the more remote areas inhabited by ethnic minorities which suffer from these provincial decisions, thus exacerbating tensions between the government and the minorities.

Part of the problem derives from excessive decentralization. For a single-party state, decision-making in the LPDR is remarkably decentralized. Provinces are responsible for developing their own resources, drawing up their own budgets, and determining their own priorities. Provincial authorities must give their assent for any visit by central government officials. Delays of weeks have been known to occur. Since provinces are responsible for their own finances, it is up to provincial authorities to decide whether funds should be used to pay salaries, or build a school, or import bicycles from Thailand. Some provinces have been more successful than others in turning a profit on their commercial dealings. The current minister of commerce was formerly party boss of Saravane Province in the south. He made his reputation as an economic manager by undercutting neighboring provinces through reducing charges and duties and convincing both importers and exporters to route their trade through Saravane.

The powers and prerogatives of the provinces are jealously guarded, in part because of the strong regionalism reinforced by historical factors (division of Laos into the independent and mutually suspicious and antagonistic principalities of Luang Prabang, Vientiane, and Champassak for more than two centuries) and by poor communications, in part because decentralization gives minority leaders a degree of influence they could not hope to wield at the central level of government. Another reason why centralization would be resisted is because financially the provinces are doing rather well out of the present arrangement, particularly because profitable transactions with neighboring countries can easily be hidden from the central government. In theory, a percentage of all foreign currency generated by provincial business ventures has to be remitted to the central government. In practice, little is revealed, and less finds its way into government coffers. Timber, in particular, is being smuggled out of several provinces to Thailand with the active connivance of province officials.

Economic Developments

Over the past three years, provincial trade has grown considerably. From December 1987 to February 1988, Laos and Thailand fought a minor border war over a patch of disputed territory between Thailand and the Lao province of Sayaboury. The underlying cause was a dispute over who should pay off whom to facilitate timber smuggling. Both sides eventually concluded that trade was more profitable than war, which had cost them both dearly in casualties and cash. Thai prime minister Chatichai proclaimed his intention to turn Indochina from a battleground into a marketplace, and the Lao responded with a policy of openness, ostensibly toward all countries, whatever their political systems, but specifically toward Thailand.

The new economic policy, or new thinking, in Laos could be described as *perestroika* without *glasnost*—economic restructuring through wholesale privatization of government enterprises, and capitalist investment without any reduction in the monopoly of power enjoyed by the LPRP. The model is taken from China and Vietnam, rather than from the Soviet Union. In fact, seminars have been held to explain why Gorbachev's approach is wrong for Laos.

The Open Door policy of welcoming any and all foreign investment goes hand-in-hand with the new management mechanism, whereby all state enterprises must prove their efficiency in response to market forces.

Foreign aid will continue to be essential for development, but Laos is unlikely ever again to become the client of one single, distant foreign power.

Profit is now the only criterion, and unprofitable enterprises are either sold off or closed down. Besides having a positive impact on the economy, these measures have opened up a Pandora's box of illegal and illicit opportunities for corruption and profit. Purer party members have watched aghast as greed and the single-minded pursuit of wealth replaced earlier ideals of egalitarianism and selfless service.

In the long term, economic prospects are bright for a country now numbering among the world's poorest. Timber, despite slash-and-burn farming and illegal exploitation, is a major resource. So, too, are known mineral deposits, including tin, iron, and gypsum. An extensive geological survey is presently being carried out, and prospects are believed to be good for oil or natural gas in the south of the country. But it is energy in the form of hydroelectricity that seems likely to remain the country's leading export in the foreseeable future. Sales to Thailand are currently running at around US$20 million annually, but they are set to increase substantially with the construction of new hydroelectric barrages as part of the Mekong Development Program. Future projects may generate additional sales to Vietnam.

In the short term, however, the country faces serious economic difficulties. Increase in hydroelectric potential requires massive investments. Government income as it is hardly covers expenditure, leaving development entirely dependent on foreign largesse. Eastern European aid has stopped entirely, and given the state of the Soviet economy, Soviet assistance cannot help but be drastically reduced over the term of the Third Five-Year Plan. No other country appears willing to take on the task of subsidizing Lao government expenditure. Japan, Sweden, and Australia are the principal Western aid donors at present, while the United States is still reluctant to make any substantial commitment. (see box)

Tourism is one area where a quick economic return is possible and much-needed hard currency can be earned. Several hotels have recently been built or renovated, but capacity is still limited. The potential, however, remains enormous, especially for boat trips down the Nam Ou, for instance, or down the Mekong from Luang Prabang to Vientiane, or further south to the rapids of Khong. And how many Vietnam veterans would pay to drive the Ho

US POLICY TOWARD LAOS: OVERCAUTIOUS AND UNIMAGINATIVE

Not all the briefing papers and positive assessments can hide the fact that, fifteen years after the end of the Vietnam War, United States policy toward Laos remains mired in the past. The contrast between American policy toward Japan after the Second World War and toward the countries of Indochina—Vietnam and Cambodia, as well as Laos—after the Vietnam War could not be more stark. There is magnanimity and foresight in the former and indecision and lack of imagination in the latter. While the result has been tragic for Vietnam and Cambodia, it has been less so for Laos. The United States still refuses diplomatic relations with the governments in Hanoi and Phnom Penh. Relations with Laos were never severed. They were reduced to the level of charge d'affaires, and there they have remained.

The irony is, of course, that all three countries are desperately eager to have full diplomatic relations with Washington. At a time when Soviet influence is rapidly on the wane, the United States is in danger of letting slip an opportunity to reestablish a presence in Indochina, to become a player in the region, to heal at last the wounds of war. From the vantage point of Vientiane, it is easy to see how this could be done—but then, not many Americans bother to come to Vientiane.

American humanitarian assistance to Laos over the last fifteen years has been meager in the extreme, consisting mostly of emergency rice donations in years of drought, flood, and poor harvests. Less than $150,000 of medical supplies have been donated over the same period. After years of inaction, while every year new casualties were caused by the accidental detonation of unexploded American bombs, an agreement has at last been signed to provide some assistance in prosthetics. The most recent project is somewhat more substantial—a crop substitution and rural development program for Houaphanh Province that over six years will amount to US$8.7 million. Even so, as Stan Sesser noted in a long article on Laos which appeared in the August 1990 issue of *The New Yorker,* American aid to Laos over the last fifteen years approximately equals "the average amount spent for five days of the nine years of bombing."

Funded by the US State Department Bureau of International Narcotics Matters, the Houaphanh project aims to provide alternatives to opium growing for mountain minorities in two of the poorest districts in the province. Opium production, and from it heroin, is one

The poverty of Vietnam is compared with the prosperity of Thailand, and the Lao know which they prefer.

Chi Minh Trail—provided the unexploded ordnance could be removed first?

Apart from tourism, some opportunities are available in manufacturing. Small-scale ventures in plastics and textiles are already underway with Thai and Chinese capital. Textile production located in Laos has the advantage of getting around US quotas for other countries that are already filled. The government hopes that Lao exiles, who have been successful in the United States, France, and Australia, will return to invest in their homeland. As yet, though a number have returned to visit family and friends, few have shown much interest in investment. Suspicion of the present regime runs deep, and for many, the *sine qua non* for their return would be abolition of the single-party system.

The government's hopes for the return of Lao refugees from overseas, bringing with them their skills and capital to boost the economy, are probably unrealistic. Apart from their hesitancy to trust the good intentions of the LPRP, some of the more wealthy Lao expatriates are now past retirement age. Others have children in school and university who were infants when they left Laos and now think of themselves as American, French, or Australian. Few have any wish to return to a country they cannot remember or have never known. No economic panacea is thus likely to be forthcoming from overseas Lao.

The future prosperity of Laos will depend very largely on the prosperity of neighboring states. Already Thailand is moving into the league of newly industrializing countries (NICs). Australia is building a bridge over the Mekong between Nongkhai, the railhead from Bangkok, and Thaddeua, twenty miles downstream from Vientiane. This will facilitate transport and strengthen trade links between Laos and Thailand. The prospect of a second bridge further south has even more significance. Whether this is built at Thakhet or Savannakhet, it would effectively provide a crucial trade route between northeast Thailand and central Vietnam. As Vietnam begins to exploit its undoubted potential and as Thailand continues to develop, trade between the two countries can be expected to expand considerably, and much of this will probably be transported by road through Laos. In the context of a future economic common market in Southeast Asia, something Thai, Lao, and Vietnamese are

of the principal reasons the United States retains a residual interest in Laos. Laos comes well behind Burma and Afghanistan as the third largest producer of raw opium in the world, but production is still significant. Much of the opium is smuggled into Thailand. Though a number of traffickers have been arrested, reports of official connivance in the trade persist. Substantial quantities of marijuana are also produced and are smuggled out via Cambodia and Thailand.

The other reason the US retains an interest in Laos is the MIA issue. Fifteen years after the war has ended, a total of 533 Americans are still listed as missing-in-action in Laos. The Lao have cooperated with the US in working to locate crash sites and to retrieve remains for burial in the United States, and great progress has been made. There seems to be no evidence proving that any US MIAs are still alive in Laos, Rambo notwithstanding. Where US-Lao relations are concerned, the MIA issue has merely served as an excuse for procrastination.

If official American relations with Laos have been overcautious and unimaginative, private American contacts with Laos have been positive and extensive. Two groups in particular, the Quakers and Mennonites, have done much to demonstrate in practical ways American care and concern through a variety of small-scale projects in remote provinces—including designing a special armor-plated tractor to plough areas where unexploded anti-personnel bombs ("bombies") had been scattered.

Now as never before is it time for a new American initiative in Laos. With the Lao policy of openness, the opportunities are there to raise the American profile. Most students in Laos, as in Vietnam and Cambodia, want to learn English. Classes are bursting, and resources and facilities are minimal. At the Polytechnique Engineering School, 105 first-year students were asked if they wanted to learn Russian, English, or French: 94 opted for English. Mutual recognition of this need has led to negotiations between the US embassy and the Lao government to bring fifteen Peace Corps volunteers to Laos in 1991. Most of the volunteers will be English teachers. This would be a move in the right direction—especially if it leads to an upgrading of diplomatic relations to the ambassadorial level and a more generous program of economic assistance.

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already talking about, Laos stands to benefit from the dynamism and prosperity of its neighbors, exporting to both countries its raw materials and energy in return for manufactured products.

Changing Interstate Relations

Lao dependency is something the country's leaders have learned to live with; only the pattern has changed. But this, too, is now settling into a more stable configuration. French, Americans, and Russians have come and gone, or they are going. Foreign aid will continue to be essential for development, but Laos is unlikely ever again to become the client of one single, distant foreign power. Japan is not a contender, nor is any other country. Instead, traditional power relations are reasserting themselves. China is once again the remote arbiter. Of all the states bordering Laos, only China has never, since the 14th century, invaded Laos. China's role, until the decline of the Ch'ing dynasty in the 19th century, was rather to act as guarantor through its hegemonic relationship with tributary states. It was not much protection, but for the states of mainland Southeast Asia (with the exception of Vietnam) China was not a serious threat either. And nor is China likely to be in the future. Relations between Vientiane and Beijing are now the best they have been in years, and they are likely to remain so whatever changes of government occur in either country, especially now that Vietnam too has recognized the frailty of the Russian card and adjusted to geopolitical realities.

Of the other countries bordering Laos, Cambodia and Burma are likely to remain unimportant. Their borders with Laos are remote from power centers in either country. For Laos, the countries of principal importance, other than China, will always be Vietnam and Thailand. The challenge facing Lao foreign policy-makers is to maintain a proper balance in their country's relationship with both—and this is something that has not been easy in the past and will not be easy in the future.

The special relationship with Vietnam enshrined in the 1977 Treaty of Friendship and Cooperation between the two states is not entirely a dead letter, but it is very much diminished in importance. The geopolitical forces ranged against Vietnam following its invasion of Cambodia proved too great for Hanoi to sustain any hegemonic ambitions with respect to Laos and Cambodia. Vietnamese forces have been withdrawn from both countries. Relations have been patched up with China. In the process, the single-minded grip and direction of the Vietnamese Communist Party has been weakened. Economic weakness and diplomatic isolation have led to divisions and uncertainty within the VCP. No longer does it provide the firm support it once did for the Lao revolutionary movement during the thirty years of struggle from 1945 to 1975.

Any remaining Vietnamese influence is exercised through certain elements within the LPRP, the army, and the Ministry of the Interior—those organs and institutions which formed the core of the special relationship. But criticism of Vietnam is now openly voiced—of shoddy workmanship in aid projects, of inappropriate advice, of failures of policy, and of economic weakness. The poverty of Vietnam is compared with the prosperity of Thailand, and the Lao know which they prefer.

Ironically, however, the continuing relationship with Vietnam owes much to resuscitated fears of Thailand. "The Thai want to eat us," Acting President Phoumi Vongvichit recently told a foreign ambassador. Thai overeagerness to replace Vietnam in exerting a dominant economic and political influence in Laos is understandable, but it is counterproductive. Not all members of the Lao Politburo are as eager to embrace the Thai as Sisavath Keobounphan. Vietnam, and to a lesser extent China, are seen as the only available political counterweights to the burgeoning Thai economic presence. Laos needs Thailand economically but fears absorption into a Thai-dominated economic order which could threaten Lao national identity. This is a threat which can only diminish with the economic development of Vietnam, but for a decade or two, it is likely to pose a serious dilemma for Lao policy-makers.

The future of Laos thus once again lies in exploiting its position as a buffer state, wooed by powerful neighbors but maintaining a precarious balance between them—a balance which permits sufficient distance to be maintained to allow the country to retain its own unique national identity. To tread this course will require the vision and foresight of a new generation of leaders, educated in economics and diplomacy rather than in guerrilla warfare. Whether the LPRP has produced such leaders, and whether it recognizes the wisdom of permitting their accession to power, will become evident at the Fifth Party Congress and with the political and economic policy decisions that result from its deliberations.