CHAPTER IV

ERAS OF PEACE AND PROSPERITY (1968-1992)
ERA OF PEACE AND PROSPERITY, 1988-1992

Although Laos and Thailand have close ethnic and cultural links, their language, customs and historical background are similar, the relations were soured between the two brotherly countries since the establishment of LPDR in 1975 for more than a decade due to events such as Thailand's closure of the border, cutting of Laos' main trade routes, bloody border clashes in 1984 and 1987-88 and the flow of Laotian refugees into Thailand. These problems are discussed in the previous chapters. But, since March 1988, the relations between the two countries had been improved dramatically. Peace, prosperity and progress were achieved. There was rapid improvement in Lao-Thai relations, for which economic, trade, cultural and other fields have been brightened. The longstanding border conflicts and refugee problem have been solved. Moreover, "the genuine hand of friendship offered by Thai king Bhumibol Adulyadej and his family are helping to ease old enemies". As Laos determined

to pursue its development strategy, it expanded its ties with the neighbouring non-communist Thailand in an apparent bid to get more help to develop the country's economy and to reduce its near-total dependence on Vietnam after the guns fell silent in February, 1988. Thailand was also keen to have good relations with Laos because both share a common culture and common language. Moreover Thailand could not keep vigil a long border of 1600 kilometers. Thailand, which had vast market in Laos, its investment and trade in Laos have been affected since the bloody border conflict of 1988. Therefore, Thailand wanted to patch up Thai-Lao differences to improve its trade and commerce. In this background the relations between Laos and Thailand have been improved well since March 1988 and reached their zenith by March 1992, during which period almost all the sour problems were amicably settled and trade, commerce, culture and other fields were improved well after concluding several pacts. Peace, prosperity and progress have been achieved during this period. Therefore the period [March 1988-1992] may be called as "Golden Age" of Lao-Thai relations. The reasons for fostering of Lao-Thai relations are analysed in the following pages:

1. IMPACT OF EXTERNAL DEVELOPMENTS ON LAO-THAI RELATIONS

Since the proclamation of the LPDR in 1975 till February 1988 when the three month war over Rom Ban Klao
area was brought to an end, for most part of the tense Lao-
Thai border remained a stumbling block in the growth of
relations between Laos and Thailand. Of the several border
conflicts the one erupted in 1984 and the other in 1987
stood out as the major ones. Of these two the 1984 war over
"The Three Villages" issue was by far "the most serious"
and hostilities commenced in June of that year ended in
October. When compared with this five-month war, the three-
month war of 1987-88 was a low keyed affair, neither side
resorting to examine steps to and on the other hand each
side appealed to the other to keep cool and settle the
dispute peacefully. This suggests that much before the
hostilities broke out in 1987, a mutually advantageous
process of broadening and deepening cooperation and brother-
hood between the two neighbours was taking place, thanks in
particular to the supportive international environment.

After the advent of Michoil Gorbachev in the Soviet
Union in 1985, global tensions started relaxing.
Confrontation gave in to peaceful cooperation. In his
historic Vladivostok speech in July 1986, Gorbachev, General
Secretary of the CPSU, while pointing out that the need of
the hour was "an urgent radical break with many conventional
approaches to foreign policy", noted:
The experience of history, the laws of growing interdependence and the need for economic integration urge one to look for ways leading to agreement and to the establishment of open ties between states in the [Asia-Pacific] region and beyond it.²

Turning to Southeast Asia, he said:

In our opinion there are no insurmountance obstacles in the way of establishing mutually acceptable relations between countries of Indochina and ASEAN. Given goodwill and the absence of foreign interference, they could solve their problems which would simultaneously benefit the cause of security in Asia.³

Vietnam and China which extended unconditional support to Laos and Thailand respectively in their border disputes, reoriented their policies in the context of changing international scenario. At a time when the Hmong anti-government rebels increased guerrilla operations and the Lao-Thai border conflict broke out by the fall of 1987, Vietnam started pulling out more than half of its 40,000 troops stationed in Laos. Vietnamese Foreign Minister Thanee informed Thai officials that the remaining Vietnamese troops

². For text of speech, see Speech by Michoil Gorbachev in Vladivostok July 28, 1986 [Moscow, 1986].

³. Ibid.
would be withdrawn in 1989. Major part of the Vietnamese, numbering several thousand troops had been in Laos since 1975 as advisers to the Vientiane government, were also taken back. Several reasons were given for the withdrawal of Vietnamese military and other personnel from Laos by the analysts.

i) to honour Lao nationalist sentiment,

ii) the strength and quality of Lao army has improved,

iii) to downplay Vietnam's earlier emphasis on a "special relationship" with its smaller neighbours, Laos and Cambodia,

iv) to cut the military expenditure of Vietnam to stabilise its economy,

v) to send a friendly signal to China and Thailand which share border with Laos, and

vi) to demonstrate downswing in Lao dependence on Vietnam.

Whatever be the case, Vietnamese troop withdrawal from Laos had relieved Thailand from tension, till then Thailand was sour over the fact that it was threatened by Vietnamese

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5. Ibid.

6. For excellent account of this aspect, see Asia 1989 Year Book, p.160, see also Southeast Asian Affairs 1989, p.10.
forces consolidation in Laos. Vietnamese troop pull out from Laos also paved the way for the growth of friendly ties between Laos and China. Laos' Foreign Minister Khampha Boupa paid a five-day official visit to Peking in November 1987. Incidentally, he was the first senior Lao official to visit China since the military intervention of Vietnam in the ally of Laos, in Cambodia, ten years ago. During the visit, both parties agreed to exchange ambassadors for the first time in 10 years. Most gratifying to Laos was China's commitment to withdraw support to forces opposing Vientiane government. Soon after his return to Laos, Kampha told the official Lao news agency, KPL:

The Lao side was very pleased to hear from the Chinese side that China will not help and support the Lao reactionaries in exile in their anti-government activities. 7

The change of guard in Thailand augured well for the Lao-Thai relations to gain momentum. The friendly gestures of Gen. Chatichai Coonhaven, who succeeded Premier Prem Tinsulanonda in August 1988 had profound impact on Lao-Thai relations. As PEER had pointed out, one of the first things that the new Prime Minister Chatichai publicly pledged after

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assuming office was to turn Indochina "from a battle-field to a trading market". On January 27, 1988 Thai Foreign Minister Siddhi told foreign correspondents that the border clashes were isolated, incidents which had not interrupted otherwise normal trade relations between the two countries. A leading Thai news paper noted that Thais and Laotians had intensive desire to develop closer friendship and cooperation for mutual benefit because of racial, cultural and historical affinities between them. The efforts of Thai government to improve closer ties with Laos, and to reduce tension on not only Lao-Thai border but in the Southeast Asian region was commended by many Thais. The efforts were "like making up for the lost time since 1979", commented a Thai delegate.

Similar statements were expressed by the Lao leaders. Lao National Defence Minister Gen. Khamtai Siphandon told Gen. Chavalit Yongchaiyudh, head of the military delegation when the latter called on him during his two-day official visit on October 29-30, 1988:

Other countries might be wondering how Thailand and Laos have managed to love each other so quickly and to achieve mutual trust and sincerity so soon. This is our one characteristic. Our relations have existed since time immemorial ... We can have many things in common. Thus other countries might find it difficult to understand us, but I think that they ... can learn from us on how to expand our relations ...\(^2\)

2. **IMPROVEMENT IN TRADE AND ECONOMIC COOPERATION** :

The uneasy border situation did not prevent a rapid progress in trade and economic cooperation between Laos and Thailand. Thailand continued to reduce "the strategic" items' list to be exported to Laos. It was 200 in 1986, 61 in 1987 and by April 1988 it was further reduced to 32.\(^3\) Even the exports were increased [of which Hydro-electric power, logs, coffee] 43.8 million US \(\$\) in 1984, 53.6 million UN \(\$\) in 1985, 55 million US \(\$\) in 1986 and 64.2 million US \(\$\) in 1987\(^4\) and imports from Thailand was US \(\$\) 24 million in 1987


\(^{14}\) Ibid, p.189.
and US $33 million in 1988. This is all due to termination and the promulgation of a new investment code by Laos. 15

As Thailand had a policy of boosting trade with her Communist neighbour, Laos as early as since January 1986, it encouraged exports by individuals and tried to prevent Thai companies' monopolising trade between the two countries. Thailand also encouraged trade with Laos because if Thailand ignores expanding trade, Vietnam could monopolise trade with the landlocked country, Laos. 16 Laos also introduced Second National Development Plan in 1986 and eased trade restrictions resulting in more imports from Thailand, worth 309.8 million Baht in 1986 and more than 91 per cent of 1985 exports. 17 Moreover, Lao-Thai trade agreement of November 29, 1986 enabled both sides to agree flexibility in cross-border trade and end of propaganda attacks. 18 Though there were hostile exchanges and war games like stock-piles, there was smooth relation regarding trade.

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15. Ibid, p.205.
17. Ibid, August 1, 1986.
THAI TRADE POLICY OF MARCH 1988

The Thai policy towards Laos has undergone a significant change since March 1988. It adopted the policy of "the best position", one of boosting economic and political cooperation and forging closer ties by exchanging deligations and visits at all levels. Moreover, Lao-Thai trade relations turned into a new epoch by the election of Chatichai Coonhavan as Thailand's Prime Minister who emphasised trade and investment in Laos. He sent Gen. Chavalit to Vientiane on a diplomatic mission in November-December 1988 and also announced his ambitious policy towards Indochina "to turn Indochina from a battlefield into a trading zone"19, which has become a corner stone in Thai foreign policy of trade towards Laos. The Thai Foreign Minister ACM Siddhi declared that the Thai trade policy would be modified to promote economic and political relations. As a result, a number of initiatives such as opening of more border crossings, reduction of strategic goods, offering of economic assistance in several fields were launched. Both sides signed an agreement in Bangkok on October 19, 1988 and agreed to expand relations in the fields of commerce, trade, communications, public health, education, culture, investment and tourism.20


Meanwhile, in a bid to improve trade and cooperation with Thailand, the LPDR government introduced a new economic policy namely "open door policy" or "policy of opening up" in July 1988. The government also ratified its investment to attract foreign trade, investment and technology. It opened doors for private companies. By reducing dependence on Vietnam for trade, Laos improved trade with Thailand, besides China and the US. As a result of this new economic policy, 80 per cent Thai companies registered with LPDR and more companies signed contracts. Trade was increased over 36 per cent in 1988, compared with 1987. Thailand exported goods worth Baht 950 million [US $ 37.55 mm] an increase of 11 per cent whereas Laos' exports increased to 12.5 per cent over 1987, worth of 300 million Baht [excluding electricity] for an increase of 125 per cent over 1987. Though many foreign companies wished to register contracts in Laos, the legal system, infrastructure, labour problem and corrupt bureaucracy discouraged them.

In a Joint Communication, on November 25, 1988 signed between Kaysone Phomvihane and Gen. Chatichai, both Laos and

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21 Murray Hiebert, "Laos : Vientiane Ties to Woo cautious foreign investors turning to the west", FEER, February 16, 1988, pp.22-23.
Thailand unanimously agreed to build a new bridge across the Mekong to develop trade and communications and to render cooperation in the fields of electricity, agriculture and to promote investment in production of goods for export from Laos. As a result, a new Thai-Lao world company was set up to invest in Laos, to build a store complex, holiday resorts, hotels and a casino. The LPDR government approved the proposal of Thai businessmen to establish a 200 million Baht cable-car joint-venture project. A "tourism promotion plan" was also approved to draw tourists from Thailand as a prelude to "visit Laos year-1991". The Thai tourism department also planned to construct movie theatres in Laos. In agriculture side also, both countries accepted to launch agricultural ventures involving live-stock, soya beans, sea weed and green mug beans. To promote trade with Laos, Thai government cut the list of banned goods for export to Laos from 61 to 29 items (including chemicals, heavy trucks, helicopters) at the end of December 1988. Besides reducing the banned goods list, Thai government also approved to open two more trade and


24. Ibid.
transit checkpoints on Lao-Thai border at Chiang Khong in Chiang Rai.25

To increase economic cooperation and trade both Laos and Thailand signed an agreement on January 13, 1989. Accordingly, both sides agreed to set up a Joint Working Committee on timber production and marketing, to suppress border smuggling and adhere to the 1978 Commercial Agreement signed by two countries. Moreover, Laos agreed to have more contacts and exchange more information on monetary matters at both Commercial and Central Bank levels. Laos also offered joint ventures in setting up Commercial Banks in Laos under the investment law. It also accepted to lift its ban on log exports. In a reciprocal manner, Thai government announced to open more border points and to assist in giving training to Laotians in the fields of commerce, insurance, registration, measurements and export.26 As a result of the agreement, Laos lifted the ban on log exports and offered Thais to salvage timber lying under water in Nam Ngum Dam. It also allowed Thais to open saw mills, and furniture factories. Thailand also ordered to open seven temporary border check-points to import timber from Laos.27

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25. Ibid.
In another agreement both Laos and Thailand accepted on February 9, 1989 to open another border transit point at Chong Mek, in Ubon Ratchathani province. Laos also agreed to exchange timber for Thai goods in government to government barter arrangement. Investors also would be given protection and special treatment. Four Commercial Banks were established by Thais in Laos. Laos also eased its trade laws and taxes were reduced on foreign investments [from 50 per cent of profits to 25-35 per cent]. Aviation service and tourism business were permitted to VSF company of Bangkok.

**LPDR'S NEW ECONOMIC POLICY**

In early 1989, LPDR declared a new economic policy called "Setthakit Pason" or comprehensive economy or free enterprise which was also called as "PERESTROIKA" of the Soviet Union. Accordingly, all banks and foreign trade which was in the control of government came to be free market. The new policy aimed at peaceful co-existance and opening the door to the outside and no more border-wars with Thailand. Thus, for the first time since Communist government established in 1975, Laos gave a chance to the capitalists

"to show their stuff" because of the failure of economic policies.29

In a bid to improve trade, Thailand opened four more check-points at Nakhon Phanom in April 1989 and fourteen in Chong Mek in July. A road construction agreement was also reached in March 1989 for construction of 80 kilometer road linking Nambtha and Nale districts with a cost of US $6.4 million.30 A bridge linking Laos and Thailand across the Mekong would also be constructed with Australian finance with a cost of US $30.5 million.31 As a result of these measures business at the border has been booming and several million Baht was circulated in the markets on both sides. The dream of Gen. Chatichai, turning the Indochina battlefield into a trading zone was about to realise. More over Gen. Chatichai who felt happy for the change, advised Thai businessmen not to take advantage Indochina to capitalise because "they have suffered enough from war".32

As a result of the new economic policy of Laos, much trade with Thailand was done. Laos, which fought with Thailand on Ban Rom Klao dispute in February 1989, wanted to strengthen


30. SWB/FE/W0072/A/3/5, April 12, 1989.

31. Ibid.

32. Ibid.
its relations on economic field for which Thailand also responded suitably and declared that Thailand's policy would be mean "Laos is likely to be the first place where it is worked out". 33

Further more, to help boost cooperation between Laos and Thailand LPDR established Lao-Thai Economic, Cultural, Scientific and Cooperation Association in March 1989. The Thai-Lao Policy Implementation Committee headed by Gen. Chavalit suggested in April 1989 to set up an integrated "model village", to establish a 30 bed hospital in Botene district, to give loans on low interest to establish industries like garments and sugar and to help in the fields of tourism, health and energy. 34 Educational meetings with Thai experts were held in Vientiane in April. Through "People to People" programme, Thais trained Laotians in engineering, science, computer, agriculture etc. A Buddhist delegation also visited Laos in June, which was warmly received by Laotians. 35


34. Bangkok Post, April 13 and July 5, 1989.

35. Likhit Dhiravegin, "Brothers across the River", Bangkok Post, May 17, 1989 and also see Bangkok Post, April 26, 1989.
In spite of "Cold war" article in Pasason in August 1989, Thai-Lao trade and cooperation did not affect. The Thai-Lao Development Bank, the first venture bank between Laos and a foreign partner was inaugurated in October. Both Laos and Thailand reached an agreement on October 6, 1989 to establish Lao-Thai and Thai-Lao sub-committees to adopt plans, and to deal with various fields of cooperation projects such as a joint Development Bank, study tours and technical training for Laotians. Laos' side also proposed Thailand to help for construction of the Mekong Bridge and for live-stock breeding project. Thailand also lifted ban on export goods to Laos on the remaining 29 items including chemicals and military gear on November 21. Trade between the two countries increased considerably as a result of the list of all banned goods containing 363 items was scrapped.

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36. The Lao official newspaper Pasason published an article entitled "The Thai Government's Efforts Regarding the Cambodian Problem". It included the allegation that Thai permitted the US to transit arms to Cambodia. The article flared a misunderstanding between Laos and Thailand. See the article in Pasason, August, 1989.


39. Thailand reduced the number of items on "strategic goods" list twice, which had originally included 363 items banned for export to Laos for security reasons. The list was reduced to 200 in 1986, 61 in 1987 and by April 89 it was 32 items. The cabinet agreed to lift the remaining items in November 1989. Southeast Asian Affairs 1989, p.205 also see Bangkok Post November 22, 1989.
JOINT MEMORANDUM OF 1990

In a Joint Memorandum, signed on 25-26 May 1990, by governors of Thai border provinces and Chairmen of the administrative committees of border provinces of LPDR at Nakhan Phanom [Thailand], both sides agreed to standardise border-crossing fees rate at Baht 50, to scrap restriction of travel stipulated under the Thai-Fraco Treaty signed in 1943. Both sides agreed to cooperate in the exchange of criminal information and make arrangements for visits to inmates held in each other's country.

In August 1990, Laos and Thailand signed an agreement on investment promotion and protection to encourage investment of the business men. Accordingly, both governments guaranteed to compensate foreign investors in the event of taken over by the government. It also provided protection

40. Under the Thai-Fraco Treaty of 1943, the border pass holders were restricted to travel within 25 kms radius of the township visited. Now, the visitors will be able to travel beyond 25 kms limit in any of the 10 Laotian border provinces, while a similar treatment is accorded to Laotian travellers in Thailand. The relaxation was meant to promote cross-border tourism and closer ties between Thailand and Laos. This new border pass system will permit a 30-day stay for trade and 3 days to visit relations on both sides of Mekong, Bangkok Post May 27. 1990, p.3.

to the businessmen. In another agreement on November 2, 1990, both Laos and Thailand agreed to foster regional cooperation to develop the Mekong river basin, to bring China and Burma into the Mekong committee in addition to Laos, Thailand, Cambodia, and Vietnam. Thailand also proposed to build another bridge to link Champassak province with Thailand.

In a bid to speed up a new trade pact and to increase trade volume, both the delegations of Laos and Thailand, signed a joint statement on May 2, 1991 and agreed to strengthen economic relations and cooperation. Both sides also agreed to the principle of joint venture in which Laos can select a Thai company to joint investment. It was also agreed to reduce taxes on agricultural products by Thailand as proposed by Laos. To update the trade agreement of 1978, both the tourism ministers of Laos and Thailand signed an agreement on June 20 and agreed to encourage Laos to produce more for export Thailand, to set quotas for coffee, soyabean and jute to regulate border trade, to settle trade problems. It was also agreed that taxes on agricultural

42. Text of Agreement, see SWB/FE/0856/A3/3, August 30, 1990

43. Text of Joint Lao-Thai Trade and cooperation communique, see SWB/FE/0913/A3/6, November 5, 1990.

products would be reduced to 20 per cent from 60 per cent.\textsuperscript{45} According to another trade agreement reached in August 1991, 20 per cent of tariffs on Lao products was reduced to help exports from Laos.

RESULTS OF NEW ECONOMIC POLICY

As a result of new economic policies of Laos and Thailand, trade and cooperation increased tremendously. The policy of "opening up" introduced by Laos has given good luck for the future of Laos particularly on its economy. Even Thai businessmen took advantage of the new "open door policy" and were tempted by the natural resources of Laos. Due to this policy by 1990, Thai-Lao cross border trade increased sharply. Trade and cooperation between the two countries stepped in "new era". As many as 600 Thai companies engaged in trade with Laos and Laos tend to prefer goods to locally made products. Moreover, Thailand has given Laos special importance as regards cooperation for the benefit of both the peoples in trade. By 1990, the total investment by foreign firms in Laos was $189.8 million in central, joint ventures and foreign owned business. Laos also received $961.6 million of foreign aid during 1986-1990.\textsuperscript{46} As a result of more economic ties and trade

\textsuperscript{45}. Bangkok Post, June 21, 1991.

agreements, Laos' trade with Thailand reached to Baht 3.8 billion [US $148 million] in 1990, up sharply from Baht 556 million, five years earlier. Moreover, Thai Foreign Policy makers gave top priority to Laos in economic cooperation because:

Laos aspirations match those of Thailand. Better living conditions among Laotians would benefit Thailand in the long run, since, they would have greater purchasing power to buy Thai goods.

3. PROMOTION OF ELECTRICITY COOPERATION

Though there were strained relations between Laos and Thailand during the period 1984-1988, cooperation in the field of electricity did not affect. The major trading partner of Laos was Thailand. Laos' biggest export was electricity which was generated by hydro-electric power project of Ngum River, a tributary of Mekong river. It is situated 90 Kilometers from the border and to the north of Vientiane. Though the dam generates only 2 per cent of Thailand's power supply, more than 65 per cent of foreign exchange of Laos comes from the supply of electricity to

47. FEER, Asia 1992 Year Book, p.146.

Thailand. The major source of Laos' government revenue was electricity which earned $32 million during 1986. When Laos and Thailand signed an agreement in October 1986, on a five-year purchase contract, Laos demanded that Thailand pay more prices to electricity which was rejected by Thailand. Thailand, which always depended on Laos for electricity, threatened to stop buying electricity from Laos at the existing prices of November 1986. Therefore, there were negotiations between the Electricity Generating Authority of Thailand [EGAT] and the Laotian Electricity Authority [LEA] in November 1986. Laos proposed that the price be raised to US $0.04376 from US $0.03100 per kw/hour. But EGAT demanded Laos to sell at the rate of US $0.0300 per kw/hour with an annual price increase of 9 per cent. Despite several rounds of talks both sides failed to arrive at an agreement. The Laotian officials justified their offer on the basis of raising costs and the desire to get greater investment capital for more development at Nam Ngum electricity project. But, Thai officials had made it clear that they wanted to lower prices in view of falling world prices for oil and other supplies.

To promote Lao-Thai economic relations, a Joint Hydro-Electric plant with a production capacity of 100-200 kilowatts was approved by the Mekong Committee in its session on February 1, 1989. The proposed project would be built in remote areas of Thailand. In an agreement in March 1989, Thai cooperation committee recommended to Thai government to help develop small and medium hydro-electric projects of Laos. Laos also proposed Thai side for help in building of Hydroelectric project at Nam. The two sides reached an agreement on October 6, 1989 to promote cooperation as proposed by Laos. An electricity agreement was also signed by both the delegations of Laos and Thailand on November 18, 1990 according to which both sides accepted to cooperate in developing the Mekong river and its tributaries. Both sides also agreed to cooperate in construction of Nam Theum Dam in Champassak province. Thailand also accepted to buy more electricity from Laos for its economic development. Thailand used to buy 150 Mega watts of power costing about 800 million Baht from Nam Nyum Dam. As per the new agreement, Thailand would buy 1,200 Mega watts of electricity from Laos. It costs Baht 6,200 million,

52. Ibid, April 13, 1989.
a year. In view of Laos need in foreign exchange to increase its economy, the Laotian government increased its electricity help to Thailand which was accepted by the Thai government.\textsuperscript{54} In the Joint statement released on May 2, 1992 and June 21, Thailand agreed to meet the electricity prices and to promote cooperation.\textsuperscript{55} As the relations between Laos and Thailand reached to their highest peak by 1992, both sides agreed to promote more cooperation in the field of electricity.

4. THE PROBLEM OF LAOTIAN REFUGEES - SOLVED

The problem of Laotian refugees was another cause for the irritation between Laos and Thailand since the establishment of LPDR in 1975. An estimated number 300,000 approximately 10 per cent of Laos' population have fled from Laos to Thailand during the first five years of the Communist regime. It was further increased year after year upto 1982. They crossed the border mainly due to economic reasons, dissatisfaction with the government's social and economic policies, and expecting better economic conditions.

\textsuperscript{54} Text of Agreement, see SWB/FE/0929/A3/3, November 24, 1990 and also see Bangkok Post, November 20, 1990.

opportunities. The Thai government established refugee camps at Nong Khai and Ubon Ratchatani to rehabilitate the Laotian refugees, with the aid of United Nations High Commission for Refugees [UNHCR]. Thailand accepted the Laotian refugees out of humanitarian consideration. In spite of this attitude of Thai government the refugee problem had created ill-feeling between the two countries. As Thailand could not afford all the refugees to provide basic amenities, Thai government appealed various countries to come to rescue of the refugees and adopted a policy of repatriation or moving the refugees to a third country.

Concerning the growing number of Laotian refugees, UNHCR conducted two international conferences to find a solution to the problem in December 1978 and July 1979. Thailand also appealed the LPDR government to accept repatriation scheme which was implemented in 1982. Laos was also concerned with the problem and agreed Thai's plea in 1984. In spite of voluntary repatriation and Anti-Piracy programmes the arrival increased in 1985. Though Thailand tried to stop the inflow, still exceeded the number. Therefore, it appealed

UN in 1986 to come its rescue. The problem was not solved until 1988.

As Lao-Thai relations were greatly improved by the end of 1988, the Laotian Refugees' problem was smoothly tackled and by the end of 1992, it was settled. In early 1988, the problem became complicated due to the changed refugee policy of the US government that:

Laotians with past or current ties with the USA or individuals who have been living in or who are currently living in coeducation centres along with accompanying members of their family will be regarded by the USA as refugees eligible for admission to the USA, even though they have not left their country. 59

Therefore, only a small number of cases could be taken up by the USA, and direct departure possibility was existed for only some Laotian refugees.

In a bid to settle the issue, an agreement was reached between Thai Prime Minister Gen. Chatichai and Laotian Prime Minister Kaysone on November 25, 1988. Accordingly, both sides accepted to cooperate with each other with the

cooperation of UNHCR, to resolve problems relating to an estimated 90,000 Laotian refugees who have been in Thai border camps since fleeing in 1975. Thailand also accepted open direct talks with Laos through UNHCR on the repatriation of refugees in Thailand. As a result of the agreement, Laos proposed Thailand to approach the UN to help shift Laotian refugee camp to Vientiane. This attitude of Laos reveals its sincere desire to solve the problem. But Thai side criticised Laos design as "it indicates to yet UNHCR's help to continue even after the repatriation".61

VOLUNTARY REPATRIATION PROGRAMME

To foster Lao-Thai relations, voluntary repatriation programme was intensified at the end of 1988. As a result, many groups of Laotian refugees were repatriated to Laos in January and February 1989. The programme was arranged by the UNHCR-Thai-Lao authorities. But Laos could not fully accommodate the refugees due to fear that members of resistance groups might have mingled with the refugees and also LPDR had no effective screening process.62

60. FEER December 8, 1988, p.19 and also see Bangkok Post, January 2, 1989.
In an agreement reached on March 14, 1989 at Pattaya, Laos accepted to take 80,000 refugees at the rate of 150 a month from the Thai camps beginning from April. It also pledged to take more refugees back, if the repatriation process could be speeded up with the help of UNHCR.63 Describing the repatriation programme as "Home Sweet Home" the Thai Foreign Minister Prapass said that those to be repatriated included illegal immigrants and refugees who have voluntarily returned to Laos. According to the agreement, Laos made the selections themselves unlike screening by UNHCR and the process of Thai-Lao government authorities.

Though the repatriation programme was in the process, the refugee problem posed a threat to Lao-Thai relations and created distrust between the two nations. To boost the relations, the Laotian Deputy Foreign Minister Soubhanh assured to take back Laotian refugees on humanitarian grounds. He also said that Laos had an obligation to take back its people. "We must not forget that international law states that those who are not willing to return, can not be forced to do so at gun-point", Soubhanh pointed out.64 By

64. Ibid.
the end of 1989, Laos opened six reception counters for refugees in Vientiane and only 5,100 refugees voluntarily returned. Laos also got US $200,000 in aid from UNHCR besides getting material help to prepare the list of refugees for voluntary repatriation. As the Lao-Thai relations were greatly improved in all fields by the end of 1989, the refugee problem remained unsolved. Laotian Premier Keysone who did not accept forced repatriation suggested fresh talks between the two sides to solve the affair soon.

An agreement on refugees problem was reached on August 17, 1990 between Gen. Sisavath and Sunthorn of Laos and Thailand respectively. Accordingly, both sides accepted to work with the UNHCR on the repatriation of the refugees within a time-bound frame. Again there was an agreement in November on refugees and Laotian Prime Minister accepted to take back 300 refugees monthly for which the Thai Prime Minister thanked his Laotian counterpart.

A landmark agreement on refugees was reached between Laos-Thailand-UNHCR officials on June 29, 1991, according to which Laos accepted to take back all the remaining 64,000 refugees from Thailand by the end of 1994. As per the agreement, the first batch of refugees about 5000 were repatriated during July 1991-May 1992. The second group of about 20,000 would be repatriated between June 1992-May 1993 and the last batch would return home between May 1993 end of 1994. The Laotian government also guaranteed safety of the refugees after their return to Laos. They would also be provided all amenities who should be settled in five cities namely Xieng Khong, Vientiane, Luang Prabang, Sayaboury and Boken. The UNHCR also pledged to provide assistance of US $ 3.4 million for use in settlement and to purchase agricultural tools. It also accepted to provide Baht 400 to 500 monthly for each family towards expenses. Moreover, Vientiane also agreed for the first time to allow representatives of refugees to visit the camps of refugees in Laos to know that the refugees would not be mistreated when they return home in Laos.


70. Ibid, p.144.

71. Ibid, p.144.
5. END OF LAO-THAI MAJOR BORDER CONFLICTS

In another development the major border conflicts of "the three villages" issue and the Ban Rom Klao problem have been dealt smoothly by negotiations and came to a close by the beginning of 1992. "The three villages" issue, which was dominated during 1984-87, undermined the relations of thickly related countries was taken to the international organisation. Due to the conflict, tension mounted not only on the Lao-Thai border but also in the whole region of Southeast Asia. By June 1986, the conflict was not solved because:

- Thai side has not yet recognised that the three villages are part of Laos, because some Thai troops are still stationed deep inside Laos,
- because they have refused to return the inhabitants evacuated to Thailand to their native land, and because they have refused to pay compensation to the local villagers for the loss caused by them.72

Eventhough the conflict was not solved, both Laos and Thailand stopped attacking each other and regarded the

dispute "a minor incident". A rally which was organised on the occasion of second anniversary of Thai "occupation of the disputed three villages" on June 6, 1986 at Paklai, denounced the gross violation of the sovereignty and territorial integrity of Laos and demanded Thailand to immediately withdraw all its troops from the disputed area. 73 Even Laotian newspaper Pasason urged to respond to the aspirations of Lao and Thai peoples and Thai side must respond "to the correct reasonable and constructive proposal advanced by the Lao side" 74. Moreover, the Laotian Foreign Ministry also issued a statement on June 6, 1986 to withdraw from the disputed area and proposed to improve Lao-Thai relations thus:

government delegations be appointed to discuss outstanding problems .... and negotiate with its Lao counterpart either in Bangkok or Vientiane. 75

In response to the LPDR Foreign Ministry's proposal, the Thai foreign ministry spokesman declared that:

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73. Ibid.
74. Ibid.
Bangkok had no border dispute with Laos and therefore would not take up a recent Laotian offer to start a new round of talks to solve it.  

While Laos suggested Bangkok to issue orders for pulling out Thai ranger units from the disputed area, a senior Thai official has said that "Thailand has quietly dropped its claim to the villages" and he also denied any Thai presence in the area "at present" and also asserted that the "Lao villagers have claimed to remain on Thai soil of their own free will".

During the negotiations on March 27, 1987 in Vientiane on "the three villages" issue, Thai chief of the delegation Dr. Arun reiterated that no Thai troops were stationed in the disputed area and he also proposed to send a joint technical team to survey the border area. Rejecting the proposal, Laotian Foreign Minister Soubhanh said that the Thai troops remained in the area and demanded immediate withdrawal of them as "this problem concerns our sovereignty". He said. Demonstrating political will to solve the issue, the Thai Foreign Ministry stated:

76. SWB/FE/8283/A3/2, June 12, 1986.


The only issue they paid attention to was the problem of the three villages which would have not existed at all because we have confirmed on several occasions and confirm here again that no Thai soldiers are stationed on Lao soil. 79

Finally, the LPDR Foreign Ministry called for a third round of talks on "the three villages" dispute in December 1987, which were deadlocked in March 1986 because there was no response from the Thai side. Even though there was calm and conducive atmosphere during 1987, the problem remained unsolved until three month war broke on a border conflict namely Ban Rom Klao dispute in December 1987. The relations were at nadir during 1987-88 due to fierce fighting. The situation became calm from March 1988 and the conflict was solved along with the Ban Rom Klao dispute in March 91, after prolonged negotiations. According to the agreement reached in March 1991, Thailand withdrew its troops from "the three villages" paving the way to claim sovereignty over the area by Laos. 80


80. Text of agreement on withdrawal of troops from the disputed area, signed on March 12, 1991, see SWB, FE/1020/A3/1, March 1, 1991.
THIRD ROUND OF TALKS TO SETTLE THE THREE MONTH WAR ON BAN ROM KLAO DISPUTE

In its memorandum on September 9, 1988, the Lao foreign ministry called Thailand to resume talks on the dispute of Ban Rom Klao for which a three month war was erupted at the end of 1987 and agreed for ceasefire in February 1988. Taking initiative to solve the problem, the memorandum of LPDR foreign ministry urged Thai side to settle the problem "on the basis of equality". In an aide-memoire, issued by LPDR foreign ministry at the end of September, proposed guidelines to solve the conflict. It also called to find a common stand point for improving bilateral relations by treating the disputed area as a "joint development area".

Talks on border problems were held on October 17, 1988 in Bangkok between Gen. Chavalit Yongchaiyudh, Thai side and Gen. Sisavat, Laos' side. At the end of three-day talks both sides issued a Joint Statement on October 19, in which both agreed not to resort to military force and to settle the issue on the basis of ceasefire agreement of February 17, 1988 and the Franco-Siamese Treaty of 1907 and relevant maps.


In another development, Gen. Chatichai, Thai Prime Minister visited Laos on November 24-25, 1988 and after two-day talks both the Prime Ministers signed a joint communique. Accordingly, both sides agreed to appoint military attaches, to station in each other's capital and to appoint a joint Lao-Thai border committee to prevent border incidents. Both the Prime Ministers also reaffirmed to implement the above agreement to turn the border "into a border of peace, friendship, relationship and mutual prosperity and happiness". To translate into a reality the joint Lao-Thai communique signed by Gen. Chatichai and Kaysone, the LPDR government issued a decree on December 19, 1988 to set up Lao-Thai Joint Border Committee. The Joint Border committees of Laos and Thailand met at Bangkok on December 27, and agreed to lay down the frame work for future talks to settle the conflict. It was also resolved to set up a sub-committee to examine the legal aspects of Franco-Siamese Treaty of 1907 and the relevant maps. The committee also would undertake survey of the disputed area.

84. Text of Joint Communique, see SWB/FE/0320/A3/1, November 28, 1988.

85. Ibid.


On January 12, 1989 a high-level Thai delegation headed by Gen. Chavalit visited Vientiane and signed an agreement unanimously agreeing to bring calm and normal situation in the disputed area and to encourage brotherly spirit among the armed forces of both the sides.\(^8^8\)

Meanwhile, the Thai-Lao forces began a Joint security patrol along the Mekong river and on the spot inspection of the disputed area was made by the military committee on January 30, 1989. The committee also studied legal aspects for completion of demarcation.\(^8^9\)

TECHNICAL TEAM’S SURVEY

The Lao-Thai technical sub-committee met on March 12-13, 1989 and signed an agreement accepting to solve the issue in accordance with Franco-Siamese Treaty of 1907. Both sides also agreed to carryout field survey of Ban Rom Klao and to examine the original maps of the disputed area and the relevant documents.\(^9^0\) After signing the Memoranda of Lao-Thai joint border committee on December 28, and Bordar Technical committee on March 13, 1989, several meetings were held. Thai-Lao Technical Committee arrived in Ban Rom Klao

\(^8^8\) Ibid, January 11, 1988.

\(^8^9\) SWB/FE/0374/A3/3 and February 2, 1989.

\(^9^0\) Text of agreement see SW&FE/0409/A3/4, March 15, 1989.
on April 25, 1989 and found a single wooden demarcation post, but all the other posts have been destroyed by fire. It failed to fix a common border due to differences of demarcation between Laos and Thailand. While Thailand insisted the river Huang, Laotians pointed out a tributary to Huang [Huang Paman] as demarcation line.\textsuperscript{91} Again the committee conducted survey in May, June, September, October, November and December 1989, and completed the survey in accordance with the Treaty of 1907 which was acceptable to both sides. The Lao-Thai Joint Border Committee met in Vientiane in January 1990 and examined the report submitted by the subcommittee. It also made aerial survey and reviewed the border situation in April.

AGREEMENT ON WITHDRAWAL OF TROOPS

An accord was reached in May 1990 between Laos and Thailand to step up security on Mekong border and in July 1990 the military delegation reviewed the joint operations of armed forces. In November, Laotian Foreign Minister Soubanh made an inspection of the disputed area. The military technicians of both sides also examined the area in December. Finally on March 12, 1991 an agreement was signed between Gen. Sisavat and Gen. Suchinda. Accordingly both

\textsuperscript{91} Bangkok Post, April 27, 1989.
sides accepted to withdraw their troops completely from all disputed areas of Lao-Thai border. They also agreed not to use military forces against each other and to create this common border as "border of peace and friendship".\textsuperscript{92}

In response to the agreement reached on March 11-12, 1991, Thai soldiers were pulled out by March 19, and Laotian troops began to withdraw from Ban Rom Klao from March 20. Both sides also agreed that the disputed area which was covered by forest and mountain had little value [less than 1000 Baht per rai i.e., 2/5 of an acre]. There was no point in making it a big issue, \ldots. While no settlement has been reached on Ban Rom Klao, it will be left as it is. The people of the disputed area would be allowed to stay without any disturbance. Finally on April 2-4, 1991, the inspection of troops withdrawal was finished and the joint Thai-Lao military committee signed an agreement to that effect. Accordingly, both sides had withdrawn their forces three kilometers deeper inside their respective territory, "thus making a distance of 12 Kms between Thailand and Laos free from troops and weapons".\textsuperscript{93} Finally in a Memorandum signed by Military Committees of Thailand and Laos on April

\textsuperscript{92} Text of the Agreement, see SWB/FE/1020/A3/3, March 14, 1991.

\textsuperscript{93} Text of Agreement of troop withdrawal, see SWB/FE/1039/A3/2, April 6, 1991.
1991, stated that after the troops withdrawal, the local administration in the respective localities would be incharge of maintaining peace and order in the disputed areas of Lao-Thai border and also accepted to conduct review meetings monthly.\textsuperscript{94}

Thus the long pending disputes of "the three villages" and the "Ban Rom Klao" were smoothly settled by April 1991. The worst battle of Ban Rom Klao is an unfortunate episode in the history of Lao-Thai relations in which 443 soldiers were killed and 1059 were wounded on both sides of army and more than one hundred million dollars of money was spent for a less than 70 square kilometers land which was covered with forest and hills.

6. SOCIAL AND CULTURAL RELATIONS

The period of 1988-1992 is a remarkable period in history of Laos and Thailand relations because almost all the territorial disputes were settled, trade and economic cooperation were increased. The refugees problem was solved. Friendship visits and reciprocal visits by both the heads of political and military leaders were undertaken. These developments paved the way for fostering Lao-Thai cooperation during 1988-1992.

\textsuperscript{94} Text of Memorandum signed on April 10, 1991 see SWB/FE/1046/A3/6, April 15, 1991.
Thai policy towards Laos was undergone a significant change in March 1988, soon after the Ban Ram Klao war ended by signing the ceasefire agreement by both the countries. The attitude of Thais towards Laotians became brotherly and akin. To boost the ties the Thai Foreign Ministry agreed to establish a Thai-Lao joint cooperation committee in accordance with 1979 communique.95 The policy of LPDR towards Thailand was also changed. To improve friendship with Thailand LPDR Acting President Phoumi Vong Vichit sent a message of greetings on July 2, 1988 to the king of Thailand His Majesty Phumiphon Adunyadet, and expressed his wish to have more friendship with Thailand. In his letter of greetings he also said:

May the fraternal relations between the peoples of our two countries—Laos and Thailand be improved, promoted, expanded and everlasting in the interest of peace, stability and cooperation in Southeast Asia.96

In a bid to consolidate good relations between Laos and Thailand, visits by Lao officials, people and organisations were arranged. About 40,000 Laotian youth participated in a four hour music and dance programme organised by Thai-Lao

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peace concert in Vietiane city stadium where well-known Thai dancers and singers entertained the Laotian people in March 1988. In May, a group of twenty members of Laotian Women's Association arrived in Bangkok on a five-day tour as guests of Army's House wives' Association and General Chatichai hosted a dinner to them. In October, a Laotian delegation headed by Hiam Phommachan, Deputy President of the Lao Committee for peace, left for Thailand and attended a seminar on Lao-Thai relations. Under the Lao-Thai Friendship programme Lao officials visited Thailand to observe developmental activities in various areas like agriculture, education etc., which also helped to renovate Prathat Luang the centre of Buddhism in Vientiane.

A procession of two units of Mahakathin [offering saffron robes for Buddhist monks] was also organised by the association of Military and Police Officers Wives of Thailand in Vientiane on October 28, 1988.

GENERAL CHATICHAI'S VISIT TO LAOS

Thai Prime Minister Gen. Chatichai Choonhavan visited Vientiane on November 24, 1988 along with a 31-member

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delegation with the aim of "strengthening more firmly and intimately the relations of friendship" between Laos and Thailand. In his welcome address Gen. Chatichai said that the people must live for tomorrow and should not dwell in the past. He also declared:

Our visit to the LPDR this time is aimed at holding consultations with Lao counterpart to find ways to help each other in developing and making our countries more prosperous together.102

While receiving a warm welcome in Vientiane Gen. Chatichai also said:

We are closely linked not only from the facts that Laos and Thailand in the long history are neighbours but from the fact that our languages and cultures are almost the same to the point each can speak his language and understood by the other without interpreter.103

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103. Text of Banquet speech given by Gen. Chatichai see News Bulletin, LPDR, No.11/88, December, 30, 1988, pp.3-4 and also see SWB, Ibid.
Responding to the banquet speech of Gen. Chatichai, Laotian Prime Minister said that he was considering the visit of Gen. Chatichai as "an event of great significance to the consolidation of the relations between the two countries". 104

In their joint communique 105 signed on November 25, both the Prime Ministers unanimously agreed to establish Laos-Thailand and Thailand-Laos Friendship Associations in each country with a view to promoting good relations and time honoured brotherly affection between the peoples of the two countries. Moreover, the Thai Prime Minister declared to finance the proposed Lao-Thai peace-bridge across the Mekong river, linking Nong Khai and Vientiane at an estimation of 1,000 million Baht, as a "symbol of peace" with LPDR. 106

Giving effect Lao-Thai Joint Communique signed, Kaysone established Lao-Thai Friendship Association in December 1988 which helped to increase good ties between the two countries. 107

104. Ibid.


RECIPROCAL VISIT OF KAYSONE TO BANGKOK

In response to Thai Prime Minister Gen. Chatichai's invitation, LPDR's PM Kaysone Phomvihane visited Bangkok on February 17, 1989 along with a 10-member delegation. During his visit, Kaysone opened Annual Phra That Phanom Pagoda festival in Nakhom Phnome in That Phanom district for the first time in a decade. Expressing happiness for the visit of Kaysone, Gen. Chatichai said,

We are entering a new phase in the history of Southeast Asia, in which wars and conflicts are only a thing of the past and will gradually fade from the memory of the people in this region.108

Thanking Thai Prime Minister for his invitation Kaysone said that all the bilateral problems would be resolved by negotiations to strengthen Lao-Thai relations further more.109

As a result of the visits of both the Prime Ministers of Laos and Thailand, the relations were greatly improved and as a result, many more visits of scholars, Buddhist delegations, delegations of science and technology, delegation of Foreign Affairs Commission, Lao-Thai and Thai-

109. Ibid.
Lao cooperation committees and finally Thai Minister to the Prime Minister's office Dr. Anwat Wattana Pon Siri to Vientiane to discuss cooperation in various fields including electricity. Due to these visits at the end of 1989, science and technology, agriculture, tourism, academic, trade and commerce, transport and communications, electricity and animal husbandry were greatly promoted in Laos with the help of Thailand. Besides regular visits and exchange of views between the two peoples, an atmosphere of peace was prevailed by the beginning of 1990 by suppressing anti-social elements, smugglers and decoits by both the governments.

THAI PRINCESS VISIT TO LAOS

The landmark event in the history of Lao-Thai relations was the visit of Thai princess Her Majesty Royal Highness Mahachakri, the first ever Thai royal family member to visit Laos on March 15, 1990. Her visit was hailed by both the governments of Laos and Thailand. The Laotian President Phoumi Vongvichit praised the visit and said that the visit was a historic one, and it "will bring about the creation of new conditions" for furthering friendly relations between

    SWB/FE/0582/A3/3 October 9, 1989 and
    SWB/FE/0639/A3/3 December 14, 1989
    and Bangkok Post May 17, September 23 & October 7, 1989.
Laos and Thailand. He also said that the relations between the two brotherly countries had undergone many ups and downs and the present visit of Thai princes would:

Contribute to the building of trust to the development of neighbourly and kinly relations between the Lao and Thai people to the safeguarding of peace and stability in the region and the world. 111

Expressing gratitude for the warm welcome extended to her, Her Majesty, the princess said:

The link between the two nations in terms of kinship, religion, language and custom would contribute to the close cooperation in various fields and the mutual sincerity and goodwill would serve as a foundation for the lasting and happy relations between the two countries. 112

During the visit, the origin of the Lao and Thai people was also recalled. The princess had an extensive programme


112. For full text of speech given by Her Majesty the Thai Princess, see Ibid.
that covered virtually many historical, cultural and archaeological places in Laos. The princess and the Thai guests were also entertained by a Thai Cultural show in which more than 100 musicians, dancers and technicians taken from Thai Fine Arts Department, participated. The Thai Princess was also given "Thank You Part" programme in which Laotian President, Ministers, army chiefs and other dignitaries of both countries took part. It was symbolized the closeness of the relations between Laos and Thailand.

Lao-Thai relations greatly improved by the visit of Gen. Chatichai, Thai Prime Minister at the invitation of Laotian Prime Minister Kaysone Phomvihane to Laos on November 2, along with a 40-Member delegation and signed a Joint Communique to strive for bilateral cooperation, forgetting their past differences. During his visit, he also participated in the Annual Buddhist festival at That Loung Stupa and also donated Baht 100,000 for the renovation of the stupa as a gesture of friendly relations between both the countries.

7. SYMBOLIC CHANGE IN FOREIGN POLICIES OF LAOS AND THAILAND

Anand Panyarachun who became the Prime Minister of Thailand in early 1991 announced his government's foreign


policy towards Laos on April 4, 1991. He pledged to achieve maximum benefit adhering to all the commitments under the treaties and agreements and by maintaining good relations with Laos. The new interim government also pledged to promote regional peace and strengthen trade with Laos. It also agreed a new strategy by giving top priority to Laos in its diplomatic relations which is a shift from the previous government's policy. The new Thai government also was turning more towards Laos due to its closer contact in the fields of culture and geographical. 115

Similarly, the Laotian foreign policy towards Thailand was symbolically changed in early 1991. The concepts of 'democracy' and 'prosperity' have been included in its foreign policy. They were not the goals of the previous policies of the LPDR. The foreign policy's motto was "Peace, Independence, Democracy, Unity and Prosperity" instead of previous motto of "Peace, Independence, and Socialism". The word "Socialism" is removed from its motto. 116 In another development, Her Highness Princess Maha Chakri Sirindhorn was awarded the Laos' highest decoration in June 1991, by which the Lao-Thai relations reached their zenith. It was


also coincided Thai new Anand government's proposal to give top priority to Laos. 117

**KAYSONE'S SECOND VISIT TO THAILAND**

Due to the changed foreign policies of Laos and Thailand, the relations flourished during 1991 and paved way for the second visit of president Kaysone Phomvihane to Thailand on January 6-11, 1992 along with a 50-man delegation. During his visit in Bangkok, Kaysone conferred the Laos' highest order of distinction "Proxay Lan Xang" to the king of Thailand and the "Kiadtikhoon" order to the Crown Prince Maha Vijiralongkorn and Princess Chulabhorn as a token of Laos' appreciation for the royal recipients' deeds in furthering the good relations of "Kinship and neighbours". 118

**TREATY OF AMITY AND COOPERATION**

Finally the most remarkable and historic step in Lao-Thai relations since the establishment of LPDR in 1975, is the signing of the Treaty of Amity and Cooperation on February 22, 1992 in Bangkok by Laotian Prime Minister Gen. Kamtai Siphandone and his Thai counterpart, Anand Panyarachun. The Treaty was aimed at "promoting long term

peace, friendship and cooperation" between Laos and Thailand. The treaty which contains ten articles, pledged to implement basic principles namely mutual respect for each other's independence, sovereignty, territorial integrity, non-interference in each other's international affairs and to settle differences or conflicts peacefully. Both sides also agreed to promote and consolidate the relationships, kinship and neighbourliness between Laos and Thailand. Both sides agreed to promote and expand cooperation in trade and economy, cultural and technical fields. The treaty which came to effect soon after the ratification of Vientiane, has no time-limit unless a request from any one of the signatories, twelve months in advance to dissolve the treaty.119

The circumstances leading to the signing of the Treaty of Amity and cooperation, were friendly relations that manifested through the exchange of visits between the two governments, delegations of military, trade and commerce, and the visits of Her Highness Royal Princess Mahachakri to Vientiane and Laotian president Kaysone to Bangkok. This treaty is the basis for future relations between the neighbouring countries_Laos and Thailand.

In a joint communique issued on February 22, at Bangkok by both the Prime Ministers of Laos and Thailand, unanimously agreed to regulate Lao-Thai border trade, to install three more power stations to exchange information on narcotic control, to provide scholarships to students and to reduce import tariffs by Thailand. 120

Both Thai Prime Minister Anand and Laotian Prime Minister Gen. Khamtai, welcomed the treaty and expressed their satisfaction on the work of Lao-Thai cooperation commission and cooperation committee for keeping security and order along the Lao-Thai border and the Joint Lao-Thai border committee which operated well in preventing sour incidents and operated well in promoting cooperation, justice, mutual interest and finally paving way for signing of the Treaty of Amity and Cooperation and joint communique in February 1992. 121 Thus, the Lao-Thai relations which were at the lowest ebb by the establishment of LPDR in 1975 and deteriorated during 1984-88, flourished well by the signing the Treaty of Amity and Cooperation which has become the basis for friendly relations of Laos and Thailand in future.

Commenting on the treaty signed on February 22, 1992

121. Ibid.
Mr. Phongsavath Keola, Second Secretary, Embassy of the LPDR, New Delhi commented that:

The treaty [of Amity and Cooperation signed on February 22, 1992] is considered as a historic step for promoting and strengthening the friendship, cooperation, mutual understanding and trust between the LPDR and Thailand. Due to it, peace and prosperity are expected between our two brotherly nations. 122

122. Text of "Interview with Mr. Phongsavath Keola, Second Secretary, Embassy of the LPDR, New Delhi", see Appendix.

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