

ASEAN-Japanese cooperation. Indeed, Japanese businesses which have begun to relocate in Thailand to escape high costs in Japan due to the overvalued yen and to take advantage of cheap Thai labor, are confronted with the same problem. There is simply not a sufficient proportion of the population with the necessary education and skills (only 1% of the Thai population have a university education and only 5% have finished high school) to provide the manpower to meet the needs of a manufacturing nation.

Compare Thai expenditures for education to debt service. In 1982, debt service appropriations were 18.5% of government revenues; today it is 30.3%. In this fiscal year, only 18.1% of total expenditures have been allocated for education. In relative terms, this is less than in 1986 and 1985.

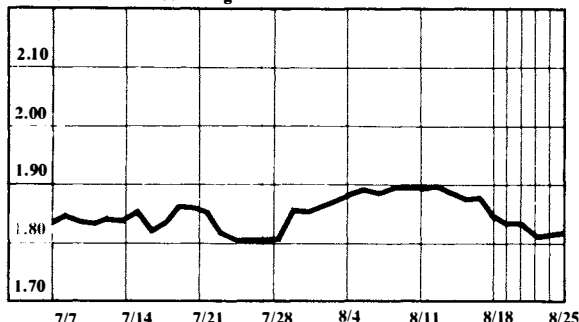
The most recent Japanese industries to relocate to Thailand provide the best possible opportunities for transforming the workforce. For example, Nippon Steel, the world's largest, will establish a production base in Thailand in partnership with Italthai, Thailand's biggest construction group. The new company will produce oil and gas-drilling and production platforms for domestic use and export. It will also manufacture steel structures for high-rise buildings, bridges, and pressure vessels. With the support of Italthai, which has secured many of the construction contracts in Thailand, the new company will have a substantial impact on the domestic economy.

When this reporter suggested to Ambassador Kiuchi the construction of the Kra Canal through the southern isthmus of Thailand as the kind of concrete proposal Japan was requesting from ASEAN members for the \$30 billion fund, he insisted that there was too much controversy over the project. There is no doubt that Japan is waiting to see more active interest by the Thai government before they promote the project themselves. However, since Japan has become a partner with the United States in the SDI, they certainly are not too concerned about "controversy."

Currency Rates

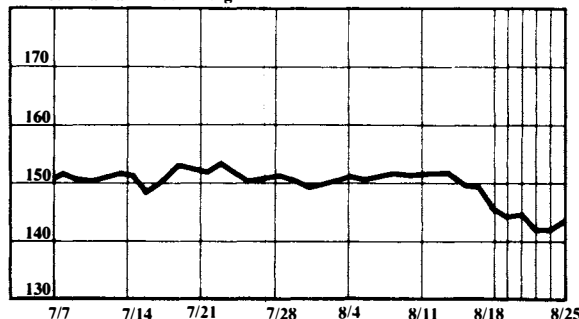
The dollar in deutschemarks

New York late afternoon fixing



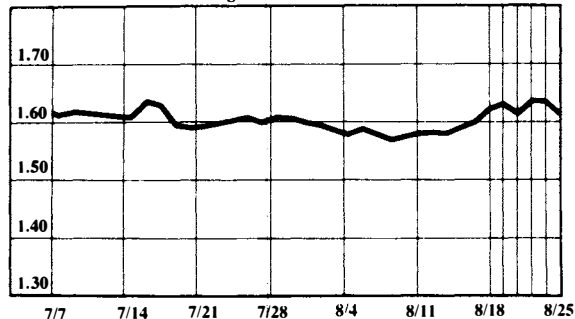
The dollar in yen

New York late afternoon fixing



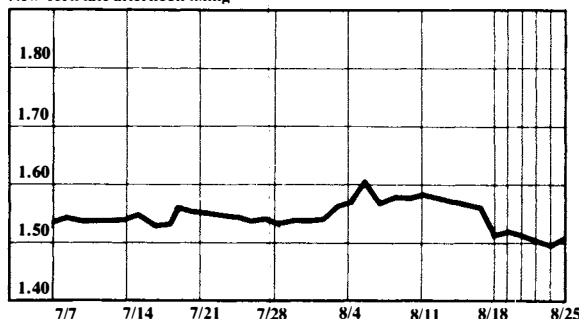
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

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