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Communist China Versus the United States

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Dear Dick:

I have not been to other countries in Southeast Asia yet but, from what I know of them and from what I have learned in Bangkok, I would say that Thailand is not a bad testing ground, from the point of view of the United States, for competition between Communist China and those countries which have chosen to resist its expansion. Sarit's dictatorship does not seem to be unpopular. Corruption in high places has not reached outrageous proportions yet. There is no atmosphere of repression and fear. The country is blessed with natural resources and much uncultivated land in relation to its people. There is misery in both urban and rural slums but something is being done about it and there is a general awareness that economic and social progress is underway.

The China policy of Thailand is most nearly like that of Korea, speaking only of places I have visited during this trip, but there are many differences in its origins and outlook. It is also a policy which is in harmony with United States policy, and one will be able to tell quite a lot about China policy in either country by looking at it in the other. In the attached paper I have attempted to summarize Thailand's relations with the two Chinas today and to discuss the prospects for change.

Cordially,

*George C. Denney, Jr.*  
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Communist China Versus the United States

A. Summary of relations with the two Chinas and forecast.

Although Thailand is surrounded on three sides by states showing varying degrees of neutrality in the conflict between Communist expansionism and efforts to contain it, and although the northern tip of the country lies only 85 miles from Communist China, the Thai Government has chosen to cast its fortunes with those actively resisting the spread of Communism in Southeast Asia.

Thailand recognizes the Government of the Republic of China (GRC) on Taiwan as the Government of China and has exchanged diplomatic missions with it. Relations are cordial but distant. Trade between the two is of modest importance to Thailand, but Thailand is one of Taiwan's best customers. Other forms of cooperation and interchange are not significant.

Communist China is considered by the Government of Thailand to be the chief threat to underpopulated Thailand's independence, uninterrupted for six hundred years, and there are no formal or informal ties between the two governments. There is an embargo on trade with Communist China. Anti-Communism is the first principle of the nation's martial law. Thailand sent a combat force to help defend South Korea. It is a member of, and host to the central planning staff of the Southeast Asia Treaty Organization (SEATO), which was formed in 1954 to defend against Communist China. The United States has had the consistent support of Thailand in its efforts to keep Peking's representatives out of the United Nations. Thailand has joined with the Philippines and Malaya, both having long anti-Chinese records, in the formation of the Association of Southeast Asia (ASA) which aims at economic cooperation and incidentally may eventually foster political coordination.

The Thai regime dominated by Prime Minister Sarit avoids antagonizing Communist China and directs no propaganda broadcasts or other challenging approaches toward it. Thailand's leaders are conscious that they have departed from an age-old tradition of neutrality between any large powers which might oppose each other in the area. None of the Thai's immediate neighbors has joined SEATO. The United States, whose military power is Thailand's chief protection against Communist China, is a relative newcomer to the area and has other interests and responsibilities far away. The Thai therefore require reassurances from time to time that the United States appreciates the risks they are taking. Thai confidence was strained during the maneuvering to establish a neutral government in Laos but appears to have been fully restored since the temporary precautionary stationing of United States forces in Thailand in 1962.

Given its alliance with America, armed attack by Communist China follows well after less direct dangers which worry Thailand more. If Laos were to go Communist Thailand would be confronted with hostile forces capable of infiltration and subversion along some 850 miles of wild mountainous and jungle frontier. Instability in neutral Laos even now contributes to insecurity in extensive portions of Northeast Thailand where a less-advanced population of common language and ethnic stock spans the border. Neutral Burma on the west and north presents an even longer and wilder frontier along which live hill tribes to whom the border means little and who have separatist ambitions which Burmese authorities have never been able to subdue. Among these tribes are the Shan, ethnic relatives of the Thai just over the northern border, who desire deliverance from the Burmese and have sought the aid of Thailand. To the southeast is neutral Cambodia, ancient foe of Thailand in neighborhood scraps and possessor, thanks to Cambodia's former masters, the French, of some Thai territory ceded after World War II. Thai leaders hope that Prince Sihanouk of Cambodia, who broke off diplomatic relations with Thailand in October 1961, is bluffing when he says that he can call upon Communist China for help in the event of trouble with Thailand or South Vietnam. India's border defeat by China pleased both the Thai as well as the Chinese in Thailand as a deserved comeuppance for a disliked people and as perhaps an end to an unrealistic neutralism, but these personal reactions were tempered by the cheapness of the Chinese victory and the increase in Communist prestige. There appears to be little apprehension that the Chinese will reopen the hostilities or that Thailand will be drawn into them.

Overshadowing all these contingencies and related to each are the questions of Communist China's internal development and its other foreign relations. China is a huge country and Thailand is a little country which has survived by keeping out of the way of big powers. If China resumes the rate of economic progress made in the middle 1950s and becomes more widely accepted among nations, Thailand will begin to consider hedging. Moreover, there could be trouble within Thailand to the benefit of Communist China, irrespective of what may transpire in Laos, Burma, Cambodia, and India. This is because perhaps three million of Thailand's 28 million people are Chinese. The Thai Government has reason to fear that the economic power held by Chinese in Thailand's cities and the disruptive capacity of Chinese wherever situated in the country might, in certain circumstances, be used subversively. At other times in Thailand and in other countries of Southeast Asia a unified China has turned the heads of overseas Chinese and a strong China has reached out to try to make use of them. In Thailand ranged against these tendencies, especially during much of the time since 1947, have been government policies aimed at cutting off further Chinese immigration and assimilating those already in the country and their children. Immigration has been successfully curtailed but the rate of progress of assimilation is both disputed and difficult to assess. Thai Government policies are still based on the assumption that there is a potential Chinese fifth column.

Also counter to Chinese agitation is the social stability of Thailand compounded of economic growth, a scarcity of misery, linguistic and religious unity, respect for the monarchy, lack of personal antagonism between Chinese and Thai, rarity of violence in politics, an established civil service, and a military elite sharing similar objectives, including anti-Communism.

With continued United States backing, Thailand's China policy is likely to go unchanged even in the face of considerable progress at home and abroad for Communist China. A change in the scope of United States support for Chiang Kai-shek, or even greater communication between the United States and Communist China, would not necessarily cause Thailand to move closer to Communist China; the Thai would probably decide that smaller anti-Communist countries have to be more cautious. On the other hand, if Communist China is invited to take China's seat in the United Nations and the Chinese Government on Formosa is invited to continue representing the island, this would presumably be done with the votes of most Afro-Asian countries. Thailand might stick with the United States in voting to the contrary or abstaining, but soon thereafter it would move to repair its solidarity with Asian neighbors by adjusting its formal relations with the two Chinese governments in line with the new situation. The unpromising situation in Laos seems in January 1963 to be the most likely source of Chinese-backed danger for Thailand.

#### B. Relations with the Government of the Republic of China (GRC).

1. Political - China never had any political control over Thailand but from the thirteenth century to the early years of the nineteenth the Thai sometimes paid tribute to the Emperor. It would have been demeaning to have diplomatic relations with a tributary state. In the 1850s when the Chinese wanted diplomatic relations with Thailand, they could be refused because China had lost its preeminence. After the Chinese revolution in 1911 the growing nationalism in both countries and the exclusiveness of Chinese habits made the Thai conscious of their "Chinese problem" even though at that time Chinese immigrants constituted less than three percent of the population. Thailand began to restrict immigration, treat children born of Chinese in Thailand as Thai, restrict Chinese schools and limit Chinese participation in trade and commerce. The two countries continued to have amicable informal relations mostly of a commercial nature.

Thailand was on the losing side in World War II. The price it paid for restoration to good standing and admission to the United Nations included obligatory establishment of diplomatic relations with Nationalist China and the Soviet Union. Immigration had been unrestricted but it was agreed with China that the limit would be 10,000 Chinese immigrants each year. The arrival of the first Chinese ambassador in 1946 brought two years of trouble. Chinese resentment over their wartime treatment and the release of

their nationalistic feelings led to rancor and riots. The Nationalist ambassador actively promoted and protected Chinese interests and said at one juncture that it might be necessary to move troops if Thai authorities could not carry out their responsibilities. A Thai delegation which went to China to settle war damage claims was able to obtain from Chiang Kai-shek a promise to see what he could do to quiet the turmoil in Bangkok, and hostilities subsided soon thereafter.

As the Nationalists began to lose the civil war with the Communists in China the Thai were emboldened to restore restrictions on the Chinese in Thailand. In 1948 the immigration quota was cut from 10,000 to 200, the same as that for all other nationalities. When the Nationalists fled to Formosa Thailand considered ending diplomatic relations with the GRC but ultimately did not. Some of the retreating Kuomintang (KMT) forces went from Yunnan Province of China into Burma where for eleven years they were to be an annoyance to the Chinese Communists, a security problem to the Burmese and a source of serious friction between Burma and the United States, Thailand and the GRC. Burma well knew that the KMT irregulars would not have stayed on without the acquiescence, at the least, of the United States and Thailand. Over the years many of the KMT men settled down among the hill tribes in the Burma-Thailand-Laos border area. In 1960 the Burmese with the assistance of the Chinese Communists, who sent military units into Burma for the purpose, drove the last of the organized Nationalist units over into Thailand. Pursuant to a change in United States policy, and Thailand's concern for its own safety, in February 1961 Thailand and the GRC cooperated in the evacuation to Taiwan of about 4,000 troops. Some 4,000-5,000 others, scattered over primitive border areas with their families, did not want to go to Taiwan, and they continue to be a problem for Thailand, among other reasons because many earn their living in the opium smuggling racket. A senior Thai police official speculated to me that the GRC may continue supplying money and arms to these stragglers but he offered no evidence.

The GRC has the fourth largest diplomatic mission in Thailand after the United States, the United Kingdom and Japan. The Nationalist ambassador happens to be the dean of the diplomatic corps in Bangkok and his ceremonial functions in that role help keep him in the public view. As an interpreter of the wishes of the Chinese community in Thailand he must share with the chairman of the Chinese Chamber of Commerce who is the primary channel of communication with the Government. The GRC does not now, however, lay emphasis on the separateness of Chinese minority; on the contrary, it makes no objection to the various measures of the Thai majority to assimilate the Chinese.

When the Thai Government and people think of China they have in mind Communist China and they do not believe that the GRC will recover the mainland. Few of the Chinese in Thailand are presently oriented toward either the Communists or the KMT; they are concerned with business and not international politics. There is little for

the governments of Thailand and the Republic of China to discuss since there are no political or military subjects of consequence linking the two countries. Military, cultural, trade, athletic and other delegations visit back and forth, however; more being invited by the GRC than by Thailand.

In 1962 there was a semi-official flurry when the Indonesians withheld visas from teams from Israel and Taiwan desiring to participate in the 4th Asian Games. Taipei athletic authorities asked their Bangkok colleagues to boycott the Games. The answer was no, too much time and worry had been spent in preparation. The meet was held amid much politicking. Indonesia may yet be slapped on the wrist by a decision to label the 4th Games as unofficial.

2. Economic and cultural relations with Taiwan - In 1961 Thailand's exports to Taiwan, nearly all rice, were valued at \$10.3 million, and imports of textiles, chemicals and manufactures amounted to \$9.1. This was an unusually good year for such exports, which ordinarily run about one-third of imports. Thailand was Taiwan's fourth best customer but Taiwan ranked far down the list of Thailand's markets. Neither country has significant investments in the other. In 1962, 130 technicians from Thailand went to Taiwan for training as part of United States aid.

Cultural intercourse between the two countries has been slight. Four hundred Thai-Chinese are studying in Formosa, at their own expense, most of them in high schools. Chinese in Thailand who can afford to send their children abroad to college choose Singapore, Hong Kong or Penang. The GRC has an information program of movies, pamphlets and exhibits in Thailand costing about \$50,000 a year. Thailand has no such program in Taiwan.

### C. Relations with Communist China

1. Political - Pridi Phanomyong, a Thai intellectual who was active in the 1932 revolution ending Thailand's absolute monarchy, opposed collaboration with the Japanese and became a national hero and head of the Government after World War II. In 1947 he was overthrown by a military clique which returned Phibun Songkhram to power and he fled, ultimately going to China because in 1954 he issued the first of a series of statements attacking the Government of Thailand as the "puppet of American imperialism." In 1963 he continues to be mentioned as a possible link between Communist China and subversive activities in Northeast Thailand.

The use of Pridi in this way is illustrative of Communist China's approach to Thailand; Communist China has never directly threatened Thailand but has used varying combinations of subversion, anti-government propaganda, persuasion and "people's diplomacy" to try to get Thailand to abandon its firm alliance with the United States and the West. In January 1953 the Communists formed a "Thai

Autonomous People's Government" in southern Yunnan Province where a Thai minority lives. The Chinese Communist Party has operated among the Chinese in Thailand and has cooperated with the underground Communist Party of Thailand. Various peace committees, socialist groups and left-wing publicists in Thailand echoed China's efforts to block the formation of SEATO and to promote the "Bandung spirit of peaceful co-existence." Several well-publicized trips were made by Thai groups to China during 1956-1958. Government-to-government contacts have been limited to the Korean armistice negotiations, the Geneva conference on the Korean question, the Afro-Asian Conference at Bandung in 1955 and the Geneva Conference on the Laos question ending in 1962.

At the Bandung Conference the Thai Foreign Minister, Prince Wan defended Thailand's adherence to SEATO and counterattacked by asking Chou En-lai how he could square China's professed peaceful co-existence aim with support of Pridi's Free Thai group, with North Vietnam's incursions into Laos, with China's false claims of persecution of Chinese in Thailand and with the subversion potential of 60,000 North Vietnamese refugees living in North Thailand since the Indo-China War. Chou passed off the first three questions but the last led to a Thai-North Vietnam agreement to the evacuation, under the management of the Red Cross, of the refugees to North Vietnam. About half of them had been repatriated as of January 1963.

In the years 1955-1958 Peking's line to Thailand and to its neutralist friends in that country contrasted the loss of independence, economic exploitation and internal interference suffered under the alliance with America with the benefits of friendly economic, cultural and diplomatic relations with the People's Republic. These Communist appeals to Thai nationalism coincided with a period of experimental democracy in which Prime Minister Phibun and Police Chief Phao allowed free discussion and operation of political parties. Mainland China goods were permitted to come into Thailand and expectations were aroused that improved Sino-Thai relations would bring increased trade profits. The Communists attempted to organize a "broad patriotic front" against "American imperialists," delegations went to China, and leftist political groups began to come above ground. General Sarit's coup in September 1957 against Phibun and Phao resulted more from personal ambition and feuds and disaffection over maladministration and corruption than from foreign policy differences, but his consolidating coup of October 1958 reflected concern over extension of pro-neutralist activities and apprehension over Cambodia's recognition of Communist China, which took place in July 1958 accompanied by a joint communique of Chou En-lai and Sihanouk containing vague threats against Thailand. Under Sarit's command more than one hundred leftist politicians and newspapermen were arrested, several newspapers and Chinese schools were closed, trade with China was banned and sympathetic expressions toward China were censored. Peking took these hostile acts for awhile in the Bandung spirit but by the middle of 1959 Sarit and his group were labeled by the Communists as "accomplices of U.S. imperialism and...hostile to the Indo-Chinese and Asian peoples." Mutual antipathy between the Thai Government and the Peoples' Republic has continued since.

The most recent crisis in the Thailand's China policy came about because of differences with the United States over tactics in Laos. Thailand wanted to back the right-wing elements in Laos, with such outside aid as might be necessary, to achieve military control of the whole country. For a variety of reasons, at the core of which was a lack of confidence that sufficient numbers of Lao worried enough about Communism to fight each other over it, the United States decided in 1961 that a neutral Laos was the best that could be had. The Thai wondered whether this was the beginning of United States withdrawal from Southeast Asia. Sarit spoke of the possibility of accepting Soviet aid. But the United States stiffened its commitments to both Thailand and South Vietnam. Greatly increased military aid went to Vietnam. The United States assured Thailand that a negative minority vote in the SEATO organizations would not stand in the way of direct military help to Thailand which would be forthcoming if Thailand were attacked by China. While favoring a neutral Laos, the United States made it clear, by the sending of troops to Thailand in 1962, that it would not permit a Communist military takeover to forestall a trial of a neutral government in Laos. These actions were reassuring to the Thai Government and in January 1963 it was prepared to continue its complete hostility toward Communist China.

2. Cultural and economic relations with Communist China - The Thai Government prohibits almost all kinds of contact between residents of Thailand and persons in Communist China. The anti-Communist internal security laws and regulations are broadly drawn, so much so that old scores are too often settled with a Communist label. Thai passports are not validated for travel to Communist China and a Thai who goes there through Hong Kong runs a serious risk of losing his citizenship unless he can prove that he was bringing out his aged mother or has some other reasonable excuse. Thai-Chinese who went "home" or to school in Communist China during the period up to 1957 when such things were allowed have a hard time getting back into Thailand. Letter writing back and forth is permitted but the possession of Communist books, magazines and newspapers is not. Such letters are the main source of information for Thai-Chinese who are accustomed to discount the few news items about China which appear in the Thai press. Thai generally know little about China and care less. The whole effort of the Thai majority to assimilate the local Chinese runs counter to the development of knowledge and understanding of Communist China. No school or university in Thailand conducts any serious study of China.

There is some covert dissemination of Communist literature, especially in Northeast Thailand, but the chief vehicle for the introduction of Communist propaganda is radio broadcasting from outside the country. Radio Peking broadcasts three times daily in half-hour programs in Thai. The signal strength drowns out any other nearby in the medium wave band. Programs consist of music, news and editorials with an international flavor. Radio Peking is backed up by Radio Hanoi broadcasting in both Thai and Lao in two daily half-hour programs on themes coordinated with Peking. More effective than either of these broadcasts is "The Voice of the Thai People" originating in Laos or near Hanoi and coming in stronger than local stations in the northeast portion of Thailand. Five half-hour pro-



grams daily put on by the Thai exile group connected with Pridi attempt to keep disaffection stirring. Entertainment is mixed with news and editorials criticizing the Government, calling for withdrawal from SEATO and reporting accurate and timely news of official corruption and wrong-doing in Bangkok. Source material is evidently steadily fed to the "Voice" by Pridi supporters in Bangkok who find it easy amid 50 legal government radio stations to operate their own clandestine radio transmitter. The Thai Government is not yet capable of countering these Communist radio penetrations.

Trade with Communist China is prohibited but some goes on nevertheless. Perhaps \$1 million worth yearly of small-scale smuggling into Thailand across the wild north and northeast borders and into the Gulf of Siam by small boats, takes place in such items as fountain pens and Chinese-type consumer goods. Perhaps \$3 million worth yearly of larger shipments by sea from Hong Kong comes in through bribery of police and customs officials. Foods and medicines peculiarly Chinese make up the bulk of this traffic. A Chinese movie made on the mainland in the Swatow dialect used by many Thai-Chinese, and two movies relabeled or made in Hong Kong by Communist film companies, were extremely popular in Bangkok. The Communist ideological content was nil. Potential profits on such films are so high that attempts may be made to share them with customs officials and government censors.

Thailand's exports to Hong Kong, mostly rice and rubber, were valued at \$44 million in 1961 and Hong Kong was Thailand's third-best customer. In 1962 the figure was nearer \$50 million and Hong Kong may have moved into second place. It is estimated that 60 to 80 percent of these Thai exports go to Communist China. The Thai Government would have difficulty controlling such transshipment, but it has apparently not exerted much effort to do so. It may be swayed by the fact that the commodities are not strategic and that other free world countries are doing the same thing. Both Communist China and Thailand supply rice to Hong Kong. The apparent discrepancy concerning transshipment of rice to China is accounted for by the fact that China exports high-quality rice to Hong Kong which is consumed there. Thailand exports to Hong Kong both high-quality rice for eating there and low-quality rice for movement on to China.

Thailand imported \$30 million worth of goods from Hong Kong in 1961. This figure, together with the value of clandestine imports from China, is pertinent to the subject of remittances of cash and goods from Chinese in Thailand to relatives or other in China. At the time of the celebration of the Chinese New Year tens of thousands of families in Bangkok send packages by mail by way of Hong Kong to Communist China. It is not legal to send parcels or money to Communist China. Alien Chinese may apply for permission to remit up to \$50 per month to relatives in Hong Kong or Singapore or somewhere else outside Communist China. The Thai authorities know that most of what goes to Hong Kong will end up in Communist China but they are lenient because they know that the senders are usually trying to help only their relatives and not the Communists. There are "remittance houses" in Bangkok which will handle the whole

process for the sender for a fee. Until about 1952 it is estimated that Thailand's 500,000 alien Chinese sent 20-30 percent of their income to China. The dollar value of such remittances has dropped off sharply since word came back that the money was not reaching the relatives. The Bank of Thailand in a report published in the Bangkok press estimated that "legal" remittances to Communist China in 1957 were \$10 million and in 1961 were \$350,000. These so-called legal remittances can be augmented in various ways. The Bank estimated that illegal remittances were about 10 times the legal amount. One of the ways to remit funds illegally is through trade manipulation. A Hong Kong seller bills a Bangkok buyer for X amount of goods plus Y amount not representing any goods. When the Bangkok buyer pays the bill he then has Y amount as a sort of checking account in Hong Kong out of which to remit money or goods to relatives in Communist China. The Chinese in Bangkok (and no doubt elsewhere) are being more wary nowadays; they don't pay for food or clothing sent from Hong Kong into Communist China until they receive a letter from the proposed recipient saying that he got the package.

Opium growing, smoking, smuggling and exporting is a big business in Thailand and means corruption of officials because since 1959 such activities have been prohibited. One hears estimates of from \$30 million to \$300 million annual earnings to growers, racketeers and corrupt officials in Thailand. About \$1 million worth of opium was reported by Thai authorities as having been confiscated in 1962. The problem would exist irrespective of what Communist China might do about it because Thailand, Burma and Laos have been producers and users of opium for ages. The subject is mentioned here for several reasons. First, opium is produced in Communist China, is being smuggled out through Bangkok, among other routes, for ultimate sale in the free world, and earns foreign exchange for the Communists. Second, Thai authorities attempting to control opium smuggling and at the same time to convert backward hill tribes from slash and burn methods of cultivating opium to modern methods of raising poultry and livestock as a substitute cash earner are having a hard time doing so against competing offers of better opium seed grown in Communist China. The opium question aggravates cases in which the tribes are disaffected and hostile to the Thai Government by reason of infiltration of Communist agitators. Third, as methods for refining opium gum into morphine and heroin are introduced closer and closer to the growing areas the traffic is harder to stop and narcotic addiction in Thailand and other countries of Southeast Asia becomes more widespread. It is not known for sure whether Communist China is participating in this vicious activity as a matter of policy or whether ill-disciplined cadres in Yunnan Province are merely continuing an old practice and a lucrative business. Thailand would have an easier time curbing the racket if Burma and Laos would do the same. The Thai Government has plans for a conference with Burma on opium control in the hope that Burma will follow Thailand's lead. Conditions in Laos are deemed by the Thai to be too unstable now to make such an approach to that government.

3. SEATO - Thailand is the most important Asian nation in SEATO and it derives more benefit from the treaty than any other signatory because Thailand would likely be the first member to be attacked by Communist China. Of supreme importance to Thailand is the guarantee of aid from the United States against aggression by Communist China which the treaty brings and which the Rusk-Thanat statement of 6 March 1962 has nailed down. But, given Thailand's position and the stand it has taken against China, would United States protection not be forthcoming without the treaty? From the point of view of American constitutional practice the answer may be no, but from the standpoint of practical China policy on which the United States and Thailand agree, the answer is yes. Here lies the reason for Thailand's ambivalent attitude toward SEATO. It is happy to be host to the organization and to have a Thai, Pote Sarasin, as Secretary-General; it has benefitted from the joint planning and training, exchange of intelligence, and standardization of weapons and doctrine; and it has received some anti-subversion and economic assistance from nations other than the United States which might not have been offered in the absence of the treaty. Against these advantages, however, are some weighty political disadvantages: the treaty thrusts Thailand in with England and France which formerly held colonies on either side, to Thailand's prejudice; the ratio of five non-Asian members to three Asian members shows the lack of support for the concept by Thailand's other non-Communist neighbors; and the placing of SEATO headquarters in Thailand gives Chinese Communist propagandists a good whipping boy, that Thailand serves as an "imperialist base." SEATO may be essential to protect Thailand against Chinese aggression but it is of doubtful value against more likely dangers, subversion and insurgency. These burdens and defense priorities explain Thailand's distaste for SEATO standing forces or bases on its territory which would aggravate SEATO's political liabilities for Thailand without adding any protection against Communist infiltration. This position on standing forces might well be altered if Laos or Burma should come under Communist control. Speculating in the other direction, if domestic clamor against SEATO, or other reasons, should cause the withdrawal of Pakistan from its organization, Thailand would have cause to ask the United States to substitute a bilateral security treaty for SEATO.

4. Burma, Thailand and Communist China - The Thai Government is sympathetic with Burmese neutrality and willingness to placate the Chinese Communists because Burma's greater vulnerability is appreciated. Burma has been independent a much shorter period than Thailand. The Burmese Government lacks adequate control over large portions of its territory where sizeable and rebellious minority peoples dwell. The Burmese-China border is long, uncivilized and only recently agreed-upon between the two countries. The extent of Communist infiltration in the eastern portions of Burma is a source of concern to the Thai.

Mention has been made of the years of occupation of parts of the wilderness of eastern Burma near Thailand by Nationalist Chinese soldiers. Their presence continuously poisoned Burmese-Thai relations

because supplies came to them through Thailand and they often straddled the border, making the Burmese control problem tougher. The KMT forces might still be in Burma in strength but for the Burmese decision to enlist the aid of Communist China in expelling them. Communist troops were engaged with Burmese forces in marking the China-Burma boundary after its political settlement and it is thought that they stayed on in Burma (using Burmese uniforms, some reports say) until the KMT were driven out. These are unconfirmed reports that sizeable contingents of Chinese Communist forces have remained in the eastern border regions of Burma near Keng Tung in the vicinity where the KMT stragglers have melted into the hill tribes. The KMT troop problem itself appears to have been liquidated.

Another Burma-Thailand issue which relates to China is the demand of the Shans in Burma for independence, autonomy or federation with Thailand, with whose people they are ethnically linked. When Burma became independent it was understood that after ten years the Shans would be free to choose independence. The Shans claim they have been bound to Burma against their will. This is about the only certain conclusion one can make about Shan aspirations, ideology and commitments. They are said to be anti-Communist but they have been infiltrated to some extent by Communists. They have sought aid from Thailand. The official Thai Government position is that friendship with Burma prevents the Thai from complying with Shan requests for help in liberating themselves. Sarit and Ne Win are reported to be friendly since they each spent several months in Walter Reed Hospital in Washington at the same time. Moreover, if the Shans joined Thailand this would give Thailand a common border with Communist China which is one of the last things the Thai want. Unofficially, civilian relief supplies and sympathy go from Thailand to the Shan. Reliability of reports reaching Thailand from the Shan States is always in question because the Thai are prejudiced against the Burmese for playing along with the Chinese Communists. Knowing this, the Shans may exaggerate estimates of Communist activity in their part of Burma. A possibility which cannot be altogether discounted is that the Shans may eventually turn to Communist China, either because they become sufficiently subverted by Communists or because they despair of getting help from Thailand to free themselves from Burma.

5. Cambodia, Thailand and Communist China - Thailand historically has wished to control Cambodia, a desire it shares with Vietnam. The time is past when the parties could use force against each other, in a revival of wars which go back hundreds of years, but bad feeling on both sides is substituted. Cambodia broke off diplomatic relations with Thailand in October 1960 for the second time in recent years, charging border violations. The Secretary-General of the United Nations sent a Special Representative to pour oil on the troubled waters and the two nations have agreed that he should remain in the area until relations between them are normal, and that they will share his expenses. The background of the various quarrels can be put aside in this report and note taken merely of the China policy

angle. Cambodia has diplomatic relations with Communist China and Prince Sihanouk has said that he will ask the Chinese to aid Cambodia if it is attacked by Thailand or Vietnam. The Thai are annoyed by Cambodian charges and by this tactic and believe that Sihanouk is bluffing. It is clear that Sihanouk has more than one motive in thus dealing with Communist China. He believes, and has articulated his theories in detail in a series of magazine articles in August-September 1962, that the best way to prevent the Viet Minh or Chinese Communists from gaining control of Cambodia is for Cambodia to be neutral and friendly to both Communist and non-Communist countries (so as to blunt the charge of being imperialism's lackey), to accept aid from both sides (so as to develop the economy rapidly), and to arrest all Communist and Western agitators and subversives who can be found (so as to protect the security of the government, Sihanouk). The Thai feel that this is as risky as trying to ride a tiger, and they resent American aid, especially token military aid, to Cambodia.

6. Malaysia, Thailand and Communist China - The theory of the projected Federation of Malaysia, scheduled to come into being in August 1963, is that the Chinese population of Singapore (77%) can be contained with less danger of Chinese Communist subversion if it is included in a larger group of territories each having a smaller percentage of Chinese; namely, Malaya (38%), and Sarawak, Brunei and North Borneo (20-30%). Malaya is already a member, with Thailand and the Philippines of the cultural and economic-oriented Association of Southeast Asia (ASA), and will presumably be replaced by Malaysia when the time comes. Among the obstacles to Malaysia's formation, however, is the recent claim by the Philippines to North Borneo. The United Kingdom has agreed to discuss the claim of the Philippines. Thai officials are guessing that the Philippines will not push its claim to the bitter end, being a leading anti-Communist state of Southeast Asia and not wishing to have a common frontier with Indonesia (which has encouraged dissidence in North Borneo and a revolt in Brunei). Thailand has supported the Malaysia concept on the ground that its formation will strengthen ASA, from which Thailand has already benefitted through such measures as a pooling of national airline services. Thai Foreign Minister Thanat went to Manila and Kuala Lumpur in January 1963 in an attempt to ease the conflict between the Philippines and Malaya and thus to safeguard ASA from disintegration.

Thailand and Malaya are also cooperating to try to finish off an estimated 500 Communist terrorists (mostly Chinese) who were driven out of Malaya and are hiding out in southern Thailand. There is a heavy percentage of Chinese living in this area working in tin and rubber production. They have not been pro-Communist but the guerrillas have been able to intimidate some into giving money and supplies. The guerrillas are disciplined, experienced fighters and have disruptive potential beyond the restraining capability of the Thai border police. In January 1963 Thai soldiers and reinforcements of 500 border police were sent to the area to cooperate, under a previously-formed Joint Operations Center, with Malayan units in

suppressing the guerrilla activity which goes back and forth across the border.

7. India's border war with China - Thailand sent India its "fullest understanding and sympathy" in reply to Prime Minister Nehru's request for support in its conflict with China. Thailand did not offer material aid and it did not take a position on the validity of the MacMahon Line. Privately Thai Government officials point out that the MacMahon Line is a legacy of imperialism, all the boundaries in south and southeast Asia having been fixed by the British and French for their own purposes. The Thai recall having collided with the French several times on boundary disputes and having lost territory each time. They expect that Communist China can make a respectable legal case for its boundary claims. Because Thai consider Indians to be at the bottom of the social scale and because the Thai had reason to say, "I told you so", they were glad (and the Chinese in Thailand were proud) that China humiliated India on the border. They fear, however, that the rise in Communist China's prestige for its military strength will wipe out the image of China as a backward country so struggling to feed itself that it had to buy wheat from capitalist countries.

8. Northeast Thailand and Laos - The internal security problem facing the Thai Government in the northeast lobe of the country will not be solved quickly. Far from Bangkok and feeling neglected by the central government, poverty-ridden and backward, the people in this area have long felt estranged. They are Lao and are the same as the people on the other side of the Mekong River in Laos. The aim of the Communists is to create an entity in Thailand of Lao-speaking people who will break away from Thailand and join Laos. Subversives operating in the northeast are linked with the "Thai Exile Group" in which Pridi is active and which reports to the Pathet Lao and onward to North Vietnam and Communist China for support and guidance. Radio Peking and Hanoi and "The Voice of the Thai People" mentioned earlier are propaganda auxiliaries. It is too early to say how serious disaffection in the northeast is. Known subversive activity appears to be confined to cells in towns and villages. There has been no insurgency or indications of large group organizations. The Thai Government is now fully appreciative of the danger and is moving to meet it, with the help of United States aid programs, by rapid injections of help to improve living conditions. Backward as the region has been it is still ahead of Laos, and this handicaps agitators who can only argue that northeast Thailand has been neglected relative to other parts of the country. If Laos swings further to the left, infiltration and other subversive actions directed toward Thailand would of course increase and will have to be defended against, not with army and air forces but with social and economic welfare programs, education, counter-propaganda and civilian police and border patrols.

The problem of evacuating to North Vietnam the remaining 30,000 of the refugees who came to northeast Thailand at the time of the war in Indochina appears to be in hand. Under a new agreement

of Thailand, North Vietnam and the Red Cross which becomes effective in March 1963, 600 refugees a month will be brought to Bangkok and sent to North Vietnam by ship, the Red Cross societies of the two nations managing the movement and the two nations sharing the cost.

9. Contingencies - Among the contingencies which may alter Thailand's relations with China is the possibility that a representative of Communist China may be invited to take China's seat in the United Nations and that the representatives of the Government of the Republic of China (GRC) may be invited to remain as the representative of Formosa, which would be treated as having split off from China (following the precedent of the United Arab Republic from which Syria split off). There are obviously other ways in which the U.N. representation question could be settled but this is the hypothetical proposition which I discussed with several Thai Government officials and the following analysis is the composite of my impressions of their views. It is a subject worthy of separate treatment since there are pressures for Communist China's representation in the U.N. (such as the desire of Asian and African states to increase their representation in the Security Council and Economic and Social Council, which is blocked by a threat of Soviet veto until Communist China is represented) which are independent, to a considerable extent, of Communist China's success in developing its economy and promoting the spread of Communism in Southeast Asia. The Thai Government seems resigned to the probability that Communist China will be represented in the U.N. someday. It would like to avoid voting in favor of that result but cannot exclude the possibility that solidarity with Afro-Asian states (for instance, if the question of Chinese representation is tied to the question of the enlargement of the U.N. councils) may require going along with the majority. It has made two little hedging moves, (1) refraining, in its 1961 and 1962 speeches favoring retention of GRC representation, from attacking Communist China and (2) turning down the request of the United States to sponsor the Tibet question as an item on the 1962 agenda of the General Assembly.

Once Communist China is invited into the U.N. along with Formosa there will remain for Thailand the questions of recognition of the Communist government of China and of the government on Formosa with its restricted scope as well as the question of diplomatic relations with each government. The Thai believe it would be difficult to avoid recognizing the Communist regime and they believe the authorities on Formosa would be understanding if Thailand had to downgrade their status. With respect to diplomatic relations, which means at least one Chinese mission in Bangkok, it should be recalled that Thailand never had diplomatic relations with any Chinese Government until it was forced, by being a loser in World War II, to do so in 1946. The sentiment of the Thai Government would be to allow the representative from Taiwan to stay in Bangkok and not to exchange diplomatic missions with Peking, but this is perceived to be provocative to Communist China and probably not feasible. The next best thing would be to recognize the governments in Peking and Taipei in

their respective spheres but to have diplomatic relations with neither. The Thai like to think that they might succeed in this, using among other arguments the history of their relations before 1946 and the fact that they now recognize several Communist governments but deal with them only through their missions at the United Nations in New York. Such a solution would be ideal for Thailand because it would avoid the potentially trouble-making intervention of a Chinese mission on behalf of the Chinese minority. If this ideal solution proved not feasible the Thai Government would of course do its best to keep the Communist Chinese mission small and would guard against subversive activities. In the most unfavorable event the Thai see the possibility of having to accept a mission from Peking and ask the mission from Taipei to depart. While mentally prepared to cope with the U.N. representation problem thus outlined, or something like it, the Thai Government hopes that the exclusion of Communist China from the U.N. will continue indefinitely.

Separate from the question of the disaffection of the Chinese minority in Thailand, discussed further below, is the question of another coup generated from within the ruling class of military, police, royalists, civil servants and businessmen. As of January 1963 the course of the Sarit regime appeared to be tranquil. It is beyond the purview of this report to discuss the internal stresses except to estimate that Sarit is as anti-Communist as any Thai is likely to be and that any coup would result in an unchanged China policy for Thailand or a shift to the left.

#### D. The Chinese in Thailand

Reference has repeatedly been made above to a group of perhaps three million Chinese in Thailand, but it should not be thought that this group is well-defined, easy to count, homogenous, single-minded and completely distinguishable from the Thai. The group is none of these things and one must be cautious about making generalizations concerning it.<sup>1/</sup> It is also difficult to describe simply the relationships between the Chinese and the Thai. Nevertheless, nearly all agree that the Chinese present no internal security problem now.

The Chinese minority is not determining Thailand's China policy. Few Chinese have been in the ruling group which, coup after coup, has been running Thailand; they have been little interested in politics. The Chinese constitute about 11 percent of the country's population and if immigration continues to be restricted the

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<sup>1/</sup>See G. W. Skinner, Leadership and Power in the Chinese Community of Thailand, Ithaca, New York, 1958; R.J. Coughlin, Double Identity, The Chinese in Modern Thailand, Hong Kong, 1960 and D.A. Wilson, "China, Thailand, and the Spirit of Bandung", unpublished Rand Corporation paper, 1962.



percentage will probably decrease. Balancing the components favoring assimilation against those favoring greater separateness of the Chinese it would appear that assimilation is making headway and that both the Thai and Chinese are being Westernized. Thus, while a strong China may someday exert a pull on the Chinese in Thailand they may be even easier for the majority to control by that time. The main subversive effort of the Chinese Communists has been directed toward persuading the whole of Thailand's people that alliance with the West will not pay, and the attention paid to the Chinese and Lao minorities as such has represented special aspects of the general drive. There is no evidence that the Chinese Communists are trying to fan Chinese nationalism. Considering these interrelated factors, it may be possible to say that for the next five or ten years China's power relative to the United States, its ability to solve its domestic problems and the influence it has upon Thailand's neighbors would seem likely to have much more effect upon Thailand's China policy than the opinions and power of the Chinese minority in Thailand.

In the much longer term one should consider the chilling prospect with which R.J. Coughlin, cited earlier, concludes his book:

"Because of their fear of overseas Chinese economic and political influences, all Southeast Asian governments, Thailand included, have erected immigration barriers against the Chinese. None welcomes the revitalization of its Chinese communities by a new wave of immigration. But one must ask whether small nations like Thailand can resist the tremendous pressures exerted by China's expanding population, and if that, whether they can also resist the extraordinary cultural dynamic that China represents in Asia today. We have been so conditioned to think of the inevitable assimilation of an immigrant minority group by the host society that we overlook too easily the likelihood of the host society itself being overwhelmed, demographically and culturally, by its giant neighbor. Perhaps it is more realistic to think of China assimilating all the lands to the south, with a gradual, but determined penetration, the first stage of which is now taking place. The overseas Chinese have a double identity, both Chinese and Southeast Asian; rather than a withering ethnic group, they may in fact be the present-day image of the future Southeast Asian."