

10 A Route Winling.
Shanghai, China
October 28, 1947

Mr. Walter S. Rogers
Institute of Current World Affairs
522 Fifth Avenue
New York 18, N.Y.

Dear Mr. Rogers:

Two months ago today I left New York City. Late yesterday afternoon I landed at Lunghua Airfield on the outskirts of Shanghai. My route has been a circuitous one which has taken me through some extremely interesting places and situations. Before I get involved in my program here in China I want to make one final report on my trip. I am writing this letter, therefore, before I have had an opportunity even to look around Shanghai.

Since writing you from Batavia my schedule has been as follows; On October 13 Phil Talbot and I flew from Batavia to Singapore. Phil left for Bangkok on the next day, while I stayed on until the 16th. I then flew to Bangkok where I remained until October 25. From there I flew to Hongkong and after a one-day wait for a plane continued to Shanghai. I was very disappointed not to be able to go with Phil to Saigon, but I was unable to get a visa from the French on such short notice. I am eager to hear or read his report on Indo-China, and I hope you will send a copy to me if it is distributed.

My short visits in Singapore and Hongkong were worthwhile, and in Singapore particularly I was able to interview a number of government officials and others who talked freely about current issues, problems, and developments there, but I will confine this letter to a report of my interviews and impressions in Bangkok where I spent a longer period of time. The Siamese are sometimes accused of being congenital procrastinators, but although I found the pace of activity fairly slow I was able, by being persistent and at times insistent, to see and talk with a good many people. I tried to get a general picture of political and economic conditions and trends and in addition to get a more detailed picture of "the Chinese problem" in Siam and the present state of Siam-Chinese relations. The most notable governmental figures with whom I talked included: Nai Pridi Panomyong (Luang Pradit), who is generally called "the Senior Statesman" and who is widely recognized as the man who has dominated Siamese political life for most of the period since the revolution of 1932 and who, it is claimed, still controls the government from behind the scenes even though he holds no official post; Prince Monthiyawad, Deputy Minister of Foreign Affairs and acting head of the Ministry while the Minister is abroad; Luang Sukhum, Director-General of the Siamese Civil

Service Commission and Director of the Government Publicity Bureau; and Phra Noraraj, Under-Secretary of Commerce. One of the most interesting non-official Siamese with whom I talked was Prince Dhani, President of the Siam Society and former Minister of Education. I talked with various members of the large and influential Chinese community including: Li Tieh-tse, Chinese Ambassador to Siam; Dumrong Chang Trakul, a prominent Bangkok businessman; and Wang Ming Yuen, head of the Kuomintang (Chinese Nationalist) Party organization in Siam. The Americans I talked with included: Edwin Forward Stanton, U.S. Ambassador to Siam; Alex McDonald, Editor of the "Bangkok Post"; Teg Grondahl, head of the U.S. Information Service in Siam; Walter Zimmerman, Representative of the International Committee of the Y.M.C.A. in Siam; and Dwight Bulkley, political reporter in the U.S. Embassy.

Before discussing some of the problems and tensions evident in Siam, let me first say that I was impressed by the relative stability of the situation there in contrast to the other areas I have visited. When one is attempting to analyse political and economic conditions in a region, it is sometimes easy to magnify the problems and to minimize the elements of normalcy and stability, and for that reason I want to start on this note. Siam is neither struggling for its independence nor grappling with the difficulties of establishing new machinery of government and in this respect is unique among the countries I have visited. Generally speaking, the problems confronting Siam do not appear to me to be as critical and urgent as in some other countries, and life there seems to be relatively stable.

As I have stated, "the Chinese problem" was one which interested me particularly. In essence the problem is one arising out of several facts. Siam is a small but relatively underpopulated country close to a large and densely populated neighbor, China. This has resulted in a large, one-way, migratory flow of population from China to Siam. The Chinese immigrants have been highly successful in economic competition with the Siamese and have assumed the dominant position in Siam's business and commercial life. Into this situation a new element has been injected in recent years, namely a growing nationalism on the part of both the Siamese and the Chinese. This has led to the development of increasing friction between the Siamese and the Chinese in Siam and between their respective governments.

Siam has a population of under eighteen millions in an area of almost a quarter million ^{squares} miles which includes the rich agricultural valley of the Menam River, a forest-covered hill region in the north, and a rubber and tin producing area on the Malayan peninsula. The concept of population density is a difficult one to apply anywhere, involving as it does not only consideration of

numbers of people in relation to the productive resources of a given area but also an arbitrary mean standard of living as a scale by which to judge. Nonetheless, the people with whom I talked asserted that Siam is underpopulated and easily could maintain as many as twenty-five million people without any reduction in the average standard of living. There is no doubt, in any case, that Siam is much less densely populated than nearby areas in China. The evident prosperity of the people in Bangkok is a visible indication of what this means to at least one section of the Siamese population. The people look well-fed, healthy, and energetic. It is this situation which provides the incentive for Chinese to emigrate to Siam.

Immigration of Chinese into Siam has been going on for many years, but the rate has accelerated during the past fifty years, and immediately after the recent war it increased to almost a flood. The Siamese government officials do not even claim to have reliable statistics on the numbers involved since the end of the war because many Chinese have been smuggled in, but the estimates given to me were as high as 100,000 for the year and a half period after September, 1945. This high and increasing rate of immigration, together with certain other factors which I will mention shortly, led the Siamese government to put into effect, on May 1 of this year, a quota regulation limiting Chinese immigration to 10,000 per year.

The actual size of the Chinese community in Siam is a moot point, and estimates depend on the definition of nationality employed. The Chinese Ambassador told me that there are about three million Chinese in the country. This estimate was based on Chinese laws which consider all those born of Chinese parentage to be Chinese nationals. Officials in the Siamese government told me that there are only about half a million Chinese in Siam. This was based on Siamese nationality laws which embrace as nationals all those born on Siamese soil. This problem of dual nationality creates many awkward situations and more than a few disputes.

There is no question, however, about the prominence of those of Chinese blood in the economic life of Siam. The Chinese are the businessmen, traders, buyers, entrepreneurs, sellers, and lenders in Siam - with the exception of some other foreign enterprise and "very limited" Siamese enterprise. I saw their monopoly of the shops and stores in Bangkok and was told that the same situation exists throughout the country. The Siamese freely admit that they have not been able to compete commercially with the Chinese. "I guess it is because we are somewhat lazy", a member of the government said to me candidly. Whether or not that is the explanation (I observed a similar situation in both Java and Singapore), the economic predominance of the Chinese is

a fact. With the growth of Siamese national consciousness, however, there evidently has grown a feeling that Siamese nationals should take a more active part in the nation's economic life. This expressed itself in the late 1930's in laws restricting a number of economic activities to Siamese nationals. Although all of the restrictions (with the exception of those regarding certain native handicrafts such as niello silverware and buddha making) have been removed, I encountered considerable feeling that the Chinese hold on the nation's commerce and industry must somehow be shared with the Siamese to a greater extent than it is at present.

The past relations of Siamese and Chinese have been for the most part amicable, according to those with whom I discussed the problem, but in recent years certain changes, not only in the volume of immigration but in the characteristics and activities of Siam's Chinese minority as well, have taken place which complicate the situation. Prince Dhani summarized this as follows. "We and the Chinese have always been very close. We have considered the Chinese as brothers. In the past they came to Siam, usually married Siamese women, and for the most part were assimilated into Siamese society. We always accepted them completely, and as a matter of fact many of our Siamese leaders have Chinese blood. In recent years, however, they have not been assimilated so well. More often now they bring their own wives. They tend more to keep to themselves, to run their own schools, and to maintain a separate community. We still feel that our peoples are very close, but these trends complicate the situation." I heard many similar statements, some of them less restrained and tolerant. Most of the people with whom I talked also felt that the establishment of formal diplomatic relation between China and Siam, by the amity pact of January 23, 1946, had introduced a disturbing factor into the situation in Siam. The Chinese now have an Ambassador, two Consuls-General, and three Consuls to whom they can and do present their grievances, and the Siamese felt that these Chinese officials make the Chinese people in Siam more conscious of their Chinese identity and less willing to conform to Siamese law and to be assimilated into Siamese society.

I found it difficult to judge whether or not friction was prevalent between "average" Chinese and Siamese citizens in Bangkok which was the only locality I had an opportunity to observe personally. Immediately after the war several "incidents" did occur, one of which, the "Yawat Incident", is still an issue for settlement, at least from the point of view of the Chinese Ambassador who told me he insists that the Siamese government should give reparations to the Chinese affected. However, as far as I could see, Chinese and Siamese are now living side by side in reasonable

and traditional friendliness, and even the people who insisted upon the seriousness of the "Chinese problem" agreed that this was the case. They explained to me that the friction has been mainly on a fairly "high level", and that even this has not usually been of a very dramatic nature. There are a number of issues which have been involved, both officially and unofficially. One concerns the application of Siam's new immigration quota laws. There has been considerable wrangling over the size of the quota, the validity of the base period used in determining it, and the period to which the first year's quota would be applied. Another issue concerns the regulation of Chinese schools in Siam. The Siamese government has promulgated certain regulations (regarding curriculum and use of the Siamese language) which the Chinese resent and protest. Still another issue has been the question of whether or not Chinese in Siam could vote (presumably by absentee ballot, although this has never been made clear) in forthcoming elections in China. The Siamese government has been adamant in its opposition to this, and apparently the Chinese have abandoned agitation on this point. Occupational restrictions on foreigners are still an issue in the sense that the Chinese Ambassador considers that discrimination still takes place despite the fact that the restrictive laws have been removed from the books.

Opinions differ as to how serious these issues are. I gathered from what was told me at the American Embassy that relations between the Chinese and Siamese on an every-day level have not become increasingly strained to any appreciable degree. Siamo-Chinese relations provide some live current issues, but the situation is not one to be particularly concerned about. At the time he said this to me I felt that he might have been underestimating the critical nature of the situation because the various issues involved were prominent in conversations and in the press, but before I left I came to the same tentative conclusion. The concern generally expressed over the "Chinese problem" apparently is based more on fear of the future than on real worry over the present. The Siamese with whom I talked fear that the growth of Chinese nationalism may lead to increasing support of Siam's Chinese minority and increasing intervention in Siamese affairs by the Chinese government. The Chinese with whom I talked fear that the growth of Siamese nationalism will lead to increasing restrictions on their varied economic activities in Siam as well as their educational and other community functions.

At the present moment the outstanding issues apparently are kept alive more by the Chinese than by the Siamese. "There are no outstanding issues in dispute between Siam and China", the Deputy Minister of Foreign Affairs said to me. But on the following day

the Chinese Ambassador enumerated several issues which he felt still had to be settled by negotiation. The various issues I have mentioned are "officially closed" as far as the Siamese government is concerned, but some of them may be reopened by the Chinese.

There seem to be several good reasons for Siamese concern over future Chinese policy. One of these is the fact that financial remittances from Chinese in Siam to families, friends, organizations, and political parties in China are an important element in China's balance of payments. No one was willing to give me even an estimate of what these remittances amount to, but those I talked with, including the local Chinese, asserted that the total was "larger than before the war". This source of foreign exchange is one which China undoubtedly will not relinquish willingly. Another reason is the fact that Chinese political rivalries have extended beyond China's borders and have enveloped the Chinese community in Siam. I was told that the Communists and the Kuomintang have roughly equal support among Siam's Chinese population and are competing bitterly, although fortunately the competition is still verbal for the most part. This was a cause for a good deal of concern among the Siamese with whom I talked. They expressed fears that the political rivalries within the Chinese community in Siam might result in the extension of China's civil struggle into Siam. I was told by all my informants that the Chinese do not participate in Siamese political parties and political activities (except informally and indirectly when their economic interests are at stake). But there is some fear among the Siamese either that their small country might become a secondary political and perhaps military arena for China's civil war or that Siam's internal peace and order might be disrupted if the rivalries within the Chinese community are intensified. My feeling is that it is a situation which is not critical at present but which bears close watching.

Several weeks before I reached Siam a non-official organization called the Southeast Asia League was formed in Bangkok. It is a publicity organization which plans to propagandize the idea of a federation of Southeast Asia. To date they have published no well-defined program, but the existence of such an organization may be an indication of an interesting and perhaps significant trend. So far it has "representatives" (they are probably stretching a point to use the word) from Viet Nam, Laos, Cambodia, Burma, and Indonesia as well as Siam. I do not know the strength of the organization's support, but I was told that it has some following among Siamese students. The Deputy Foreign Minister told me, however, that, "The government has absolutely no connection with it and isn't influenced by it at all. We haven't even considered the idea of a Southeast Asia federation." He added: "I don't see why you Americans are so much interested in the idea anyway." Evidently he had been asked about it by others than

myself. I don't think that the possible significance of the organization can be judged by his official attitude, however. A statement made to me by a young and minor civil servant might illustrate the kind of thinking which could lead to increased support of such an organization. "Siam is a small country with big neighbors", he said. "We are a peaceful country. There is no doubt, however, that Siam has been able to maintain her peace and freedom because of her position between French and British territory and because of the willingness of France and Britain to use Siam as a buffer. It looks now, though, as if sometime in the future China and India may actively compete for paramount influence in Southeast Asia. If they do we will be caught in the middle. That might force us to join the other countries in Southeast Asia in some sort of a federation for self-protection." He was speculating, but if others speculate in the same way the Southeast Asia League might develop in importance.

While I was in Bangkok I heard gossip (I hesitate to call it by any more respectable name) of an impending coup d'etat to overthrow the present government. According to the stories circulating, this would be led by the Democratic Party (the present opposition party) together with certain royalist and militarist groups and if successful would replace the present incumbents who are mainly from the Constitution and the Cooperative Parties. In my conversation with Nai Pridi I was attentive to any hint that he feared such a coup d'etat. His strong condemnation of the opposition party might be interpreted as such. "The Democratic Party is a complete misnomer", he said. "That title has completely false connotations. The Democratic Party is really an unscrupulous group which would oppress the people terribly if it was in power. It is trying to overthrow the government by any means it can, and that is not democratic." "Including the use of force", I asked. "Yes, including the use of force." Although the streets of Bangkok appear peaceful and placid, therefore, all may not be calm in political circles. A transient, such as I was, has a difficult time, however, penetrating the surface conditions to get even a glimmer of politics on the sub rosa intrigue level or the mass popular movement level.

I could go on, but this is a convenient stopping point. My past two letters have tried to cover much too much ground, but I didn't want to make brevity my sole consideration. Now that I have reached China where my assignment will keep me for some time, however, I will try to digest my observations a little longer and a little more completely and will regurgitate them with less aplomb. For a while I may confine myself primarily to reports of my own activities rather than attempt to give premature analyses of the situation.

I was hoping to receive a letter from you here in Shanghai

but if I do not hear from you I will proceed with my general plans as outlined in my third letter. My address for about two weeks will be: % Mr. O.R. Magill, 10A Route Winling, Shanghai. During the following two weeks or so my address will be: % Mr. F. D. Schultheis, U.S. Embassy, Nanking. I will keep you informed thereafter.

Sincerely yours,

Doak Barnett

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