REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 969044

DISTRIBUTION
ON
EA-8

DEPARTMENT OF STATE

AIRGRAM

P.O. 15-1 Thai

RM/R	REP	AF	ARA
1			
EUR	FE	NEA	CU
INR	E	P	IO
6			5
L	FBO	AID	
	S/C	15	
	2		
AGR	COM	FRB	INT
LAB	TAR	TR	XMB
AIR	ARMY	NAVY	OSD
5	3	7	34
USIA	NSA	CIA	NSC
10	3	16	6

SUGGESTED DISTRIBUTION

Original to be Filed in Decentralized Files

Action assigned to (Name or Office)

Action Taken A-91

Date of Action

Action Office Symbol

Name of Officer

DEPARTMENT OF STATE
RECEIVED SECRET
1973 MAY 9 PM 12
DEPARTMENT OF STATE
MAY 4 10 14 AM 1973
BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS
ANALYSIS BRANCH

HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO : PHNOM PENH, RANGOON, SAIGON, VIENTIANE
EO 11652 GDS
TAGS : PGOV, PINT, PFOR, TH, XC

FROM : Amembassy BANGKOK

DATE: April 6, 1973

SUBJECT : The First Ninety Days: An Overview of Politics and Administration

REF : 4887, 4622
Bkk 2667; 0873, 2267, 2333 (1973)
Bkk 18156, 18096, 17865, 17056, 16951, A-136 (1972)

SUMMARY:

Interpersonal politics among the Cabinet level leadership group have remained basically stable since the redistribution which occurred when the cabinet was formed in December. The longer range U.S. role in Thailand and Southeast Asia, and the threat of serious inflation loom as the chief political issues.

It has become fashionable in some student/intellectual circles to criticize the U.S. presence as a factor inhibiting Thailand's foreign policy options. While the government continues to look to us to provide Thailand credible strength and stability, the realization of the reduced aid levels has had a shock effect on the military leadership. Their disappointment may well increase RTG stickiness on our military housekeeping arrangements. More seriously, the aid reduction may ultimately embarrass the Thai leadership in front of their domestic critics who claim that the U.S. forces are here in Thailand only for their own needs and ends which do not necessarily coincide with Thai national interests.

The pain of inflation is being felt at all levels, especially by urban dwellers and those on fixed salary incomes. The issue is often confusedly mixed in with

POST ROUTING			
TO:	Action	Info.	Initials
AMB/PO			
DCM			
POL			
ECON			
CONS			
ADM			
AID			
USIS			
FILE			

Action Taken:

Date:

Initials:

FORM 10-64 DS-323

SECRET

For Department Use Only
☐ In ☐ Out

Drafted by: POL:HPClarkJr:bd

Drafting Date: 3-27-73

Phone No.: 411

Contents and Classification Approved by: POL:JGPickering

Clearances: POMIL:GMuller; D/S:WStokes; ECON:TCStave

DECLASSIFIED
Authority

DECLASSIFIED
Authority NND 969044

foreign policy concerns because the inflation became worse just as the dollar and baht were devalued, thus seemingly demonstrating another area of Thai dependence on the US.

Beyond US/Thai relations, the foreign affairs picture is dominated by Thai efforts to adjust, if possible in concert with its neighbors and its friends in ASEAN, to the uncertainties of the Indochina situation. The RTG has also given high priority to developing relations with the PRC and attempting to bring about a resumption of negotiations with North Vietnam concerning repatriation of the Vietnamese refugees in Thailand. END SUMMARY

I. TOP ECHELON POLITICS

The first ninety days of Cabinet rule under the new interim constitution have been notably relaxed when compared with any comparable period of NEC rule. There has been little perceptible shuffling of power relationships within the top leadership circle. For the second time, Thanom has stated, albeit vaguely (in a press conference on March 8, 1973) that he will step down as Supreme Commander in August (see Bangkok 0873 for first such report).

As before, Praphat wields much of the real power. Dawee continues to cut his suit according to the others' cloth, retaining influence but not real power. His place in the power hierarchy continues to be defined by his role as Chief of Staff, Supreme Command, not his Cabinet portfolio (now Agriculture and Cooperatives). Prasert Ruchirawongse has settled quietly into his role as Health Minister, stripped of the power he wielded as Police Director General. General Krit Srivara, whose relationship with Thanom and Praphat grew closer during the NEC period, appears to be working hard at making a success of his Ministry of Industry portfolio. Commerce Minister Prasit has emerged as the most powerful among the five Cabinet ministers in the economic field.

The King's role, highlighted dramatically by his successful insistence on repeal of the Judiciary Decree (NEC Decree 299, reported Bangkok 18156, 1972), continues to be important with much of the tension between him and the political leaders removed by the return to constitutional rule.

II. POLITICAL ISSUES; THE U.S. PRESENCE

In the past two to three months, Thai public concern has focused mainly on two key issues: What the U.S. will do in the longer range post-ceasefire period, and almost more importantly, the threat of serious inflation. The old issues of "illegal" NEC rule have been largely overtaken by the return to (interim) constitutional government.

DECLASSIFIED
Authority _____

DECLASSIFIED
Authority

SECRET
SECRET

Both official and public reaction to the ceasefire has been one of intense uncertainty as to what it means for Thailand, with special interest in the events in Laos and Cambodia. There is widespread belief that though the war is over for the United States, it is definitely not over for the Vietnamese, Lao and Cambodians, and that in turn, the threat to Thailand is if anything increased.

While it has become fashionable in some student/intellectual circles and with some journalists, to call for U.S. forces to leave Thailand to avert North Vietnamese and Chinese hostility, government leaders continue to look to us to provide the credible strength they will need to readjust their relations with the DRV and PRC. In this connection, there is growing evidence that our detailed briefing on the reduced aid levels has had a shock effect on the Thai military leaders. This may well enhance recent Thai stickiness on our military housekeeping arrangements here. The longer range effect may be seriously to embarrass the Thai leadership vis-a-vis critics such as Thanat who will be able to claim with greater credibility that the U.S. is a fair weather friend who is reducing her aid just when her presence is most detrimental to Thailand and her aid is most needed to face the increasing threats to Thailand from Indochina.

The National Assembly has taken some time to get into gear, but is beginning to take a more active role than the earlier appointed assembly that sat from 1957-1968. This is in part due to the presence in it of several ex-Ministers, including Thanat and Boonchana, who among others took an active part in recent interpellations regarding inflation, the dollar devaluation, and a modification of the currency bill that would enhance the Finance Minister's authority to modify the baht/dollar parity.

Thanat has also become a regular subject of news stories, editorials and columns for his opposition to continued U.S. use of Thai bases. While Thanat is no longer influential in government circles and is not a current or potential leader in any other sense, he does constitute a voice that both commands publicity and is extremely difficult to silence. Though the government has warned him not to rewrite history regarding his own position at various times in the past, and has threatened to open the record if he does, he continues to hit the subject, keeping the issue alive and making it easier for others to speak out too.

2333)

Dr. Puey Ungphakorn (Bangkok/2267) avoided public discussion of the U.S. presence during his February visit here, but (according

DECLASSIFIED
Authority

DECLASSIFIED
Authority NND 969294

to SRF sources) did tell a small group of faculty, students, and intellectuals that, although he understood the short term need for U.S. forces here, he felt that the importance of Thailand's future relations with North Vietnam demanded their withdrawal. While he basically favored total withdrawal, some reduction would be an acceptable first step. The same sources report him as being somewhat galled by what he regards as the post-ceasefire "increase" in U.S. forces, apparently referring to the various headquarters transfers to Thailand even though in actual fact there has been no overall increase in the number of U.S. personnel. Both Puey and Thanat can be expected to continue commenting on the U.S. presence. Though neither will become the standard bearer for student dissent on the issue, their comments will be considered by the students as encouragement.

On the economic front, there is increasing discontent at all levels with the recent price increases that are already seriously pinching the poor and those on fixed salaries. Both the press and the National Assembly are weighing in heavily asking the government to get on with "doing something" about the problem. Public analysis of the problem continues to focus on external factors, particularly the dollar/baht devaluation and the yen float and less on internal causes such as low rice stocks and rice price increases. The investment climate continues to suffer moderately from the confusion, lack of coordination and, in some cases, rather strict interpretation of the Alien Business Decree and Alien Occupation Decree, which were enacted in the last days of the NEC.

The aspect of inflation that is potentially the most ominous is that increasingly one hears the government as a whole being held accountable for this phenomenon. While it does not yet constitute a cause of political instability, it is likely to remain a popular grievance which could be capitalized on by anyone wanting to make a power bid.

The issue of the three former MPs who were imprisoned by the NEC (Bangkok A-136, April 14, 1972) has surfaced again. Prime Minister Thanom answered an interpellation question on amnesty for political prisoners saying in effect that the time is not right for their release (see Bangkok 4887). Given Thanom's past reluctance to grant political amnesty in the face of repeated advice from some of his close associates (including by his own account General Krit), initiative on this issue may have to come from the National Assembly.

The Constitutional Drafting Committee was appointed in February, and has met several times since under Praphat's Chairmanship.

DECLASSIFIED
Authority

DECLASSIFIED
Authority NND 969044

There is obviously no urgency attached to the drafting, a situation widely deplored by the local press. On this and other issues the press enjoys considerable freedom to criticize the government, a freedom which it exercises albeit somewhat warily.

III. COUNTER-INSURGENCY

In counter-insurgency, the new government has continued programs put into effect by the NEC and has adopted and is making progress in implementing a new national counter-insurgency strategy more in keeping with RTG and RTA capabilities and insurgent vulnerabilities.

The strategy involves replacing large unit frontal assault type operations, relying mainly on military suppression, with a four pronged program involving: (1) strengthening local government in the grey areas adjacent to the insurgent base areas; (2) Police and VDC actions to control population and supply movements into CT base areas; (3) stepped up assistance to and social compromise with hilltribes subject to CT influence; and (4) military penetrations into the CT base areas, using small unit tactics.

IV. FOREIGN AFFAIRS

Though Deputy Foreign Minister Chartchai Chunhawan is not the brilliant foreign affairs analyst that Thanat was, he seems to have pulled MFA together well as an organization and given foreign affairs a prominence within the Government and in the public eye which it did not receive under Charunphan's stewardship during the NEC period.

A good example of this is Chartchai's pronouncement of a phased three-point RTG foreign policy: lasting peace in the region; once there was peace there would be no need for foreign forces in Thailand; at that time Thailand could consider the Malaysian proposal for neutralization of the area. While this is not new policy, Chartchai's handling of it has enabled the RTG to use it as a seemingly effective answer to increasingly strident Thai critics of the U.S. presence and as an assurance to the Malaysians (especially in the wake of the Lee Kuan Yew visit) that the U.S. forces are not here permanently and that Thailand has not foresaken their neutralization concept.

The two diplomatic highlights during this three month period were the incipient thawing of Thai/Burmese relations as manifested in the reciprocal visits of DepForMin Chartchai and Burmese ForMin U Kyaw Soe, and the Lee Kuan Yew visit of early January. On the Burmese question, it is much too early to tell whether the thaw will last and become truly significant, but Chartchai has made a promising beginning; on the Singapore visit, the substantive agreement was largely already there.

DECLASSIFIED
Authority _____

DECLASSIFIED
Authority NND 969094

SECRET

Beyond that, Thailand has reestablished contact with the North Vietnamese through the Thai Embassy in Vientiane. While the immediate purpose is to reopen the discussion of the repatriation to the DRV of Vietnamese refugees living in Thailand, this channel could also serve for regular communication with Hanoi.

Regarding China, the RTG has authorized its diplomats abroad to socialize and talk with PRC diplomats, and is seeking an opportunity to reciprocate the Chinese hospitality extended last year to the Thai table tennis team. The Thai have also made it clear, both publicly and privately, that they will welcome a PRC permanent representative to ECAFE in Bangkok. Beyond this, there has been no concrete forward movement in Thai/China relations since the new government was formed. Questions on trade arise often in top RTG leaders' press conferences, and are usually brushed off with remarks to the effect that China has not made an offer to buy or sell anything so there is no issue.

UNGER

SECRET

DECLASSIFIED
Authority _____