RG 59 GENERAL RECORDS OF THE DEPARTMENT OF STATE

SUBJECT NUMERIC FILES, 1970-73
POLITICAL & DEFENSE

FROM: **POL ASIA**

TO: **POL ASIA SE USSR**

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DEPARTMENT OF STATE

BRIEFING MEMORANDUM

S/S December 12, 1973

12/12/73

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TO: The Secretary

FROM: EA - Richard L. Sneider

Monthly Report on Significant Trends
In East Asia and the Pacific

In response to your request, and implementing directives from S/S, I am attaching four papers on significant trends in East Asia and the Pacific:

1. Uncertain Outlook in Thailand

2. The Political Situation in Korea

3. Micronesian (TTPI) Future Political Status

4. Impact of the Oil Embargo on EA Countries

This is the first of the monthly reports. We have elected not to submit papers on China and Indochina at this time, because we believe you remain fully abreast of trends in those areas. A special study is under way on Japan.

EA/RA:CAChapman:chg
12/10/73; Ext 22343

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DEPARTMENT OF STATE
BRIEFING PAPER

Uncertain Outlook in Thailand

The Problem

The October "revolution" opened an era of uncertainty in Thai politics that could affect US/Thai relations, and, if things go wrong, could threaten US interests--including our desire to keep military forces in Thailand at levels we consider necessary for our regional objectives. We can do little to determine the course of events, but should consider how we can conduct our business with Thailand in a way that will minimize the short term threat while establishing a basis for long term relations most advantageous to the US.

The Situation

The overthrow of the Thanom-Praphat regime brought to power a "caretaker" government with a limited mandate to draft a constitution and prepare for the launching in mid-74 of a new elected parliamentary government. While pursuing this assignment, and eschewing any desire to make fundamental long term policy innovations, the Sanya government is compelled also to address a number of urgent problems that cannot await an elected government.

In undertaking its responsibility, the Sanya government operates from weakness. As the King's creature, it has no power base of its own. It is dependent upon the uncertain tolerance of the Army and of impatient popular forces represented largely by the students. The demands of these groups are not identical. To oversimplify, the primary interest of the former is "order", of the latter it is "liberty". To survive, the Sanya government must somehow satisfy both.

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The practical problems are enormous. The October student uprising unleashed pent-up demands for reform and set a pattern for activist politics on the part of students, workers and ambitious politicians. The result has been a wave of student demonstrations and illegal strikes throughout the country and widespread apprehension over the ability of the Sanya government to cope.

Public grievances are many--corruption, insurgency, inflation, and now the fuel crisis. The fiscal and budgetary adjustments that will be required to meet these and many neglected social and economic ills will require tough decisions that are certain to hurt privileged groups. The drafting of the constitution and launching of a new government are processes fraught with potential for tension and discord.

In the climate of unrest, the student movement is fragmenting. More activist, less responsible elements may take over. Labor is emerging as a new force to be reckoned with, a possible ally of radical students. The Army remains committed to supporting the government but is watching anxiously. If disorder increases, it may feel impelled to move in either to back up--and dominate--the government or to replace it. Should the King lose confidence in the ability of his civilian government to maintain stability, he could turn to the Army, bestowing upon it the legitimacy it would require.

Thus far, foreign affairs and the US/Thai relationship have not become major issues of domestic controversy. However, the popular forces represented by the students have an underlying antipathy to the client-state position in which they believe Thailand was placed by the previous regime and there is endemic distaste for the US military presence. The Sanya government says it intends to make no major changes in Thailand's foreign policy and is not expressing dissatisfaction with our present posture in regard to the US presence. However, because of the

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circumstances which brought it to power and the fragility of its position, it must be more responsive than its predecessor government to popular pressures on this as on other issues.

Assessment of the Situation

The situation is touch and go. The Sanya government may not make it to the elections next year. It could be displaced or taken over by the military. There is also a possibility of intensified disorder that would bring a bloody confrontation between the military and the popular forces, conceivably offering opportunity for radical forces to bid for power. However, at this point, the odds are probably slightly on the side of survival for the Sanya government, though probably with an increase in military influence and of the military role in maintaining order.

In this uncertain climate, our problem is that the US relationship may well become a serious issue in the months ahead, if only as a by-product of domestic controversies that are certain to intensify as the constitution comes up for public debate and as elections approach. Events in Indochina could have an effect, especially if Thai-based air power is needed, but withheld. The government will probably want to continue the past pattern of cooperation with us and may continue to assure us that it intends to do so. However, for the sake of survival, it may not be able to do so. In any event, it cannot commit the government that will replace it next year and that government, if representative of popular sentiments, could be more nationalistic than the present one.

US Policy

We suggest the following general prescription for US policy toward Thailand during this critical period to minimize the possibility of serious and possibly long-lasting deterioration in our relationship.

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1. Refrain from program and policy initiatives that would give the appearance of our wanting to influence Thai internal affairs; maintain the lowest possible profile.

2. Provide as much military assistance as we can in FY 74 in order to reduce the possibility that a severe cut could be a factor in military disenchantment with the Sanya government.

3. Continue economic assistance with increased public emphasis on developmental objectives as opposed to counterinsurgency.

4. Continue our discreetly benign stance toward Thai efforts to make friends with Peking and Hanoi.

5. Be responsive to Thai requests to discuss the future of the US military presence in Thailand, and be prepared to withdraw forces as may be necessary to avoid popular reactions that could make the US presence a major issue.

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