A revisionist history of Thai-US relations

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Abstract

This paper breaks with the traditional approach to the study of Thai-US relations, and provides a different narrative. It takes a revisionist approach: the world after the Second World War cannot be simply viewed in bipolar terms. It examines how Thailand's political structures and political developments were influenced by its relationship with the leading superpower. The main goal of the US was to protect and enhance its business interests and as one element of its strategy to achieve this, it assigned a particular role to Thailand. The paper identifies various periods of Thai-US relations from the end of the Second World War to the collapse of US-supported dictatorship. In the long term this arrangement affected Thai political structures.

Introduction

This paper examines the Cold War and applies a revisionist analysis of Thai-US relations between the end of the Second World War and the American withdrawal from Vietnam. Most literature on the Cold War relationship deals with it from the realist perspective of unequal allies, each seeking to fulfill its national interests in the Indo-Chinese conflicts. Economic relationships between them are usually treated either as a sub-theme of the military relationship or as a separate issue.

The paper argues that one should adopt a holistic approach to the study of Thai-US relations, looking at both their security and the economic aspects. The traditional perspective means that the literature does not do justice to a very significant period of Thai history. The paper proposes to study Thai politics in the context of relations with the leading hegemon of the global structure called Pax Americana.

Studies of political development seldom consider the global context. Scholars may be aware of the inconsistencies in their narrative but have been unable to explain them. The realist perspective is not able to account for the power relationship between the US and a weak country

at the periphery of the world system. It also fails to explain how the relationship ushered Thailand into an important stage of development and prepared it to become a capitalist state with a democratic system of government.

I base this revision on five major academic works. They are Daniel Fineman's *A Special Relationship: The United States and Military Government in Thailand, 1947–1958*, Surachart Bamrungsuk's *United States Foreign Policy and Thai Military Rule 1947–1977*, Ukrit Pathamanan's *United States and Thai Economic Policy*, Frank Darling's *Thailand and the United States*, and lastly Sean Randolph's *The United States and Thailand: Alliance Dynamics, 1950–1985*. Other than Darling, all these writers made extensive use of archival materials and primary sources. Ukrit, who also contributes to this volume, rebelled against academic orthodoxy by refusing to restrict his analysis of the relationship to security issues, and by choosing to discuss the role played by the US in the economic development of Thailand. In addition to these five works, I refer to other studies which throw light on the theme.

**A revisionist history of the Cold War in Southeast Asia**

The revisionist approach developed here does not accept the orthodox notion that the Soviet Union set out to aggressively propagate communism around the globe and thus bore prime responsibility for the Cold War conflict. It develops from an alternative reading: the Soviet Union planned to maintain the Grand Alliance which defeated the Nazis, and the US planned to contain and restrict those countries that refused to endorse world capitalism.

First, I must pay tribute to the excellent revisionist research made by Soravis Jayanama, my colleague and a contributor to this volume, from whom I have benefited greatly. I also rely significantly on Borden's *Pacific Alliance* (1984), which deals with the US strategy in assigning roles to Southeast Asian countries that could contribute to the economic recovery of Japan.

In the second half of the 1960s, revisionist historians started to question American involvement in the Vietnam War. In order to explain this apparently illogical commitment, they portrayed the US as a capitalist economy guided by business interests anxious to protect company investments and to seek access to foreign markets. Borden studied the Tokyo Conference attended by US officials in Asia and described a participant arguing for American control of the world
economy and the responsibility of the officials present to promote American business. One participant stated that overseas investments

are the tentacles of American life that reach out around the world in terms of our commercial needs.... Our problems are the problems of American business. They are problems which, if we solve them adequately, will result in the benefit of American business. (Borden, 1984: 132)

This shows international arrangements after the Second World War in a new light. The US was not simply one of two equal antagonists, one pole in a bi-polar world. Rather we should see it as the most powerful capitalist state with interests to protect and advance in both Latin America and Asia. This perspective divides all other states into three camps. The first consisted of capitalist states, including previous hegemons such as the UK or contenders for hegemony such as Germany and Japan, which had been weakened by the war. The US had initially wanted to punish both Germany and Japan, but the logic of capitalism dictated that it could not prosper if they did not recover. It needed them as major trading partners. Thus the US had an interest in rebuilding their economies and re-equipping them as industrial workshops.

The second camp consisted of communist states led by the Soviet Union. They were too weak to provide a concerted military challenge to the US. But because they influenced policies followed by countries in the third group, they posed political, economic, and ideological threats to American hegemony.

The third camp consisted of undeveloped countries, including colonized countries struggling for independence. They were imbued with economic nationalism and anti-imperialism and were initially attracted to the US because of its anti-colonialism. But after a brief period of supporting their cause, the US began to perceive their economic nationalism as a threat to capitalism and so switched track and lined up with the old colonial powers (Borden, 1984: 112–23).

After the war the US found itself the only country with a dollar surplus whereas other industrial countries faced a shortage. The US was forced by the logic of the economy to extend assistance to its former enemies, Germany and Japan, so that they become viable trading partners. Hence it commenced turning Germany and Japan into "industrial workshops."

The US hoped to ensure that German industrial markets were enlarged in preparation for full economic recovery. Thus it had an
interest in supporting those European idealists who wished to see Europe united. The Common Agricultural Policy (CAP) was designed to compensate the biggest agricultural producer, France, for opening its markets to German industrial goods. At the inception of the Common Market, CAP subsidies accounted for more than 50 per cent of its budget.

The Truman administration devised the Marshall Plan as a way of reactivating the European economies. It was unwilling to submit Congress to the rigors of international economics, and appealed for support on the basis of anti-communist rhetoric.

Dean Acheson set the pattern of postwar policy when he conjured up the image of Russian barbarians overrunning Western civilization to frighten congressional leaders and gained their approval for the Marshall Plan in 1947. From that point on, there could be no severing of the link between the fear of Communism and large foreign aid appropriations. (Borden, 1984: 9)

The implication for this study was that the US similarly planned that Japan would be restored to its former status of an industrial workshop. The problem was to find markets and sources of raw materials other than those in North China and Manchuria, where Japan had hitherto dominated. Southeast Asia was an obvious choice. A proposal for cooperation along the lines of the European Common Market was rejected on the grounds that the various countries lacked economic compatibility (Borden, 1984: 116). Thus the US was engaged in planning an international division of labor. This was determined less by the "invisible hand" of the market so much as by the deliberate exercise of power. Japan was delegated the role of a "fortress of capitalism" after the victory of the communists in China. Southeast Asian countries were expected to provide raw materials and primary products, and markets for Japanese products.

This allocation of duties meant that Southeast Asia now figured significantly in US policy decisions. Thus the growing crisis in Vietnam, where a nationalist movement was fiercely resisting a colonial master, was bound to cause concern to the US administration. Borden described Indochina as a strategic linchpin of Acheson's "Anglo-American arc of interest." The French defeat in 1950 threatened to spark a revolution in Thailand. Subsequently, communism might have consumed Malaya and the Philippines, and the ultimate domino, Japan (Borden, 1984: 124).

Nevertheless, at this stage Thailand was still relatively secure. It was
endowed with natural resources, and was a potential export market for Japanese industrial goods (Borden, 1984: 117–8). The country was well placed to serve as a base for fighting communism in the region. Washington was yet more pleased by the assumption of power by a military government in 1947. The US support for the government led by a wartime leader in 1948 signified the beginning of Thailand's involvement in the global power structure known as Pax Americana.

Thus the Thai–US relationship was based on Thailand's role to serve the Japanese economy and its strategic significance for the war in Vietnam, an unimportant country on the periphery. This demonstrates the logic of US-led global capitalism. It meant that Thailand, hitherto a similarly insignificant force, became one of the key players in keeping the Japanese economy healthy as well as in the American drive to keep communism at bay in Asia. In the early 1950s, Thailand became an important recipient of US military, economic, and technical assistance. This had the specific purpose of transforming the country so that it served Japanese needs as well as keeping it as an American ally against communism.

One aspect of the Cold War that has escaped most observers' attention is the way in which the US gave its allies protection on condition that they gave access to the development of American capital within their borders (Gowan, 1999: 81). By the mid-1950s access was obtained through the operations of the World Bank in the name of "development." This term had been coined by Truman in his inauguration speech in 1947 but at that time had no specific meaning, and was referred to as Point Four. The World Bank's development policy originated from Raul Prebisch's recommendation to the United Nations Economic Commission in regards to Latin America. He argued that underdeveloped countries could progress by adopting an import substitution industry (ISI) strategy (Rist, 2002: 115). Ironically, the strategy suggested by an intellectual who resented American responsibility for underdevelopment in Latin America fitted very well with US industrial interests and was adopted by the UN.

Most of the countries of Southeast Asian accepted this development strategy. The Philippines had taken to ISI since the late 1940s as the way of dealing with exchange problems. The strategy resulted in rapid economic growth and the country represented a success story of ISI since the end of the war. As we shall see Thailand's Phibun was receptive to the strategy but was obstructed by internal social forces. Both Malaya and Singapore embraced the strategy and the decision of the two
countries to merge together created a viable internal market for the strategy. However, Indonesia under Soekarno refused to participate.

**Thailand and early involvement in Pax Americana**

In 1947, a number of relatively unknown army officers calling themselves the Coup Group staged a coup and installed a civilian, Khuang Aphaiwong, as prime minister. Washington was at first unconcerned by this development and gave Stanton, the American ambassador, and Kenneth Landon, the Southeast Asian Division assistant chief, free rein in deciding US policy. Although he had been concerned by the instabilities of the previous civilian governments, Stanton was prepared to support Khuang (Fineman, 1997: 53).

However, in April 1948 Khuang was replaced as prime minister by Phibun, the military dictator who had led Thailand into the Second World War against the Western allies. By now, US perceptions of Thailand's role had changed. Washington and Tokyo were committed to reviving Japan's economy by linking it with Southeast Asia (Borden, 1984: 61–2). This policy threatened to attract opposition from the US allies, Congress, and some sectors of US business, and was therefore not publicized (Borden, 1984: 78). Stanton was unaware of the shift in the Washington wind. He reacted strongly against Phibun on the grounds of his role as dictator and his war record, and objected to recognizing his government. The acting British ambassador agreed with Stanton, whereas Landon now sensed that in the light of the perceived communist threats, US priorities lay in promoting good relationships with a friendly, stable, non-communist regime (Fineman, 1997: 54–8). Washington was still not willing to disclose the new strategy, but gently worked on Stanton to recognize the Phibun government.

In the middle of 1948 a conference was held in Bangkok between officials of the Office of Far Eastern Affairs and US diplomats serving elsewhere in Southeast Asia. Fineman interprets this as the State Department digging for information and policy proposals from its field officers. He went so far as to argue that the ideas arising from the conference guided America's Thailand policy over the next two years (Fineman, 1997: 73). However, these events can be interpreted differently. At the conference, Stanton and other embassy officials were encouraged to discuss the success of the Vietminh in fighting against the French in Vietnam, and the expanding role of the Soviets. The
Washington officials appeared to share concerns with the field officers, and concluded that "the whole problem sounded very ominous" (Fineman, 1997: 74).

Fineman argues that Phibun fed the threat of communism to the Americans in order to obtain future aid; it is argued here that on the contrary, Washington officials implanted the notion in the minds of their field officers. Henceforth the US embassy adopted anti-communist rhetoric, and besieged Washington with demands for military aid to Thailand. Given current perceptions of the communist threat in Europe, this rhetoric was well received by Congress. It should be noted that at this time almost all US foreign aid was committed to Europe and China, and the administration faced an uphill struggle in funding its new policy in Asia (Borden, 1984: 113).

Between the conference and early 1950, levels of military and economic assistance changed little. Stanton became increasingly frustrated both by Washington's failure to respond to requests for military aid and by the Thais' lack of commitment in dealing with their internal communists. Fineman implies that the Thais were playing their usual double game; on the one hand claiming to commit themselves in the fight against communism in return for aid, and on the other, trying to pursue an independent foreign policy. To Stanton's great disappointment, they allowed communists from various Asian nations, in particular from China, to operate unimpeded in the country (Fineman, 1997: 77–86). Stanton apparently thought that increased aid would unequivocally commit Thailand to the US camp, but the State Department was unwilling to respond to his pleas. Fineman explains this reluctance by the fact that Thailand still did not figure prominently in US foreign policy. In late 1949 State Department officials and General Staff officers still considered Thailand to be of little strategic importance (Fineman, 1997: 86).

In fact Fineman failed to detect many instances of Washington's interest in Thailand during 1949. Landon shows that the year was spent accommodating the regime. Thailand joined the International Monetary Fund and the World Bank, and was encouraged to apply for a World Bank loan. A request for a scientific survey of the country's natural resources was granted. Bangkok was designated Far Eastern headquarters for many UN agencies. Most importantly and in accordance with the plan to link the Thai economy with that of Japan, the SCAP authorities in Japan released $43,700,000 in gold as payment for goods and services rendered to Japan during the Second World War (Darling, 1965: 69).

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The release of this huge sum of money was possible because it lay outside the authority of Congress and within that of SCAP which was responsible for reviving Japan's economy, and it contributed significantly to the post-war trade recovery and the good health of the Thai economy.

Stanton appears not to have been informed about Washington policy, and in particular about Acheson's determination to turn the Southeast Asian countries into producers feeding industrial Japan. Acheson's main task in 1949 was to persuade Congress and the Defense Department that the budget earmarked for the Chinese Nationalists be diverted to the Far East and Southeast Asia. This was a lengthy business; in the meantime he wanted to see Thailand put its house in order and take more stringent measures against local communists.

As expected, Congress immediately attacked the inclusion of Southeast Asia as a recipient of major aid when the Omnibus Bill was proposed in 1949 (Fineman, 1997: 81–6). Even when the Bill was approved, the Defense Department demanded that most of the $75 millions be spent on China (Fineman, 1997: 97). Only in mid 1949 did Acheson feel sufficiently confident to reveal his plan, and direct American officials in Asia to encourage increased food and raw materials production for all industrialized nations, most especially for Japan (Borden, 1984: 119).

After the bill was passed, the US administration began pressuring the Thai government to make a stand on the issues of recognizing the communist regime of China and the Bao Dai regime in Vietnam. Both issues were sensitive in Thailand, for both internal and international reasons. The large Chinese community and the role of China as the regional leader could not be ignored. Most of the Thai elite was opposed to Bao Dai and his recognition promised to perpetuate French rule in Vietnam. Once the Omnibus Bill was passed in September 1949, the Americans began asking for a return on their aid, and the Thai government felt under even more pressure.

When the Thai government requested immediate aid under the terms of the Bill, Dean Rusk, the Deputy Secretary of State, responded by demanding that Thailand enter the common defense arrangement and clarify its position towards Communist China under Mao (Fineman, 1997: 104). By the beginning of January 1950 the State Department and the Department of Defense were authorized to allocate $75 million to various Southeast Asian countries (Fineman, 1997: 106). It was certain that Thailand would be among the recipients but the amount and the speed of delivery now depended on Thai recognition of Bao Dai. The
belligerence of Mao’s regime towards both the Thai and US governments had pushed the Chinese question off the agenda (Fineman, 1997: 108).

At this point Jessup, the ambassador at large, arrived in Bangkok on his fact-finding mission in the Far East. He immediately arranged for a conference of State Department officials and regional ambassadors to develop a comprehensive plan for containing communism in Asia (Fineman, 1997: 109). The timing and venue of the conference (13–15 February 1950 in Bangkok) sent a clear message to the Thai elite who had been divided on the question of Bao Dai. Phibun made the face-saving gesture of announcing before the conference opened that the Cabinet would deliberate the Bao Dai issue, but he already had enough votes and there was no longer any serious doubt. Recognition was granted and at the beginning of March the sum of $10 millions of military assistance to Thailand was approved by President Truman. Fineman sees this both as fulfilling Phibun’s quest for American assistance, and as a political move securing Thai commitment in the fight against communism (Fineman, 1997: 114). In the short term, however, it should not be read as more than a reward for recognizing Bao Dai. The longer-term implications were indicated by yet another US mission investigating how the Thai economy could serve Japanese industry.

The Griffin Mission of the Economic Cooperation Administration was sent to assess US economic and technical assistance to Southeast Asia. The mission focused on the threat of communism. It recognized that as a result of the world dollar gap, “the United States had an important financial interest, as well as a commercial interest in economic recovery and progress of Southeast Asia and in open access thereto by the non-communist nations of the world.” The mission did not succeed in its specific objective, of persuading these countries to employ more Japanese technicians (Borden, 1984: 141). But one concrete achievement was that the Thais signed the Economic and Technical Cooperation Agreement with the US in September 1950. This guaranteed Thailand an immediate aid package of $8 million and some fifty technical experts dedicated to improving agriculture, irrigation, transportation, communications, harbor facilities, commerce, education, and public health. In October 1950 Thailand was additionally granted a World Bank loan of $25 million to assist in the construction of irrigation projects, rehabilitation of railroads, and development of the Bangkok harbor.

This package of aid to a poor agricultural country might seem standard. However it fitted a policy recommendation made in 1948 that the US should provide “small aid programs, possibly using the IBRD
funds, and focusing on stable producing areas” (Borden, 1984: 117–8). In practice it served a specific purpose.

At the same time as it worked to develop developing primary production in the region, the Truman Administration had a second agenda, to militarize the cold war. National Security Council Document number 68 of April 1950, which significantly increased the defense budget for fighting against communism, dwelt in detail on the perceived Soviet military threat, but provided little concrete evidence. The Korean War in June 1950 was a godsend as far as Acheson was concerned, for it provided proof of communist aggression. The US military was initially unenthusiastic about making an armed response. Nevertheless he managed to persuade Congress of the dangers, and US policy was freed from all fiscal and military constraints. Congress appropriations rearmed the US and Europe, and funded the French war in Southeast Asia (Borden, 1984: 50).

In entering the Korean War the US needed moral support from its allies, and Phibun took the plunge. Thailand provided rice in response to the US appeal for food, and went further, sending troops. Among the Thai elite only the military approved. However, it had the effect of removing any reservations that Acheson still had of Phibun. Military aid began pouring in. Phibun contributed further by cracking down on local communists and left-wing critics. By this time the authoritarian nature of the regime was firmly established. Fineman laments the end to the flexible foreign policy carefully steered by the Thai elite since the end of the war. However, recent study, as we shall see, shows that this commitment to fighting communism was very superficial, and flexibility still existed during this period.

In general, writers on Thai-US relations have not commented on the end to the Korean War. Fierce opposition from the North Koreans and Chinese and increasing pressure at home prompted the US to seek a ceasefire agreement that forced a dividing line between the two sides. This line was located exactly where it had been before the war. Research by Sroymuk (2001) shows that the Thai elite was extremely worried by the outcome of this war. The conclusion of the war demonstrated that China was the most significant regional power. Thailand was committed to the US side at a time when the US administration was running scared of domestic pacifism and seemed to be faltering in its fight against communism. How could Thailand trust such an ally? At the same time, China was showing signs of adopting a more sober position in dealing with the free world. Consequently, Thailand started to pursue a two-
pronged policy of being overtly anti-communist while seeking covert rapprochement with China.

In the meantime the Viet Minh was making advances in Vietnam and in Laos. John Foster Dulles, secretary of state in the new Eisenhower administration, began to develop the cornerstone policy of collective security in Asia. The Geneva Peace Settlement agreed to an election in Vietnam in 1956. The prospect of a certain Viet Minh victory caused deep misgivings in the US administration and a conference was called in Manila to discuss the issue of collective security. The resulting Manila Pact established SEATO. The US was happy but not other SEATO members. The Thai elite was especially dissatisfied. They had been hoping that SEATO would replicate NATO in providing unified command of joint forces. Instead, each signatory was only obliged to intervene in the event of aggression against one of the member states in accordance with its own constitutional processes. The three countries in Indochina were prohibited from joining the new treaty organization, but were included in the zone to be protected (Fineman, 1997: 194–7).

Fineman argues that America’s increasing involvement in Indochina caused its increasing involvement with Thailand, and that the Manila Pact both responded to an existing situation and marked the beginning of a true alliance between Thailand and the US (Fineman, 1997: 198). Thailand and other Southeast Asian countries were still expected to industrialize, but this was now aimed at serving the interests of the US rather than of Japan. This shift in policy was indicated by the increase in US economic aid from $8 million in 1954 to over $48 million in 1955 (Surachart, 198: 69).

During the recession of the 1930s, many Asian economies had significantly advanced their industrialization, mostly in the form of public enterprises. But the US was now instructing developing countries to disengage from state-owned industries and to pursue ISI by developing infrastructure to encourage foreign investment. Many writers have assumed the goal of US liberalism at this period was the promotion of free trade. In practice the administration and the World Bank aimed to encourage only those investments that suited the interests of the most industrialized powers, chief among which was the US.

Thailand was now eager to accept its role in the new agenda. In 1954 the government promulgated the Industrial Promotion Act, drafted under the guidance of Dr. Antonin Basch of the World Bank (Rangsan, 1989: 34). This shows Phibun prepared to accept even greater integration into Pax Americana. The next section looks in greater detail
at the stages in this process until 1958, when Thai policies had become fully integrated into global power structure. As we shall see, the process significantly affected internal political structures.

**Thailand's second entry to Pax Americana**

The effects of the Industrial Promotion Act of 1954 and of changes at the most senior levels of Thai politics committed Thailand ever more tightly to Pax Americana. The rationale of the Industrial Promotion Act of 1954 was that industry is an important component of the national economy and needs to be urgently promoted. But naturally the state is not in a position to engage in all industries. Without the support of the state, private investors will be unable to succeed in their projects, or will be restricted by obstacles and unable to compete with foreign industry. Furthermore, foreign investors need the ability to withdraw when they wish and repatriate their profits; without these guarantees there will be no foreign investment in Thailand. Many industries require high levels of capital and expertise that can only come from abroad. Thus we need to legislate this law in order to ensure that foreigners can benefit from their investments. (Ukrist, 1983: 47–8)

The Act was accompanied by a US proposal designed to guarantee US investments in Thailand. The Thai Export-Import Bank should compensate any US investors who were damaged, or buy out their rights. Moreover, the US government would be entitled to represent their citizens in order to settle any claim against the Thai government and to negotiate compensation. This agreement reflected enthusiasm on the part of the US government to allay the anxieties of their investors and to jump-start investment in Thailand.

At about this time Peurifoy, the American ambassador, demonstrated support for Phibun in his conflict with the other two members of the ruling triumvirate, Phao Siyanon and Sarit Thanarat. These two benefited from American aid to the police and the army respectively, whereas Phibun had no power base of his own. Phao commanded influence both because he had no inhibitions in using raw power, and because his faction owned many businesses and was involved in public enterprises. He had good reasons to obstruct plans to liberalize the law as regards foreign investments in industry. I argue here that Peurifoy aimed to curb Phao's power. In order to boost Phibun's stature, in 1955 the US embassy supported Phibun's invitation to the US and the House of
Representatives where he announced he would restore parliamentary democracy (Darling, 1965: 142). However, these intrigues did not go entirely to plan; as we shall see the end result was the collapse of the triumvirate and Sarit’s rise to supreme power.

Upon his return to Thailand, Phibun aimed to counter Phao’s power by relying on Sarit’s military power and at the same time create his own power base through democratization. He announced a general election for February 1957, in which he would contest a seat in the Assembly. He tried to increase popular participation in politics by establishing a “Hyde Park” debating center in Bangkok and in large provincial towns. Opposition parties were legalized and were given greater freedom of expression. The franchise was liberalized; the voting age was lowered, and educational requirements were abolished (Darling, 1965: 143–4).

Phibun calculated that Sarit was uninterested in politics and would support his democratic regime because of his fierce rivalry with Phao. However, Phibun argued soldiers needed to become professional: “In a democracy, soldiers should not interfere in politics.” He set an example by resigning from the position of the inspector general of the armed forces (Darling, 1965: 142–3).

Phibun set out to overcome Phao by publicly discrediting him and dismantling his business empire. Assisted by the US embassy he disclosed Phao’s authorization of $1 million awarded to police officials for seizing a large amount of opium although not one smuggler had been arrested. He promised to close all opium dens by the end of the year. He ordered an end to trade monopolies and special privileges granted to Cabinet ministers. Again he set an example by selling his stock in private companies. He expelled Phao and his clique from the Cabinet, and himself took on the two most important ministries, interior and defense (Darling, 1965: 144).

How successful was Phibun in achieving his goals? In so far as the promotion of American industrial investment was concerned, the legislation was inadequate. First, the US government could not persuade the Thai government to guarantee its citizens’ investments against nationalization. Second, US investors were worried by the influence of the factions led by Sarit and Phao. Apart from having their own business empires, the factions of Sarit and Phao were also involved in 141 state enterprises (Ukrist, 1983: 35–44). Moreover, the Phao faction developed mechanisms for exploiting the Industrial Promotion Act to its own advantage. They established a conglomerate called the National Economic Development Corporation, which demanded preferential
treatment on the same basis as that granted to foreigners. Phao also asked the Thai government to guarantee foreign loans made to his new conglomerate. However, the conglomerate proved to be a disaster. A great proportion of the foreign lending was secretly transferred to a group of shareholders. After severe losses in 1957 the loans were placed under state control (Ukrist, 1983: 49–54).

Politically, Phibun's policy of liberalization backfired in three ways. First, the increased freedom of expression granted to the press unleashed anti-American sentiment, and criticisms of his own unpopular policies. Second, Phao's abuse of power became widely discussed. Third, the liberal policies created dissension among some prominent supporters upon whom the triumvirate depended. High-ranking officers began to argue that liberal policies could cause the collapse of military power. Meanwhile, a US intelligence report disapproved of the drive to democratization on the basis that it was premature and might lead to the early end to the democratic experiment (Surachart, 1988: 72).

Popular sentiment against the government was so strong that the only way for Phibun and Phao to retain power in the election promised by Phibun on his return from the US was to rig it. In a very unclean race, Phibun won his seat and thus held onto the premiership, but his legitimacy was severely compromised. Popular protest grew in intensity when a brief state of emergency was declared.

So far as the US was concerned, the Phibun and Phao factions were both sullied. Their first choice, Phibun, had shown himself incapable of commanding popular support. Phao was in disgrace on account of his questionable business dealings and his overt opposition to US involvement in the Thai economy. His faction made a final bid to salvage its reputation by declaring an end to any involvement in private business and state enterprise; this did not succeed.

The third member of the triumvirate, Sarit, promised more. During the crisis which embroiled Phibun and Phao he gained popularity by allying himself with the sentiment against the election. In June he set up a new political party, Sahaphum, under his brother's name. The government reacted swiftly by cutting off his financial base, the national lottery. On 20 August 1957, he challenged the other two members of the triumvirate by resigning from the government along with four other generals. Next he resigned from the government party, and when forty-four senators—all army officers—resigned from the Senate he went on to demand that both Phibun and Phao also resign. When they refused, on 17 September 1957 his troops moved into a number of key installations
in Bangkok and he completed his coup. Phot Sarasin, who was on good terms with the monarchy and the US, was appointed prime minister (Darling, 1965: 185).

As yet scholars have found no evidence to suggest US involvement in the coup of 17 September 1957. However, as events transpired, Sarit's rise to power marked a decisive stage in Thailand's integration into Pax Americana.

An election was held in late 1957 after which Sarit replaced Phot Sarasin with Thanom Kittikhachon. He then departed to the US for a medical checkup at the Walter Reed hospital as a personal guest of President Eisenhower. This gave the US leaders an opportunity to impress on the new Thai strong man the importance of Pax Americana as a means of both suppressing communism and aiding Thailand's "economic development." Emphasis was laid on the importance of private foreign investment as a contribution to the economic development of underdeveloped countries. Sarit, most probably for the first time, was exposed to the concept of development and its connection with foreign investment. He ordered a copy of the Industrial Promotion Act to be dispatched to the US. In sum, the US became increasingly active in financing Sarit's political activities and in dictating the direction of Thailand's role in Pax Americana.

Upon his return to Bangkok on 20 September 1958, Sarit abolished the parliamentary system. He justified this by the threat of communism, and his proclaimed goal of improving the economic well-being of the country. He argued that this second bid for power was revolutionary and not a coup. The word "development" was increasingly used in all official documents. For example, the Revolutionary Proclamation no. 11, dated 22 October 1958, referred to the need for an "economic plan." This was later changed to *phaen phatthana* or "development plan."

At a Cabinet meeting on 20 September 1958, Sarit urged ministers to study the translated version of the World Bank report which aimed to provide social and economic development. On 5 December 1958 the Revolutionary Proclamation no. 33 specified the role of the state in foreign investment. The state promised not to set up new industry to compete with the private sector and not to nationalize private industry. Various tax exemptions and incentives were stipulated. The National Economic Council was created on 4 July 1959, and henceforth the concept of "development" began to take root in society. Subsequent recommendations made by the World Bank and US advisors were swiftly implemented. New development organizations were established and
manned by cadres who had been trained in US aid and scholarship programs.

Thailand was tied into Pax Americana by the first national economic plan (1961–6). This had wide implications. Not only was the country locked in a security alliance with the US but its economic policies were now largely controlled by US advisors whose role was to ensure US industrial investment in Thailand. The shared goal was to launch Thailand on another phrase of capitalist development, following that arising from Thailand’s part in Pax Britannica in the nineteenth century. Thus began the industrialization process which transformed Thailand into an industrial country in the late 1980s.

The paper now examines the final aspect of Thai–US relations, the partnership in the Vietnam War.

**Thai-US relations and the Vietnam War**

Fighting between different factions in Laos in the early 1960s severely strained Thai–US relations. When the communists gained the upper hand, Thai interests seemed to be threatened and the right-wing Sarit regime looked for support from SEATO. But Thai and Western interests did not coincide, and the French and the British refused to become involved. Even the US was reluctant to deal with the right-wing Laos regime, but needed its support in order to deal with the communist threat. Clandestine Thai–US operations sustained the fighting waged by the Hmong hill tribe led by Vang Pao, but failed to save the right-wing faction from losing ground. At the same time Kennedy gave open support to the neutral faction in Laos and brought this crisis to negotiation in Geneva in 1961.

The Thai elite reacted strongly against this move, and disenchantment grew with SEATO promises of collective security. General Praphat Charusathian, army chief and interior minister proposed that Thailand conduct policy only in its national interests which meant pursuing flexibility and refusing to be tied down by any particular camp in the Cold War conflict. Sarit also started to negotiate with the Soviet ambassador on trade and cultural exchanges (Danai, 1975: 204). This was to be Thailand’s last act of defiance to Pax Americana until Nixon announced the Nixon doctrine in 1970.

This achieved the immediate aim of getting American attention, and the minister of foreign affairs, Thanat Khoman, was summoned to Washington. The Thanat–Rusk Agreement in 1962 patched up the
relationship and resolved the great weakness in SEATO that action could only taken by unanimous vote. Now, any two or more members could decide to act on their own. The Thai elite immediately interpreted the Agreement as a major cornerstone in Thai–US relations because it committed the US, first, to acting against any coalition or neutral government in Laos that would threaten Thailand, and second, to supporting the fight against internal insurgency with economic and social aid. Sarit showed his pleasure by welcoming Thanat in person at the airport, and went on air to praise the US as a true friend willing to help the country against invasion, subversion, and infiltration (Surachart, 1988: 98).

This enthusiasm was misplaced. Surachart has commented that the Agreement did nothing more than bilateralize SEATO on terms decided by the Kennedy administration without the approval of the Congress. And Thanat himself later denounced its lack of substance (Surachart, 1988: 97).

However, the Agreement did mark a significant development in the relationship whereby various types of US forces started arriving in Thailand. Soon afterwards President Kennedy ordered a carrier task force of the 7th fleet into the Gulf of Thailand. The deployment of 5,000 US troops in Thailand was particularly significant, and was followed the next day by the arrival of US jet bombers and 1,800 US marines (Surachart, 1988: 98–9). This set the precedent for future cooperation.

The next development in Thai–US relations was influenced by factors in the Thai political structure. Thanom, who succeeded Sarit in 1963, did not have his predecessor’s forceful personality or a strong power base in the army. This drove him to greater dependence on the US at a time when President Johnson first contemplated sending fighting forces into Vietnam. In early 1964 Thanom permitted US soldiers to be stationed along the Mekhong River. The Tonkin Incident led to direct US involvement in the Vietnam War and to a massive increase in the numbers of US troops and aircraft moved to Thailand. This escalation delighted the Thai military leaders, who were henceforth able to determine the course of the Thai–US relationship, in particular with regard to military matters. Thanat and his Ministry of Foreign Affairs were marginalized. They were disturbed not only by their enforced inactivity but also by issues of sovereignty that arose in the mass presence of American troops stationed on Thai territory.

Let us now briefly reflect upon the earlier US rationale for investing in Thailand, to build up Japanese productive capacity and markets. This
was becoming lost in time. By the mid 1960s Japan had indeed grown to be a regional fortress of capitalism and was in no danger from communism. But a new development had occurred: Southeast Asia had reached the point at which rapid economic expansion was a real possibility. Thus the earlier strategy had been replaced by a new one; of promoting and protecting US security and economic interests in the region.

From then on Thailand became the most important theater of the Indochinese conflict outside Vietnam. Military facilities were expanded. US airplanes started flying out of Thai airbases, with 25,000 bombing flights in 1965, 79,000 in 1966, and 108,000 in 1967. Thailand became a center for R&R operations. Thanat claimed that for each American soldier coming to Thailand for R&R the US allocated $10 to the Thai military elite. Hence a vested interest in the US military presence grew among the Thai military leaders, and the increasing use of Thai facilities further stimulated their commitment to the Indochinese conflict. This commitment was further boosted by the decision to send Thai troops to fight in Vietnam in addition to Laos and Cambodia. The disadvantage of so open an attachment to US policy was that Thailand could no longer practice a flexible foreign policy, which had proved to be so beneficial in the past.

In late 1966 the US persuaded its allies to send troops into Vietnam in order to show to the world that it was not alone in fighting communism. According to Surachart, President Johnson negotiated directly with King Bhumibol. The King demanded US training and weapons both for soldiers posted to Vietnam and those fighting the internal insurgency (Surachart, 1988: 135–6). The Thanom government recommended that he accept US demands for more Thai troops in Vietnam on condition that military assistance be increased.

In March 1968, the North Vietnamese launched a major offensive during the Tet festival. This was a publicity coup, and President Johnson faced renewed pressure from the Congress and the US public to find a peaceful solution. He announced that he would not stand in the next election and would negotiate an end to the fighting. Thanat, who was taken by surprise, went through the roof (Randolph, 1986: 130). The fact that Thailand had not been given prior warning of this announcement reinforced the unequal nature of the relationship. However, initial anger gave way to the realization that in the new situation his Ministry of Foreign Affairs might enjoy new opportunities to conduct an independent foreign policy.

After President Nixon was elected, it became obvious that the US
could no longer maintain its position in Vietnam. The problem was how to withdraw without losing face. Nixon proposed a scheme called Peace with Honor (Berman, 2001). He aimed to achieve this by a complex plan that was not fully understood at the time, and only recently has the whole picture begun to emerge. He calculated first that both China and the Soviet Union could influence North Vietnam to accept the settlement. This was the motive for following a policy of détente and relaxing the confrontation with the communist world (Kolko, 1985: 342). Second, he planned to turn Thailand into the centre of air operations in Asia. This meant shifting military policy, and replacing ground troops with air power (Berman, 2001). The implication was that the withdrawal from Vietnam did not herald an intention to give up anti-communism in Asia, and Thailand would be given a significant role to play in the future.

The link made between détente and the Vietnam War has escaped the attention of most scholars of Thai–US relations. But it did not escape Thanat's attention that the US was going through a major shift in policy. As we shall see, when he took charge of Thai foreign policy he formulated a comprehensive new strategy for dealing with this new situation.

On 14 May 1969 Nixon declared a new approach to the Vietnam War called "Vietnamization," meaning that the Vietnamese should take increasing responsibility for fighting. Although he had previously indicated that this policy would be carried out either when the South Vietnamese army had been trained to take the responsibility or when progress had been made at the Paris peace talks, on 8 June he announced that 25,000 soldiers would be withdrawn from Vietnam within two months. He formally proclaimed this "Nixon Doctrine" at Guam in July 1969, spelling out the responsibilities of the military in each country to protect their own institutions and borders from communism. The implication was that the US was withdrawing from Vietnam.

The Nixon Doctrine must have caused havoc among the Thai military leaders who had grown accustomed to the flow of American largesse and had benefited both from posting Thai troops to Vietnam and from a multitude of sideline businesses. Furthermore by this time the communist threat was no longer simply a pretext for requesting US aid. It had materialized in the form of a violent internal insurgency.

Nixon and Kissinger soothed the Thai military leaders' fears by promises of a new and important role to play in the continuing Indochinese conflict. In 1970 the Thai military leaders felt themselves to
be indispensable, and began to demand more military assistance, including an anti-aircraft battery. Although this particular demand was rejected, the Thai generals were placated with helicopters (Randolph, 1986: 137).

Thanat was prepared for the Nixon Doctrine, and immediately demanded the withdrawal of all US soldiers from Thailand. He reasoned that their presence in Thailand was to fight the war in Vietnam and if they were being withdrawn from Vietnam they had no reason to continue in Thailand. This policy placed Thanat at loggerheads with the military leaders and eventually cost him his job as minister of foreign affairs.

On 3 September 1969, Thanat and the American ambassador jointly announced that there would be "limited withdrawal." Both sides had apparently calculated that this would be politically acceptable; any withdrawal in this unpopular war must reduce political pressure within the US, and the military authorities should be able to live with the notion of its limitation. But only six days later Thanat was forced to adopt a more conciliatory tone and announce that he did not mean to chase the US forces away. If their presence in Thailand and their bombing of Vietnam could save American lives, there was every reason for their remaining in Thailand. A few days later he went further to announce that most US soldiers were to stay in Thailand for as long as it took to achieve victory over communism (Randolph, 1986: 139).

The opposition of the Thai military was one factor that forced Thanat to backtrack. But this was not the only factor. Changes in US policy towards the Indochinese conflict, and their implications for Thailand's role, were also important. Despite the Nixon Doctrine, the US expanded its operations in Cambodia, arguing that this country had become a sanctuary for the Viet Cong. The Thai government would later send Thai forces into Cambodia. Randolf expresses dismay at the apparent illogicality of the Thai military elite in taking this step at a time when the US was clearly pulling out of the region (Randolph, 1986: 137). But two points have to be understood: Nixon's policy, and the extent to which the Thai military had forsaken the country's interests. In any case Thanat continued with the program of limited withdrawal; for example it was jointly announced that 6,000 soldiers would be withdrawn by 1 July 1970 and another 9,800 one year after. Further research is needed to find out how far this limited withdrawal was accepted by both the Thai and US sides, and this question needs to be answered in the light of Thanat's dismissal in late 1971. But first let us
consider other policies pursued by Thanat.

ASEAN had been established in 1967 as a regional organization for economic cooperation and development. Thanat had been instrumental in persuading five Southeast Asian countries to join, although with very little idea as to the goals that they should pursue. By 1970 some of the founding members were agitating to rewrite the ASEAN mission, and after the Nixon Doctrine was proclaimed, Thanat became active in moving ASEAN towards a collective defense policy. He also proposed that members adopt a neutral foreign policy so that countries in the region could build up bargaining power with the communists as well as with the Western powers (Rapeeporn, 2002: 159).

Neither the US nor the Thai elite welcomed the notion of a regional collective defense policy, although this did not cause as much controversy as the second proposal, for rapprochement with China. In fact, as we have seen, Thailand had already been moving in this direction. Relations had been frozen under Sarit but Phibun's government had developed some contacts. Furthermore, in a time of international détente such a policy was not such a radical departure. However, some journalists such as Kukrit Pramoj launched into Thanat, accusing him of going red.

This accusation might be taken at face value as simple anti-communism, but it can also be interpreted as a political strike taking advantage of a volatile situation. Despite the promulgation of a constitution a few years earlier, the military junta was growing more dictatorial, and was the target of widespread discontentment. Thailand's involvement in the Vietnam War was another point of contention. Although many people had a vested interest in the existing system, others wanted a change of government and a new foreign policy.

On 11 November 1971 Thanom staged a coup against his own government and abolished the constitution. This reflected the turmoil in the political scene and also the determination of the junta to pursue without hindrance a foreign policy that accorded with US policy. Thanat was dropped from the new Cabinet lineup and Thanom took over his portfolio. Thai and American officials jointly announced that the withdrawal would be terminated because both Laos and Cambodia required American air support. During this brief return to military dictatorship, Thailand sent troops and volunteer units into both countries. After its troops were mauled by North Vietnamese attacks over the new year of 1972, the US government revealed a plan to use Thailand as a base for air attacks. Planes and ground forces began to be moved from Vietnam to Thailand.
Consequently, at the time when the peace talks were nearing conclusion, the number of American soldiers based in Thailand increased from 32,000 to 45,000 (Randolph, 1986: 15). Their presence was intended to support the Cambodian government, which was then facing a critical situation. Also, Nixon and Kissinger assumed that violations of the peace agreement were inevitable, given the fact of 150,000 North Vietnamese forces in South Vietnam. The American presence in Thailand therefore had a secondary purpose of guaranteeing support to the South Vietnamese. The Thai government underlined this guarantee in late 1972 by announcing that the country would become headquarters for all US air operations in the region if the Paris talks succeeded.

But in both the US and Thailand, internal politics militated against the plan. In the US, Watergate occupied the President’s attention, and Thai matters faded into insignificance. In Thailand, a popular uprising toppled the Thanom regime in October 1973. The discontent that this expressed could be traced back to the Thai involvement with Pax Americana. Anderson also sees the pace of economic development and the expansion of the state apparatus as causes (Anderson, 1998: 139–73). Nationalism became a powerful social force which elected governments were forced to heed. The Foreign Ministry, albeit without Thanat’s leadership, reacted strongly against US infringements of Thai sovereignty. Eventually, these different forces combined to bring the intimate relationship between Thailand and the United States to an end in 1976.

**Conclusion**

This paper has attempted to rewrite the history of the Thai-US relations. By relying on revisionist histories of the Cold War, I have given a different narration to the orthodox one. Ideas proposed in the paper await future research in US archives.

Lastly, I would like to draw attention to an earlier argument, that the period under study was one of the most important in the political transformation of the Thai state. The structural perspective of Thailand’s link with Pax Americana created contradictions which meant that nationalism became an important issue. The social transformations that resulted from Thai–US relations during this period also demand further study.
References


