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12 October 1966

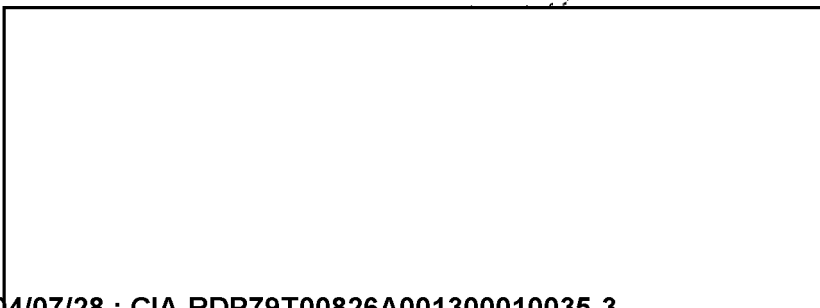
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INTELLIGENCE MEMORANDUM

THE SITUATION IN THAILAND

DIRECTORATE OF INTELLIGENCE

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
12 October 1966

INTELLIGENCE MEMORANDUM

The Situation in Thailand

SUMMARY

Thailand enjoys a variety of economic and political assets which augur well for its future stability and independence. Guided by skilled and resourceful economic leadership, Thailand has made rapid economic progress in recent years and the prospects are bright for even greater growth and development in the future. In the political sphere, the country has benefited from nine years of stable rule by an autocratic but benevolent military oligarchy.

The status quo is threatened by a nascent Communist insurgent movement inspired and assisted by Peking and Hanoi. Thailand's long history of independence, the absence of a colonial experience, and the actions of an aroused government, have so far kept the insurgents in check. There are, however, some soft spots in the internal situation that could prove troublesome over the long haul. In Bangkok, the Thanom-Prapat government is enjoying its third year of stable rule, but serious factional infighting, during which the fight against the Communists would almost certainly suffer, could flare up with little warning. The present government's greatest weakness in meeting the insurgent challenge, however, is simply the fact that it does not have substantial popular support.

NOTE: This is one of a series of memoranda produced by CIA on those countries to be visited by President Johnson. It was prepared by the Office of Current Intelligence and coordinated with the Office of National Estimates and the Office of Research and Reports.

Economic and Political Prospects

1. No country in Southeast Asia is in a better position than Thailand to withstand internal and external threats and to accomplish orderly economic and political development.

2. Thailand's most tangible asset is its fundamental economic well-being. It has adequate land for its population of 31 million and no serious land-tenure problem. The annual economic growth rate of six percent compares favorably with that of other developing countries and is well ahead of population growth. Although much of the wealth is centered in the Bangkok area, economic progress is also being made in the provinces where the government is moving slowly but effectively to raise the standard of living.

3. Thailand also has significant political assets. Spared colonization by a Western power, the Thais exhibit few of the anti-Western biases of other Asian peoples, and do not automatically give a sympathetic ear to arguments that the US represents a new "imperialist" menace. A sense of Thai nationality affects the thinking of the great majority of the population, even in the traditionally isolated and long-mistreated northeast. Ethnic, linguistic, and religious differences exist but are not paramount political issues.

The Political System

4. Thailand is ruled by a coterie of high-ranking military officers. Drawing on the skills of civilian experts and bureaucrats, the rulers have provided generally good internal stability, continuity in foreign policy, and competent economic guidance. Autocratic without being despotic, conservative without being reactionary, the ruling oligarchy has held a firm grip on the governmental apparatus while avoiding the doctrinaire mistakes and crippling mismanagement prevalent in other Southeast Asian countries.

5. The government of Prime Minister Thanom has been in power for almost three years. It has moved vigorously in the economic and social spheres, encouraging foreign investment, pushing farm improvements, and

launching a wide variety of development programs in the countryside. It has moved more slowly, however, in preparing the way for orderly political change. A "new" constitution which provides for free elections has been in the writing for eight years. The Thanom government has been unwilling to have it promulgated, however, even though as written the constitution would not seriously impair the oligarchy's control over political affairs.

6. The government's failure to move actively forward with political reform has been partly responsible for the development of an undercurrent of dissatisfaction among intellectuals and students in the capital. This is not an important factor at the moment, partly because the articulation of adverse political opinion has been discouraged by the government. It could become a serious problem in the future, however, especially if the government fails to build popular support in the countryside.

7. There is another area of potential political instability. Although the military oligarchy has experienced several years free of serious factional infighting, the death of Thanom or Deputy Prime Minister Praphat, the emergence of significant policy or personality differences among the top leaders, or a grab for power by junior officers could inaugurate a protracted period of political dislocation during which the counterinsurgency effort against the Communist terrorists in Thailand would inevitably suffer.

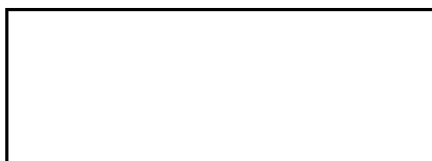
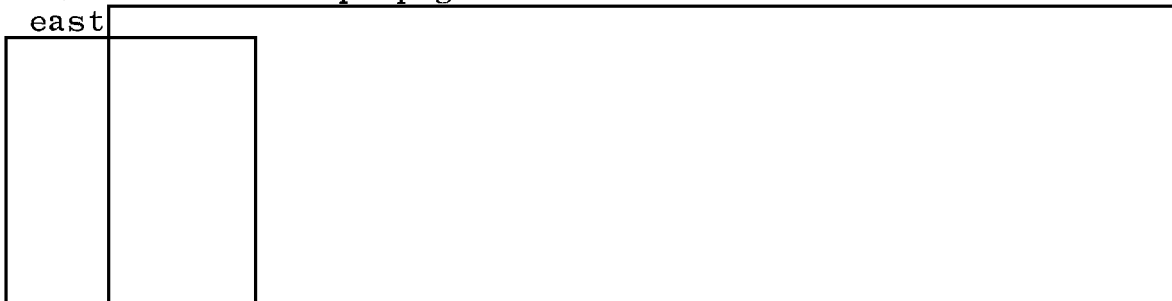
The Communist Insurgency

8. The Communists in Thailand are determined to step up the pace of their subversion, although it is clear that their capabilities are still limited. The insurgents [redacted] have increased their propaganda activities in the north-east [redacted]

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