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THESIS

THE KRA CANAL AND THAI SECURITY

by

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June 2002

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THE KRA CANAL AND THAI SECURITY

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

This thesis addresses the possible consequences of the Kra Canal on both Thai Sea Power and Thai Security. The thesis starts by discussing the history of the Kra Canal, from the Ayutthaya period to the present. After analyzing the impact of the project on Thai Sea Power using the ideas of Alfred Thayer Mahan, the thesis concludes that the Kra Canal plays a major role on Thai Sea Power because the canal benefits both the Royal Thai Navy and Thai maritime commerce. Finally, the thesis examines the possible consequences of the Kra Canal project on Thai Security. In this case, the thesis found that the Kra Canal contributes to Thai Security because it benefits Thailand in handling tension involving its neighbors.

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LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asia Nations
DWT	Dead Weight
F/A	Fighter/Attack
LMC	Laem Chabang Port
LPG	Liquefied Petroleum Gas
LSM	Landing Ship Medium
LST	Landing Ship Tanks
MCM	Mine Countermeasure
MSB	Mine Sweeping Boat
OPV	Off Shore Patrol Vessels
P.D.R.	People's Democratic Republic
RTN	Royal Thai Navy
SLORC	State Law and Order Restoration Council
SME	Small Medium Enterprise
SPDC	State Peace and Development Council
SU	Suknoi
TAMS	Tippetts-Abbet-MaCarthy-Stratten
US	United States
USA	United States of America
UK	United Kingdom

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I. INTRODUCTION

The Kra Canal project will excavate a canal to connect the India Ocean and the Gulf of Thailand. The canal will shorten the maritime route between the India and Pacific Ocean. A vessel could save approximately 700 nautical miles by using this canal instead of passing through the Straits of Malacca. Many Thai scholars believe that the canal will boost the Thai economy while helping Thailand to recover rapidly from its economic crisis. The Thai government is also interested in the project. The Thai cabinet has set up the National Committee to supervise a feasibility study of the project. According to the Committee's Synopsis of the Cabinet Meeting, the canal may be a new way to solve the economic and social crisis in Thailand.

To solve the economic and social crisis as approved by the Cabinet on 11 September 2001, the feasibility study of the Kra Canal has been undertaken by the Ministry of Transport and Communication. To achieve the proposed project, the National Committee on Feasibility Study is, therefore, set up. In this regard, the Deputy Prime Minister who oversees the Ministry of Defence is a Chairman of the Committee.¹

However, opponents worry that the cost of the project will outweigh its benefit. They are concerned that the Thai economy will worsen if the project does not yield its returns. They argue that the Kra Canal may not attract vessels because the Thai ports are still underdeveloped compared with Singapore's port. Even though vessels can save one or two days by using the canal, they have to wait many days for a berth and document transactions in Thailand.

Another big concern about the Kra Canal project is the issue of national security. The opponents believe that the canal might threaten interests of Thailand's neighbors. Therefore, Thailand would have to face interventions from these countries when the project is completed. These outside influences would threaten Thai security.

In contrast to the opposition of the canal, many Thai senior officers are convinced that security issues are no longer a big problem for Thailand. They argue that the Thai

¹ Royal Thai Government, *Synopsis of Cabinet Meeting*, Available [Online]: <<http://www.thaigov.go.th/news/cab/44/cab16oct01.htm>> [10 Jan 2002]

military has the capability to deal with these security problems with the canal itself providing a strategic advantage for the country to cope with the national security.

Several former naval commanders-in-chief have expressed their full support for the project on grounds that it will enhance the nation's sea power and there by contribute to national security²

In response these arguments, this thesis will examine the impact of the Kra Canal on both Thai Sea Power and Thai Security. The thesis will conclude whether the Kra Canal project contributes to Thai Sea Power and Thai Security.

A. HYPOTHESIS

The hypotheses of the paper are: (1) the Kra Canal will enhance Thai Sea Power; and (2) the Kra Canal project would contribute to Thai Security.

B. METHODOLOGY

The methodology in this thesis is composed of archival research, literature research of books, theses, electronic documents, and newspaper articles. All of these documents will be analyzed and evaluated in order to track the possible consequences of the Kra Canal on both the Thai Sea Power and Thai Security. The paper analyzes the six elements of Thai Sea Power using the ideas of Alfred Thayer Mahan. The paper also examines whether there is any relationship between the Kra Canal and Thai Sea Power. Finally, the paper discusses the consequences of the project on Thai Security by looking at influences from Thailand's neighbors.

C. REASEARCH SCOPE

The thesis strictly examines on the impact of the Kra Canal on Thai Sea Power and on Thai Security. The thesis does not address the environmental impact of the Kra Canal.

²*Kra Canal at the Crossroad*, Available [Online]: <http://scoop.bangkokpost.co.th/bkkpost/2000/bp2000_jan/bp20000123/230100_perspective02.html> [10 Jan 2002]

D. ORGANIZATION OF STUDY

Sea Power is a crucial factor for a country to protect its interests and to expand its influence over the opponent's territory. "Sea Power is the use of a nation's maritime strength to promote its interests."³ However, enhancing Sea Power is difficult for a country unless it has the six required elements of Sea Power, which are defined in Chapter III. According to A.T. Mahan, these six elements of Sea Power are as follows: (1) Geographical Position, (2) Physical Conformation, (3) Extent of Territory, (4) Number of Population, (5) National Character, (6) Character of the Government. Of these six elements, the first element of Sea Power "Geographical Position" appears to be the toughest obstacle for Thailand in order to enhance its Sea Power. Regardless of this difficulty, many Thai scholars believe that the Kra Canal will not only boost Thai economy but also enhance the Thai Sea Power.

Chapter II discusses the history of the Kra Canal, from the Ayutthaya period to the Ratanakosin period. The chapter also addresses the obstacles of the project from the past to the present.

Chapter III focuses on Thai Sea Power. This chapter explains the importance of Sea Power in terms of military and commercial aspects. Additionally, the chapter analyzes the impact of the project on Thai Sea Power using the ideas of Alfred Thayer Mahan.

Chapter IV identifies the possible consequences of the Kra Canal project on Thai Security. Addressing, the main concern of whether the Kra Canal will worsen or promote Thai Security. This chapter further analyzes the impact of the project on national security by focusing on influence from Thailand's neighbors.

Chapter V summarizes the new outcome of Thai Sea Power and discusses the possible impacts of the canal on Thai Security. This chapter concludes whether the Kra Canal enhances Thai Sea Power and contributes to Thai Security.

³ Francis Fitz Randolph, *The Strategic Value of the Panama Canal: Value Versus Cost*, Monterey: Naval Postgraduate School Thesis, 1988. p.3.

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II. HISTORY OF THE KRA CANAL

The Kra Canal gets its name from the Isthmus of Kra, the narrowest part of the Malay Peninsula. The Isthmus of Kra has been known as the most suitable site to cut a canal connecting the Gulf of Thailand and the Indian Ocean. According to the Columbia Encyclopedia, the width of the Isthmus of Kra is only 40 miles.

Kra, Isthmus of, narrow neck of the Malay Peninsula, c.40 mi (60 km) wide, SW Thailand, between the Bay of Bengal and the Gulf of Thailand. It has long been the proposed site of a ship canal that would bypass the congested Straits of Malacca.⁴

Even though the Isthmus is thin, the attempt to excavate a canal across the Isthmus has incurred a variety of problems that vary in nature and coincide with Thai history. The first idea of excavating the canal is traceable to the Ayutthaya period during the reign of King Narai the Great.

Throughout this chapter, most of the historical events are based on the book *Thailand, a Country Study*, edited by Barbara Leitch LePoer and published by Federal Research Division, Library of Congress.

A. THE AYUTTHAYA PERIOD

Ayutthaya was founded in 1350 during which time Thailand was known as Siam. The capital of Siam, Ayutthaya, located in a fertile area on the bank of the Chao Phraya River was named after the city of Ayodhya in India. "Ayodhya in northern India, the city of the hero Rama in the Hindu epic *Ramayana*."⁵ Ayutthaya, at the beginning, was a small city, which was under the influence of Khmer empire.

During the fifteenth century, Ayutthaya became much stronger. "By the end of the fourteenth century, Ayutthaya was regarded as the strongest power in Southeast Asia."⁶ During this century, Ayutthaya was successful in expelling the influence of the Khmer

⁴ *The Columbia Encyclopedia. Sixth Edition.* New York: Columbia University Press, 2001.

⁵ Barbara Leitch LePoer, *Thailand: a Country Study*. Federal Research Division: Library of Congress. p.10.

⁶ *Ibid.*, p.11.

from the Kingdom of Siam. Furthermore, Ayutthaya was able to enlarge its influence over the Khmer empire when Siam conquered the capital of the Khmer empire in 1431 and became a dominant city in the region.

During the sixteenth century, Ayutthaya was known as the biggest trading center of Southeast Asia. Siam contacted and traded not only with the Asian countries but with the European countries as well. Two European groups came to Siam in this century: the Portuguese were the first to reach Siam in 1511 followed by the Dutch in 1592.

In the seventeenth century, additional groups of Europeans reached Siam during the reign of King Narai the Great (1656-1688). These European groups were English, Spanish, and French traders.⁷ Of these European groups, Siam seemed to have a special relationship with French traders. The diplomatic relationship between Siam and France was strong. “During the 1680’s, splendid embassies were exchanged between King Narai and King Louis XIV.”⁸ Both sides gained benefits from this relationship. Siam could rely on French power to deter threats from the Dutch. In return, France got privileges for doing businesses in Siam; Siam always granted all French requests, including the request to survey for a new sea-trading route.

In 1677, the idea of excavating the Kra Canal emerged for the first time by a French engineer, M. De La Mar, who conducted the survey to find a new sea-trading route between the Gulf of Thailand and the Andaman Sea. His study found that it was possible to excavate the canal across the Isthmus of Kra from Songkla in Thailand to Tavoy in Burma.⁹

France wanted to excavate the canal because it would make France gain commercial advantages over the European countries that controlled the Straits of Malacca. However, the project was stopped because the relationship between Siam and France became worse after King Narai’s death.

⁷ *Kingdoms of South East Asia*. Available [Online]: <<http://berclo.net/page00/00en-sea-history.html>> [5 Feb 2002]

⁸ *King of Thailand*, Available [Online]: <<http://www.thaimain.org/eng/monarchy/ayuttaya/narai.html>> [5 Feb 2002]

⁹ Sea Span, *Kra Canal Mega-Project, southern Thailand*, Available [Online]: <<http://www.icsea.or.id/sea-span/message.cfm?ID=122>> [6 Feb 2002]

In 1688, Siam cut its relationship with France expelling all French from Ayutthaya. Not only did the relationship between Siam and France cease, but Siam also cut its relationship with every European country up until the Ratanakosin period began.

Ayutthaya came to an end in 1765 after the Burmese invaded Ayutthaya again virtually destroying it. The Grand Palace and temples were burned and thousands of Thais were captured and deported to Burma. The survival of the Thai nation was uncertain until Phaya Taksin was able to fortify a new kingdom at Thonburi, 90 kilometers south of Ayutthaya, on the bank of the Chao Phaya River. Phaya Taksin established himself as King in 1767.

B. THE RATANAKOSIN PERIOD

After King Taksin's death, Phaya Chakkri succeeded the throne; he moved the capital city across the Chao Phaya River from Thonburi to Bangkok.¹⁰ He built a new Grand Palace at Bangkok establishing himself as King Rama I of the Ratanakosin period.

In 1793, during the reign of King Rama I, Phra Rajawangborworn Mahasurasihanat, King Rama I's brother, raised the idea of the Kra Canal project again. Phra Rajawangborworn argued that the canal would be the fastest way to send reinforcements from Bangkok to help towns along the Andaman Sea when they were being invaded by Burmese troops. This was the first time that the main purpose for excavating the canal emphasized national security.¹¹

However, the threat from Burma had dramatically declined after Burma was invaded by China in 1766.

The Chinese were disturbed by Burmese expansion into the Shan states, Chiang Mai and Laos, which bordered their southwestern province of Yunnan and which were considered, along with the Burmese Kingdom itself, to be part of their comprehensive 'Tribute System'.¹²

¹⁰ Thai History, *Ratanakosin Reriod*, Available [Online]: <http://sunsite.au.ac.th/thailand/thai_his/ratanakosin.html> [10 Feb 2002]

¹¹ *The long and winding canal*, Available [Online]: <<http://www.icsea.or.id/sea-span/message?=122>> [10 Feb 2002]

¹² Frederica M. Bunge, *Burma, a Country Study*, Foreign Area Studies, the American University (Washington, D.C.) p.11.

As a result of the declining threat from Burma, the benefit of the Kra Canal in terms of national security also diminished. Eventually, the project was disregarded and forgotten until the reign of King Rama IV.

During the reign of King Rama IV (1851-1868), the Kra Canal was brought back into public attention again. At this time, the British got permission from King Rama IV to excavate the canal from Ranong to Chumporn. It was the shortest route.

Even though an initial excavation had been started, the project was finally declared unsuccessful because English engineers found the mountain ranges the biggest obstacle in accomplishing the project. If the project were to be completed, its cost would have been exorbitant. Therefore, the British stopped excavating the Kra Canal project. Nevertheless, the British had already gotten the full benefits from the Strait of Malacca.

In 1866, France asked King Rama IV permission to excavate the Kra Canal.¹³ However, King Rama IV did not grant permission to France because if the project were completed, the British interest in the Straits of Malacca could be negatively affected. Thailand did not want to destroy this good relationship with the British since Thailand relied on British power to balance French influences.

During the reign of King Rama V (1868-1910), France continued to push for excavating the canal. This time, France sent Ferdinand de Lesseps, who had experience in digging the Suez Canal, to ask permission to excavate the canal from King Rama V. The request was denied since King Rama V was concerned that the project would impact both British interests in the Straits of Malacca and Thai security: the project might bring French influence to Thailand. During that time, French influence was perceived as the most dangerous threat for Thai sovereignty.

Even more than British, France posed a serious danger to Siamese independence. The French occupied Cochinchina (southern Vietnam, around the Mekong Delta) in 1863. From there they extended their influence into Cambodia, over which Vietnam and Siam had long been struggling for control.¹⁴

¹³ *History*, Available [Online]: <http://www.kracanal.or.th/kra_history.htm> [5 Feb 2002].

C. THE CONSTITUTION PERIOD

On June 24, 1932, Thailand changed its political system from an absolute monarchy to a constitutional monarchy. Since that event, political decision-making was transferred from the King to the civilian government.

After the end of World War I, Thailand also faced a depression like other countries around the world. To deal with the depression, the Thai Prime Minister, Phaya Phahol Pholphayuhasena, reviewed the proposal to excavate the Kra Canal in 1935. Although the project was expected to help the Thai economy, the proposal was canceled again because Thailand did not have enough funds to undertake the project.

When World War II started, Thailand encountered a great external threat from Japan. The Japanese military forces had been invading and expanding their influences over Southeast Asia. At that time, the Thai government, headed by Field Marshal Pore Phibul Songkram, chose to ally with Japan and declared war on the British.

After the end of World War II, not only did Thailand have to send rice to the British for war reparation, but Thailand also had to sign a peace treaty with Britain and India in 1942.¹⁵ The seventh article of the treaty stated: "Siam undertakes to construct no canal linking the Indian Ocean and the Gulf of Siam (i.e., across the Kra Isthmus) without British consent."¹⁶ According to the treaty, the Kra Canal project was blocked again for twelve years.

After the phasing out of the treaty in 1954,¹⁷ the Kra Canal was brought back again in 1958. The Thai government granted permission to study the feasibility of the Kra Canal project to Mr. K.Y. Chow of the Thai Oil Refining Company, Leam Thong Phattana Co, Ltd. However, the National Security Council blocked the project because of national security concerns. The National Security Council was afraid that the Kra Canal would encourage the separatist movement in the southern part of Thailand.

In 1970, it was the second time that the Thai government gave permission to Mr. K.Y Chow to study the feasibility of the Kra Canal. At this time, Mr. Chow hired a U.S.

¹⁴ Barbara Leith LePoer, *Thailand, a Country Study*, Federal Research Division: Library of Congress. p.22.

¹⁵ Ibid., p.33.

¹⁶ *Keesing's contemporary archives*. London: Keesing's Limited., [1931-c1986]). p.7695A.

¹⁷ The long and winding canal, Available [Online]: <<http://www.icsea.or.id/sea-span/message?=122>> [10 Feb 2002]

consultant, Tippetts-Abbet-McCarthy-Stratten (TAMS), to conduct a feasibility study for the Kra Canal project. Even though the study was completed, the excavation could not start because of Thai political turmoil: the instability of the Thai government affected the progression of the Kra Canal project.

D. THE PRESENT

In 1999 the Thai government reviewed the Kra Canal project again because it believed that the Kra Canal might help Thailand solve both a short and long-term economic crisis. On October 16, 2001, the Thai government set up the National Committee on Feasibility Study to supervise the possibility of the Kra Canal project. The study, undertaken by The Ministry of Transport and Communication, was expected to take 18 months. The result is to be made public for six months before holding a public hearing.

E. SUMMARY

From the Ayutthaya period until the present, the benefits of the project might be divided into two categories; economy and security. The benefit of the project in terms of the economy seems to be a dominant reason for excavating the Kra Canal. However, the benefit of the canal in terms of security is also important for Thailand. For example, during the reign of King Rama I, the main reason for excavating the canal came from the security issue. This is the reason why the supporters of the project believe that the Kra Canal will not only boost the Thai economy, but also enhance Thai security.

On the other hand, the costs of the Kra Canal project could be divided into two categories. The first category is the problem of national security. The security issue is the major concern for the project. Security issues always stopped the project during the past. For example, during the reign of King Rama V, Thailand did not allow France to excavate the Kra Canal because French influence was perceived as the most dangerous threat for Thailand. The second category is the problem of funds and their unintended consequences. This problem directly relates to the Thai economy. The opponents worry

that the project may not yield its return. If the latter assumption is true, it is difficult to say how Thailand would pay back the loan.

To deal with the benefits and costs of the Kra Canal project, Chapter III of the thesis applies the ideas of Alfred Thayer Mahan to address the benefits of the Kra Canal. Chapter IV addresses the impact of the Kra Canal project on Thai Security.

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III. SEA POWER

This chapter focuses on the impact of the Kra Canal on Thai Sea Power examining whether the canal enhances Thai Sea Power. This chapter starts by discussing the importance of Sea Power using the ideas of Alfred Thayer Mahan. After clarifying the importance of Sea Power, the chapter continues to examine Thai Sea Power in military and commercial terms. The chapter finally discusses the six principle elements that affect Sea Power determining the impact of the Kra Canal on Thai Sea Power.

A. SEA POWER AND WEALTH

Creating wealth is the ultimate goal of every country in the world. A developing country tries to increase wealth to become a developed country. By the same token, a developed country also needs more wealth to sustain its growth. Because of this intention, countries apply a variety of strategic approaches for creating wealth. Although these approaches vary from country to country, the most effective approach to wealth seems to be an encouraging commerce, as Adam Smith advised. “In 1776, Adam Smith theorized in *The Wealth of Nations* that the most effective way for an industrial nation to increase its wealth was to encourage commerce.”¹⁸

Many examples confirm that countries that encourage commerce are successful in generating wealth. In the fifteenth century, Portugal was successful in creating wealth because it realized the importance of commerce and sent a commercial fleet to trade with many other countries. The Netherlands also became a wealthy country because of its commerce during that time.

However, a prosperous commerce may not last long unless a country has a strong navy to support its maritime commerce. For example, in 1580 the Portuguese prosperity started to decline because its maritime commerce was challenged by Spain. With its superior navy, Spain received full benefits from controlling the worldwide maritime commerce and excluding Portugal from participating. Without a strong navy, commerce

¹⁸ Tom Veblen, *Creating Wealth*, Available [Online]: <<http://www.cosmos-club.org/journals/2000/veblen.html>> [16 Apr 2002]

is vulnerable. When commerce is challenged, “the wealth of the nation” is automatically uncertain. To assure its commerce, a country has to have a strong navy.

From this perspective, the two factors that play a crucial role in a nation’s prosperity are a flourishing commerce and a strong navy. According to A.T. Mahan, a combination of these two factors is Sea Power. A.T. Mahan, a President of the United States Naval War College, studied naval history and formulated many brilliant concepts about Sea Power. He found that Sea Power of nations is derived from a combination of a prosperous commerce and a great navy.

The sea power of England therefore was not merely in the great navy, with which we too commonly and exclusively associate it; France had had such a navy in 1688, and it shriveled away like a leaf in the fire. Neither was it in a prosperous commerce alone; a few years after the date at which we have arrived, the commerce of France took on fair proportions, but the first blast of war swept it off the seas as the navy of Cromwell had once swept that of Holland. It was in the union of the two, carefully fostered, that England made the gain of sea power over and beyond all other States.¹⁹

Sea Power is a vital tool for a country to promote and protect its interest. The more Sea Power a country has, the more advantages a country has to harvest its interests. This, therefore, explains the importance of Sea Power for nations.

B. THAI SEA POWER

History makes Thailand realize the importance of Sea Power. In 1893, Thailand and France had a conflict over the disputed area, Laos. When the fighting started, France sent its warships to block Thailand. Thailand severely suffered from the blockade because all necessary goods, such as medicine, clothing, and fuel suffered shortages. Thailand could not import these items because commercial ships that sailed to Bangkok were blocked. As the result of the blockade, Thailand surrendered its control over Laos to France.

¹⁹ A.T. Mahan, *The Influence of Sea Power upon History 1660-1783*, Dover Publications, Inc., New York. p.22

When fighting broke out between French and Siamese forces in Laos in April 1893, the French sent gunboats to blockade Bangkok. At gunpoint, The Siamese agreed to the cession of Laos.²⁰

This event is a lesson-learned for Thailand. It proves that Thai Sea Power is a vital issue for the nation.

Since Sea Power is derived from a combination of the strength of navy and the prosperity of commerce, the chapter examines Thai Sea Power by focusing on both military and commercial aspects. In measuring the strength of the Royal Thai Navy, the chapter examines two vital components: the Royal Thai Fleet and its naval bases. At the same time, the chapter examines the prosperity of Thai maritime commerce by looking at the Thai commercial fleet and seaports.

1. The Royal Thai Fleet

The Royal Thai Fleet, which continues to develop, has a long history starting with its first modernization during the post-World War II period. Today, the Royal Thai Fleet is one of the most modern navies in Southeast Asia with more than 160 ships to operate.²¹

The Royal Thai Fleet organizes these ships into seven squadrons by their characteristics: (1) Helicopter Carrier Squadron (2) Frigate Squadron One (3) Frigate Squadron Two (4) Coastal Patrol Squadron (5) Amphibious Squadron (6) Minesweeper Squadron (7) Auxiliary Squadron.

These ships are the core power of the Royal Thai Navy (RTN) in achieving its duties. According to the Thai Defense Strategy, the Royal Thai Navy has duties as follows:

- (1) The Royal Thai Navy must protect maritime national interests in coastal areas, the continental shelf and exclusive economic zone, and also defend the country at sea.
- (2) The Navy must increase its capabilities in order to efficiently counter threats from the sea, protect natural resources and

²⁰ *Franco-Siamese War 1893*, Available [Online]: <<http://www.onwar.com/aced/data/foxtrot/francesiam1893.htm>> [1 Apr. 2002].

²¹ Patrick N Bright, *Asian-Naval Forces overview*, Available [Online]: <<http://proquest.umi.com>> [1 Apr. 2002].

industrial energy sources, maintain the law of the sea, and also provide continuous protection for sea lines of communication.²²

Type	Active	Building	Projected
Aircraft Carriers	1		
Frigates	14		
Corvettes	5	3	
Fast Attack Craft (Missile)	6		
Fast Attack Craft (Gun)	3		
Large Patrol Craft	6		
Coastal Patrol Craft	46	3	15
MCM Support Ship	1		
Minehunters	3		
Coastal Minesweepers	2		
MSBs	12		
LSTs	7		1
LSMs	2		
Hovercraft	3		
Survey Vessels	5		
Replenishment Ship	1		
Tankers/Transports	8		
Training Ships	2		1

Table 1. Type of His Thai Majesty Ships in the Royal Thai Fleet

Source: From Jane, *Administration, Thailand*, Available [Online]: <<http://www4.janes.com/search97cgi/s97.cgi?action=View&VdkVgwKey=/content1>> [29 Apr. 2002]

Even though the Royal Thai Fleet has more than 160 ships to operate, this number is not enough to fulfill these various duties. The Royal Thai Fleet still needs more ships,

²² Royal Thai Supreme Command Headquarter, *Forces Structure*, Available [Online]: <http://www.schq.mi.th/structure_e.htm> [20 April 2002]

especially Off Shore Patrol Vessels (OPVs), to continuously patrol both sides of the Thai coast; the Thai coastline is 3,219 kilometers.

2. Thai Naval Bases

The Royal Thai Navy has four main naval bases: (1) Bangkok Naval Base (2) Sattahip Naval Base (3) Songkhla Naval Base (4) Phag-Nga Naval Base. Of these four bases, three are sites of Naval Area Command's headquarters; the Royal Thai Navy divides its area of operation into three regional Area Commands, and sets up the Naval Area Command to oversee each regional Area Command.

Command	Headquarter	Area of Operations
First Naval Area Command	Sattahip	Eastern Gulf of Thailand
Second Naval Area Command	Songkhla	Western Gulf of Thailand
Third Naval Area Command	Phag-Nga	Andaman Sea

Table 2. Naval Area Command, by Command

Source: From Jane, *Navy, Thailand*, Available [Online]: <http://www.janes.com/search/97cgi/s97_cgi?action=View&VdkVgwKey=/content> [29 Apr. 2001].

Bangkok Naval Base is located in Bangkok where the Thai Amphibious and Minesweeper Squadron are headquartered. The base has two big dockyards to repair all naval ships except HTMS Chakri Naruebet, a helicopter carrier. The base also has all necessary facilities to support crewmembers, such as hospitals and recreation centers.

Sattahip Naval Base is located at Chonburi Province, south-central Thailand. This base has many excellent facilities to support crewmembers. All squadrons, except the Amphibious and Minesweeper Squadron, are headquartered there including the First Naval Area Command. The base has a small dockyard to repair ships that have displacement less than 750 tons. Ships that have a displacement over 750 tons are sent to the dockyards at Bangkok Naval Base; however, a new dockyard at Sattahip Naval Base is under construction. This dockyard will become the biggest naval dockyard in Thailand.

Its dry dock will be able to support all big ships, including the helicopter carrier with a 11,400-ton displacement.

Songkhla Naval Base is located at Songkhla Province, in the southern part of Thailand. The Second Naval Area Command is headquartered at this base. Most of the ships operating at Songkhla come from the Frigate Squadron Two and Coastal Patrol Squadron. These ships are rotated every six months.

Phag-Nga Naval Base is located at Phag-Nga Province, in the southern part of Thailand on the Andaman Ocean. The Third Naval Area Command is headquartered at this base. Most of the ships operating in this area come from the Frigate Squadron One and Coastal Patrol Squadron. These ships have to operate on this base for one year before going back to their squadron.

Of these four naval bases, Bangkok and Sattahip Naval Bases are capable of both repairing ships and providing adequate facilities for crewmembers. In contrast, the other two bases do not have enough facilities for crewmembers or a dockyard to support ships. The situation is rather critical for the Phag-Nga Naval Base. If ships operating there need a repair, they have to sail from the Andaman Ocean to Bangkok Naval Base.

3. Thai Commercial Fleet

Commercial vessels are an effective tool for transport because they carry a large volume of goods at a relatively low cost. Even though Thailand has a high number of imports and exports each year, the Thai commercial fleet is still small compared with other countries in this region, such as Singapore and Indonesia. As quoted by the Structure of Maritime Industry, “Most of the Thai commercial fleet consists of 297 vessels, total DWT 3,173,332 including bulk carriers, container feeder ships, tankers and LPG carriers.”²³ Nevertheless, there are two main reasons why Thai commercial fleet is relatively small:

- An investment in a maritime industry requires tremendous capital. This amount of money is too much for Thai investors; instead Thai investors prefer to invest in Small and Medium Enterprises (SMEs) because they get more privileges from the Thai government.

²³ Structure of Maritime Industry, *Thai Commercial Fleet*, Available [Online]: <http://www.tmn.co.th/Mai_getin.html> [3 Apr. 2002].

- Most Thais are less interested in maritime commerce. The Thai workforce in this sector is a small compared with the workforce in the agriculture, industrial, or service sectors. Furthermore, Thais who have knowledge or experience in maritime commerce are inadequate.

4. Thai Commercial Ports

The main ports in Thailand are (1) Bangkok Port (2) Laem Chabang Port (3) Sattahip Commercial Port (4) Songkhla Port (5) Phuket Port.

Bangkok Port, built in 1938, is located on the left side of the Chao Phraya River. The port has some advantages over the other port because it is located in Bangkok, the biggest market in Thailand. Merchandise unload there can reach customers quickly. The port, moreover, has many facilities to support commercial vessels, such as a Rail Mounted Shoreside Gantry Crane and Mobile Crane. Nevertheless, the port has limitations due to its physical location. This physical location becomes a potential problem for Bangkok Port because it precludes large displacement vessels from accessing it. “Since the Bangkok Port is a river port, vessels entering the port are limited to a maximum length of 172 meters and draught of 8.2 meters.”²⁴ Due to this limitation, the Port Authority of Thailand decided to construct a new port, Laem Chabang Port, to serve large displacement vessels that could not access Bangkok Port.

Laem Chabang Port is located on the Eastern coast of the Gulf of Thailand. It is the biggest port in Thailand in terms of area and capability to handle containers. “More than 80 per cent of seaborne cargo handled by LMC is containerized.”²⁵ It has a capability to serve any type of vessels. The port also has all necessary facilities and modern equipments to support a commercial vessel. Moreover, the port provides all needed services for a maritime commerce, such as cargo handling, warehousing, and cargo distribution.

Sattahip Commercial Port is also located on the Eastern coast of the Gulf of Thailand. It is about 184 kilometers from Bangkok. This port is a deep-sea port.

²⁴ Bangkok Port, *About BKP*, Available [Online]: <<http://www.bangkok-port.com/ie/en/html/access.html>> [3 Apr. 2002]

²⁵ Laem Chabang Port, *Prime Location in Asia*, Available [Online]: <http://www.lcp.pat.or.th/main_about_pri.htm> [4 Apr. 2002].

However, few big vessels use its services because the port does not have enough facilities and equipment. The port lacks heavy handling equipment, such as a Gantry Crane. Furthermore, most facilities of the port are under construction.

Songkhla and Phuket Ports are located in the southern part of Thailand. Songkhla Port is located in the Gulf of Thailand while Phuket port is located on the other side, the Andaman Ocean. These two ports have the same disadvantage as Sattahip Port. They lack a heavy handling equipment to load and unload containers from a commercial vessel.

5. Summary

In terms of military aspects, the Royal Thai Fleet needs more ships to maintain its modernization and its capability to protect the maritime national interest on both oceans. Moreover, the Royal Thai Navy should improve Phag-Nga Naval Base since it is the major base on the Andaman Ocean. This base should have a maintenance capability to support ships that operate in this area.

In terms of commercial aspects, Thailand has a small commercial fleet when compared with its neighboring countries. This small commercial fleet cannot respond to the growing demand of Thai imports and exports causing Thailand to lose money by using the services of foreigner sea liners. Furthermore, the Thai workforce in this sector is inadequate because Thais are less interested in maritime commerce.

The Thai commercial ports are also important for increasing Thai Sea Power. This chapter found that a good port location might not attract a commercial vessel if the port does not have enough facilities and equipment to serve a vessel. For example, the Sattahip Commercial Port, which is a good location, has only a few vessels using its services because the port lacks the facilities and equipment.

In order to enhance Thai Sea Power, Thailand needs to improve the following areas:

- The Thai government should allocate additional budget for the Royal Thai Navy to procure new ships. The Royal Thai Fleet needs these ships to sustain its operational capability.
- The naval base on the Andaman Ocean should be improved. At least, it has to have a maintenance capability to repair the ships operating at the base.

- The government should encourage Thais to appreciate the importance of the maritime commerce.
- The commercial ports should improve their services to increase their competitiveness.

If these four changes are implemented, Thai Sea Power will remarkably increase. However, it is a difficult task for Thailand to improve these four areas under the current economic constraint unless Thailand decides to excavate the Kra Canal.

C. THE KRA CANAL AND THAI SEA POWER

According to Alfred Thayer Mahan, there are six principle elements that affect the Sea Power of nations. A.T. Mahan proposed that:

The principal conditions affecting Sea Power of nations may be enumerated as follows: I. Geographical Position. II. Physical Conformation, including, as connected therewith, natural production and climate. III. Extent of Territory. IV. Number of Population. V. Character of the People. VI. Character of the Government, including therein the national institutions.²⁶

Thai Sea Power is also based on Mahan's six elements. Of these six elements, the Kra Canal is directly involved with the first element: Geographical Position.

Geographical position is the first element that affects the Sea Power of nations and is the most challenging element to improve. In A.T. Mahan's belief, two obstacles make Thailand's geographical position vary from what he calls a good geographical position.

First, Thailand is not located along sea lines of communication. A.T. Mahan argues that a country located along sea lines of communication has many strategic advantages. For example, a country can easily promote its maritime commerce. Moreover, the country can block its competitors from accessing the lines of communication.

²⁶ A.T. Mahan, *The Influence of Sea Power upon History 1660-1783*, Dover Publications, Inc., New York. p.28.

Nature has so placed a country that it has easy access to the high sea itself, which at the same time it controls one of the great thoroughfares of the world's traffic, it is evident that strategic value of its positions is very high.²⁷

Second, the Thai geographical position obstructs the two big oceans, the Andaman and the Gulf of Thailand. A.T. Mahan argues that a country located between two big oceans has to spend a lot of money to protect both sides unless it has a passageway between them. A location like Thailand causes vulnerability. A.T. Mahan stated in his book, “the two oceans would be either a source of great weakness or a cause of enormous expense, had it a large sea commerce on both coasts.”²⁸

If Thailand excavates the Kra Canal, the canal makes the Thai geographical position conform to A.T. Mahan's idea. Since Thailand will be along a line of communication and will have a passageway between the Gulf of Thailand and the Andaman Ocean.

A new line of communication would yield a lot of benefits for Thai maritime commerce by helping Thai ports become more competitive: vessels would have a high tendency to use Thai seaports when they pass through the Kra Canal. When these ports have more vessels using their services, building up new facilities and equipment is feasible. Moreover, the Thai shipyards also get benefits from the project because vessels that have a long journey always need maintenance and repair. Finally, those Thais looking for a job would benefit from the increase of jobs associated with maritime commerce; therefore, Thailand's unemployment rate would drop.

The new passageway would also provide many strategic advantages for Thailand. The Kra Canal would enable the Royal Thai Navy to move its naval forces to protect both sides effectively. Ships would save approximately 700 nautical miles by using the Kra Canal instead of passing through the Straits of Malacca. If an average speed of ship is 16 miles per hour, the Kra Canal will save about 44 hours. This amount of time is significant, especially during a crisis. For example, when a crisis happens on the Andaman Ocean, the Third Naval Area Command could get timely reinforcements from

²⁷ Ibid., p.32.

²⁸ Ibid., p.29.

the Sattahip Naval Base. At present, the situation on the Andaman Ocean is still sensitive due to territorial conflicts between Thailand and Burma.

Territorial tensions remain over islands on the border of Burma's Taninthayi (formerly Tenasserim) Province and Thailand's Ranong Province leading to clashes between the two countries' naval forces late in 2000²⁹

The Thai fishing fleet would also benefit from the Kra Canal: the Thai fishing fleet is the third largest in the world.³⁰ When the Kra Canal is completed, these Thai fishing boats would be able to sail to both oceans without passing through the water of Thailand's neighboring countries. The Thai fishing boats always encounter troubles when they pass through the water of other countries, even though they follow the condition stipulated in international law. Pirates always threaten Thai fishing boats while sailing through that area.

D. SUMMARY

This chapter found that the Kra Canal plays a major role on Thai Sea Power. The canal will provide many strategic advantages for Thailand. If a crisis occurs on the Andaman Ocean, the canal will ensure that the Royal Thai Fleet meet the threat because the ships from the First and Second Naval Area Command could quickly reinforce the Third Naval Area Command.

Today the number of Thai naval ships operating in the Andaman Ocean is less than the number of Burmese ships: the Thai fleet operating in the area of Third Naval Area Command includes one Frigate or Corvette, one Large Patrol Craft, and five Coastal Patrol Crafts; the Burmese fleet includes two Corvettes, six Guided Missile Patrols, and a number of Coastal Patrol Crafts. Moreover, the Burmese Navy has ordered three new Frigates from China to operate in this area.³¹ Therefore, the Royal Thai Navy needs more ships to compete with the Burmese Navy. If Thailand has the Kra Canal, the procurement

²⁹Jane, *Patrol Craft Market*, Available [Online]: <[³⁰ Jane, *Navy, Thailand*, Available \[Online\]: <<http://www4.janes.com/search97cgi>> \[29 Apr. 2002\].](http://www4.janes.com/search97cgi/s97_cgi?action=View&VdkVgwKey=/content1/janesdata/srep/srep089/s0890011.htm&Collection=current&Prod_Name=SREP089&QueryZip=[0.8](<THESAURUS>Burmese+navy)+<or>+[1.0](+<THESAURUS>Burmese+navy+<and>+(<THESAURUS>Burmese+navy+<in>+title+))& > [15 Apr. 2002].></p></div><div data-bbox=)

³¹ Jane, *Navy, Myanmar*, Available [Online]: <<http://www4.janes.com/search97cgi>> [29 Apr. 2002].

for new ships will be not critical because the Royal Thai Fleet could efficiently mobilize its ships from one side to the other. From this perspective, the Kra Canal enhances the competence of the Thai Royal Fleet.

In the commercial aspect, the Kra Canal enhances both the Thai commercial fleet and Thai ports. The Thai commercial fleet will gain many advantages from passing through the Kra Canal, such as a lower fee. Hence, sea liners that regularly pass through the Kra Canal could get more benefits if they chose to register their ships as Thai ships. When the number of sea liners registering as Thai ships increase, the Thai commercial fleet grows. The Kra Canal will also make the Thai ports more attractive because vessels prefer to use the ports located near their route. The more the vessels use Thai ports, the better off the Thai economy.

IV. NATIONAL SECURITY

Even though the benefits of the Kra Canal are obvious for Thailand, it is still uncertain whether the Thai government will decide to excavate the Kra Canal. The Thai government and many Thais still express concern that the Kra Canal might impact Thai Security.

Thai military officers claim, however, that security issues are no longer a critical problem for Thailand. They argue that the Thai forces have the capabilities to deal with these security problems while the canal, itself, enhances Thai Sea Power coping with the national security.

In response to these arguments, this chapter examines whether the Kra Canal project would contribute to Thai Security. The chapter starts by examining the situations that possibly affect Thai Security by focusing on influence from Thailand's neighbors. After identifying situations that might affect Thai Security, the chapter examines whether or not the Kra Canal project would help Thailand to handle Thai Security.

A. INFLUENCE OF THAILAND'S NEIGHBORS

This chapter examines how each of Thailand's neighbors might affect Thai Security. The four countries that will be examined are Burma, Cambodia, Laos, and Malaysia.

1. Thailand's Neighbors

Thailand, covering an area of 514,000 square kilometers, shares borders with Burma to the west and north, Lao P.D.R. to the north and northeast, Cambodia to the east and Malaysia to the south (See Figure 1). These four countries are considered potential risks to Thai Security simply because all of them share borders with Thailand.

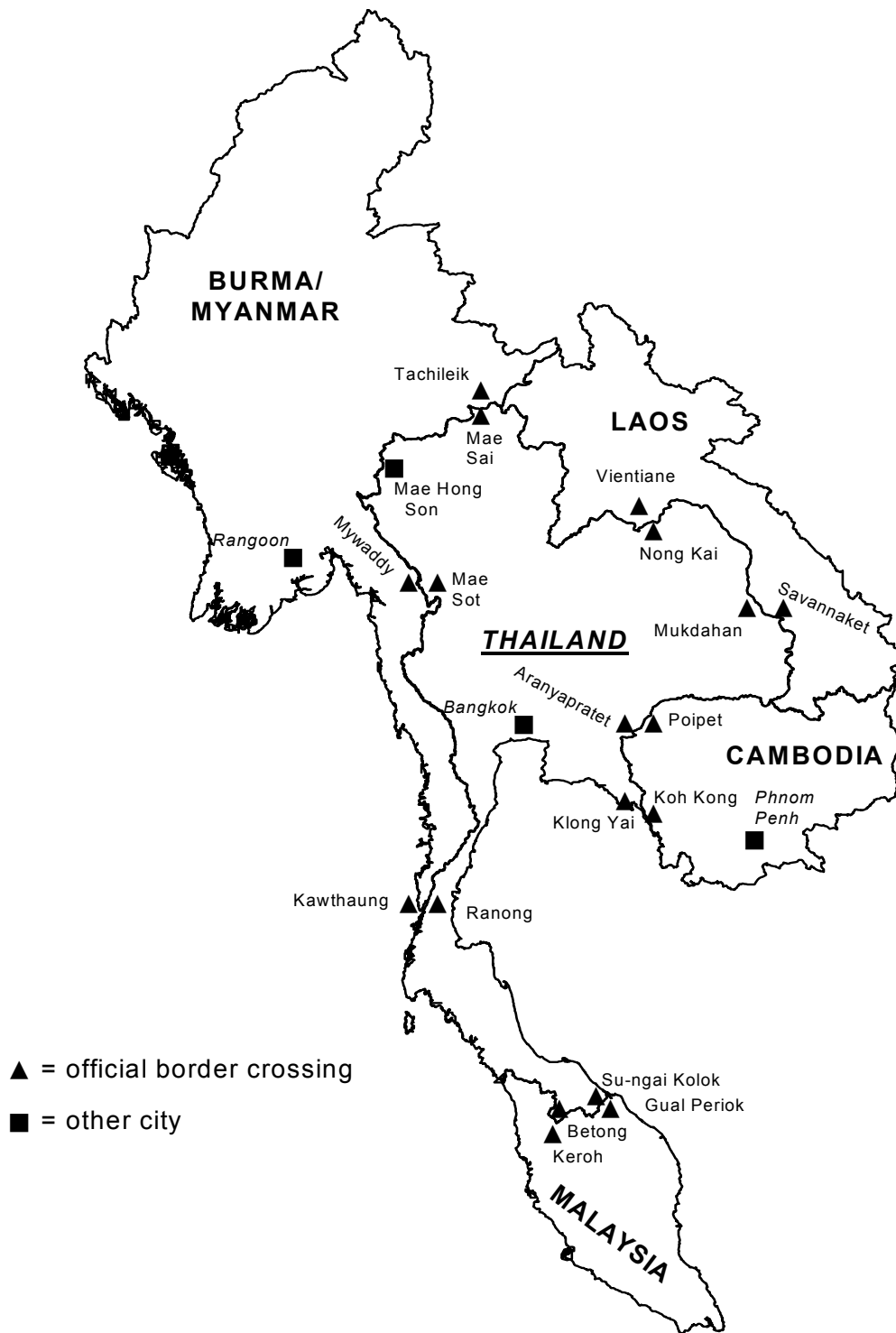


Figure 1: Map of Thailand

Source: From Aron Stern, *Thailand's Migration Situation and its Relations with APEC Members and Other Countries in Southeast Asia*, Available [Online]: <<http://www.chula.ac.th/INSTITUTE/ARCM/apec.htm>> [20 Apr. 2002].

B. BURMA

Burma or Myanmar is one of the biggest countries in Southeast Asia. The population of this country is composed of various ethnic groups.

Burma with 261,000 square miles is the largest country in mainland Southeast Asia. Burma's population, estimated at 48 million, is divided between ethnic Burmans (65% of the total) and a number of diverse ethnic groups.³²

Ethnic Group	Population	Ethnic Group	Population
Burman	32,000,000	Mon	900,000
Shan	5,000,000	Wa	650,000
Karen	5,000,000	Kachin	650,000
Arakan	3,000,000	Chin	650,000
Indian	900,000	Naga	130,000

Table 1. Ethnic groups in Burma, by Name of ethnic groups

Source: Report on Human Rights in Burma: Background and current status. *Journal of Third World Studies*; Americus; Fall 2001; Ross Marlay; Bryan Ulmer

In summary, from the Report on Human Rights in Burma (Americus 2001), Burma is still ruled by a highly authoritarian military regime known as the State Peace and Development Council (SPDC). The SPDC has never recognized the concept of human rights. Freedom of assembly, workers' rights, freedom of the press, or

³² Report on human rights in Burma: Background and current status. *Journal of Third World Studies*; Americus; Fall 2001; Ross Marlay; Bryan Ulmer; Available [Online]: <<http://proquest.umi.com>> [20 Apr. 2002]

independent judiciary do not exist, whereas, extrajudicial killings continue to occur. Human rights abuses in Burma have continued since the State Law and Order Restoration Council (SLORC) seized power in September 1988. In 1997 the SLORC dissolved and renamed itself as the SPDC.

Most of ethnic Burmese groups have been fighting to free themselves from the Burmese military regime, especially the groups that live near the Thai-Burmese border. The fighting in the area not only creates conflicts within Burma but also worsens the relationship between Thailand and Burma. Burmese forces frequently cross the border to hunt ethnic groups retreating to Thai territory. Moreover, some Thais living near the border are injured or lose their lives by Burmese artillery bombardment during the fighting. In response to this threat, Thailand uses many diplomatic approaches to protest and to seek compensation; however, the Burmese military regime pays little attention to the protests and continues to wipe out these ethnic groups.³³ In recent years, the Burmese forces have frequently invaded Thai territory to hunt down their opponents, which leads to confrontations between the Thai and Burmese militaries along the border.

This situation shows that the internal affairs of some countries may threaten the security of their neighbors. In this specific example, the problem of human rights abuse in Burma impacts Thai Security; it is threatening the relationship between Thailand and Burma.

Additionally, the Burmese refugees in Thailand affect Thai Security because some have been involved in many serious crimes. For example, Burmese refugees have been involved in seizing the Burmese embassy in October 1999 and the Ratchaburi regional hospital in January 2000. These two serious crimes were perceived as acts of terrorism in Thai territory.

The first serious crime happened on 1 October 1999 when “five young men, calling themselves the Vigorous Burmese Student Warriors, seized the Burmese Embassy in Bangkok.”³⁴ This group, who opposed the Burmese government, demanded that the Burmese government release all political prisoners in Burma. However, the Burmese

³³ CNN.com/WORLD, *Thailand shuts Myanmar border Checkpoint*, Available [Online]: <<http://www.cnn.com/2001/WORLD/asiapcf/southeast/02/13/thailand.border>> [20 May 2002].

³⁴ Christina Fink, *Living Silence: Burma under Military Rule*. Bangkok: White Lotus, Dhaka: University Press Ltd., London New York: Zed Books. P.3.

government refused to free all political prisoners and called for the Thai government to arrest this group as quickly as possible. After negotiating with this group, the Thai government finally released the five gunmen in exchange for the freedom of people inside the Burmese Embassy in Bangkok. After releasing the five gunmen, the relationship between Thailand and Burma deteriorated because the Burmese regime was disappointed with the way the Thai government addressed the problem.

In this incident, most Thais believed that the group of gunmen that seized the Burmese Embassy came from the Maneeloy refugee resettlement site. This site is located in Ratchaburi Province, 101 kilometers from Bangkok. Since most Burmese refugees in this site are opponents of the Burmese government, Thai security officials believed that the Vigorous Burmese Student Warriors came from the Maneeloy refugee site. The news reported.

They [Thai security officials] have announced a crackdown on an estimated 2,000 exiled Burmese students living in Bangkok and at a holding centre on the Thai/Burma border west of the capital, called Maneeloy, which was set up four years ago. Thai authorities believe it is from this open centre that the gunmen who took the Embassy by siege originated.³⁵

The second serious crime occurred three months later on January 23, 2000 when Burmese nationals seized the hospital in Ratchaburi Province. The group comprised Burmese rebels known as God's Army. They hijacked a bus near the border and ordered the driver to take them to downtown Ratchaburi. This group made many demands on the Thai government. Saying that they would not release the hostages until all their demands were met. During that time, the 1200 hostages in the hospital were mostly patients and hospital staff.³⁶

This hostage incident threatened the Thais Security, especially those living in Ratchaburi Province. This province has a big shelter, Maneeloy, for Burmese refugees who have fled military rule. After the hostage incident, Thais living in Ratchaburi

³⁵ BBC Online Network, *World: Asia-Pacific Bangkok siege 'stank of conspiracy'*, Available [Online]: <http://news.bbc.co.uk/hi/english/world/asia-pacific/newsid_466000/466938.stm> [20 May 2002].

³⁶ BBC Online Network, *Hundreds held in Thai siege*, Available [Online]: <http://news.bbc.co.uk/hi/english/world/asia-pacific/newsid_616000/616247.stm> [20 May 2002].

requested that the Thai government close the shelter and send the refugees back to Burma because most people in Ratchaburi believed that some of the ten Burmese rebels once were residents of the Maneeloy refugee site.

Many of the Myanmar students who took hostages at the Myanmar embassy in Bangkok in November 1999 and at a Thai hospital in January 2000 were one-time residents of the camp [Maneeloy].³⁷

Another threat to Thai Security is the Burmese economy. Burma is a poor country. According to a dichotomy based simply on income level that has been refined by the World Bank, Burma is in the group of low-income economies. It has an estimated average per capita income of \$1200 (1999 est.) on a purchasing-power-parity basis.³⁸ Thailand is not a rich country; however, Thailand's economy is in better shape than the Burmese economy. Thailand has an average per capita income of \$6,400 (1999 est.) on a purchasing-parity basis. The minimum daily wage in Thailand is 162 Bath (\$3.85).³⁹ Although the wage is comparably less than the wage in the United States, it is considerably higher than Burma's daily wage. A laborer's salary in Burma is normally less than \$8 a month with the average minimum wage somewhere between \$0.25-\$0.28 a day.⁴⁰ Because of the difference in the minimum daily wage between Thailand and Burma, thousands of Burmese workers seeking a higher income enter Thailand. Everyday these workers enter Thailand in the early morning and go back to Burma in the evening. Some of them stay for months to complete short-term projects, such as construction and harvest.⁴¹ Some workers who cannot find jobs near border provinces move further and further inward to non-border provinces. The last group has eventually become illegal worker settling down in the non-border provinces.

³⁷ BBC online network, *World: Asia-Pacific Bangkok siege 'stank of conspiracy'*, Available [Online]: <http://news.bbc.co.uk/hi/english/world/asia-pacific/newsid_466000/466938.stm> [22 May 2002].

³⁸ CIA World Factbook, *Burma*, Available [Online]: <<http://web.lexis.com/universe/documen>> [22 May 2002].

³⁹ *Thailand*, Available [Online]: <<http://www.ssa.gov/statistics/ssptw/1999/English/thailand.pdf>> [22 May 2002].

⁴⁰ Maquila Solidarity Network (MSN), *The Burma/Cannada Connetion*, Available [Online]: <<http://www.maquilasolidarity.org/resources/garment/canadian.htm>> [23 May 2002].

⁴¹ Aron Stern, *Thailand's Migration Situation and its Relations with APEC Members and Other Countries in Southeast Asia*, Available [Online]: <<http://www.chula.ac.th/INSTITUTE/ARCM/apect.htm>>

These illegal workers become a big problem for Thailand. The Thai National Security Council always expresses concern that illegal Burmese workers will threaten Thai Security. They claim that Burmese illegal workers destroyed natural resources along the border, raised crime and prostitution rates, and created pockets of minorities; many carry diseases such as elephantiasis and malaria. For example, Ranong Province is presently facing the recurrence of elephantiasis. This disease, which had long disappeared from Thailand, is now spreading rapidly.⁴²

Furthermore, some of the illegal workers are involved in criminal activities, such as human trafficking, drug trafficking, prostitution, and crimes. For example, Burmese nationals were involved in the jailbreak from Samut Sakhon prison on November 23, 2000.

The Burmese prisoners took seven hostages, including jail wardens and the prison commissioner. The prisoners also killed a Buddhist teacher at the jail. Most of these prisoners were drug traffickers, who had come to Thailand as illegal unskilled workers. In fact, drug sellers have typically stayed within the group of illegal unskilled workers.⁴³

In summary, three main concerns surrounding Burma could impact Thai Security. First is the conflict between Burmese military and ethnic Burmese minorities along the Thai-Burmese border: the conflict exposes Thais living in that area to injury and loss of life. Second is the problem of Burmese refugees in Thai territory. Third is the problem of Burmese illegal workers in Thailand. The section found that the political turmoil in Burma causes conflict along the Thai-Burmese border and among the Burmese refugees in Thailand; whereas, the economic trouble in Burma causes illegal Burmese workers in Thailand.

C. LAOS

Laos, one of two communist countries in Southeast Asia, has a problem of ethnic minorities. In particular, the conflict between the Lao government and ethnic Hmongs still remains, requiring Thailand's constant attention. Thailand does not want to intervene

⁴² Aphaluck Bhatiasavi, *Concern raised over disease spread by illegal immigrants*, Available [Online]: <<http://www.bangkokpost.com>> [25 May 2002].

⁴³ Bangkokpost, *Jailbreak*, Available [Online]: <http://scoop.bangkokpost.co.th/bkkpost/2000/bp2000_nov/bp20001126/261100_news14.html> [25 May 2002].

in Lao internal affairs because of the fragile relationship between Thailand and Laos. Intervention may lead to conflict between both sides.

Both countries have learned a lesson from the straggle over a disputed territory. From 1984 to early 1988, Laos and Thailand fought over a border area. When the fighting started, the Thai Armed Forces went to the battlefield with confidence because of its superior capabilities. However, the Thai forces could not defeat Lao forces; therefore, neither side won the fighting over the disputed area. The reason the dispute was not settled was due to military support from Vietnam for Laos.

Laos gets military support from Vietnam to carry on prolonged fighting. One such source of evidence, among others, confirms that the Vietnamese military helped the Laotian military:

Vietnam is apparently involved in helping to quash the Hmong rebellion. Eyebrows were raised in May 1998, when a plane carrying Hanoi's chief of staff Lt.-Gen. Dao Trong Lich, and other top military officials crashed in Xieng Khuang province in northeastern Laos killing all on board.⁴⁴

The fighting between Thailand and Laos yielded painful results for both sides. It destroyed not only their relationship but also trading between Thailand and Laos. After a long struggle, Thailand and Laos compromised by pulling their military forces back from the disputed area and negotiating a settlement over the disputed area.

When Thailand and Laos stopped fighting, trading between these two countries started again. Trading grew dramatically between 1988 and 1997; Thai investors became the biggest foreign investors in Lao.⁴⁵ During that period, not only was the Lao economy closely tied with the Thai economy, but the relationship between the two countries was also strong.

However, when an economic crisis hit Thailand in 1997, the Lao economy also crumbled because the Lao economy relied heavily on the Thai economy.

⁴⁴ *Brothers in Arms*, Available [Online]: <<http://proquest.umi.com>> [22 May 2002].

⁴⁵ Kusuma Snitwongse, *Thai foreign policy in the global: principle or profit?*, Available [Online]: <[hppt://proquest.umi.com](http://proquest.umi.com)> [23 May 2002].

Thai investment in Laos, which was around US\$5.5 billion between 1988 and 1997, making Thailand the biggest foreign investor in Laos, also declined steeply as a result of the crisis.⁴⁶

Today the Lao economy still faces its economic trouble. Laos has an estimated average per capita income of \$1,300 (1999 est.) on a purchasing-power-parity basis.⁴⁷ The Lao economy has been among the slowest to recover from the Asian financial crisis:

From June 1997 to June 1999 the Lao kip lost 87%, and reached a crisis point in September 1999 when it fluctuated wildly, falling from 3,500 kip to the dollar to 9,000 kip to the dollar in a matter of weeks.⁴⁸

As a result of the Asian economic crisis, trading and cooperation between the two countries promptly declined. Thailand reduced its electric power purchases from Laos because the need for electricity in Thailand dropped. This situation severely hampered Laos' ability to generate revenues, because the sale of electric power was the major income for this country.⁴⁹

As a result of declining cooperation from Thailand, Laos started to rely more on Vietnam. With the Vietnamese military support again, Laos began to wipe out the ethnic Hmongs living along the Thai-Lao border. Thailand, therefore, worries that the fighting might affect Thai Security.

In contrast, Laos believes that Thailand might support the ethnic Hmongs. This uncertainty is destroying the trust between Thailand and Laos and could trigger a new round of conflict over the disputed border, which is still indefinite.

Summarizing the case between Thailand and Laos, the economies of both sides play a big in their relationship. The economic downturn has destroyed the trust once

⁴⁶ Ibid.

⁴⁷ CIA World Factbook, *Cambodia*, Available [Online]: <<http://web-nexis.com/universe/document>> [23 May 2002].

⁴⁸ CIA World Factbook, *Cambodia*, Available [Online]: <<http://web-nexis.com/universe/document>> [23 May 2002].

⁴⁹ Kusuma Snitwongse, *Thai foreign policy in the global: principle or profit?*, Available [Online]: <<http://proques.umi.com>> [23 May 2002].

evident between both sides. This distrust could be eliminated if the economies of Thailand and Laos were restored to a stable position.

D. CAMBODIA

Cambodia is an interesting country. Compared to Laos, the political situation within Cambodia is better. In 1975, both Laos and Cambodia faced seizure and control by Vietnam. During that time, the Khmer Rouge killed millions of people creating the legend of the Killing Fields. However, surprisingly Cambodia quickly stabilized its country. Today Cambodia has a constitutional monarchy, with elected government officials. Nevertheless, the Cambodian economy was also hurt by the Asian economic crisis. This country has an estimated average per capita income of \$710 (1999 est.) on a purchasing-power-parity basis.⁵⁰

Thailand and Cambodia have never had a serious conflict. These days Cambodia has a good relationship with Thailand. Many Thai businesspeople choose to invest in this country because Thai businesspeople, having a good relationship with Cambodian officers, receive special privileges for doing business in Cambodia. Most of the Thai businesspeople develop and invest in the service and tourist sectors because Cambodia has many interesting places to visit. Most tourists come to Thailand first, and then go to Cambodia; therefore, cooperation between the two countries is mutually beneficial. Not only do Thai businesspeople have a good relationship with Cambodian politicians, but many Thai politicians have a good relationship with Cambodian politicians as well.

In summary, the relationship between the Thai and Cambodian government is strong. There is no major conflict that would impact Thai Security. The good relationship between both sides derives from cooperation between both Thai and Cambodian businesspeople. The case of Cambodia confirms that the economy is a crucial factor in tightening the relationship between two countries.

⁵⁰ CIA World Factbook, *Cambodia*, Available [Online]: <<http://web-nexis.com/universe/document>> [22 May 2002].

E. MALAYSIA

Malaysia is one of the Southeast Asian countries hit by the Asian economic crisis. However, Malaysia has been able to survive the crisis because the country has strong economic foundations. Today Malaysia is attempting to become a developed country. One factor propelling Malaysia forward is the stability of Malaysian politics. Therefore, their goal to be a developed country is progressively growing closer.

Regardless of their economic stability, Malaysia has some problems with its neighboring countries, such as the area in Borneo disputed by Indonesia, the state of Sabah disputed by Philippines, and the strait disputed by Singapore. Furthermore, the increasing influence of China seems to be a big concern for Malaysia. "Malaysia's military intelligence chief, Raja Rashid, announced publicly that China's intention was to obtain all of the Spratly island[s]."⁵¹ All of these conflicts have motivated Malaysia to modernize its Armed Forces.

Today Malaysia is purchasing many types of fighting aircraft from different countries, such as MiG-29s and SU-27/30s from Russia, F/A 18Ds from the USA, and Hawk Mk 208s from the UK. Moreover, Malaysia has a plan to buy many types of warships including submarines. These new weapons concern Malaysia's neighbors, including Thailand, because these weapons are perceived as offensive weapons:

The acquisition of such sophisticated aircraft as the F-16/18, SU-27/30 and MiG-29s with their array of air-to-air and air-to-surface missiles, plus maritime craft equipped with anti-ship missiles, would provide these ASEAN states not only with the capability to protect their territory but also to attack the territory of their neighbours.⁵²

Nevertheless, Thailand and Malaysia have never had a serious conflict. In fact, both countries have a rather strong cooperative relationship. For example, Thailand and Malaysia have an agreement to share the benefits of the Thai-Malaysian Joint Development Area; this area is plentiful in natural gas.

⁵¹ ASEAN, *Quo Vadis? Domestic coalitions and regional co-operation*. Available [Online]: <<http://proquest.umi.com>> [27 Mar 2002].

⁵² Alan Collins, *ASEAN's Security Dilemma*, New York: St. Martin's Press.

In summary, although the relationship between Thailand and Malaysia is strong, Thailand is monitoring the increasing capability of Malaysian forces. The new Malaysian military weapons might leave Thailand worse off, if a conflict occurs over the Thai-Malaysian Joint Development Area. This issue could affect Thai interest in the future.

F. THE KRA CANAL AND THAI SECURITY

The chapter found that the influence of Thailand's neighbors could threaten Thai Security in four ways:

- The fighting between Burmese military and ethnic minority along the Thai-Burmese border could hurt Thais living in that area.
- The Burmese refugees in Thailand could terrorize Thai Security.
- The Burmese illegal workers in Thailand could threaten Thai Security.
- The tension between Thailand and Laos could lead to a confrontation between both sides.

The roots of possible conflicts are involved in both politics and the economy. The fighting along the Thai-Burmese border and the problem of the Burmese refugees in Thailand result from political turmoil in Burma, whereas the problem of the Burmese illegal workers in Thailand developed from the downturn in the Burmese economy. In contrast, the tension between Thailand and Laos is derived from both political and economic issues.

If the roots of these conflicts were correctly remedied, the influence on Thai Security would decrease. Since the Kra Canal project would boost not only the Thai economy but also the regional economy, the conflicts that are rooted in the economic downturn might be solved.

The economy of Laos would benefit if the Kra Canal is completed because Laos could effectively export its goods past Thailand to other countries. Laos, a landlocked country, has difficulty exporting its goods worldwide, as mention by Dr. Khamkhan Naphawong, General Secretary, the Ministry of Trade and Tourism, Lao People's Democratic Republic.

I would like to make a request to all Thai businessmen, relevant organizations and Thai officers who have sincerely implemented business with Laos, to help providing a means to the shipping of Laos goods past Thailand.⁵³

Moreover, when the Kra Canal project is completed, the need for electricity in Thailand would tremendously increase. Therefore, Thailand has to increase its electricity purchases from Laos. Both situations would benefit the Lao economy and strengthen the tie between Thailand and Laos.

The Kra Canal project also benefits the Burmese economy, because Burma could export its goods at a lower cost by using the Kra Canal. This ability to export would stimulate the Burmese economy. When the Burmese economy recovers, the influx of the Burmese illegal workers in Thailand should decrease.

Furthermore, Thailand could conceivably give incentives to Burma for using the Kra Canal in exchange for improving human rights abuses in Burma. Today Burma needs help from its neighbors to improve its economy. The visit of General Khin Nyunt, Burma's intelligence chief, to Thailand is a good example that Burma needs Thai assistance to help the Burmese economy recover.

For his part, Khin Nyunt needs Thailand's help, not just to improve his country's image, but also to revive Burma's economy, which he is responsible for managing and which this year has deteriorated to the point of collapse.⁵⁴

If Thailand could convince Burma to reduce human rights abuses in exchange for Thai assistance, the problem of fighting along the Thai-Burmese border and the problem of the Burmese refugees in Thailand should improve.

Finally, when the Kra Canal project is completed, Thailand would have to build up its Armed Forces to protect the canal. Increasing the Thai Armed Forces would not

⁵³ *Economic and Trade Situations of Laos PDR And Its Adjustment*, Available [Online]: <http://www.bot.or.th/bothomepage/databank/RegionEcon/asian_economies/LAOS/English/finance_e.htm> [22 May 2002].

⁵⁴ BBC Online Network, *Burma's intelligence chief in Thailand*, Available [Online]: <http://news.bbc.co.uk/hi/english/world/asia-pacific/newsid_1522000/1522787.stm> [23 May 2002].

only assure canal security but also deter Thailand's neighbors from threatening Thai interests.

V. SUMMARY

A. THE KRA CANAL

The Kra Canal project will excavate a canal to connect the Gulf of Thailand and the India Ocean. Since the idea of excavating the Kra Canal occurred in 1677, Thailand and foreign countries have attempted to excavate the canal at least five different times:

1. In 1677, the French received permission from King Narai the Great to survey and excavate the canal.
2. In 1793, Phra Rajawangborworn Mahasurasihanat, King Rama I's brother, proposed to excavate the canal because he believed that the canal would be the fastest way to send reinforcements to help towns along the Andaman Sea.
3. In 1858, the British received permission from King Rama IV to excavate the canal.
4. In 1958, the Thai government granted permission to study the feasibility of the Kra Canal to Mr. K.Y. Chow.
5. In 1970, Mr. K.Y Chow again was granted permission to study the feasibility of the Kra Canal.

None of these attempts, however, succeeded because they incurred a variety of problems. Today a sixth attempt to excavate the canal is being considered. This attempt has become a controversial issue in Thai society. Opponents believe that the project might impact both the Thai economy and security; whereas, supporters argue that the security issues are no longer a vital problem for Thailand. They claim that the canal, itself, would provide many advantages for Thailand by enhancing the Thai Sea Power and contributing to Thai Security. In response to these arguments, the thesis examined the following two hypotheses.

B. HYPOTHESES

The hypotheses of this thesis are (1) the Kra Canal would enhance Thai Sea Power; and (2) the Kra Canal would contribute to Thai Security.

1. First Hypothesis

The analysis in Chapter III supports the thesis that the Kra Canal would enhance Thai Sea Power since the canal benefits both the Royal Thai Navy and Thai maritime commerce.

a. *The Royal Thai Navy*

When the Kra Canal project is completed, the canal will become a new passageway between the Gulf of Thailand and the Andaman Ocean. This passageway would provide two strategic advantages for the Royal Thai Navy:

- In the event of a crisis on the Andaman Ocean, the Third Naval Area Command could request timely reinforcements from the Sattahip Naval Base.
- During peacetime, the Royal Thai Navy could manage its naval forces in effectively protecting Thai maritime interests on both sides.

From this viewpoint, the Kra Canal would increase the Royal Thai Navy's capabilities to counter challenges at sea during a crisis while helping the Royal Thai Navy to protect Thai maritime interests during peacetime as well.

b. *Thai maritime commerce*

The Kra Canal also geographically positions Thailand along a sea line of communication. As a result of this new position, Thailand would have the capability promoting its maritime commerce.

- Thai ports would become more competitive: vessels would use Thai ports when they pass through the Kra Canal.
- The canal provides an incentive for sea liners to register their vessels as Thai ships, which allow these vessels the possibility of a lower fee for passing through the Kra Canal.
- Thai shipyards would increase their vessel repair services because vessels on long journeys would need repairing for damages. These vessels would stop for repairs at Thai shipyards before continuing their journey.
- Thais looking for a job would benefit from increasing of jobs associated with maritime commerce.

- The Thai fishing fleet could sail to both oceans without passing through the water of Thailand's neighboring countries.

2. Second Hypothesis

The analysis in Chapter IV supports the contribution of the Kra Canal to Thai Security since it benefits Thailand in handling tension involving its neighbors.

a. Burmese case

Thailand could conceivably give incentives to Burma for using the Kra Canal in exchange for improving human rights abuses in Burma. This solution not only helps the Burmese economy but also decreases the fighting between Burmese military and ethnic minorities along the Thai-Burmese border. When the human rights abuses in Burma decrease, the problem of Burmese refugees in Thailand therefore will lessen. Finally when the Burmese economy is healthy, the influx of Burmese illegal workers in Thailand should reduce.

b. Lao case

The distrust between Thailand and Laos could be eliminated, if the Kra Canal project were completed. This project, as a result, would stimulate the economy of both Laos and Thailand.

c. Malaysian case

To protect the Kra Canal effectively, Thailand would have to build up its Armed Forces. Increasing Thai Armed Forces would also benefit Thailand, if a conflict occurred over the Thai-Malaysian Joint Development Area.

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